

SUSTAINING THE RESOURCES ENTRUSTED TO OUR CARE.

# Annual Comprehensive Financial Report

Fiscal Years Ended June 30, 2022 and 2021



San Francisco  
Water Power Sewer

Services of the San Francisco Public Utilities Commission

# The San Francisco Public Utilities Commission

An Enterprise Department of the City and County of  
San Francisco, California

## Annual Comprehensive Financial Report For the Fiscal Years Ended June 30, 2022 and 2021

Prepared by SFPUC Financial Services

A handwritten signature in black ink, appearing to read 'Nancy L. Hom', with a large, sweeping flourish extending to the left.

Nancy L. Hom  
Chief Financial Officer and Assistant General Manager, Business Services

# The San Francisco Public Utilities Commission

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**SAN FRANCISCO PUBLIC UTILITIES COMMISSION**  
General Manager’s Transmittal Letter

February 28, 2023

Dear Customers and Interested Parties,

At the SFPUC, protecting the environment and being responsible stewards of the resources entrusted to our care is vital to everything that we do. These resources include maintaining and upgrading the water, power, and wastewater systems that our customers depend on. It means supporting our communities through Customer Assistance Programs and the opening of the new Southeast Community Center in San Francisco’s Bayview-Hunters Point neighborhood. It also means adapting our water, power, and wastewater systems to withstand climate change. We continue to innovate to invest in our future.

**Public Power**

Our power portfolio is a combination of greenhouse-gas-free hydropower that we generate through our Hetch Hetchy Power system and sustainable energy that we procure through our CleanPowerSF community choice aggregation program. We are providing cleaner, less expensive power than our investor-owned competitor, PG&E, and we are actually lowering rates for many of our customers, while PG&E has raised theirs.

We are doing that while also growing rooftop solar generation by adding a seventh public school to our portfolio of solar installation sites. As a public power utility, the SFPUC owns and operates numerous solar installations in San Francisco that collectively generate 8.5 megawatts of solar energy.

Additionally, we have added to our clean energy storage capacity by entering into new contracts. CleanPowerSF now has over 200 megawatts of battery storage under active contract and serves over 380,000 San Francisco customer accounts.

**Water**

Our responsible water management allows us to release water to the Tuolumne River every spring. In particular, since 2006 we have worked to make special releases to support wildlife and wetland vegetation in the ecologically important Poopenaut Valley within Yosemite National Park. This supports numerous riparian bird species and up to 17 species of bats. These special releases have occurred in six of the last 11 years.

We are also working with the U.S. Fish and Wildlife Service and our partners on the Tuolumne River on pilot habitat restoration projects for approximately 9 acres of salmon spawning habitat and 2 acres of adjacent floodplain rearing habitat. The preliminary project timeline includes grant seeking in 2023 and construction in 2024.

Biodiversity is a key factor for a healthy watershed. A healthy watershed produces high-quality drinking water and is more resilient to drought and wildfire. We are protecting our watershed one seed at a time with our Sunol Native Plant Nursery, which grows plants free from damaging pathogens for habit restoration in our watershed.

In western San Francisco, we are nearing completion of our Westside Enhanced Recycled Water Treatment Facility, which is designed to save up to 2 million gallons per day on average of drinking water that is currently used for non-drinking purposes, like irrigation.

- London N. Breed**  
Mayor
- Newsha K. Ajami**  
President
- Sophie Maxwell**  
Vice President
- Tim Paulson**  
Commissioner
- Anthony Rivera**  
Commissioner
- Kate H. Stacy**  
Commissioner
- Dennis J. Herrera**  
General Manager



## **Wastewater**

We have been implementing innovative ways to reduce the burden on our unique combined sewer system that protects our bay and ocean by continuing to expand green infrastructure for stormwater management across the city.

We now capture and manage 250 million gallons of stormwater per year through green infrastructure like rain gardens, permeable pavement, rainwater harvesting systems and green roofs. In September 2021, we completed the Sunset Boulevard Greenway Project, installing 30 new rain gardens along 14 city blocks. The project is collectively expected to keep around 6 million gallons of stormwater out of our sewer system each year and reduce the total volume of stormwater entering the sewer system from the project area by 95%. The new rain gardens feature drought tolerant plants and specially engineered soils to absorb runoff from the surrounding streets.

We are also making investments across our entire wastewater system, including upgrading our treatment plants into state-of-the-art facilities that will look better, smell better, and work better for all of San Francisco.

## **People**

Two of our most important resources are our customers and our staff. As we continue to build the utility of the future, investments in people are just as important as investments in infrastructure.

We not only introduced and then extended a moratorium on shutoffs and late fees because of the pandemic, we also secured \$20 million in state and federal funding to provide bill relief to our customers.

Additionally, we are working every day to grow our ability to be the employer of choice in the utility industry. That includes a resolute focus on racial equity to continue to attract and retain the best talent. We are committed to addressing long-time systemic barriers for communities of color. The SFPUC has expanded staffing and consultant resources to advance racial equity work, and we are implementing new strategies for diversity-based recruitment for SFPUC jobs. We are also investing in developing and retaining our existing staff by broadening employee and supervisor training.

Our racial equity work extends beyond our workforce. As this fiscal year drew to a close, we were putting the finishing touches on a historic investment in our southeast neighborhoods, which are home to communities of color that, over the years, have felt a disproportionate effect from our operations.

The new Southeast Community Center opened in early fiscal year 2022-23, a landmark destination for the local community to gather, learn, play, and grow. This partnership with San Francisco's southeast communities is designed to promote residents' health; wellbeing; and cultural, educational, and financial empowerment.

We would like to express appreciation to the Mayor, Board of Supervisors, and our Commission for their continued support of our approach and achievements.

On behalf of the SFPUC, I am pleased to present the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022.

Respectfully submitted,



Dennis J. Herrera  
General Manager  
San Francisco Public Utilities Commission

## The Reporting Entity - Profile of the San Francisco Public Utilities Commission

The **San Francisco Public Utilities Commission (SFPUC)**, an enterprise department of the City and County of San Francisco (the City), is responsible for the operation, maintenance, and development of three utility enterprises: Water, Wastewater, and Hetch Hetchy Water and Power and CleanPowerSF. We provide wholesale and retail drinking water to the San Francisco Bay Area, wastewater collection and treatment within San Francisco and three neighboring municipalities, and power to residential and commercial customers and municipal facilities.

Our Business Services, External Affairs, and Infrastructure bureaus provide support and administrative services and are funded through utility rates and charges.

The **Water Enterprise** operates the Hetch Hetchy Regional Water System (System), a wholesale and retail drinking water supply system that serves 2.7 million customers in Alameda, Santa Clara, San Mateo, and San Francisco counties. The upcountry portion of the System begins with Hetch Hetchy Reservoir in Yosemite National Park. Impounded by O’Shaughnessy Dam, Hetch Hetchy Reservoir water passes through hydroelectric powerhouses before it enters the San Joaquin Pipelines, the Tesla Ultraviolet Treatment Facility, and the Coast Range Tunnel on its journey to the Bay Area.

Enterprises	Funds
Water	Water
Wastewater	Wastewater
Hetch Hetchy	Hetchy Water
	Hetchy Power
	CleanPowerSF

The Bay Area portion of the System includes water collection, treatment, and transmission facilities from the Alameda East Portal to the wholesale service area and terminal reservoirs in San Francisco. Water storage facilities include watersheds, dams, and reservoirs such as our Calaveras, San Antonio, Crystal Springs, Pilarcitos, and San Andreas. The water treatment facilities are Tesla Ultraviolet Treatment Facility, disinfecting the Hetch Hetchy supply; Sunol Valley Water Treatment Plant, treating the water from the Calaveras and San Antonio supply as well as the stored Hetch Hetchy supply; and Harry Tracy Water Treatment Plant, treating the water from the Crystal Springs and San Andreas supply. The water transmission system in the Bay Area and Peninsula includes the Bay Division, San Andreas, Sunset Supply, and Crystal Springs pipelines. The Bay Area transmission system also includes Irvington Tunnel 1 and Tunnel 2, the Bay Tunnel, and the Crystal Springs Bypass Tunnel.

The Water Enterprise also manages water distribution in the City and the majority of the drinking water is supplied by our system, originates as snowmelt within the 459-square-mile Hetch Hetchy Watershed on the upper Tuolumne River within Yosemite National Park. This high-quality water is transported 167 miles across California solely by gravity. The Hetch Hetchy water supply is augmented with precipitation collected in the reservoirs of the Alameda Creek Watershed in Alameda County, and the Peninsula Watershed in San Mateo County. The Regional Groundwater Storage and Recovery Project, currently under construction, will provide additional dry year water supply to the System for drought management.

Water Enterprise revenue is based on retail and wholesale water rate payments from customers. Retail rates are set by the SFPUC, while wholesale rates are set by the Commission pursuant to our Water Supply Agreement with our wholesale customers.

The **Wastewater Enterprise** is responsible for the operation and maintenance of San Francisco’s combined sewer system that collects, treats, and discharges once treated, sanitary sewage (toilet flushing, bathroom and kitchen sinks, showers) and stormwater runoff (rainwater falling on our roofs, sidewalks and streets within San Francisco, parts of Daly City, the Bayshore Sanitary District, Brisbane, Treasure Island, and Yerba Buena Island). This work is crucial for the protection of public health, and for the environmental safety of the San Francisco Bay and Pacific Ocean. Our combined sewer system is unique to coastal California and offers significant environmental benefits because it captures and treats both stormwater (rain runoff) and sanitary sewage from homes and businesses, and these combined flows are referred to as wastewater.

San Francisco wastewater and stormwater flows are treated at three facilities: the Southeast Treatment Plant, the Oceanside Treatment Plant, and the North Point Wet Weather Facility, the last of which is operated only in wet weather. The sewer system currently can handle up to an average of 70 million gallons per day (MGD) in dry weather and can treat up to 575 MGD in wet weather. The Wastewater Enterprise operates 27 pump stations, 36 discharge points, and massive underground transport/storage structures around the City that have storage capacity up to 200 million gallons.

We operate, clean, inspect, and maintain more than 1,000 miles of sewer pipes. We regularly monitor areas of the San Francisco shoreline for water quality where water recreation is common and provide water quality reports to the public using our 24-hour hotline, website, and e-newsletters.

The Wastewater Enterprise serves both residential and commercial accounts as well as some municipal customers. Our sewer facilities and resource recovery programs have received recognition from agencies at the state and national level, including the U.S. Environmental Protection Agency, National Association of Clean Water Agencies, and the California Water Environment Association.

In a combined sewer system, such as San Francisco's, managing stormwater is an important priority for the SFPUC and the City. We take a comprehensive approach to managing stormwater and advancing flood resilience across the City. Although no sewer system can handle the heaviest rains, we are pursuing a variety of approaches to improve the City's flood resilience in the face of increasingly intense rainstorms. The comprehensive RainReadySF Program, which is a combination of planned infrastructure improvements, coordinated City services and innovative programs, provides residents and businesses with the resources they need to reduce the risk of flooding during a major rainstorm.

The **Hetch Hetchy Water and Power and CleanPowerSF Enterprise (Hetch Hetchy)** comprises of three key components: (1) Hetch Hetchy Water (Hetchy Water), which operates and maintains the upcountry water and power facilities; (2) Hetch Hetchy Power (Hetchy Power), responsible for all power utility wholesale and retail transactions and in-City power operations; and (3) CleanPowerSF, a Community Choice Aggregation (CCA) that provides San Francisco residents and businesses with electricity supply services sourced from new and existing clean energy sources.

**Hetchy Water** is responsible for operating the Hetch Hetchy Reservoir, the main source of water for the Hetch Hetchy Regional Water System (System) and plays a key role in water delivery in California. Several of the Hetch Hetchy Water facilities are joint assets and are used for both water transmission and power generation and transmission. Operating and capital costs of these facilities are allocated 45% to Hetchy Water and 55% to Hetchy Power. Refer to Water Enterprise for more information on the System.

**Hetchy Power** is the publicly owned utility for San Francisco. The Hetchy Power System is comprised of transmission lines and some local distribution facilities. It has a generation portfolio that includes three major hydroelectric powerhouses – Holm, Kirkwood, and Moccasin – in the Sierra Nevada mountain range and 23 solar arrays in San Francisco. Hetchy Power revenue is based on retail and wholesale power-rate payments and charges collected from customers. Retail rates are set by the Commission.

Hetchy Power customers include San Francisco International Airport (SFO), libraries, police stations, City Hall, San Francisco Municipal Transportation Agency (SFMTA), San Francisco Port Authority, Treasure Island, Hunter's Point Shipyard, and the Transbay Transit Center. Hetchy Power also owns, operates, and maintains approximately 60% of the streetlights in the City. Finally, Hetchy Power provides electrical maintenance services, energy efficiency programs, and distributed generation services to our customers.

**CleanPowerSF**, San Francisco's CCA program, provides clean electricity supply to residents and businesses in San Francisco. Under this program, CleanPowerSF supplies customers with electricity from renewable sources like solar wind, and hydro power. Pacific Gas & Electric Company (PG&E) delivers the energy via their electrical grid. CleanPowerSF's Green product features at least 50% California Renewable Portfolio Standard (RPS) certified renewable energy, and its SuperGreen product offers 100% California RPS-certified renewable energy.

CleanPowerSF serves approximately 380,000 customer accounts in San Francisco. Collectively, Hetch Hetchy Power and CleanPowerSF meet more than 70% of the electricity demand in San Francisco with clean power.

## Mission, Vision, and Values

The mission of the San Francisco Public Utilities Commission (SFPUC or the Commission) is to provide our customers with high-quality, efficient, and reliable water, power, and wastewater services in a manner that is inclusive of environmental and community interests, and sustains the resources entrusted to the SFPUC's care.

SFPUC values sustainability as a fundamental business principle, exemplified through the adoption of an agency-wide strategic sustainability plan to ingrain the values of a sustainable future into our agency's core processes. The SFPUC is a sustainable utility leader, recognized for superior levels in service, value, environmental stewardship and innovation. Most importantly we value our workforce and community as reflected in the core values adopted by our organization.

- **Communication:** Listen and communicate honestly and openly.
- **Diversity:** Valuing a workforce that reflects all manner of views, experiences, backgrounds, and talents, and recognize it is vital to the SFPUC success.
- **Equal Opportunity:** Provide opportunities to all staff to contribute and reach their potential. To achieve this, the SFPUC must be a learning organization.
- **Excellence:** Strive for personal and professional excellence, and recognize exemplary performance by seeking continuous improvement.
- **Inclusiveness:** Provide access and transparency to stakeholders and community members.
- **Respect:** Understand and appreciate the inherent value of the SFPUC's staff, customers, and community.
- **Safety:** Take the health and safety of the SFPUC's employees, customers, and communities seriously.
- **Service:** Focus on customer satisfaction, health, and safety.
- **Stewardship:** Responsibly manage the resources entrusted to the SFPUC's care.
- **Teamwork:** Support a cooperative work environment; the SFPUC team is strengthened by the diversity and contributions of its members.
- **Trust:** Act with honesty, integrity, and fairness.

Fiscal Year 2022  
San Francisco Mayor and Public Utilities Commission Members



London N. Breed  
Mayor



Anson Moran  
President



Newsha K. Ajami  
Vice President



Tim Paulson  
Commissioner

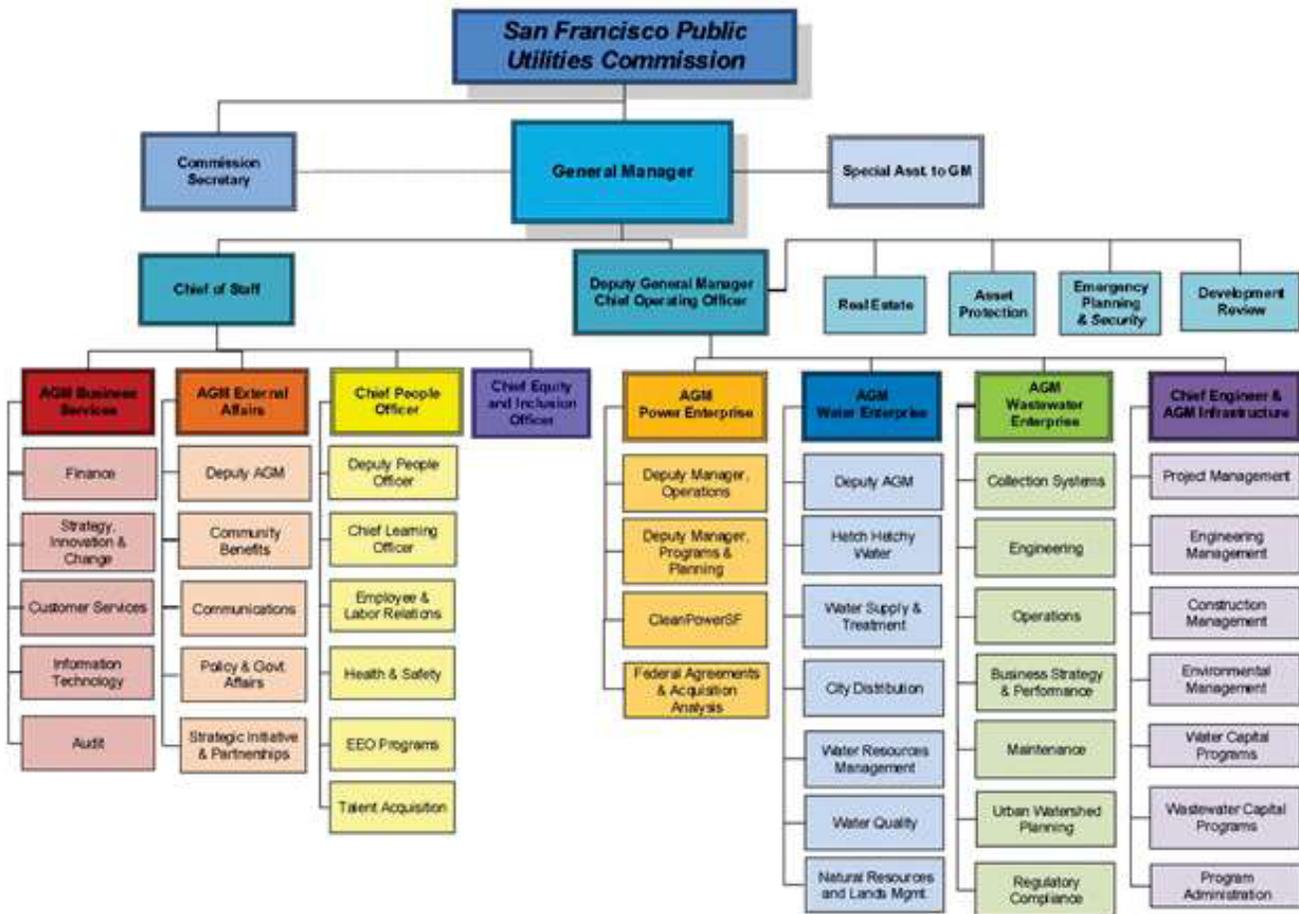


Sophie Maxwell  
Commissioner



Ed Harrington  
Commissioner  
(July 2021 to January 2022)

## Organizational Chart as of June 2022

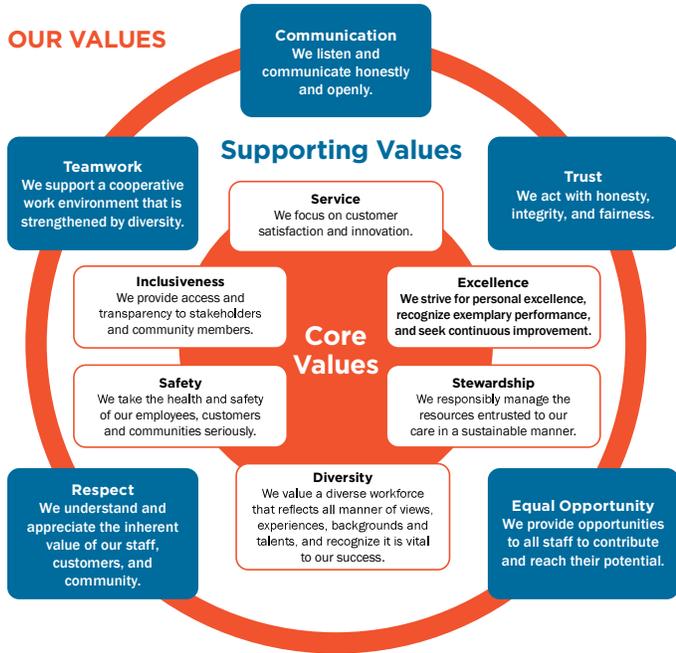


Note: AGM is Assistant General Manager, the person who leads an Enterprise or Bureau.

**The Agency Strategic Plan** is a high-level and future-oriented plan. The purpose is to better align the work of the Water, Wastewater and Hetch Hetchy Enterprises, set a strategic direction and identify key priorities.

The Agency Strategic Plan outlines the mission, vision and values and sets forth 6 priority goals and supporting objectives.

The goals are as follows:



- Reliable service and assets;
- Organizational excellence;
- Effective workforce;
- Financial sustainability;
- Stakeholder and community interest; and
- Environmental stewardship.

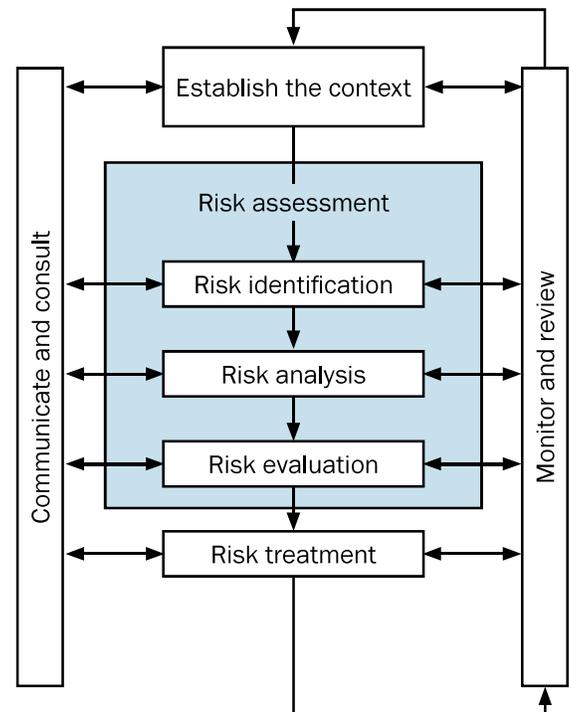
Each Goal has one or more Executive Champions who have worked across the Enterprises, Infrastructure, and the Bureaus to develop performance measures including target and baseline metrics. There is a Lead Strategist for each of the six goal area who will carry the vision of their respective goal area will report biannually to the Goal Champions on progress of achieving the performance measures consistent with the target/baseline. At the end of the fiscal year, each Goal Champion is required to report performance measured against the target/baseline. More details of the 2020 SFPUC Strategic plan are available

at <https://sfpuc.org/about-us/policies-plans/agency-strategic-plan> and the Performance Measures in the Operating Information section of this report.

## Enterprise Risk Management Framework

The SFPUC helps ensure successful implementation of our Mission, Vision, and Values by integrating the principles of Enterprise Risk Management (ERM) into organizational culture and strategic decision making. In planning for our future, the ERM framework promotes a culture where risks are identified, assessed, prioritized, and managed to minimize threats hindering us from achieving our goals; and to maximize opportunities benefiting the SFPUC. Accountability and transparency are promoted through assignment of identified risks to owners, and routine reporting of mitigation status to senior management. The ERM framework is a continuous process that strengthens organizational structure and culture through communication and awareness. The Risk Management division provides support to the SFPUC’s journey from a traditional risk management approach towards enterprise risk management – emphasizing effective management of the total cost of risk and management of risk for better outcomes.

In fiscal years 2015 and 2016 respectively, the Power Enterprise adopted and implemented the ISO 31000 standard for Enterprise Risk Management for the Hetchy Power and CleanPowerSF program. The program enables systematic and proactive identification and analysis of risks that threaten business



objectives before they occur. Proper identification of risks to business objectives ensures mitigation measures can be implemented to reduce the probability of certain risks occurring or reducing negative impact. Other prior applications of ERM at the SFPUC include supporting the Strategic Plan, the Business Services Bureau, Emergency Planning and Security, and other specific PUC programs.

The SFPUC also utilizes other risk tools as part of a comprehensive risk management approach. This includes the SFPUC Purchased Insurance Program, a portfolio of insurance policies acquired to mitigate various liability risks to mission critical assets, operational and financial. Other risk management activities include contractual risk review, project specific risk assessments and advisement for the Infrastructure Project Management Bureau and Contract Management Bureau for construction, professional and general service contracts. SFPUC Risk Management also collaborates with the Office of the Administrator’s City Risk Management for citywide risk management initiatives.

## Risk Categories

### **Strategic** *Trends in Economy & Society*

- Stakeholders' interests
- Public support/ Ratepayer fatigue
- Competing expectations
- Economic uncertainty
- Long-term planning vs. budget limitations
- Negative media coverage
- Image and reputation

### **Financial** *Effect of Market Forces on Financial Assets or Liabilities*

- Bond rating
- Debt obligations
- Financial reporting
- Cash flow/availability
- Energy costs
- Rate fatigue

### **Operational** *People, Processes & Systems or Controls*

- HR and personnel risks
- Operations disruption (e.g. construction, utilities failure, procurement)
- IT data / infrastructure compromise
- Process / execution failure
- Environmental
- Aging infrastructure

### **Legal/ Regulatory** *Effect of Change in Laws and Regulations*

- Regulatory non-compliance with EPA, WECC/NERC, GASB, OSHA, government policy
- Compliance with the WSA and WRR
- Punitive damages, law suits

### **Insurable Hazards** *Loss Exposures: Property, Liability or Personnel*

Our property insurance policy covers select Mission Critical Power Assets for all risks (e.g. fire, flood up to \$1M, terrorism, etc.) excluding specific catastrophic perils (e.g. earthquake, tsunami, war, etc.).

We have not purchased Business Interruption insurance as the property insurance 'extra expense' clause serves a similar purpose.

- Construction
- Worker injury/illness
- Third-party liability
- Physical structure damage
- Public Officials' liability
- Employment liability

Overall, the SFPUC’s ERM initiatives are designed to reduce the chances of a negative outcome from occurring, lessen its impact, or transfer financial liabilities away from the organization. These initiatives can also increase opportunities and maximize the benefit from taking advantage of positive outcomes. A combination of these strategies will help lower the total cost of risk for the SFPUC and achieve both short and long-term benefits to our ratepayers.

## San Francisco's Budget Process

The budget cycle for the biennial July 1 fiscal year budget begins in August and typically ends in July. The two-year fixed budget is prepared, reviewed, enacted by the Board of Supervisors, signed by the Mayor, and implemented by departments and adjusted as necessary during this period. The Board of Supervisors does not adopt a new budget for the second fiscal year of the cycle unless there are significant increases or decreases in revenues or expenditures which then reopen the budget to follow the usual budget process.

The SFPUC's two-year budget is comprised of two, single-year spending plans, which supports the ongoing mission of the SFPUC to provide its customers with high-quality, efficient, and reliable water, wastewater, and power services in a manner that is inclusive of environmental and community interests, and that sustains the resources entrusted to our care. The budget is a detailed operating plan that identifies estimated costs and results in relation to estimated revenues and represents a process through which policy decisions are deliberated, implemented, and controlled. The budget aligns funding to accomplish our long-term strategic goals and objectives, ensures funding for our operating programs, and purposefully supports the Strategic Plan targeted outcomes to ensure the appropriate application of resources to reach our goals.

### Budgeting Basis

The City adopts budgets for all government funds on a budget basis relying on a current financial resources measurement focus and a modified accrual basis of accounting. The modified accrual method is a basis of accounting used with a current financial resources measurement focus. It modifies the accrual basis of accounting in two significant ways: first, revenues are only recognized when they are measurable and available; second, expenditures are recognized in the period in which the SFPUC normally liquidates the related liability rather than when the liability is first incurred, if earlier. The City Charter prohibits expending funds for which there is no legal appropriation.

### Accounting Basis

The accounts of the SFPUC Enterprises are organized by proprietary fund type, specifically an enterprise fund. The activities of the Enterprises are accounted for with a separate set of self-balancing accounts that comprise the Enterprises' assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses. Enterprise funds account for activities that (1) are financed with debt secured solely by a pledge of the net revenues from fees and charges of the activity; or (2) are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (3) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

The financial activities of each Enterprise and the year-end audited financial statements are accounted for on a flow of economic resources measurement focus, using the accrual basis of accounting. Under this method, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with its operations are included on the Statement of Net Position; revenues are recorded when earned, and expenses recorded when liabilities are incurred. The SFPUC Enterprises apply all applicable Governmental Accounting Standards Board (GASB) pronouncements.

## Fiscal Year 2023 Operating Budgets

The SFPUC annual budgets, including debt service and cash-funded capital, as well as operation programs total \$1.65 billion and \$1.48 billion for fiscal years 2023 and 2022, respectively. The operating programs include regular operating costs, maintenance of utility facilities and lands, as well as support services, like management, business services, planning, regulatory compliance, communication, and planned debt service for each of the Enterprise. The budget includes a forecast of volumetric utility assumptions which incorporate the significant negative impact due to the COVID-19 pandemic and assumptions around drought impacts on revenues. The operating budget is financed by both wholesale and retail rates, service charges and non-operating revenues, including rental income and interest earnings. Of the SFPUC fiscal year 2023 \$1.65 billion operating budget, the Water Enterprise accounts for \$663.7 million to fund the operations and maintenance of the SFPUC water system; Wastewater Enterprise's operating budget of \$406.1 million funds the operations and maintenance of the SFPUC's sewer system. Hetch Hetchy Water and Power's operating budget of \$266.0 million funds the operations and maintenance of the upcountry water and power systems, including Power

Enterprise activities within the City. CleanPowerSF's operating budget of \$315.7 million funds the operations and power purchases. Detailed budget information is available on our website <https://sfpuc.org/about-us/reports/operating-and-capital-budgets>.

## Fiscal Year 2023 Capital Budgets

Our capital programs are intended to reconstruct, replace, expand, repair, or improve facilities that are under the SFPUC's jurisdiction. The capital budgets are coordinated with the Ten-Year Capital Plan and the Ten-Year Financial Plan. The issuance of revenue bonds, other forms of indebtedness, and the execution of governmental loans are provided under the San Francisco City Charter to finance our capital programs. The repayment of this indebtedness is provided through rates and service charge revenues of the SFPUC that incurs the debt and benefits from the underlying capital improvements. The budget appropriations for capital programs are coordinated with the SFPUC's Ten-Year Capital Financial Plans. The SFPUC develops stand-alone supplemental appropriations for our capital program which are coordinated with our operating budget review and approval cycle.

Total approved fiscal year 2023 capital budgets were \$983.2 million, including \$111.2 million for the Water Enterprise, \$687.2 million for the Wastewater Enterprise, \$181.1 million for Hetch Hetchy Water and Power Enterprise and \$3.7 million for CleanPowerSF.

The major capital investment for the Water Enterprise includes the Water Treatment Program, which is to provide major improvements to the Sunol and Millbrae Yards such as the Sunol Valley Water Treatment Plant Ozone project. The Water Transmission Program is to provide upgrades to the transmission system including inspections and repairs, valve replacements and pump station and vault upgrades. The Regional Water Supply and Storage Program includes upgrades to structures to meet State Division of Safety of Dams requirements, and projects to increase regional water supply diversification and explore alternative methods for expanding water sources. The Water Conveyance/Distribution System Program includes funding to install, replace and renew distribution system pipelines and service connection for over 1,000 miles of drinking water mains in San Francisco.

The Wastewater Enterprise's major capital investment from the Sewer System Improvement Program (SSIP) includes the Treatment Facilities Programs, including improvements to the combined sewer transport storage and near shore combined sewer discharge structures and liquid treatments at various treatment sites. Another major SSIP project is the Stormwater Management/Flood Control Program, includes work on drainage basins, flood resilience and green infrastructure storm management program. The Collection System from the Renewal and Replacement Program (R&R) includes cleaning and inspection of large diameter sewers, transport/storage boxes and collection system discharge/overflow structures, planned and emergency repairs and replacement of structurally inadequate sewers.

The Hetch Hetchy Water and Power's major capital investment includes the Distribution Services projects, Water infrastructure program and Joint projects. The Distribution Services projects include the San Francisco Airport (SFO) Substation Improvements to plan, design, and construct needed upgrades at the substations, the Alice Griffith/Candlestick Point for the second phase of development to install the conductors in the conduits, transformers, switches, and metering equipment required for the electric distribution system. Water Infrastructure program include concept, development, design, and upgrades for operating, managing, and maintaining the Hetchy Water Infrastructure. Joint Projects between Hetchy Water and Hetchy Power includes upgrade communication system within the Moccasin compound, upgrade the dams and reservoirs to meet the Water Levels of Service and Power Operational Objectives, inspection, and repair to the mountain tunnel to assure reliability of water delivery.

The CleanPowerSF major capital investment includes the development of new renewable energy (solar photovoltaic) and battery storage projects on select SFPUC sites as well as development and implementation of new customer programs project for programs supporting demand response, electric mobility, local renewable energy generation, and building decarbonization technologies.

## Ten-Year Financial Plan

The SFPUC prepares an annual updated Ten-Year Financial Plan as required by the City and County of San Francisco Charter Section 8B.123. The Ten-Year Financial Plan is a summary of projected revenues, expenditures, fund balances, and financial ratios for each enterprise over a rolling 10-year period. The Plan projections are based on current Mayor

and Commission policies, goals, and objectives. For the ten year plan fiscal year 2023, these projections also include assumptions based on the pandemic economic recovery and the 2021 drought declaration. A key objective is to promote SFPUC's Strategic Plan goal of Financial Sustainability by estimating future revenue requirements and financial ratios while providing a view of resulting rates changes. Consolidating these key financial indicators into the Plan serves to inform the SFPUC's long-term planning decisions, such as the biennial operating and capital budgets, long-range capital planning and capital financing strategies.

## Ten-Year Capital Plan

The SFPUC prepares an annual updated Ten-Year Capital Plan as required by the City and County of San Francisco Charter Section 3.20. The Plan is to contain a list of projects to be executed during the 10-year planning horizon, including cost estimates and schedules. Both Ten-Year Financial and Capital Plan, serve as a basis and supporting documentation for the Commission's capital budget and issuance of revenue bonds and other indebtedness to support the SFPUC capital program.

The SFPUC Ten-Year Capital Plan for fiscal years 2023 through 2032 totals \$9.9 billion. Water Enterprise is approximately \$2.1 billion, including projects for the Local Water Conveyance, Local Buildings and Grounds Improvements and Regional Water Supply and Storage. Wastewater Enterprise is approximately \$6.1 billion which mainly includes the Treatment Facilities, Stormwater Management/Flood Control, and the Renewal and Replacement (R&R) program projects like Sewer Improvements. Hetchy Water and Hetchy Power's is approximately \$1.6 billion is to fund up-county water/power projects and power distribution services projects like SFO, Alice Griffith, Candlestick Park and Hunters Point. CleanPowerSF is approximately \$74 million to fund the development of new renewable energy (solar photovoltaic) and battery storage projects.

## Financial Transparency, Reporting and Auditing Process

This report was prepared by SFPUC Financial Services in conformance with the principles and standards for financial reporting set forth by the GASB and U.S. Generally Accepted Accounting Principles (GAAP). Recommended guidelines by the Government Finance Officers Association of the United States and Canada were also followed.

The SFPUC's management is responsible for both the accuracy of the data presented and the completeness and fairness of its presentation, including all disclosures. The existing comprehensive structure on internal controls in the City and SFPUC ensures that the financial statements are free of any material misstatements. This report is accurate in all material respects, and it is presented in a manner designed to set forth fairly the financial position and the results of operations of the SFPUC. The included disclosures enable the reader to gain a thorough understanding of the SFPUC's financial activities.

The SFPUC's financial statements have been audited by KPMG LLP, an independent registered public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the SFPUC for the fiscal years ended June 30, 2022 and 2021 are fairly presented in conformity with GAAP and are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statements presentation. The independent auditors rendered an unmodified "clean" opinion on the SFPUC's financial statements for the fiscal year ended June 30, 2022 since 2008. The independent auditors' report is presented as the first component of the financial section of this report. Management's Discussion and Analysis (MDA) is presented after the independent auditors' report, and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement MDA and should be read in conjunction with it.

## Financial Authority and Policies

The City is a Charter City under the California Constitution, and as a result, the Charter is the guiding document for financial authority and policies for City departments. The SFPUC is the department responsible for the maintenance, operation, and development of three utility enterprises: the Water Enterprise, the Wastewater Enterprise, and Hetchy Hetchy Water and Power and CleanPowerSF Enterprise. Each of the SFPUC's enterprise funds is operated and managed as a separate financial entity and separate enterprise entity.

The SFPUC's financial policies, adopted and updated such as fund balance reserve and debt service coverage requirements are available on our website <https://sfpuc.org/about-us/policies-plans/financial-plans-and-policies>. The purpose and source for each of the designated reserves within its major funds of operating, capital projects, debt service, and trust are included in these guidelines which enable restricting funds for future infrastructure needs, replacement of aging facilities, bond reserves, and various operating reserves to mitigate unexpected occurrences. These reserves are critical to the SFPUC's financial strength and high bond ratings. Further, the City has a long-standing practice of recognizing and reserving for known and anticipated liabilities. The City also has established an irrevocable trust for other post-employment benefits (also known as retiree medical) and continues to make the annual requirement contribution to ensure this future obligation is funded.

## Accounting Systems, Policies, and Internal Controls

In developing and maintaining the accounting systems, consideration is given by the administration as to the adequacy of internal controls. Internal controls are designed to provide reasonable, but not absolute, assurance. The SFPUC's management is responsible for establishing and maintaining a system of internal controls designed to safeguard the enterprises' assets from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in accordance with GAAP. For the fiscal year ended June 30, 2022, the independent auditors noted no matters involving internal controls over financial reporting that would be considered a material weakness for Water, Wastewater and Hetch Hetchy Water and Power and CleanPowerSF.

The SFPUC's Finance Department is responsible for providing the financial services for the utility enterprises, including support for financial accounting and reporting, accounts payable, billing and collection of water, wastewater, and power charges, and other revenues. The SFPUC's financial statements and records are maintained on an enterprise basis using the accrual method of accounting to ensure the timely matching of revenues against the costs of providing services. Revenues and expenses are recorded in the period in which the revenues are earned, and the expenses are incurred.

## Achievement Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the SFPUC for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the 13th consecutive year that the SFPUC has achieved this prestigious award. In order to be awarded the Certificate of Achievement, a government or reporting entity must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City and County of San Francisco  
Public Utilities Commission  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO



# Financial Section

## **Independent Auditors' Report**

## **Management's Discussion and Analysis (Unaudited)**

### **Basic Financial Statements**

Statements of Net Position – Proprietary Funds

Statements of Revenues, Expenses, and Changes in Net Position – Proprietary Funds

Statements of Cash Flows – Proprietary Funds

Notes to Basic Financial Statements

### **Required Supplementary Information (Unaudited)**

Schedules of the Proportionate Share of the Net Pension (Asset)/Liability

Schedules of Employer Contributions – Pension Plan

Schedules of Changes in Total Pension Liability and Related Ratios – Replacement Benefits Plan

Schedules of Changes in Other Post-employment Benefits Liability and related Ratios - Other Post-employment Healthcare Benefits Plan

Schedules of Employer Contributions – Other Post-employment Healthcare Benefits Plan

### **Supplementary Information (Proprietary Funds)**

Schedule of Changes in Net Position – Dollar and Percentage Change vs. Prior Year

Schedule of Changes in Revenues, Expenses, and Net Position – Dollar and Percentage Change vs. Prior Year

## **Independent Auditors' Report on Internal Control**

The San Francisco Public Utilities Commission  
An Enterprise Department of the City and County of San Francisco, California



KPMG LLP  
Suite 1400  
55 Second Street  
San Francisco, CA 94105

## Independent Auditors' Report

The Honorable Mayor and Board of Supervisors  
City and County of San Francisco:

Report on the Audit of the Financial Statements

### *Opinions*

We have audited the financial statements of the business-type activities and each major fund of the San Francisco Public Utilities Commission (SFPUC), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise SFPUC's basic financial statements for the years then ended as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of SFPUC, as of June 30, 2022 and 2021, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinions*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SFPUC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Emphasis of Matter*

As discussed in Note 1, the financial statements of SFPUC are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the business-type activities and each major fund of the City and County of San Francisco, California that is attributable to the transactions of SFPUC. They do not purport to, and do not, present fairly the financial position of the City and County of San Francisco, California, as of June 30, 2022 and 2021, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles. Our opinions are not modified with respect to this matter.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SFPUC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### *Required Supplementary Information*

U.S. generally accepted accounting principles require that the management's discussion and analysis and required supplementary information as listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise SFPUC's basic financial statements. The schedule of changes in net position – dollar and percentage change vs. prior year and schedule of changes in revenues, expenses and net position – dollar and percentage change vs. prior year are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### *Other Information*

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2023 on our consideration of SFPUC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SFPUC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SFPUC's internal control over financial reporting and compliance.

**KPMG LLP**

## THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Management's Discussion and Analysis (Unaudited)

June 30, 2022 and 2021

(Dollars in thousands, unless otherwise stated)

This section presents management's analysis of the San Francisco Public Utilities Commission's (SFPUC or the Commission) financial condition and activities as of and for the fiscal years ended June 30, 2022 and 2021. Management's Discussion and Analysis (MDA) is intended to serve as an introduction to SFPUC's financial statements. This information should be read in conjunction with the audited financial statements that follow this section. All dollar amounts, unless otherwise noted, are expressed in thousands of dollars.

The information in this MDA is presented under the following headings:

- Organization and Business
- Overview of the Financial Statements
- Fund Financial Statements
- COVID-19
- Financial Analysis
- Capital Assets
- Debt Administration
- Rates and Charges
- Request for Information

### Organization and Business

The SFPUC is a department of the City that is responsible for the maintenance, operation, and development of three utility enterprises and five funds. The three utility enterprises include Water, Wastewater, and Hetch Hetchy (Hetchy Water, Hetchy Power and CleanPowerSF).

### Water Enterprise

As the third largest municipal water agency in California, the Water Enterprise collects, transmits, treats, and distributes high quality drinking water to a total population of approximately 2.7 million people, including retail customers in the City and wholesale customers located in San Mateo, Santa Clara, and Alameda Counties. The Water Enterprise sold approximately 181 million gallons of water per day in the year ended June 30, 2022. Approximately three-quarter of the water delivered by the Water Enterprise is to wholesale customers. Retail customers use the remaining one-quarter and are primarily San Francisco consumers, including residential, commercial, industrial, and governmental users. Wholesale customers include cities, water districts, one private utility, and one non-profit university. Service to these customers is provided pursuant to the 25-year Amended and Restated Water Supply Agreement (WSA), commenced on July 1, 2009, which established the basis for determining the costs of wholesale service.

### Wastewater Enterprise

The primary responsibility of the Wastewater Enterprise is to protect the public health and the surrounding bay and ocean receiving waters by collecting, transmitting, treating, and discharging storm and sanitary flows generated in the service area. This includes 1,131 miles of combined, sanitary, and storm collection system pipes including: gravity mains, force mains, culverts, transport storage boxes, and tunnels. San Francisco is the only coastal city in California with a combined sewer system that collects both wastewater and stormwater in the same network of pipes and provides treatment to remove harmful pollutants before discharging into the San Francisco Bay and Pacific Ocean. In addition, the Wastewater Enterprise serves on a contractual basis to certain municipal customers located outside of the City limits, including the North San Mateo County Sanitation District No. 3, Bayshore Sanitary District, and the City of Brisbane. The Wastewater Enterprise recovers costs of service through user fees based on the volume and strength of sanitary flow. As of June 30, 2022, the Wastewater Enterprise serves 148,381 residential accounts, which discharge about 15.7 million units of sanitary flow per year (measured in hundreds of cubic feet, or ccf) and 26,790 non-residential accounts, which discharge about 5.3 million ccf per year. These reflected an increase of 0.7 million discharge units and 360 increase in the number of accounts for non-residential and a decrease of 0.9 million discharge units and 455 increase in the number of accounts for residential, as compared to prior year.

## THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Management's Discussion and Analysis (Unaudited)

June 30, 2022 and 2021

(Dollars in thousands, unless otherwise stated)

### Hetchy Water

For efficiency and to streamline the coordination of upcountry water and power operations, Hetchy Water operates upcountry and joint-asset facilities, managing resources in an environmentally responsible manner to a high standard of safety and reliability while meeting regulatory requirements. It is responsible for operating the Hetch Hetchy Reservoir, the main source of water for the Hetch Hetchy system. Hetchy Water operates, maintains, and improves water and power facilities, smaller dams and reservoirs, water transmission systems, power generation facilities, and power transmission assets, including transmission lines to the Newark substation. Hetchy Water delivers high-quality water from upcountry downhill to the Bay Area while optimizing the resulting generation of clean hydropower as water is transported through the system. It maintains land and properties consistent with public health and neighborhood concerns.

### Hetchy Power

The core business of Hetchy Power, as a municipal department, is to provide adequate and reliable supplies of electric power to meet the electricity needs of City and County of San Francisco's customers, and to offer, when available, power for the municipal loads and agricultural pumping demands consistent with prescribed contractual obligations and federal law.

Hetchy Power's portfolio consists of hydroelectric generation, onsite solar at SFPUC and other City facilities, generation using bio-methane produced at SFPUC wastewater treatment facilities, and third-party purchases. Consistent with its commitment to the development of cleaner and greener power, and to address environmental concerns and community objectives, Hetchy Power continues to evaluate and expand its existing resource base to include additional renewables, distributed generation, demand management, and energy efficiency programs. As part of its mission and core functions, Hetchy Power provides reliable energy services at reasonable cost to customers, with attention to environmental effects and community concerns.

### Hetch Hetchy Joint

A portion of Hetch Hetchy's operating budget, capital program, and assets, provides benefit to both Hetchy Power and Hetchy Water. This is commonly referred to as joint costs and joint assets. Both operating and capital costs that jointly benefit both funds are allocated 55% to Hetchy Power and 45% to Hetchy Water, as has historically been done by the SFPUC.

### CleanPowerSF

In May 2016, SFPUC launched CleanPowerSF, a Community Choice Aggregation (CCA) program, made possible by the 2002 passage of California Assembly Bill 117, enabling communities to purchase power on behalf of their residents and businesses and creating competition in power generation since May 2016. CleanPowerSF provides San Francisco with new clean energy alternatives, with its objectives to reduce greenhouse gas emissions, and to provide the City and County of San Francisco's (the City) energy consumers with renewable electricity supplies at competitive rates. The SFPUC intends CleanPowerSF to be financially independent, with ability to set rates and charges with adequate revenues, and to issue debt to support its operations and future projects. CleanPowerSF is discretely presented as a fund of the Hetch Hetchy Water and Power and CleanPowerSF Enterprise starting fiscal year 2017.

The core business is to provide greener electricity generation to residential and commercial consumers in San Francisco. Through CleanPowerSF, SFPUC seeks to achieve several complementary goals, including affordable and competitive electricity generation rates, a diverse electricity resource portfolio that is comprised of renewable and other clean sources of supply, and high-quality customer service. The program serves more than 380,000 customer accounts and provides San Francisco with an electricity supply from its default "Green" product that is at least 50% California State Renewables Portfolio Standard (RPS)-eligible. Additionally, CleanPowerSF offers "SuperGreen", a 100% RPS-eligible electricity supply, that is available to customers for a small additional cost. On June 1, 2022, CleanPowerSF opened enrollment for its "SuperGreen Saver" product, which provides eligible low-income ratepayers residing in Disadvantaged Communities with 100% RPS electricity at a 20% bill discount.

## THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Management's Discussion and Analysis (Unaudited)

June 30, 2022 and 2021

(Dollars in thousands, unless otherwise stated)

### Overview of the Financial Statements

The Department's financial statements include the following:

*Statements of Net Position* present information on the Department's assets, deferred outflows, liabilities, and deferred inflows as of year-end, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Department is improving or worsening.

While the *Statements of Net Position* provide information about the nature and amount of resources and obligations at year-end, the *Statements of Revenues, Expenses, and Changes in Net Position* present the results of the Department's operations over the course of the fiscal year and information as to how the net position changed during the year. These statements can be used as an indicator of the extent to which the Department has successfully recovered its costs through user fees and other charges. All changes in net position are reported during the period in which the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in these statements from some items that will result in cash flows in future fiscal periods, such as delayed collection of operating revenues and the expenses of employee earned but unused vacation leave.

The *Statements of Cash Flows* present changes in cash and cash equivalents resulting from operational, capital financing, non-capital financing, and investing activities. These statements summarize the annual flow of cash receipts and cash payments, without consideration of the timing of the event giving rise to the obligation or receipt, and exclude non-cash accounting measures of depreciation or amortization of assets.

The *Notes to Financial Statements* provide information that is essential to a full understanding of the financial statements that is not presented on the face of the financial statements.

### Fund Financial Statements

The Department has five funds: Water, Wastewater, Hetchy Water, Hetchy Power, and CleanPowerSF.

### COVID-19

On February 25, 2020, the Mayor issued a Proclamation declaring a local emergency to exist in connection with the imminent spread within the City of the novel coronavirus ("COVID-19"). On March 16, 2020, the City's Health Officer issued a stay safe at home order, Health Officer Order No. C19-07 (the "Stay Safe At Home Order"), requiring most people and City employees to remain in their homes subject to certain exceptions including obtaining essential goods (such as food and necessary supplies), and requiring the closure of nonessential businesses. In addition, Section 2 of the second supplement to the emergency proclamation authorized the SFPUC the temporary suspension of (a) discontinuation or shut-off of water, sewer, and power services for residents and businesses in the City for non-payment of water, sewer, and power bills, and (b) the imposition of late payment penalties or fees for delinquent water, sewer, and power bills through July 11, 2020. The suspension was extended on December 8, 2020 through June 30, 2021 again on April 27, 2021 through March 31, 2022 and then again on February 22, 2022 to July 31, 2022 for shut off and to June 30, 2023 for late payment penalties for Water Enterprise, Wastewater Enterprise, and Hetchy Power for residential accounts. The suspension of the return of delinquent CleanPowerSF customers to PG&E generation service for failure to pay CleanPowerSF charges was extended to June 30, 2022. This proclamation did not have a material effect on the operations of the SFPUC.

### Financial Analysis

#### Financial Highlights for Fiscal Year 2022

##### Department-wide Business Type Activities

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$2,823,758.
- Total assets exceeded total liabilities by \$3,068,524.

## THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Management's Discussion and Analysis (Unaudited)

June 30, 2022 and 2021

(Dollars in thousands, unless otherwise stated)

- Net position increased by \$85,648 or 3.1% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$586,502 or 5.9% to \$10,450,688.
- Operating revenues increased by \$121,174 or 9.3% to \$1,422,446.
- Operating expenses decreased by \$20,100 or 1.7% to \$1,129,725.

### Water

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$633,418.
- Total assets exceeded total liabilities by \$727,275.
- Net position decreased by \$17,946 or 2.8% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$29,795 or 0.5% to \$5,617,594.
- Current and other assets increased by \$7,239 or 0.9% mainly due to net pension asset.
- Operating revenues decreased by \$9,319 or 1.6% to \$573,117.
- Operating expenses decreased by \$46,996 or 10.5% to \$401,786.

### Wastewater

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$1,362,662.
- Total assets exceeded total liabilities by \$1,447,672.
- Net position increased by \$60,114 or 4.6% during the year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$439,601 or 12.2% to \$4,046,451.
- Operating revenues increased by \$41,217 or 12.6% to \$368,882.
- Operating expenses decreased by \$35,002 or 12.0% to \$257,171.

### Hetchy Water

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$249,180.
- Total assets exceeded total liabilities by \$276,423.
- Net position increased by \$24,519 or 10.9% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$23,526 or 13.3% to \$201,007.
- Operating revenues, excluding interest and investment income, and other non-operating revenues, increased by \$2,222 or 4.7% to \$49,312.
- Operating expenses, excluding other non-operating expenses, increased by \$1,784 or 3.5% to \$52,303.

### Hetchy Power

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$494,178.
- Total assets exceeded total liabilities by \$527,476.
- Net position increased by \$21,718 or 4.6% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$93,580 or 19.0% to \$585,636.
- Operating revenues, excluding interest and investment income, and other non-operating revenues, increased by \$36,859 or 27.0% to \$173,242.
- Operating expenses, excluding interest expenses, other non-operating expenses, and amortization of premium, discount, and issuance costs, increased by \$10,707 or 7.4% to \$156,347.

### CleanPowerSF

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$84,320.

## THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Management's Discussion and Analysis (Unaudited)

June 30, 2022 and 2021

(Dollars in thousands, unless otherwise stated)

- Total assets exceeded total liabilities by \$89,678.
- Net position decreased by \$2,757 or 3.2% during the fiscal year.
- CleanPowerSF had no capital assets, net of accumulated depreciation and amortization as of June 30, 2022.
- Operating revenues, excluding interest and investment income, and other non-operating revenues, increased by \$50,195 or 24.2% to \$257,893.
- Operating expenses, excluding interest expenses increased by \$49,407 or 23.2% to \$262,118.

### Financial Highlights for Fiscal Year 2021

#### Department-wide Business Type Activities

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$2,736,309.
- Total assets exceeded total liabilities by \$2,451,935.
- Net position increased by \$34,578 or 1.3% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$665,142 or 7.2% to \$9,864,186.
- Operating revenues decreased by \$48,315 or 3.6% to \$1,300,448.
- Operating expenses increased by \$100,532 or 9.6% to \$1,149,934.

#### Water

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$649,517.
- Total assets exceeded total liabilities by \$418,167.
- Net position increased by \$8,502 or 1.3% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$57,254 or 1.0% to \$5,587,799.
- Current and other assets increased by \$31,110 or 4.4% mainly due to bond proceeds from the issuance of 2020 Series ABCD bonds.
- Operating revenues decreased by \$1,739 or 0.3% to \$581,612.
- Operating expenses increased by \$50,726 or 12.7% to \$448,843

#### Wastewater

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$1,302,583.
- Total assets exceeded total liabilities by \$1,266,577.
- Net position increased by \$9,647 or 0.7% during the year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$544,562 or 17.8% to \$3,606,850.
- Operating revenues decreased by \$16,463 or 4.8% to \$327,665.
- Operating expenses increased by \$29,961 or 11.4% to \$292,220.

#### Hetchy Water

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$224,665.
- Total assets exceeded total liabilities by \$216,214.
- Net position increased by \$13,630 or 6.5% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$16,699 or 10.4% to \$177,481.
- Operating revenues, excluding interest and investment income, and other non-operating revenues, increased by \$12,137 or 34.7% to \$47,090.
- Operating expenses, excluding other non-operating expenses, increased by \$5,644 or 12.6% to \$50,517.

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### Hetchy Power

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$472,464.
- Total assets exceeded total liabilities by \$462,136.
- Net position increased by \$6,857 or 1.5% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$46,627 or 10.5% to \$492,056.
- Operating revenues, excluding interest and investment income, and other non-operating revenues, decreased by \$4,488 or 3.2% to \$136,383.
- Operating expenses, excluding interest expenses, other non-operating expenses, and amortization of premium, discount, and issuance costs, decreased by \$2,489 or 1.7% to \$145,638.

### CleanPowerSF

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$87,080.
- Total assets exceeded total liabilities by \$88,841.
- Net position decreased by \$4,058 or 4.5% during the fiscal year.
- CleanPowerSF had no capital assets, net of accumulated depreciation and amortization, as of June 30, 2021.
- Operating revenues, excluding interest and investment income, and other non-operating revenues, decreased by \$37,762 or 15.4% to \$207,698.
- Operating expenses, excluding interest expense increased by \$16,690 or 8.5% to \$212,716.

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## Financial Position

### Department-wide Business Type Activities

The following table summarizes the department-wide changes in net position. Detailed discussion follows for each proprietary fund.

**Table 1  
Business Type Activities  
Comparative Condensed Net Position  
June 30, 2022, 2021, and 2020**

	2022*	Restated 2021* <sup>A</sup>	2020*	2022 - 2021 Change	2021 - 2020 Change
Total assets:					
Current and other assets	\$ 1,921,659	1,616,001	1,615,614	305,658	387
Capital assets, net of accumulated depreciation and amortization	10,450,688	9,864,186	9,199,044	586,502	665,142
Total assets	<u>12,372,347</u>	<u>11,480,187</u>	<u>10,814,658</u>	<u>892,160</u>	<u>665,529</u>
Deferred outflows of resources:					
Unamortized loss on refunding of debt	139,514	155,082	144,378	(15,568)	10,704
Pensions	93,952	113,149	115,744	(19,197)	(2,595)
Other post-employment benefits	53,412	61,590	43,100	(8,178)	18,490
Total deferred outflows of resources	<u>286,878</u>	<u>329,821</u>	<u>303,222</u>	<u>(42,943)</u>	<u>26,599</u>
Liabilities:					
Current liabilities:					
Bonds	161,596	133,308	119,435	28,288	13,873
Certificates of participation	4,395	4,160	3,955	235	205
Commercial paper	625,473	859,051	633,828	(233,578)	225,223
State revolving fund loans	5,764	4,150	2,458	1,614	1,692
Other liabilities	441,067	386,562	346,217	54,505	40,345
Subtotal current liabilities	<u>1,238,295</u>	<u>1,387,231</u>	<u>1,105,893</u>	<u>(148,936)</u>	<u>281,338</u>
Long-term liabilities:					
Bonds	6,825,078	6,497,701	6,247,401	327,377	250,300
Revenue Notes	350,356	—	—	350,356	—
Certificates of participation	129,550	134,020	138,310	(4,470)	(4,290)
State revolving fund loans	418,656	211,816	159,362	206,840	52,454
Other liabilities	341,888	747,573	682,730	(405,685)	64,843
Subtotal long-term liabilities	<u>8,065,528</u>	<u>7,591,110</u>	<u>7,227,803</u>	<u>474,418</u>	<u>363,307</u>
Total liabilities:					
Bonds	6,986,674	6,631,009	6,366,836	355,665	264,173
Revenue Notes	350,356	—	—	350,356	—
Certificates of participation	133,945	138,180	142,265	(4,235)	(4,085)
Commercial paper	625,473	859,051	633,828	(233,578)	225,223
State revolving fund loans	424,420	215,966	161,820	208,454	54,146
Other liabilities	782,955	1,134,135	1,028,947	(351,180)	105,188
Total liabilities	<u>9,303,823</u>	<u>8,978,341</u>	<u>8,333,696</u>	<u>325,482</u>	<u>644,645</u>
Deferred inflows of resources:					
Related to pensions	445,403	10,321	62,629	435,082	(52,308)
Leases	44,583	48,110	—	(3,527)	48,110
Other post-employment benefits	41,658	35,126	19,824	6,532	15,302
Total deferred inflows of resources	<u>531,644</u>	<u>93,557</u>	<u>82,453</u>	<u>438,087</u>	<u>11,104</u>
Net position:					
Net investment in capital assets	2,183,518	2,271,638	2,194,130	(88,120)	77,508
Restricted for debt service	20,202	48,677	17,285	(28,475)	31,392
Restricted for capital projects	114,657	22,319	49,635	92,338	(27,316)
Unrestricted	505,381	395,476	440,681	109,905	(45,205)
Total net position	<u>\$ 2,823,758</u>	<u>2,738,110</u>	<u>2,701,731</u>	<u>85,648</u>	<u>36,379</u>

<sup>A</sup>Restated due to the implementation of GASB Statement No. 87, Leases.

\*Eliminated interfund payables and receivables of \$0, \$0, and \$1,800 working capital loan between Hetchy Power and CleanPowerSF and \$629, \$739, and \$847 between Wastewater and Hetchy Power for the 525 Golden Gate Avenue Headquarters construction cost in fiscal years 2022, 2021 and 2020, respectively.

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The following table summarizes Water's changes in net position.

**Table 1A**  
**Proprietary Fund – Water**  
**Comparative Condensed Net Position**  
**June 30, 2022, 2021, and 2020**

	<u>2022</u>	<u>Restated 2021<sup>^</sup></u>	<u>2020</u>	<u>2022 - 2021 Change</u>	<u>2021 - 2020 Change</u>
Total assets:					
Current and other assets	\$ 793,761	786,522	701,206	7,239	85,316
Capital assets, net of accumulated depreciation and amortization	<u>5,617,594</u>	<u>5,587,799</u>	<u>5,530,545</u>	<u>29,795</u>	<u>57,254</u>
Total assets	<u>6,411,355</u>	<u>6,374,321</u>	<u>6,231,751</u>	<u>37,034</u>	<u>142,570</u>
Deferred outflows of resources:					
Unamortized loss on refunding of debt	139,481	154,991	144,189	(15,510)	10,802
Pensions	52,852	64,797	67,084	(11,945)	(2,287)
Other post-employment benefits	<u>32,445</u>	<u>37,762</u>	<u>27,583</u>	<u>(5,317)</u>	<u>10,179</u>
Total deferred outflows of resources	<u>224,778</u>	<u>257,550</u>	<u>238,856</u>	<u>(32,772)</u>	<u>18,694</u>
Liabilities:					
Current liabilities:					
Revenue bonds	125,285	108,500	94,080	16,785	14,420
Certificates of participation	3,138	2,970	2,824	168	146
Commercial paper	206,297	105,862	362,354	100,435	(256,492)
State revolving fund loans	3,283	1,667	—	1,616	1,667
Other liabilities	<u>181,489</u>	<u>154,257</u>	<u>134,563</u>	<u>27,232</u>	<u>19,694</u>
Subtotal current liabilities	<u>519,492</u>	<u>373,256</u>	<u>593,821</u>	<u>146,236</u>	<u>(220,565)</u>
Long-term liabilities:					
Revenue bonds	4,735,650	4,886,275	4,601,215	(150,625)	285,060
Certificates of participation	92,499	95,692	98,754	(3,193)	(3,062)
State revolving fund loans	118,478	105,740	73,271	12,738	32,469
Other liabilities	<u>217,961</u>	<u>445,234</u>	<u>415,865</u>	<u>(227,273)</u>	<u>29,369</u>
Subtotal long-term liabilities	<u>5,164,588</u>	<u>5,532,941</u>	<u>5,189,105</u>	<u>(368,353)</u>	<u>343,836</u>
Total liabilities:					
Revenue bonds	4,860,935	4,994,775	4,695,295	(133,840)	299,480
Certificates of participation	95,637	98,662	101,578	(3,025)	(2,916)
Commercial paper	206,297	105,862	362,354	100,435	(256,492)
State revolving fund loans	121,761	107,407	73,271	14,354	34,136
Other liabilities	<u>399,450</u>	<u>599,491</u>	<u>550,428</u>	<u>(200,041)</u>	<u>49,063</u>
Total liabilities	<u>5,684,080</u>	<u>5,906,197</u>	<u>5,782,926</u>	<u>(222,117)</u>	<u>123,271</u>
Deferred inflows of resources:					
Related to pensions	248,704	4,885	34,894	243,819	(30,009)
Leases	44,583	48,110	—	(3,527)	48,110
Other post-employment benefits	<u>25,348</u>	<u>21,315</u>	<u>11,772</u>	<u>4,033</u>	<u>9,543</u>
Total deferred inflows of resources	<u>318,635</u>	<u>74,310</u>	<u>46,666</u>	<u>244,325</u>	<u>27,644</u>
Net position:					
Net investment in capital assets	537,644	517,302	527,856	20,342	(10,554)
Restricted for debt service	14,671	45,586	15,916	(30,915)	29,670
Restricted for capital projects	—	22,319	43,122	(22,319)	(20,803)
Unrestricted	<u>81,103</u>	<u>66,157</u>	<u>54,121</u>	<u>14,946</u>	<u>12,036</u>
Total net position	\$ <u>633,418</u>	\$ <u>651,364</u>	\$ <u>641,015</u>	\$ <u>(17,946)</u>	\$ <u>10,349</u>

<sup>^</sup>Restated due to the implementation of GASB Statement No. 87, *Leases*.

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### Water Net Position, Fiscal Year 2022

For the year ended June 30, 2022, the Water Enterprise's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$633,418. Total net position decreased from prior year by \$17,946 or 2.8% (see Table 1A). The decrease in net position was the result of an increase of \$22,208 in liabilities and deferred inflows of resources offset by an increase of \$4,262 in assets and deferred outflows of resources.

Current and other assets are primarily comprised of restricted and unrestricted balances of cash, receivables for water deliveries and services, interfund receivables due from other governmental agencies, and inventory.

During the fiscal year 2022, current and other assets increased by \$7,239 or 0.9%. The increases included \$100,407 in net pension asset based on actuarial estimates, \$6,276 in prepaid charges advances and other receivables mainly for a settlement from PG&E related to damages on Casitas Avenue in San Francisco, \$6,267 in charges for services attributed to more billings, net of decrease in allowance for doubtful accounts due to utility arrearage relief payment received from the State as Federal pass-through from the California Water and Wastewater Arrearages Payment Program (CWWAPP), \$865 in inventory due to more purchases than issuances during the fiscal year, \$167 in interest, leases and other receivables due to higher interest rates, and \$159 in restricted interest and other receivables. These increases were offset by decreases of \$60,453 in restricted and unrestricted cash and investments mainly due to debt principal and interest payments, capital projects spending, payments for salaries and goods and services, \$41,993 reimbursement from the State Water Resources Control Board (SWRCB) State Revolving Funds Loan relating to the SF Recycled Water project, \$2,945 in leases receivable from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, \$1,425 in lease asset from the implementation of GASB Statement No. 87, Leases, \$70 mainly for custom work projects due from the Department of Public Works, and \$16 for a Federal grant of culvert repairs relating to the Santa Clara Unit Lightning Complex fires.

Capital assets, net of accumulated depreciation and amortization, increased by \$29,795 or 0.5% mainly due to Water Main Replacement, Treasure Island Well, Serramonte Well and all other well construction, and capital improvement activities. The largest portion of the Water Enterprise's net position of \$537,644 or 84.9% represents net investment in capital assets (see Capital Assets section of the MDA for more information), which increased by \$20,342 or 3.9% from prior year's \$517,302. The change was explained by an increase of \$29,794 in capital assets mainly from increased buildings, structures, and improvements, offset by a decrease of \$9,452 in liabilities related to capital assets mainly from bond principal repayment.

Deferred outflows of resources decreased by \$32,772 due to decreases of \$15,510 from amortization for unamortized loss on refunding, \$11,945 relating to pensions based on actuarial reports, and \$5,317 from OPEB obligations based on actuarial estimates.

Total liabilities decreased by \$222,117 which was due to decreases of \$216,417 in pensions based on actuarial report, \$133,840 in outstanding revenue bonds from principal repayments, \$4,656 from OPEB obligations due to actuarial report, \$3,025 in certificates of participation mainly due to principal repayments, \$1,381 in lease liability from the implementation of GASB Statement No. 87, Leases, \$757 in interest payable mainly due to lower bonds outstanding, and \$654 in general liability based on actuarial report. These decreases were offset by increases of \$100,435 in commercial paper from additional principal issuances, \$14,354 in State Revolving Funds Loan payable due to additional loans related to the SF Westside Recycled Water project, \$4,759 in restricted and unrestricted payables due to higher year end accruals as compared to prior year, \$463 in accrued payroll, vacation and sick leave due to actuarial entries, \$171 in unearned revenues mainly for deposits on custom work, and \$145 in workers' compensation based on actuarial estimates. The Water Enterprise owed the wholesale customers \$79,150, an increase of \$18,286 which was mainly due to annual revenues from the wholesale customers exceeding their share of expenditures. This amount was recorded as a liability in accordance with the 2009 Water Supply agreement. See Note 11, Water Supply Agreement, for additional details.

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Deferred inflows of resources increased by \$244,325 due to an increase of \$243,819 related to pensions and \$4,033 from OPEB benefits based on actuarial reports, offset by a decrease of \$3,527 from leases due to the implementation of GASB Statement No. 87, *Leases*.

### Water Net Position, Fiscal Year 2021

For the year ended June 30, 2021, the Water Enterprise's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$649,517. Total net position increased from prior year by \$8,502 or 1.3% (see Table 1A). The increase in net position was the result of an increase of \$107,058 in assets and deferred outflows, offset by a net increase of \$98,556 in liabilities and deferred inflows of resources.

Current and other assets are primarily comprised of restricted and unrestricted balances of cash, receivables for water deliveries and services, interfund receivables due from other governmental agencies, and inventory. They also include receivables, which represent cumulative amounts due from the wholesale customers to match revenues with the Water Enterprise's costs of providing service (the Balancing Account), in accordance with the provisions set forth in the WSA effective July 1, 2009. Balances are applied to future year rates. As of June 30, 2021, the Water Enterprise owed the wholesale customers \$60,864, which was mainly due to higher water demand by the wholesale customers. This amount was recorded as a liability in accordance with the 2009 agreement. See Note 11, Water Supply Agreement, for additional details.

During the fiscal year 2021, current and other assets increased by \$31,110 or 4.4%. The increases included \$57,567 in restricted and unrestricted cash and investments mainly due to the issuance of the 2020 Series ABCD bonds, \$2,372 in prepaid charges advances and others mainly for prepaid expenses of multiple software licensing and membership fees, \$209 in restricted interest and other receivables, and \$160 in inventory due to more purchases than issuances during the fiscal year. The increases were offset by decreases of \$23,725 from the State Water Resources Control Board (SWRCB) State Revolving Funds Loan relating to the SF Recycled Water project mainly from reimbursements received for prior year receivable, \$4,470 in charges for services due to more collections than billings and an increase in allowance for doubtful accounts (allowance for doubtful accounts increased by \$2,934 primarily due to the Mayor's COVID-19 proclamation suspending shutoff of water service and collection of past due accounts), \$994 in interest receivable mainly due to lower interest rates and higher cash distributions than interest earnings, \$7 due to cash received from other governments for grants relating to water efficiency, and \$2 mainly due to collections from the Department of Public Works (DPW) for custom work projects.

Capital assets, net of accumulated depreciation and amortization, increased by \$57,254 or 1.0% mainly due to San Andreas Pipeline No. 2 and San Francisco Groundwater Supply construction and capital improvement activities. The largest portion of the Water Enterprise's net position of \$517,302 or 79.6% represents net investment in capital assets (see Capital Assets section of the MDA for more information), which decreased by \$10,554 or 2.0% from prior year's \$527,856. The change was explained by an increase of \$67,808 in liabilities related to capital assets mainly from the issuance of 2020 Series ABCD and 2020 Series EFGH bonds, offset by an increase of \$57,254 in capital assets in buildings, structures, and improvements and construction in progress from depreciation.

Deferred outflows of resources increased by \$18,694 due to increases of \$10,802 for unamortized loss on refunding (the result of a \$27,010 increase from the issuance of 2020 Series EFGH bonds, offset by a \$15,156 decrease from amortization and \$1,052 from refunding of the 2010 Series D, 2011 Series D and 2012 Series C bonds), and \$10,179 from OPEB obligations based on actuarial reports. These increases were offset by a \$2,287 decrease relating to pensions based on actuarial reports.

Total liabilities increased by \$119,022 or 2.1% which is due to increases of \$299,480 in outstanding revenue bonds mainly due to the issuance of 2020 Series ABCD and 2020 Series EFGH bonds, \$38,284 in net pension liability based on actuarial report, \$34,136 increase in State Revolving Funds Loan payable due to additional loans relating to the SF Westside Recycled Water project, \$25,956 in general liability based on actuarial report, \$3,650 in accrued payroll, vacation and sick leave mainly due to actuarial estimates, 3% increase of cost of living adjustment (COLA), and more days in current year-end payroll accrual compared to prior year-end accrual, \$2,921 in restricted and unrestricted payables due to higher accruals as compared to prior year mainly for the Information Technology project and 19th

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Ave. Infrastructure Improvement project, and \$792 in unearned revenues mainly due to additional customer credit balances from overpayments. These increases were offset by decreases of \$256,492 in commercial paper primarily due to refunding from the 2020 Series ABCD bonds, \$14,913 in other post-employment benefits obligations from actuarial estimates, \$6,557 in interest payable mainly due to refunding from the 2020 Series EFGH Bonds, \$3,993 in the Wholesale Balancing Account due to higher demand from the wholesale customers (see Note 11 for details), \$2,916 in certificates of participation from repayments and amortization of premium, \$674 in due to other City departments from payments made for legal services provided by the City Attorney and projects performed by the Department of Public Works for Sidewalk Inspection and Repair projects, \$346 in workers' compensation based on actuarial estimates, and \$306 in pollution remediation liability as a result of additional expenditures incurred for the Lake Merced Pacific Rod and Gun Club and 17th and Folsom sites (see Note 16(d) for details).

Deferred inflows of resources decreased by \$20,466 from a \$30,009 decrease related to pensions based on actuarial reports, offset by a \$9,543 increase from OPEB obligations based on actuarial reports.

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The following table summarizes Wastewater's changes in net position.

**Table 1B  
Proprietary Fund – Wastewater  
Comparative Condensed Net Position  
June 30, 2022, 2021, and 2020**

	<u>2022</u>	<u>Restated 2021<sup>^</sup></u>	<u>2020</u>	<u>2022 - 2021 Change</u>	<u>2021 - 2020 Change</u>
Total assets:					
Current and other assets	\$ 628,368	360,711	473,620	267,657	(112,909)
Capital assets, net of accumulated depreciation and amortization	<u>4,046,451</u>	<u>3,606,850</u>	<u>3,062,288</u>	<u>439,601</u>	<u>544,562</u>
Total assets	<u>4,674,819</u>	<u>3,967,561</u>	<u>3,535,908</u>	<u>707,258</u>	<u>431,653</u>
Deferred outflows of resources:					
Unamortized loss on refunding of debt	33	91	189	(58)	(98)
Pensions	25,369	30,219	30,422	(4,850)	(203)
Other post-employment benefits	<u>12,898</u>	<u>15,109</u>	<u>10,065</u>	<u>(2,211)</u>	<u>5,044</u>
Total deferred outflows of resources	<u>38,300</u>	<u>45,419</u>	<u>40,676</u>	<u>(7,119)</u>	<u>4,743</u>
Liabilities:					
Current liabilities:					
Revenue bonds	34,345	22,880	23,240	11,465	(360)
Certificates of participation	830	785	747	45	38
Commercial paper	379,157	638,518	207,939	(259,361)	430,579
State revolving fund loans	2,481	2,483	2,458	(2)	25
Other liabilities	<u>165,139</u>	<u>149,357</u>	<u>148,585</u>	<u>15,782</u>	<u>772</u>
Subtotal current liabilities	<u>581,952</u>	<u>814,023</u>	<u>382,969</u>	<u>(232,071)</u>	<u>431,054</u>
Long-term liabilities:					
Revenue bonds	1,896,908	1,567,042	1,598,493	329,866	(31,451)
Revenue notes	350,356	—	—	350,356	—
Certificates of participation	24,458	25,302	26,112	(844)	(810)
State revolving fund loans	300,178	106,076	86,091	194,102	19,985
Other liabilities	<u>73,295</u>	<u>188,576</u>	<u>168,906</u>	<u>(115,281)</u>	<u>19,670</u>
Subtotal long-term liabilities	<u>2,645,195</u>	<u>1,886,996</u>	<u>1,879,602</u>	<u>758,199</u>	<u>7,394</u>
Total liabilities:					
Revenue bonds	1,931,253	1,589,922	1,621,733	341,331	(31,811)
Revenue notes	350,356	—	—	350,356	—
Certificates of participation	25,288	26,087	26,859	(799)	(772)
Commercial paper	379,157	638,518	207,939	(259,361)	430,579
State revolving fund loans	302,659	108,559	88,549	194,100	20,010
Other liabilities	<u>238,434</u>	<u>337,933</u>	<u>317,491</u>	<u>(99,499)</u>	<u>20,442</u>
Total liabilities	<u>3,227,147</u>	<u>2,701,019</u>	<u>2,262,571</u>	<u>526,128</u>	<u>438,448</u>
Deferred inflows of resources:					
Related to pensions	114,670	2,148	16,892	112,522	(14,744)
Other post-employment benefits	<u>8,640</u>	<u>7,265</u>	<u>4,185</u>	<u>1,375</u>	<u>3,080</u>
Total deferred inflows of resources	<u>123,310</u>	<u>9,413</u>	<u>21,077</u>	<u>113,897</u>	<u>(11,664)</u>
Net position:					
Net investment in capital assets	1,092,705	1,253,789	1,183,288	(161,084)	70,501
Restricted for debt service	5,391	2,992	1,227	2,399	1,765
Restricted for capital projects	114,657	—	—	114,657	—
Unrestricted	<u>149,909</u>	<u>45,767</u>	<u>108,421</u>	<u>104,142</u>	<u>(62,654)</u>
Total net position	\$ <u>1,362,662</u>	\$ <u>1,302,548</u>	\$ <u>1,292,936</u>	<u>60,114</u>	<u>9,612</u>

<sup>^</sup>Restated due to the implementation of GASB Statement No. 87, Leases

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### Wastewater Net Position, Fiscal Year 2022

For the year ended June 30, 2022, the Wastewater Enterprise's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,362,662. The Wastewater Enterprise's total net position increased by \$60,114 or 4.6% as a result of increases of \$114,657 in restricted for capital projects, \$104,142 in unrestricted net position, and \$2,399 in restricted for debt service offset by a decrease of \$161,084 in net investment in capital assets (see Table 1B).

During the fiscal year 2022, current and other assets increased by \$267,657 or 74.2%. The increase was mainly due to \$182,040 in receivables from the State Water Resources Control Board (SWRCB) attributed to \$202,795 aggregate new State Revolving Fund (SRF) reimbursement requests consisting of \$132,000 for the Southeast Water Pollution Control Plant (SEP) Biosolids Digester Project, \$64,678 for the SEP New Headworks (Grit) Replacement Project, and \$6,117 for the Oceanside Plant (OSP) Digester Gas Utilization Upgrade Project, offset by \$20,755 cash receipts from prior year receivables relating to the OSP Digester Gas Utilization Upgrade Project, an increase of \$48,770 in net pension asset based on actuarial report and \$32,650 increase in restricted and unrestricted cash and investments mainly from the issuance proceeds of tax-exempt 2021 Series AB (Green) revenue notes and 2021 Series AB revenue bonds. Other increases included \$7,241 in receivables for charges for services mainly due to increased billings of \$6,143, \$1,098 decrease in allowance for doubtful accounts due to utility arrearage relief payment received from the State as Federal pass-through from the California Water and Wastewater Arrearages Payment Program (CWWAPP), \$1,014 due from the Treasure Island Development Authority (TIDA) for capacity fees, \$301 in inventory as there were more purchases than issuances during the year, \$190 in capacity charges net of allowance for doubtful accounts, \$118 in interest receivable, and \$25 in State grant receivable for the Baker Beach reimbursement. These increases in current and other assets were offset by a decrease of \$2,325 in lease assets, net of accumulated amortization, due to amortization, \$1,763 in Federal interest subsidy receivable (attributed to \$5,817 subsidy received offset by \$4,054 subsidy accrual during the year), \$324 decrease in rent receivable mainly due to \$304 collection of prior year balance from the San Francisco Community College, \$219 decrease in prepaid charges mainly due to \$652 prior year prepaid expenses recognized in current year and \$39 lease prepayments amortizations for the Civic Center Garage and the Mariposa Pump Station & Force, offset by \$472 prepaid expenses in the current year, \$56 decrease in interfund receivables and due from component unit consisting of \$118 from the Department of Public Works (DPW) for the Mission Bay South and Hunters View Development Projects, \$24 from the San Francisco Port Commission (Port), and \$20 from component unit for the TIDA Replacement & Repair Project, offset by an increase of \$106 in receivable from the Academy of Sciences and Office of Community Investment Infrastructure, and \$5 decrease in custom work receivable.

Capital assets, net of accumulated depreciation and amortization, increased by \$439,601 or 12.2% reflecting an increase in construction and capital improvement activities. The largest portion of the Wastewater Enterprise's net position of \$1,092,705 or 80.2%, represents net investment in capital assets (see Capital Assets section of the MDA for more information). Deferred outflows of resources decreased by \$7,119 mainly due to decreases in pensions and other post-employment benefits by \$4,850 and \$2,211, respectively based on actuarial report and \$58 amortization of the 2013 Series A bonds loss on refunding.

Total liabilities increased by \$526,128 or 19.5%. As of June 30, 2022, total debt outstanding balance of \$2,988,713 for revenue bonds and notes payable, certificates of participation (COP), commercial paper, and State Revolving Fund (SRF) loans, represented 92.6% of total liabilities, an increase of \$625,627 or 26.5%. The increase was mainly due to \$373,700 issuance of 2021 Series AB revenue bonds, consisting of \$297,880 par amounts and \$75,820 premiums, \$350,823 issuance of 2021 Series AB revenue notes consisting of \$347,465 par amounts and \$3,358 premiums, \$200,702 new SRF loans to finance the SEP Biosolids Digester Facilities, the SEP New Headworks Replacement, and the OSP Digester Gas Utilization Upgrade projects, and \$80,639 issuance of commercial paper. These increases were offset by \$340,000 retirement of commercial paper, \$26,148 in debt principal repayments, \$9,970 in premium amortization during the year, and \$4,000 loan principal forgiveness for the SRF OSP Digester Gas Utilization Upgrade Project along with \$119 unreimbursed loan claim. Other liabilities of \$238,434 such as payables to vendors, contractors, and other government agencies for goods and services under contractual agreements and employees, decreased by \$99,499 or 29.4%, mainly due to decreases of \$103,746 in net pension liability based on actuarial report, \$4,668 in general liability based on actuarial estimates, \$2,314 in lease liability due to implementation of GASB Statement No. 87, Leases,

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\$1,588 in other post-employment benefits obligations based on actuarial report, and \$110 in payable to Hetch Hetchy Power related to the 525 Golden Gate Living Machine System. These decreases were offset by increases of \$7,229 in restricted and unrestricted payable due to increased vouchers, \$4,184 in bond and loan interest payable due to higher outstanding debt principal, \$792 in unearned revenues mainly due to \$892 in customer credit balances mainly due to overpayments offset by decreases of \$81 in deposits from Pacific Gas & Electric due to expenses incurred for the Cross Bore Project and \$19 in liens payable, \$462 in employee related benefits including vacation, workers' compensation, accrued payroll mainly due to actuarial estimates, and 3.5% increase of cost of living adjustment (COLA), and \$260 in pollution remediation obligation.

Deferred inflows of resources increased by \$113,897 due to increases in pensions and other post-employment benefits by \$112,522 and \$1,375, respectively based on actuarial report.

### Wastewater Net Position, Fiscal Year 2021

For the year ended June 30, 2021, the Wastewater Enterprise's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,302,583. The Wastewater Enterprise's total net position increased by \$9,647 or 0.7% as a result of increases of \$70,501 in net investment in capital assets and \$1,765 in restricted for debt service offset by a decrease of \$62,619 in unrestricted net position (see Table 1B).

During the fiscal year 2021, current and other assets decreased by \$118,831 or 25.1%. The decrease was mainly due to a decrease of \$136,773 in restricted and unrestricted cash and investments largely attributed to increased spending for the Sewer System Improvement Program (SSIP) and debt principal and interest repayment. Other decreases included \$666 in receivables for charges for services mainly due to \$2,172 increase in allowance for doubtful accounts as there were more sewer charge receivables aging over 120 days attributable to the suspension of collection efforts in response to the COVID-19 emergency proclamation issued by the City Mayor. These decreases in current and other assets were offset by an increase of \$17,490 in receivables from the State Water Resources Control Board (SWRCB) due to \$20,755 in reimbursement receivable for disbursements claim relating to the Oceanside Plant (OSP) Digester Gas Utilization Upgrade Project offset by cash receipts of \$3,265 in State Revolving Fund (SRF) reimbursement requests consisting of \$2,041 for the Southeast Plant (SEP) 521/522 and Disinfection Upgrade and \$1,224 for the Lake Merced Green Infrastructure projects. The other increases included \$680 in prepaid charges, advances, and other receivable consisting of \$546 prepayments to the San Francisco Estuary Institute, Bay Area Air Quality Management District, and Water Research Foundation, \$290 in rent receivable mainly due a receivable from the San Francisco Community College, and \$17 in custom work receivable offset by \$173 prepaid expenses recognized to expense for the current year, \$181 in inventory as there were more purchases than issuances during the year, \$166 in restricted and unrestricted interest and other receivable mainly due to an increase in Federal interest subsidy receivable, and \$91 increase in interfund receivables consisting of \$47 from the Department of Public Works (DPW) for the Mission Bay South and Hunters View Development Projects, \$24 from the San Francisco Port Commission (Port), and \$20 from the Treasure Island Development Authority (TIDA).

Capital assets, net of accumulated depreciation and amortization, increased by \$544,562 or 17.8% reflecting an increase in construction and capital improvement activities. The largest portion of the Wastewater Enterprise's net position of \$1,253,789 or 96.3%, represents net investment in capital assets (see Capital Assets section of the MDA for more information). Deferred outflows of resources increased by \$4,743 mainly due to \$5,044 increase in other post-employment benefits based on actuarial report offset by \$203 decrease in pensions based on actuarial report and \$98 amortization of the 2013 Series A bonds loss on refunding.

Total liabilities increased by \$432,491 or 19.1%. As of June 30, 2021, total outstanding balance of \$2,363,086 for revenue bonds payable, commercial paper, certificates of participation, and SRF loans represented 87.7% of total liabilities, an increase of \$418,006 or 21.5%. The increase was mainly due to \$435,450 additional commercial paper issuance and \$22,468 SRF loan to fund the OSP Digester Gas Utilization Upgrade, the SEP 521/522 and Disinfection Upgrade, and the Lake Merced Green Infrastructure projects offset by \$31,316 in debt repayments and \$8,596 in amortization of premium during the year. Other liabilities of \$331,976 such as payables to vendors, contractors, and other government agencies for goods and services under contractual agreements and employees, increased by \$14,485 or 4.6%, due to increases

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of \$17,511 in net pension liability based on actuarial report, \$3,912 in employee related benefits including vacation, workers' compensation, and accrued payroll mainly due to actuarial estimates, 3% increase of cost of living adjustment (COLA), and more days in current year-end payroll accrual compared to prior year-end accrual, \$822 in general liability based on actuarial estimates, \$130 in customer credit balances mainly due to overpayments, and \$26 in liens payable. These increases were offset by decreases of \$7,472 in other post-employment benefits obligations based on actuarial report, \$145 in bond and loan interest payable due to lower outstanding debt principal and lower interest rates, \$135 in restricted and unrestricted payable due to higher voucher payments than vouchers generated, and \$109 in payable to Hetch Hetchy Power due to payment for the 525 Golden Gate Living Machine System, \$54 decrease in deposit from PG&E due to expenses incurred for the Cross Bore Project, and \$1 interfund payable to City Attorney's Office. Deferred inflows of resources decreased by \$11,664 due to \$14,744 decrease in pensions based on actuarial report offset by \$3,080 increase in other post-employment benefits based on actuarial report.

The following table summarizes Hetchy Water's changes in net position.

**Table 1C – A  
Proprietary Fund – Hetchy Water  
Comparative Condensed Net Position  
June 30, 2022, 2021, and 2020**

	<u>2022</u>	<u>Restated 2021<sup>A</sup></u>	<u>2020</u>	<u>2022 - 2021 Change</u>	<u>2021 - 2020 Change</u>
Total assets:					
Current and other assets	\$ 109,752	98,225	92,711	11,527	5,514
Capital assets, net of accumulated depreciation and amortization	201,007	177,481	160,782	23,526	16,699
Total assets	<u>310,759</u>	<u>275,706</u>	<u>253,493</u>	<u>35,053</u>	<u>22,213</u>
Deferred outflows of resources:					
Pensions	6,696	7,799	7,950	(1,103)	(151)
Other post-employment benefits	3,272	3,725	2,332	(453)	1,393
Total deferred outflows of resources	<u>9,968</u>	<u>11,524</u>	<u>10,282</u>	<u>(1,556)</u>	<u>1,242</u>
Liabilities:					
Current liabilities	17,380	15,873	6,769	1,507	9,104
Long-term liabilities	16,956	43,623	40,441	(26,667)	3,182
Total liabilities	<u>34,336</u>	<u>59,496</u>	<u>47,210</u>	<u>(25,160)</u>	<u>12,286</u>
Deferred inflows of resources:					
Related to pensions	34,477	988	4,335	33,489	(3,347)
Other post-employment benefits	2,734	2,085	1,195	649	890
Total deferred inflows of resources	<u>37,211</u>	<u>3,073</u>	<u>5,530</u>	<u>34,138</u>	<u>(2,457)</u>
Net position:					
Net investment in capital assets	201,007	177,481	160,782	23,526	16,699
Restricted for capital projects	—	—	6,513	—	(6,513)
Unrestricted	48,173	47,180	43,740	993	3,440
Total net position	<u>\$ 249,180</u>	<u>224,661</u>	<u>211,035</u>	<u>24,519</u>	<u>13,626</u>

<sup>A</sup>Restated due to the implementation of GASB Statement No. 87, Leases.

### Hetchy Water Net Position, Fiscal Year 2022

Hetchy Water's net position of \$249,180 increased by \$24,519 or 10.9% resulting from a net increase of \$33,497 in total assets and deferred outflows of resources, offset by a net increase of \$8,978 in total liabilities and deferred inflows of resources (see Table 1C-A). The increase of \$11,527 in current and other assets was attributed to increases of \$13,912 in net pension assets based on actuarial report, \$33 in charges for services receivables due to higher consumption from Lawrence Livermore National Laboratory, \$19 in interest receivables due to higher interest accrual

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from City's Treasury, and \$8 in inventory due to more purchases than issuances during the fiscal year. The increases were offset by decreases of \$2,173 in cash and investment with City Treasury mainly from higher project spending, \$192 in prepaid charges, advances, and other receivables mainly due to prepayment to Turlock Irrigation District for relicensing studies, \$67 decrease in due from other governments related to State grant reimbursement received for Lower Cherry Aqueduct project, and \$13 decrease in lease right-to-use assets net of accumulated amortization per implementation of GASB Statement No. 87, *Leases*.

Capital assets, net of accumulated depreciation and amortization, increased by \$23,526 or 13.3% to \$201,007 primarily from construction and capital improvement activities for the Mountain Tunnel Improvement Project and San Joaquin Pipeline Valve and Safe Entry Improvement Project. Deferred outflows of resources decreased by \$1,556 due to decreases of \$1,103 in pensions and \$453 in other post-employment benefits (OPEB) based on actuarial reports.

Hetchy Water's total liabilities decreased by \$25,160 or 42.3% to \$34,336, as explained by decreases of \$26,645 in net pension liability based on actuarial estimates, \$2,733 in restricted payables to vendors and contractors mainly due to lower year-end expense accruals for capital projects, \$204 in OPEB obligations based on actuarial assumptions, \$16 in lease liability per implementation of GASB Statement No. 87, *Leases*, and \$6 in grant advance due to recognition of prior year State grant for the Rim Fire project. These decreases were offset by increases of \$4,192 in unrestricted payables mainly for license and permit fees to National Park Service, \$148 in employee related benefits mainly due to increase in workers' compensation, \$102 in general liability based on actuarial estimates, and \$2 increase in rental deposits and prepaid rent.

Deferred inflows of resources increased by \$34,138 due to increases of \$33,489 in relation to pensions and \$649 in OPEB based on actuarial reports.

### Hetchy Water Net Position, Fiscal Year 2021

Hetchy Water's net position of \$224,665 increased by \$13,630 or 6.5% resulting from an increase of \$23,381 in total assets and deferred outflows of resources, offset by a net increase of \$9,751 in total liabilities and deferred inflows of resources (see Table 1C-A). The increase of \$5,440 in current and other assets was attributed to increases of \$7,423 in cash and investment with City Treasury mainly due to a \$16,000 transfer from the Water Enterprise to fund upcountry projects, offset by higher project spending, \$413 increase in charges for services receivables due to higher consumption from Lawrence Livermore National Laboratory, and \$4 increase in inventory due to more purchases than issuances during the fiscal year. The increases were offset by decreases of \$1,996 in due from other governments mainly due to prior year reimbursements received for disaster emergency recoveries related to the 2018 Moccasin Storm and \$186 in interest receivables due to lower annualized interest rate. Prepaid charges, advances, and other receivables decreased by \$114 due to \$448 Rim Fire insurance recovery collections and \$4 in amortization of the advance paid to the Recreation and Parks Department for the Civic Center Garage, offset by an increase of \$338 in vendor prepayment to Turlock Irrigation District for Federal Energy Regulatory Commission (FERC) relicensing studies and California Department of Water Resources for annual dam fees. Other decreases include \$104 due from the City Attorney's Office for legal services.

Capital assets, net of accumulated depreciation and amortization, increased by \$16,699 or 10.4% to \$177,481 primarily from construction and capital improvement activities for the Mountain Tunnel Improvement Project and Repair & Replacement Life Extension Program, and additions of facilities, improvements, machinery, and equipment. Deferred outflows of resources increased by \$1,242 due to an increase of \$1,393 in OPEB based on actuarial reports offset by a decrease of \$151 in pensions.

Hetchy Water's total liabilities increased by \$12,208 or 25.9% to \$59,418, as explained by increases of \$5,778 in restricted payables to vendors and contractors mainly due to higher year-end expense accruals for capital projects, \$5,168 in net pension liability based on actuarial report, \$3,304 in unrestricted payables mainly for license and permit fees to National Park Service, \$626 in employee related benefits including workers' compensation, vacation, sick leave and accrued payroll mainly due to an extra day in current year-end payroll accrual when compared to prior year and a 3% cost of living adjustment increase in December 2020, and \$4 increase in rental deposits. The increases were offset by

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decreases of \$1,906 in OPEB obligations based on actuarial assumptions, \$493 in grant advance due to recognition of Rim Fire grant revenue, \$240 in payable due to the City Attorney's Office for unbilled legal services, and \$33 in general liability based on actuarial estimates.

Deferred inflows of resources decreased by \$2,457 due to a decrease of \$3,347 in relation to pensions offset by an increase of \$890 in OPEB based on actuarial reports.

The following table summarizes Hetchy Power's changes in net position.

**Table 1C – B  
Proprietary Fund – Hetchy Power  
Comparative Condensed Net Position  
June 30, 2022, 2021, and 2020**

	2022	Restated 2021 <sup>^</sup>	2020	2022 - 2021 Change	2021 - 2020 Change
<b>Total assets:</b>					
Current and other assets	\$ 260,560	249,365	228,845 *	11,195	20,520
Capital assets, net of accumulated depreciation and amortization	585,636	492,056	445,429	93,580	46,627
<b>Total assets</b>	<b>846,196</b>	<b>741,421</b>	<b>674,274</b>	<b>104,775</b>	<b>67,147</b>
<b>Deferred outflows of resources:</b>					
Pensions	8,183	9,531	9,716	(1,348)	(185)
Other post-employment benefits	3,999	4,552	2,850	(553)	1,702
<b>Total deferred outflows of resources</b>	<b>12,182</b>	<b>14,083</b>	<b>12,566</b>	<b>(1,901)</b>	<b>1,517</b>
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Bonds	1,966	1,928	2,115	38	(187)
Certificates of participation	427	405	384	22	21
Commercial paper	40,019	114,671	63,535	(74,652)	51,136
Other liabilities	48,549	49,450	33,218	(901)	16,232
<b>Subtotal current liabilities</b>	<b>90,961</b>	<b>166,454</b>	<b>99,252</b>	<b>(75,493)</b>	<b>67,202</b>
<b>Long-term liabilities:</b>					
Bonds	192,520	44,384	47,693	148,136	(3,309)
Certificates of participation	12,593	13,026	13,444	(433)	(418)
Other liabilities	22,646	55,425	54,085	(32,779)	1,340
<b>Subtotal long-term liabilities</b>	<b>227,759</b>	<b>112,835</b>	<b>115,222</b>	<b>114,924</b>	<b>(2,387)</b>
<b>Total liabilities:</b>					
Bonds	194,486	46,312	49,808	148,174	(3,496)
Certificates of participation	13,020	13,431	13,828	(411)	(397)
Commercial paper	40,019	114,671	63,535	(74,652)	51,136
Other liabilities	71,195	104,875	87,303	(33,680)	17,572
<b>Total liabilities</b>	<b>318,720</b>	<b>279,289</b>	<b>214,474</b>	<b>39,431</b>	<b>64,815</b>
<b>Deferred inflows of resources:</b>					
Related to pensions	42,138	1,207	5,298	40,931	(4,091)
Other post-employment benefits	3,342	2,548	1,461	794	1,087
<b>Total deferred inflows of resources</b>	<b>45,480</b>	<b>3,755</b>	<b>6,759</b>	<b>41,725</b>	<b>(3,004)</b>
<b>Net position:</b>					
Net investment in capital assets	352,162	323,066	322,204	29,096	862
Restricted for debt service	140	99	142	41	(43)
Unrestricted	141,876	149,295	143,261	(7,419)	6,034
<b>Total net position</b>	<b>\$ 494,178</b>	<b>472,460</b>	<b>465,607</b>	<b>21,718</b>	<b>6,853</b>

<sup>^</sup>Restated due to the implementation of GASB Statement No. 87, Leases.

\* Included \$1,800 working capital loan to CleanPowerSF in fiscal year 2020.

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### Hetchy Power Net Position, Fiscal Year 2022

Hetchy Power's net position of \$494,178 increased by \$21,718 or 4.6% resulting from a net increase of \$102,874 in total assets and deferred outflows of resources, offset by an increase of \$81,156 in total liabilities and deferred inflows of resources (see Table 1C-B). Increase of \$11,195 in current and other assets was attributed to increases of \$17,004 in net pension assets based on actuarial report, \$7,882 in prepaid charges, advances, and other receivables mainly due to collateral paid to satisfy the CAISO's financial security requirements, \$3,295 in cash and investments mainly due to higher collections from billings, \$76 in interest receivables due to higher interest accrual from City's Treasury, and \$31 increase in Federal grants receivable mainly from the Rim Fire Project.

These increases were offset by decreases of \$8,835 in charges for services receivables due to completion of billing system implementation in prior year resulting in more timely billings in current year, \$7,497 in restricted interest and other receivables mainly due to decrease in vendor prepayment to PG&E for the Bay Corridor Project, \$602 in due from other City departments mainly from repayment for Sustainable Energy Account, \$142 in inventory due to more issuances than purchases during the fiscal year, and \$17 decrease in lease right-to-use assets net of accumulated amortization per implementation of GASB Statement No. 87, *Leases*.

Capital assets, net of accumulated depreciation and amortization, increased by \$93,580 or 19.0% to \$585,636 primarily from construction and capital improvement activities for the Bay Corridor Project and Mountain Tunnel Improvement Project. Deferred outflows of resources decreased by \$1,901 due to decreases of \$1,348 in pensions and \$553 in OPEB based on actuarial reports.

Hetchy Power's total liabilities of \$318,720 increased by \$39,431 or 14.1%. As of June 30, 2022, outstanding debt increased by \$73,111 due to \$124,000 from 2021 Series AB revenue bond issuances, \$63,058 from commercial paper issuance for Hetchy Power facilities, and \$27,022 in bond premium from 2021 Series AB revenue bonds, offset by \$140,043 in commercial paper, bonds, and certificates of participation principal repayments, and \$926 in amortization of premium and discount. Other liabilities of \$71,195, such as payables to vendors, employees, contractors, and other government agencies for goods and services under contractual agreements, decreased by \$33,680 or 32.1%, mainly due to decreases of \$32,566 in net pension liability based on actuarial estimates, \$6,241 in unrestricted payables mainly from prior year wheeling charges to APX, Inc., \$248 in OPEB obligations based on actuarial assumptions, \$85 in general liability based on actuarial estimates, and \$19 decrease in lease liability and interest payable per implementation of GASB Statement No. 87, *Leases*. These decreases were offset by increases of \$3,666 in restricted payables to vendors and contractors due to higher year-end expense accruals for capital projects, \$868 increase in interest payable related to 2021 Series AB revenue bond issuances, \$734 in unearned revenues, refunds, and other, \$200 in employee related benefits mainly due to increase in workers' compensation, and \$11 in due to Department of Public Works for painting of light poles. Increase of \$734 in unearned revenues, refunds, and other was mainly due to increases of \$458 in deposits from custom work projects, \$267 in prepayments from Distributed Antenna System (DAS) program, and \$60 in overpayments received from customers, offset by decreases of \$48 in grant advance due to recognition of Rim Fire State grant revenue and \$3 in deposits received from retail customers.

Deferred inflows of resources increased by \$41,725 due to increases of \$40,931 in relation to pensions and \$794 in OPEB based on actuarial reports.

### Hetchy Power Net Position, Fiscal Year 2021

Hetchy Power's net position of \$472,464 increased by \$6,857 or 1.5% resulting from an increase of \$68,574 in total assets and deferred outflows of resources, offset by a net increase of \$61,717 in total liabilities and deferred inflows of resources (see Table 1C-B). Increase of \$20,430 in current and other assets was attributed to an increase of \$16,057 in charges for services receivables, of which \$15,673 was attributed to billing delays as a result of transitioning to new billing system implemented in April 2021. In addition, there was an increase of \$1,051 in year-end accrual for California Independent System Operator (CAISO) Congestion Revenue Right (CRR) credits, offset by an increase of \$667 in allowance for doubtful accounts due to increased past due balances as a result of the Mayor's emergency proclamation that Hetchy Power temporarily suspend collection procedures and utility shutoffs for past due accounts to help customers with

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financial hardship due to COVID-19. Restricted interest and other receivables increased by \$11,632 mainly due to vendor prepayment to PG&E for the Bay Corridor Project.

Prepaid charges, advances, and other receivables increased by \$405 mainly due to \$496 increase in vendor prepayments to PG&E for electric system reliability compliance product offset by decreases of \$61 in receivables for the Distributed Antenna System (DAS) program due to more payments received, \$16 in custom work receivables for Sunnysdale Housing Projects, and \$14 in amortization of the advance paid to the Recreation and Parks Department for the Civic Center Garage. Inventory increased by \$211 due to more purchases than issuances during the fiscal year. The increases were offset by \$3,280 decrease in cash and investment with/outside City Treasury due primarily to increase in capital spending. Due from other City departments decreased by \$2,763, attributed to the final repayments of \$1,800 from CleanPowerSF for working capital loan, \$506 for the Sustainable Energy Account, \$331 from City Attorney's Office for legal services, \$109 from Wastewater Enterprise for the Living Machine System, and \$105 from the Recreation and Parks Department for Energy Efficiency Projects, offset by increases of \$46 in interest receivable from Treasure Island Development Authority (TIDA) in connection of an upgraded submarine power cable for the Treasure Island to increase service capacity and \$42 from the Department of Public Works for Hunters Point Shipyard Development and Transbay Folsom Street Improvement custom work projects. Other decreases include \$1,377 in grants receivable due to reimbursement received for disaster emergency recoveries related to the Rim Fire and 2018 Moccasin Storm, and \$455 in interest receivables due to lower annualized interest rate.

Capital assets, net of accumulated depreciation and amortization, increased by \$46,627 or 10.5% to \$492,056 primarily due to additions of facilities, improvements, machinery, and equipment for the Bay Corridor Project and Holm Powerhouse Rehabilitation and Kirkwood Powerhouse Oil Containment Upgrades. Deferred outflows of resources increased by \$1,517 due to an increase of \$1,702 in OPEB based on actuarial reports offset by a decrease of \$185 in pensions.

Hetchy Power's total liabilities of \$279,195 increased by \$64,721 or 30.2%. As of June 30, 2021, outstanding debts increased by \$47,243 and was attributable to \$51,136 in commercial paper issuance for Hetchy Power facilities, offset by \$2,402 in bonds and certificates of participation principal repayments, \$1,272 in return of unspent bond proceeds for 2015 NCREBs, and \$219 in amortization of premium and discount. Other liabilities of \$104,781, such as payables to vendors, employees, contractors, and other government agencies for goods and services under contractual agreements, increased by \$17,478 or 20.0%, mainly due to increases of \$8,724 in unrestricted payables mainly for wheeling charges to APX Inc., \$6,934 restricted payables to vendors and contractors due to higher year-end expense accruals for capital projects, \$6,317 in net pension liability based on actuarial report, and \$876 in employee related benefits including workers' compensation, vacation, sick leave and accrued payroll mainly due to an extra day in current year-end payroll accrual when compared to prior year and a 3% cost of living adjustment increase in December 2020. Offsetting decreases include \$2,330 in OPEB obligations based on actuarial assumptions, \$1,649 in unearned revenue, \$1,114 in general liability based on actuarial estimates, \$231 in due to City Attorney's Office for unbilled legal services, and \$49 in interest payable as a result of decreased outstanding debts and lower interest rates for commercial paper. Unearned revenue decreased by \$1,649 due to \$1,208 in remittance of utility tax collected, \$1,193 in power revenue from commercial deposits, \$681 in residential allowance refund for the Alice Griffith Housing Project, and \$609 in recognition of Rim Fire grants revenue received in advance, offset by increases of \$1,707 in deposits from custom work projects, \$200 in prepayments from DAS program, \$117 in overpayments received from customers, and \$18 in deposits received from retail customers and security deposits for cottage rental.

Deferred inflows of resources decreased by \$3,004 due to a decrease of \$4,091 in relation to pensions offset by an increase of \$1,087 in OPEB based on actuarial reports.

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The following table summarizes CleanPowerSF's changes in net position.

**Table 1C – C**  
**Proprietary Fund – CleanPowerSF**  
**Comparative Condensed Net Position**  
**June 30, 2022, 2021, and 2020**

	<u>2022</u>	<u>Restated 2021<sup>^</sup></u>	<u>2020</u>	<u>2022 - 2021 Change</u>	<u>2021 - 2020 Change</u>
Total assets:					
Current and other assets	\$ 129,847	121,917	121,879	7,930	38
Total assets	<u>129,847</u>	<u>121,917</u>	<u>121,879</u>	<u>7,930</u>	<u>38</u>
Deferred outflows of resources:					
Pensions	852	803	572	49	231
Other post-employment benefits	798	442	270	356	172
Total deferred outflows of resources	<u>1,650</u>	<u>1,245</u>	<u>842</u>	<u>405</u>	<u>403</u>
Liabilities:					
Current liabilities	28,621	17,735	24,991 *	10,886	(7,256)
Long-term liabilities	11,548	15,344	4,171	(3,796)	11,173
Total liabilities	<u>40,169</u>	<u>33,079</u>	<u>29,162</u>	<u>7,090</u>	<u>3,917</u>
Deferred inflows of resources:					
Related to pensions	5,414	1,093	1,210	4,321	(117)
Other post-employment benefits	1,594	1,913	1,211	(319)	702
Total deferred inflows of resources	<u>7,008</u>	<u>3,006</u>	<u>2,421</u>	<u>4,002</u>	<u>585</u>
Net position:					
Unrestricted	84,320	87,077	91,138	(2,757)	(4,061)
Total net position	\$ <u>84,320</u>	\$ <u>87,077</u>	\$ <u>91,138</u>	<u>(2,757)</u>	<u>(4,061)</u>

<sup>^</sup>Restated due to the implementation of GASB Statement No. 87, Leases.

\*Included \$1,800 working capital loan from Hetchy Power in fiscal year 2020.

### CleanPowerSF Net Position, Fiscal Year 2022

CleanPowerSF's net position of \$84,320 decreased by \$2,757 or 3.2%, resulting from an increase of \$11,092 in total liabilities and deferred inflows of resources, offset by an increase of \$8,335 in total assets and deferred outflows of resources (see Table 1C-C). Increase in total assets of \$7,930 was due to increases of \$20,602 in prepaid expenses included \$12,236 in collateral paid to satisfy the CAISO's financial security requirements, \$5,914 from power purchase credits, and \$2,452 in prepayments to PG&E for electricity purchases. Other increases included \$20,438 in charges for services receivables due to pre-approved rate increases, \$1,833 in net pension assets based on actuarial report, and \$6 in interest receivable due to higher interest accrual from City's Treasury. These increases were offset by decreases of \$34,604 in cash and investments with City Treasury mainly attributed to volatile and increased pricing in power market and \$345 decrease in lease right-to-use assets net of accumulated amortization per implementation of GASB Statement No. 87, Leases.

Deferred outflows of resources increased by \$405 due to increases of \$356 in OPEB and \$49 in pensions based on actuarial reports.

Total liabilities increased by \$7,090 or 21.4% to \$40,169, mainly explained by \$7,667 increase in payables to suppliers for power purchases, \$3,168 increase in unearned revenues, refunds, and other due to \$2,676 grants received in advance from California Public Utilities Commission (CPUC) for the new Disadvantaged Communities Programs (DAC) and the Community Food Service Energy Efficiency program, \$503 from net energy metering credits to retail and commercial customers, offset by a decrease of \$11 from customer prepayments. Other increases included \$228 for employee related benefits including vacation sick leave and accrued payroll mainly due to an extra day in current year-end payroll accrual when compared to prior year and \$26 in general liability based on actuarial estimates. The increases were

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offset by decreases of \$3,008 in net pension liability based on actuarial estimates, \$645 in OPEB obligations based on actuarial assumptions, and \$346 decrease in lease liability and interest payable per implementation of GASB Statement No. 87, *Leases*.

Deferred inflows of resources increased by \$4,002 due to an increase of \$4,321 in relation to pensions, offset by a decrease of \$319 in OPEB based on actuarial reports.

### CleanPowerSF Net Position, Fiscal Year 2021

CleanPowerSF's net position of \$87,080 decreased by \$4,058 or 4.5%, resulting from a net decrease of \$134 in total assets and deferred outflows of resources and a net increase of \$3,924 in total liabilities and deferred inflows of resources (see Table 1C-C). Total assets decreased by \$537 due to a \$6,447 decrease in charges for services receivables attributed to an increase of \$3,675 in allowance for doubtful accounts due to higher past due balances in customer power utility accounts after the Mayor's proclamation to extend the moratorium on utility shutoffs and bill collections to help customers experiencing financial hardship as a result of COVID-19. Other decreases include \$2,772 in receivables mainly due to one-time customer assistance bill credits related to COVID-19 relief, \$576 in prepaid charges, advances, and other receivables mainly due to lower vendor prepayments for purchased electricity and \$160 in interest receivables due to lower annualized interest rate. The decreases were offset by an increase of \$6,646 in cash and investment with City Treasury mainly from cash collateral received for power purchase agreement.

Deferred outflows of resources increased by \$403 due to increases of \$231 in pensions and \$172 in OPEB based on actuarial reports.

Total liabilities of \$32,501 increased by \$3,339 or 11.4%, which was mainly explained by \$9,000 in cash collateral received for power purchase agreement (see Note 16(a)), \$1,203 in net pension liability based on actuarial report, \$712 in OPEB obligations based on actuarial assumptions, and an increase of \$200 in employee related benefits including vacation, sick leave and accrued payroll mainly due to an extra day in current year-end payroll accrual when compared to prior year, and a 3% cost of living adjustment increase in December 2020. Other increases in unearned revenues, refunds, and other, include \$90 from net energy metering credits to retail and commercial customers, \$86 from customer prepayments, and \$4 from utility and electric energy surcharge tax payable. These increases were offset by decreases of \$6,047 in payables to vendors and contractors mainly from lower power purchases, \$1,809 due to other City departments (\$1,800 final working capital loan repayment to Hetchy Power and \$9 to City Attorney's Office for unbilled legal services), and \$100 in general liability based on actuarial estimates.

Deferred inflows of resources increased by \$585 due to an increase of \$702 in OPEB based on actuarial reports offset by a decrease of \$117 in relation to pensions.

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**Results of Operations**

**Department-wide Business Type Activities**

The following table summarizes the department-wide revenues, expenses, and changes in net position. Detailed discussion follows for each proprietary fund.

**Table 2  
Business Type Activities  
Comparative Condensed Revenues, Expenses, and Changes in Net Position  
Years ended June 30, 2022, 2021, and 2020**

	<u>2022</u>	<u>Restated 2021<sup>^</sup></u>	<u>2020</u>	<u>2022 - 2021 Change</u>	<u>2021 - 2020 Change</u>
Revenues:					
Charges for services	\$ 1,375,765	1,259,466	1,303,411	116,299	(43,945)
Rents and concessions	14,719	14,624	13,135	95	1,489
Other operating revenues	31,962	27,182	32,217	4,780	(5,035)
Interest and investment income/(loss)	(26,202)	30	32,103	(26,232)	(32,073)
Net gain from transfer of assets	—	—	—	—	—
Other non-operating revenues	86,326	72,337	129,198	13,989	(56,861)
Total revenues	<u>1,482,570</u>	<u>1,373,639</u>	<u>1,510,064</u>	<u>108,931</u>	<u>(136,425)</u>
Expenses:					
Operating expenses	1,129,725	1,149,825	1,049,402	(20,100)	100,423
Interest expenses	297,041	221,622	237,271	75,419	(15,649)
Amortization of premium, discount, refunding loss, and issuance costs	(18,105)	(16,498)	(22,627)	(1,607)	6,129
Non-operating expenses	1,938	3,582	1,652	(1,644)	1,930
Total expenses	<u>1,410,599</u>	<u>1,358,531</u>	<u>1,265,698</u>	<u>52,068</u>	<u>92,833</u>
Change in net position before transfers and capital contributions	<u>71,971</u>	<u>15,108</u>	<u>244,366</u>	<u>56,863</u>	<u>(229,258)</u>
Capital contributions	—	4,180	—	(4,180)	4,180
Transfers from the City and County of San Francisco	45,036	38,465	15,500	6,571	22,965
Transfers to the City and County of San Francisco	(31,359)	(21,374)	(16,305)	(9,985)	(5,069)
Net capital contributions and transfers	<u>13,677</u>	<u>21,271</u>	<u>(805)</u>	<u>(7,594)</u>	<u>22,076</u>
Change in net position	<u>85,648</u>	<u>36,379</u>	<u>243,561</u>	<u>49,269</u>	<u>(207,182)</u>
Net position at beginning of year	<u>2,738,110</u>	<u>2,701,731</u>	<u>2,458,170</u>	<u>36,379</u>	<u>243,561</u>
Net position at end of year	<u>\$ 2,823,758</u>	<u>2,738,110</u>	<u>2,701,731</u>	<u>85,648</u>	<u>36,379</u>

<sup>^</sup>Restated due to the implementation of GASB Statement No. 87, Leases.

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The following table summarizes Water's revenues, expenses, and changes in net position.

**Table 2A**  
**Proprietary Fund – Water**  
**Comparative Condensed Revenues, Expenses, and Changes in Net Position**  
**Years ended June 30, 2022, 2021, and 2020**

	<u>2022</u>	<u>Restated 2021<sup>^</sup></u>	<u>2020</u>	<u>2022 - 2021 Change</u>	<u>2021 - 2020 Change</u>
Revenues:					
Charges for services	\$ 539,526	550,306	550,753	(10,780)	(447)
Rents and concessions	13,765	13,735	12,124	30	1,611
Other operating revenues	19,826	18,395	20,474	1,431	(2,079)
Interest and investment income/(loss)	(10,896)	1,374	10,517	(12,270)	(9,143)
Other non-operating revenues	41,871	45,874	94,734	(4,003)	(48,860)
Total revenues	<u>604,092</u>	<u>629,684</u>	<u>688,602</u>	<u>(25,592)</u>	<u>(58,918)</u>
Expenses:					
Operating expenses	401,786	448,782	398,117	(46,996)	50,665
Interest expenses	213,668	184,678	191,246	28,990	(6,568)
Amortization of premium, discount, refunding loss, and issuance costs	(9,875)	(7,782)	(13,752)	(2,093)	5,970
Non-operating expenses	828	2,208	529	(1,380)	1,679
Total expenses	<u>606,407</u>	<u>627,886</u>	<u>576,140</u>	<u>(21,479)</u>	<u>51,746</u>
Change in net position before transfers and capital contributions	<u>(2,315)</u>	<u>1,798</u>	<u>112,462</u>	<u>(4,113)</u>	<u>(110,664)</u>
Capital contributions	—	4,180	—	(4,180)	4,180
Transfers from the City and County of San Francisco	15,035	21,025	1,220	(5,990)	19,805
Transfers to the City and County of San Francisco	<u>(30,666)</u>	<u>(16,654)</u>	<u>(14,805)</u>	<u>(14,012)</u>	<u>(1,849)</u>
Net capital contributions and transfers	<u>(15,631)</u>	<u>8,551</u>	<u>(13,585)</u>	<u>(24,182)</u>	<u>22,136</u>
Change in net position	<u>(17,946)</u>	<u>10,349</u>	<u>98,877</u>	<u>(28,295)</u>	<u>(88,528)</u>
Net position at beginning of year	<u>651,364</u>	<u>641,015</u>	<u>542,138</u>	<u>10,349</u>	<u>98,877</u>
Net position at end of year	<u>\$ 633,418</u>	<u>651,364</u>	<u>641,015</u>	<u>(17,946)</u>	<u>10,349</u>

<sup>^</sup>Restated due to the implementation of GASB Statement No. 87, Leases.

## Water Results of Operations, Fiscal Year 2022

The Water Enterprise's total revenues of \$604,092 for the year represented a decrease of \$25,592 or 4.1% from prior year (see Table 2A). Decreases included \$12,270 from interest and investment loss, \$10,780 from charges for services, and \$4,003 from other non-operating revenues. These decreases were offset by increases of \$1,431 in other operating revenues, and \$30 in rents and concessions.

Charges for services were \$539,526, a decrease of \$10,780 or 2.0% mainly due to 4.1% reduced consumption, offset by an adopted rate increase of 7.0% for retail customers beginning July 1, 2021. Rents and concessions were \$13,765, an increase of \$30 or 0.2% mainly due to a lease transfer fee and new tenants. Other operating revenues were \$19,826, an increase of \$1,431 or 7.8% mainly from increased capacity fee permits issued and a 7.0% adopted rate increase for retail customers. Interest and investment loss was \$10,896, a decrease of \$12,270 or 893.0% mainly due to unrealized losses as a result of the decline in market value of investments due to rising interest rates. Other non-operating revenues were \$41,871, a decrease of \$4,003 or 8.7% mainly due to \$15,000 in State revolving fund (SRF) grant recognized in the prior year, \$1,477 decrease in gain from sale of fixed assets, \$292 in federal bond subsidies, offset by increases of \$6,750 from a PG&E settlement and \$5,929 from a water utility arrearages relief grant and \$87 in other non-operating revenues.

The Water Enterprise's total expenses were \$606,407, a decrease of \$21,479 or 3.4%. Operating expenses were \$401,786, a decrease of \$46,996 or 10.5%, the result of decreases of \$49,143 in personnel services mainly due to decreases in pension obligations based on actuarial report, \$5,357 in general and administrative and other expenses due to higher judgement and claims in prior year, and \$572 in contractual services mainly from other current expenses

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and subscriptions. These decreases were offset by increases of \$3,072 in services provided by other departments mainly for higher water assessment fees paid to Hetch Hetchy Water and higher gas and electric charges paid to Hetch Hetchy Power, \$2,544 in materials and supplies mainly for water treatment supplies, and \$2,460 in depreciation due to additional capital assets placed into service. Interest expenses increased by \$28,990 due to reduced bond interest capitalization resulting from the implementation of GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, in fiscal year 2022. Amortization of bond premium, discount, refunding loss and issuance costs increased by \$2,093 due to prior year bond issuance costs. Non-operating expenses decreased by \$1,380 mainly due to prior year grant payments for water conservation.

Transfers in of \$15,035 from the City included \$15,030 for the Earthquake Safety and Emergency Response program, and \$5 from the General Fund for low income assistance programs. Transfers out of \$30,666 included \$30,000 to Hetch Hetchy Water to fund various Mountain Tunnel projects, \$500 to DPW for the UN Plaza Large Alternative Water Source project and purchase of capital assets, \$134 for the Arts Commission for the arts enrichment fund for the new CDD Headquarters, and \$32 to the Office of the City Administrator for the Water Enterprise's contribution to the Surety Bond Program.

### Water Results of Operations, Fiscal Year 2021

The Water Enterprise's total revenues of \$627,826 for the year represented a decrease of \$60,776 or 8.8% from prior year (see Table 2A). Decreases included \$48,860 from other non-operating revenues, \$10,177 from interest and investment income, \$2,079 from other operating revenues, and \$447 from charges for service. These decreases were offset by an increase of \$787 from rents and concessions.

Charges for services were \$550,306, a decrease of \$447 or 0.1% mainly due to an 8.8% decrease in consumption for retail customers, and the COVID-19 emergency proclamation issued by the City's Mayor suspending collection of past due accounts, mainly resulting in a \$2,945 increase in the allowance for doubtful accounts which reduced charges for services. This was offset by an adopted rate increase of 7.0% for retail customers beginning July 1, 2020. Rents and concessions were \$12,911, an increase of \$787 or 6.5% mainly due to rent increases and increased royalty revenues. Other operating revenues were \$18,395, a decrease of \$2,079 or 10.2% due to reduced capacity fees and sale of water to other City departments as a result of the SF Health Order relating to COVID-19, offset by a 7.0% adopted rate increase. Interest and investment income was \$340, a decrease of \$10,177 or 96.8% mainly due to unrealized losses resulting from decreases in value of fixed income securities from the City Treasury pool and lower interest earned on cash balances. Other non-operating revenues were \$45,874, a decrease of \$48,860 or 51.6% mainly due to a prior year one-time gain of \$63,600 from the property transfer of 2000 Marin Street and 639 Bryant Street offset by a \$15,000 grant from the State of California for the SF Westside Recycle Water project in current year.

The Water Enterprise's total expenses were \$627,875, an increase of \$51,735 or 9.0%. Operating expenses were \$448,843, an increase of \$50,726 or 12.7%, the result of increases of \$27,126 in general administrative and other mainly from judgement and claims based on actuarial estimates, \$12,585 in personnel services mainly due to pension obligations based on actuarial report and a 3% cost of living adjustment, \$9,107 in services provided by other departments mainly from higher water assessment fees paid to Hetch Hetchy Water, \$1,805 in depreciation and amortization due to additional capital assets placed into service, and \$978 in contractual services mainly from equipment maintenance. These increases were offset by a decrease of \$875 in materials and supplies mainly for building and construction supplies. Interest expenses decreased by \$6,640, as compared to prior year, mainly due to refunded bonds. Amortization of bond premium, discount, refunding loss and issuance costs decreased by \$5,970 due to the issuance of the 2020 Series EFGH revenue bonds, which refunded 2010 Series D, 2011 Series D, 2012 Series ABC, and 2017 Series ABC revenue bonds. Non-operating expenses increased by \$1,679 due to increased grants and rebates awarded for water conservation relating to the Onsite Water Reuse Grant Program and community-based services.

Transfers in of \$21,025 from the City included \$20,040 for the Emergency Firefighting Water System and \$985 from the General Fund for Native Plant Garden project and low income assistance programs. Transfers out of \$16,654 included \$16,000 to Hetch Hetchy Water to fund various upcountry water projects, \$622 to the Arts Commission for arts enrichment fund for the SF Recycled Water, Sunol Valley Water Improvement and Mountain Tunnel Improvement projects,

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and \$32 to the Office of the City Administrator for the Water Enterprise's contribution to the Surety Bond Program. Capital contribution of \$4,180 was received for water pipeline assets from the Department of Public Works in the current year.

The following table summarizes Wastewater's revenues, expenses, and changes in net position.

**Table 2B**  
**Proprietary Fund – Wastewater**  
**Comparative Condensed Revenues, Expenses, and Changes in Net Position**  
**Years ended June 30, 2022, 2021, and 2020**

	<u>2022</u>	<u>Restated 2021<sup>^</sup></u>	<u>2020</u>	<u>2022 - 2021 Change</u>	<u>2021 - 2020 Change</u>
Revenues:					
Charges for services	\$ 356,041	318,236	331,721	37,805	(13,485)
Rents and concessions	705	642	664	63	(22)
Other operating revenues	12,136	8,787	11,743	3,349	(2,956)
Interest and investment income/(loss)	(7,087)	(1,187)	12,137	(5,900)	(13,324)
Other non-operating revenues	25,454	4,911	5,596	20,543	(685)
Total revenues	<u>387,249</u>	<u>331,389</u>	<u>361,861</u>	<u>55,860</u>	<u>(30,472)</u>
Expenses:					
Operating expenses	257,171	292,173	262,259	(35,002)	29,914
Interest expenses	77,743	34,944	43,216	42,799	(8,272)
Amortization of premium, refunding loss, and issuance costs	(8,422)	(8,497)	(8,647)	75	150
Non-operating expenses	482	409	52	73	357
Total expenses	<u>326,974</u>	<u>319,029</u>	<u>296,880</u>	<u>7,945</u>	<u>22,149</u>
Change in net position before transfers	<u>60,275</u>	<u>12,360</u>	<u>64,981</u>	<u>47,915</u>	<u>(52,621)</u>
Transfers from the City and County of San Francisco	—	1,440	280	(1,440)	1,160
Transfers to the City and County of San Francisco	(161)	(4,188)	(1,468)	4,027	(2,720)
Net transfers	<u>(161)</u>	<u>(2,748)</u>	<u>(1,188)</u>	<u>2,587</u>	<u>(1,560)</u>
Change in net position	<u>60,114</u>	<u>9,612</u>	<u>63,793</u>	<u>50,502</u>	<u>(54,181)</u>
Net position at beginning of year	<u>1,302,548</u>	<u>1,292,936</u>	<u>1,229,143</u>	<u>9,612</u>	<u>63,793</u>
Net position at end of year	<u>\$ 1,362,662</u>	<u>1,302,548</u>	<u>1,292,936</u>	<u>60,114</u>	<u>9,612</u>

<sup>^</sup>Restated due to the implementation of GASB Statement No. 87, Leases.

## Wastewater Results of Operations, Fiscal Year 2022

The Wastewater Enterprise's total revenues were \$387,249, an increase of \$55,860 or 16.9% from prior year (see Table 2B). Charges for services increased by \$37,805 or 11.9% mainly due to an average 8% adopted rate increase and a decrease in allowance for doubtful accounts by \$1,098 as there were less sewer charge receivables aging over 120 days due to utility arrearage relief payments received from the State, offset by a sanitary flow decrease of 257,472 ccf or 1.2% from residential and non-residential customers. Other non-operating revenues increased by \$20,543 mainly due to \$9,302 utility arrearage relief payment received from the State as Federal pass-through from the CWWAPP, \$8,000 SRF loan principal forgiveness component of the SEP Biosolids Digester Facilities Project and the OSP Digester Gas Handling Utilization Upgrade Project, \$3,409 Baker Beach grant, and \$4 gain from sale of assets offset by decreases of \$164 in miscellaneous revenue due to less overhead recovery, redemption penalty and stormwater control plan review fees, and \$8 in Federal interest subsidy. Other operating revenues increased by \$3,349 or 38.1% mainly due to increases of \$2,570 in capacity fees resulting from a 58.9% increase in average permit price and a 5.4% increase in permits issued attributed to new developments on Treasure Island and the City's re-opening and eliminating local restrictions on business operations, and \$779 in other operating revenues to other City departments such as the Recreation & Park, Academy of Sciences, and the San Francisco General Hospital. Rents and concessions increased by \$63 or 9.8% mainly due to increases in rental income of \$34 from the Sheriff Department, \$22 from tenants with 3.6% consumer price index

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average rate increase, and \$7 from a short-term tenant, Young Community Developers. Interest and investment income decreased by \$5,900 or 497.1% mainly due to \$5,618 increase in unrealized loss in City Treasury pooled investments attributed to the decline in market value of investments and rising interest rates and \$292 decrease in interest earned from pooled cash due to lower annualized interest rate offset by \$10 increase in interest earned from fiscal agent account due to increase in fiscal agent cash balances.

Total expenses were \$326,974, an increase of \$7,945 or 2.5% due to increases of \$42,799 in interest expenses mainly due to increased outstanding bond principal balance and the implementation of Governmental Accounting Standards Board (GASB) Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which eliminated the capitalization of interest to capital assets beginning in fiscal year 2022, a decrease of \$75 in amortization, refunding loss, and issuance cost, and \$73 increase in City grants program expenses due to increased participation in the flood water management program for San Francisco properties offset by \$35,002 decrease in operating expenses. The decrease of \$35,002 in operating expenses was mainly due to decreases of \$26,993 in personnel services due to \$38,115 decrease in expenses related to GASB 68 pension adjustment offset by a 3.5% increase in cost of living adjustment (COLA) and \$17,952 in general and administrative and other operating expenses mainly due to lower capital project expenses particularly for the Biosolids/Digester Project and Southeast Community Center Project, offset by increases of \$3,232 in depreciation expense due to more capitalized assets put in service, \$2,753 in materials and supplies mainly due to water sewage treatment supplies for Bayside Operations, \$2,626 in contractual services mainly due to higher maintenance for building structures and professional and specialized services, and \$1,332 in services provided by other departments mainly for electricity from Hetch Hetchy Power, water from Water Enterprise, and for facilities management services from the General Services Agency (GSA).

Net transfers of \$161 included transfer out of \$129 in art enrichment fund to the San Francisco Art Commission for the Westside Reliability Improvement and \$32 to the Office of the City Administrator for the Surety Bond Program.

### Wastewater Results of Operations, Fiscal Year 2021

The Wastewater Enterprise's total revenues were \$331,389 a decrease of \$30,472 or 8.4% from prior year (see Table 2B). Charges for services decreased by \$13,485 or 4.1% mainly due to a sanitary flow decrease of 2,474,116 ccf or 10.2% from residential and non-residential customers and \$2,172 increase in allowance for doubtful accounts as there were more sewer charge receivables aging over 120 days attributable to the suspension of collection efforts in response to the COVID-19 emergency proclamation issued by the City Mayor offset by an average 8% adopted rate increase. Interest and investment income decreased by \$13,324 or 109.8% due to lower pooled and fiscal agent cash balances, and a lower annualized interest rate. Other operating revenues decreased by \$2,956 or 25.2% mainly due to decreases of \$2,186 in capacity fees resulting from a 25.2% decrease in average permit price and a 7.9% decrease in permits issued as only essential construction projects were allowed due to SF Health Order related to COVID-19 and \$770 in other operating revenues to other City departments such as the Real Estate, Human Services Agency, and Academy of Sciences due to the COVID-19 shelter in place order. Other non-operating revenues decreased by \$685 mainly due to decreases of \$667 in miscellaneous revenue largely attributed to \$642 receipts from California State Parks Foundation for a project at Yosemite Slough Site in prior year, \$20 in gain from sale of assets, and \$22 in Federal Emergency Management Agency (FEMA) grant relating to COVID-19 offset by \$27 increase in federal interest subsidy. Rents and concessions decreased by \$22 or 3.3% mainly due to the COVID-19 past due rent collection suspension as approved by the Commission.

Total expenses were \$318,994, an increase of \$22,114 or 7.4% due to increases of \$29,961 in operating expenses, \$357 in City grants program expenses as there were more expenses incurred for community-based organization services, and \$150 decrease in amortization, refunding loss, and issuance cost due to \$230 decrease in bond premium offset by decreases of \$40 in issuance cost, and \$40 in refunding loss amortization offset by a decrease of \$8,354 in interest expenses due to lower interest rate compared to prior year and a decrease in outstanding bond principal balance. The increase of \$29,961 in operating expenses was mainly due to increases of \$20,866 in general and administrative and other operating expenses mainly due to higher capital project expenses related to the SSIP Biosolids Digester Project, \$9,051 in depreciation expense due to more capitalized assets put in service, \$1,004 in services provided by other departments mainly for Department of Public Works general administration and building repair services, General Services Agency (GSA) facilities management services, and City risk management services, and \$100 in materials and supplies

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mainly due to water sewage treatment supplies for Bayside Operations. These increases were offset by a decrease of \$564 in personnel services mainly due \$7,873 decrease in other post-employment benefits based on actuarial report offset by increases of \$4,574 in expenses related to pension due to increase in retirement contribution rates, \$2,051 in salaries and fringe benefits due to a 3% increase in cost of living adjustment (COLA), and \$684 in workers' compensation claims. Other decrease included \$496 in contractual services mainly due to lower professional and specialized services.

Net transfers of \$2,748 included transfer out of \$4,000 in art enrichment fund to the San Francisco Art Commission for the Southeast Plant Biosolids Digester Facilities, 1550 Southeast Community Center, and Treasure Island Capital Improvement Projects, \$156 to Recreation and Park for Crocker Amazon Park, and \$32 to the Office of the City Administrator for the Surety Bond Program, offset by \$1,440 transfer in from General Fund for the Sidewalk Garden Grants Project.

The following table summarizes Hetchy Water's revenues, expenses, and changes in net position.

**Table 2C – A**  
**Proprietary Fund – Hetchy Water**  
**Comparative Condensed Revenues, Expenses, and Changes in Net Position**  
**Years ended June 30, 2022, 2021, and 2020**

	<b>2022</b>	<b>Restated 2021<sup>^</sup></b>	<b>2020</b>	<b>2022 - 2021 Change</b>	<b>2021 - 2020 Change</b>
<b>Revenues:</b>					
Charges for services	\$ 49,200	46,979	34,797	2,221	12,182
Rents and concessions	112	111	156	1	(45)
Interest and investment income/(loss)	(2,932)	(232)	1,932	(2,700)	(2,164)
Other non-operating revenues	479	1,352	3,861	(873)	(2,509)
<b>Total revenues</b>	<b>46,859</b>	<b>48,210</b>	<b>40,746</b>	<b>(1,351)</b>	<b>7,464</b>
<b>Expenses:</b>					
Operating expenses	52,303	50,519	44,873	1,784	5,646
Interest expenses	1	2	—	(1)	2
Non-operating expenses	37	63	11	(26)	52
<b>Total expenses</b>	<b>52,341</b>	<b>50,584</b>	<b>44,884</b>	<b>1,757</b>	<b>5,700</b>
Change in net position before transfers	(5,482)	(2,374)	(4,138)	(3,108)	1,764
Transfers from the City and County of San Francisco	30,001	16,000	14,000	14,001	2,000
<b>Change in net position</b>	<b>24,519</b>	<b>13,626</b>	<b>9,862</b>	<b>10,893</b>	<b>3,764</b>
Net position at beginning of year	224,661	211,035	201,173	13,626	9,862
<b>Net position at end of year</b>	<b>\$ 249,180</b>	<b>224,661</b>	<b>211,035</b>	<b>24,519</b>	<b>13,626</b>

<sup>^</sup>Restated due to the implementation of GASB Statement No. 87, *Leases*.

### Hetchy Water Results of Operations, Fiscal Year 2022

Hetchy Water's total revenues were \$46,859, a decrease of \$1,351 or 2.8% from prior year's revenues (see Table 2C-A). Decrease was due to \$2,700 in investment loss and a decrease of \$873 from other non-operating revenues, offset by increases of \$2,221 from charges for services and \$1 from rents and concessions.

Charges for services were \$49,200, an increase of \$2,221 or 4.7% mainly due to increased water assessment fees from the Water Enterprise to fund upcountry water-related costs and higher consumption from Lawrence Livermore National Laboratory. Rents were \$112, an increase of \$1 or 0.9% mainly due to consumer price index adjustment. Interest and investment loss was \$2,932 mainly due to unrealized losses as a result of the decline in market value of investments related to rising interest rates. Other non-operating revenues were \$479, a decrease of \$873 or 64.6% mainly due to \$899 lower Federal and State grants revenue from the Rim Fire Projects, offset by increases of \$19 in overhead charges and \$7 in net gain from sale of fixed assets.

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Total operating expenses, excluding interest expenses and other non-operating expenses, were \$52,303, an increase of \$1,784 or 3.5%. The increase was primarily due to increases of \$4,275 in other operating expenses mainly due to higher capital spending, \$612 in services provided by other departments mainly due to higher legal service charges from City Attorney's Office, \$456 in contractual services mainly from increased engineering and management consulting services, \$309 in general and administrative expenses mainly due to higher fees, licenses, and permit expenses, \$277 in depreciation and amortization mainly related to additional building, structure and equipment placed in service, and \$90 in material and supplies mainly from fuel and water treatment supplies. These increases were offset by a decrease of \$4,235 in personnel services due to lower pension obligations based on actuarial reports.

Other non-operating expenses were \$37, a decrease of \$26 due to lower payments to community-based organization programs. Interest expenses were \$1, a decrease of \$1 due to implementation of GASB Statement No. 87, *Leases*. A transfer in of \$30,001 was received from the Water Enterprise to fund various Mountain Tunnel projects.

As a result of the above activities, net position for the year ended June 30, 2022 increased by \$24,519 or 10.9% compared to prior year.

### Hetchy Water Results of Operations, Fiscal Year 2021

Hetchy Water's total revenues were \$48,210, an increase of \$7,464 or 18.3% from prior year's revenues (see Table 2C-A). Increase was due to \$12,182 from charges for services, offset by decreases of \$2,509 from other non-operating revenues, \$2,164 in interest and investment income, and \$45 from rents and concessions.

Charges for services were \$46,979, an increase of \$12,182 or 35.0% mainly due to increased water assessment fees from the Water Enterprise to fund upcountry water-related costs and higher consumption from Lawrence Livermore National Laboratory. Rents were \$111, a decrease of \$45 or 28.8% mainly from lower cottage rental revenue. Other non-operating revenues were \$1,352, a decrease of \$2,509 or 65.0% mainly due to decreases of \$1,510 in Federal and State grants revenue resulting from lower collections from State grants related to 2018 Moccasin Storm, \$995 from prior year Rim Fire recoveries, and \$4 in net gain from sale of fixed assets. Interest and investment loss was \$232 mainly due to unrealized loss attributed to decrease in market value in cash and investments with City Treasury and lower interest rates.

Total operating expenses, excluding other non-operating expenses, were \$50,517, an increase of \$5,644 or 12.6%. The increase was attributed to \$3,567 in personnel services resulting from cost of living adjustments, higher retirement contribution rates, and increased personnel and fringe benefit costs. Other increases include \$773 in contractual services mainly from increased engineering and management consulting services, \$733 in depreciation and amortization related to additional building, structure and equipment placed in service, \$664 in services provided by other departments mainly due to higher bureau support costs and legal service charges from City Attorney's Office, and \$162 in other operating expenses mainly due to higher capital spending. These increases were offset by decreases of \$190 in general and administrative expenses mainly due to lower judgements and claims expenses and \$65 decrease in materials and supplies mainly for water and sewage treatment supplies.

Other non-operating expenses were \$63, an increase of \$52 due to payments to community-based organization programs. A transfer in of \$16,000 was received from the Water Enterprise to fund upcountry projects.

As a result of the above activities, net position for the year ended June 30, 2021 increased by \$13,630 or 6.5% compared to prior year.

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The following table summarizes Hetchy Power's revenues, expenses, and changes in net position.

**Table 2C – B**  
**Proprietary Fund – Hetchy Power**  
**Comparative Condensed Revenues, Expenses, and Changes in Net Position**  
**Years ended June 30, 2022, 2021, and 2020**

	2022	Restated 2021 <sup>^</sup>	2020	2022 - 2021 Change	2021 - 2020 Change
Revenues:					
Charges for services	\$ 173,105	136,247	140,680	36,858	(4,433)
Rents and concessions	137	136	191	1	(55)
Interest and investment income/(loss)	(4,001)	24	5,746	(4,025)	(5,722)
Other non-operating revenues	15,763	19,273	25,006	(3,510)	(5,733)
Total revenues	<u>185,004</u>	<u>155,680</u>	<u>171,623</u>	<u>29,324</u>	<u>(15,943)</u>
Expenses:					
Operating expenses	156,347	145,640	148,127	10,707	(2,487)
Interest expenses	5,624	1,972	2,740	3,652	(768)
Amortization of premium, discount, and issuance costs	192	(219)	(228)	411	9
Non-operating expenses	591	902	1,060	(311)	(158)
Total expenses	<u>162,754</u>	<u>148,295</u>	<u>151,699</u>	<u>14,459</u>	<u>(3,404)</u>
Change in net position before transfers	22,250	7,385	19,924	14,865	(12,539)
Transfers to the City and County of San Francisco	(532)	(532)	(32)	—	(500)
Change in net position	<u>21,718</u>	<u>6,853</u>	<u>19,892</u>	<u>14,865</u>	<u>(13,039)</u>
Net position at beginning of year	472,460	465,607	445,715	6,853	19,892
Net position at end of year	<u>\$ 494,178</u>	<u>472,460</u>	<u>465,607</u>	<u>21,718</u>	<u>6,853</u>

<sup>^</sup>Restated due to the implementation of GASB Statement No. 87, Leases.

## Hetchy Power Results of Operations, Fiscal Year 2022

Hetchy Power's total revenues were \$185,004, an increase of \$29,324 or 18.8% from prior year's revenues (see Table 2C-B). Increases included \$36,858 from charges for services and \$1 from rents and concessions, offset by decreases of \$4,025 from interest and investment income and \$3,510 from other non-operating revenues.

Charges for services were \$173,105, an increase of \$36,858 or 27.1%, due to \$22,537 in billings from City departments such as San Francisco International Airport, Municipal Transportation Agency, and Port of San Francisco as a result of increased operation due to easing of COVID-19 restrictions and \$14,980 in Congestion Revenue Right (CRR) credits from California Independent System Operator (CAISO), offset by a decrease of \$659 in resale of capacity to CleanPowerSF. Rents increased slightly by \$1 or 0.7% to \$137 mainly due to consumer price index adjustment. Interest and investment loss was \$4,001, a decrease of \$4,025, mainly due to unrealized losses as a result of the decline in market value of investments related to rising interest rates.

Other non-operating revenues were \$15,763, a decrease of \$3,510 or 18.2%, mainly due to lower collections of \$3,254 from the Power System Mitigation Project, \$1,371 in Cap and Trade revenue due to decrease of 97,000 allowances or 80% sold, \$1,194 in revenue from Alice Griffith Housing Project due to prior year recognition of commercial deposits, \$797 in settlement revenue from prior year litigation settlement, and \$335 in overhead charges, offset by an increase of \$3,441 in State and Federal grants revenue from Rim Fire Project and California Utility Arrearages Relief Payment Program for unpaid bills.

Total operating expenses, excluding interest expenses, other non-operating expenses, and amortization of premium, discount, and issuance costs, increased by \$10,707 or 7.4%, to \$156,347. The increase was primarily due to increases of \$15,559 in purchased electricity and transmission, distribution, and other power costs due to volatile and increased pricing in power market, \$1,978 in depreciation and amortization mainly for buildings, facilities, machinery, and equipment related to higher capitalization of assets, \$899 in contractual services mainly for management consulting

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and engineering services, \$280 in materials and supplies mainly for electrical supplies and tools, and \$116 in services provided by other departments mainly due to higher risk management costs. The increases were offset by decreases of \$6,110 in personnel services due to lower pension obligations based on actuarial reports, \$1,420 in general and administrative expenses mainly due to lower judgements and claims expenses, and \$595 decrease in other operating expenses mainly due to higher capitalized project expenses.

Interest expenses increased by \$3,652 or 185.2% mainly due to no bond interest capitalization recognized in current year resulting from the implementation of GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. Amortization of premium and discount increased by \$411 or 187.7% mainly due to costs of issuance for 2021 Series AB revenue bond.

Other non-operating expenses were \$591, a decrease of \$311 or 34.5% mainly due to lower payments for GoSolarSF Incentive Program. Transfer out of \$532 includes \$500 to General Fund for repayment of Educational Revenue Augmentation Funds and \$32 to the Office of the City's Administrator for the Surety Bond Program.

As a result of the above activities, net position for the year ended June 30, 2022 increased by \$21,718 or 4.6% compared to prior year.

### Hetchy Power Results of Operations, Fiscal Year 2021

Hetchy Power's total revenues were \$155,680, a decrease of \$15,943 or 9.3% from prior year's revenues (see Table 2C-B). Decreases included \$5,733 from other non-operating revenues, \$5,722 from interest and investment income, \$4,433 from charges for services, and \$55 from rents and concessions.

Charges for services were \$136,247, a decrease of \$4,433 or 3.2% was attributed to a decrease of \$8,362 in sales to City departments, wholesale, and Treasure Island customers due to COVID-19 related impacts and \$667 increase in allowance for doubtful accounts. Receivables aging over 120 days increased significantly due to the suspension of collection efforts and moratorium on utility shutoffs in response to the COVID-19 emergency proclamation issued by the Mayor. The decrease was offset by increases of \$2,537 in sales to retail customers mainly due to new affordable redevelopment housing accounts and \$2,059 in resale of capacity to CleanPowerSF due to excess capacity of electric system reliability compliance product. Rents were \$136, a decrease of \$55 or 28.8% mainly due to lower cottage rental revenue. Interest and investment income were \$24, a decrease of \$5,722 or 99.6% mainly due to decreases of \$4,691 in interest earned from lower interest rates and cash balance, unrealized loss, and \$1,031 from interest accrued for Treasure Island submarine power cable in prior year.

Other non-operating revenues were \$19,273, a decrease of \$5,733 or 22.9%, mainly due to decreases of \$5,739 from Low Carbon Fuel Standard (LCFS) credit sales revenue attributed to less carbon fuel credit generated by San Francisco Municipal Transportation Agency, \$2,574 in license fee from Transbay Cable Project due to final payment received in prior year, \$1,139 in Cap and Trade revenue due to decrease of 23,000 or 16% allowance sold, and \$654 decrease in fees collected from DAS program. Other decreases include \$402 in State and Federal grants revenue resulting from lower collections from State grants related to 2018 Moccasin Storm and Federal grants related to Hazard Mitigation grant, \$70 in Federal interest subsidy due to lower debt outstanding, \$37 in damage claims revenue, and \$5 in net gain from sale of fixed assets. These decreases were offset by increases of \$2,921 in collection for Power System Impact Mitigation Project, \$797 in settlement revenue related to litigation, \$736 in commercial deposits from Alice Griffith Housing Project recognized as revenue, \$259 in overhead charges, and \$174 in miscellaneous revenue mainly from generation interconnection study and refunds from vendor.

Total operating expenses, excluding interest expenses, other non-operating expenses, and amortization of premium, discount, and issuance costs, decreased by \$2,489 or 1.7%, to \$145,638. The decrease was primarily due to \$6,138 in purchased electricity and transmission, distribution, and other power costs due to lower electricity sales, \$289 in services provided by other departments mainly due to lower bureau support costs, \$270 in material and supplies due to lower equipment maintenance, and \$96 decrease in depreciation and amortization for machinery and equipment. The decreases were offset by increases of \$1,704 in general and administrative expenses mainly due to higher litigation

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expenses, \$1,572 in other operating expenses mainly due to higher capital spending, \$984 in contractual services mainly from new in-city inventory warehouse rental at Pier 23 in San Francisco, and \$44 in personnel services resulting from cost of living adjustments, higher retirement contribution rates, higher pension obligations based on actuarial reports, and increased personnel and fringe benefit costs.

Interest expenses were \$1,970, a decrease of \$770 or 28.1% due to decrease in outstanding debt and lower interest rates for commercial paper. Amortization of premium and discount slightly decreased by \$9 or 3.9% to \$219.

Other non-operating expenses were \$902, a decrease of \$158 or 14.9% mainly due to decrease in payments for GoSolarSF Incentive Program. Transfer out of \$532 includes \$500 to General Fund for repayment of Educational Revenue Augmentation Funds and \$32 to the Office of the City's Administrator for the Surety Bond Program.

As a result of the above activities, net position for the year ended June 30, 2021 increased by \$6,857 or 1.5% compared to prior year.

The following table summarizes CleanPowerSF's revenues, expenses, and changes in net position.

**Table 2C – C  
Proprietary Fund – CleanPowerSF  
Comparative Condensed Revenues, Expenses, and Changes in Net Position  
Years ended June 30, 2022, 2021, and 2020**

	<u>2022</u>	<u>Restated 2021<sup>^</sup></u>	<u>2020</u>	<u>2022 - 2021 Change</u>	<u>2021 - 2020 Change</u>
Revenues:					
Charges for services	\$ 257,893	207,698	245,460	50,195	(37,762)
Interest and investment income/(loss)	(1,286)	51	1,771	(1,337)	(1,720)
Other non-operating revenues	2,759	927	1	1,832	926
Total revenues	<u>259,366</u>	<u>208,676</u>	<u>247,232</u>	<u>50,690</u>	<u>(38,556)</u>
Expenses:					
Operating expenses	262,118	212,711	196,026	49,407	16,685
Interest expenses	5	26	69	(21)	(43)
Total expenses	<u>262,123</u>	<u>212,737</u>	<u>196,095</u>	<u>49,386</u>	<u>16,642</u>
Change in net position	<u>(2,757)</u>	<u>(4,061)</u>	<u>51,137</u>	<u>1,304</u>	<u>(55,198)</u>
Net position at beginning of year	87,077	91,138	40,001	(4,061)	51,137
Net position at end of year	\$ <u>84,320</u>	<u>87,077</u>	<u>91,138</u>	<u>(2,757)</u>	<u>(4,061)</u>

<sup>^</sup>Restated due to the implementation of GASB Statement No. 87, Leases.

### CleanPowerSF Results of Operations, Fiscal Year 2022

CleanPowerSF's total revenues were \$259,366, a \$50,690 or 24.3% increase over prior year (see Table 2C-C). Charges for services increased by \$50,195 or 24.2% mainly due to increases of \$44,215 in electricity sales to retail and commercial customers resulting from a 16% average rate increase, \$2,831 reduction in allowance for doubtful accounts attributed to assistance received from California Utility Arrearages Relief Payment Program (CAPP) for eligible customer account arrearages, \$2,817 in one-time customer assistance bill credit related to COVID-19 in prior year, and \$332 from higher capacity sales to Hetchy Power. Other non-operating revenue increased by \$1,832 mainly due to \$2,424 Federal grants received from CAPP, offset by a decrease of \$592 liquidated damage compensation received from supplier for delay of the Renewable Energy Project in prior year. Interest and investment loss was \$1,286 as a result of the decline in market value of investments related to rising interest rates.

Total operating expenses, excluding interest expenses were \$262,118, an increase of \$49,407 or 23.2% from prior year. The increase was due to \$48,749 in purchased electricity and transmission, distribution, and other power costs due to volatile and increased pricing in power market, and higher resource adequacy capacity purchases related to compliance requirements from the California Public Utilities Commission. Other operating expenses increased by \$2,895

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due to \$2,424 grant expense recognized for CAPP when applied to customer account arrearages and \$471 in operating expenses mainly for the Neighborhood Steward Program and the new Local Renewable Energy. Other increases included \$1,394 in general and administrative expenses mainly due to higher judgements and claims expenses, \$143 in professional and contractual services mainly from higher software licensing fee, and \$7 in material and supplies mainly for data processing equipment. These increases were offset by decreases of \$3,474 in personnel services due to lower pension obligations based on actuarial reports, \$307 in services provided by other departments mainly due to lower labor support from Hetchy Power. Interest expenses decreased by \$21 mainly due to repayment of working capital loan to Hetchy Power completed in prior year.

As a result of the above activities, net position for the year ended June 30, 2022 decreased by \$2,757 or 3.2% compared to prior year.

### CleanPowerSF Results of Operations, Fiscal Year 2021

CleanPowerSF's total revenues were \$208,676, a \$38,556 or 15.6% decrease over prior year (see Table 2C-C). Charges for services decreased by \$37,762 or 15.4% mainly due to a decrease of \$32,077 in electricity sales to retail and commercial customers resulting from consumption decrease of 92,503 MWh or 3%, a one-time customer assistance bill credit of \$2,817 related to COVID-19 utility bill relief, an increase of \$2,451 in allowance for doubtful accounts, and \$417 lower capacity sales to other entities. Receivables aging over 120 days increased significantly due to the suspension of collection efforts and moratorium on utility shutoffs in response to the COVID-19 emergency proclamation issued by the Mayor. Interest and investment income decreased by \$1,720 or 97.1% due to unrealized loss and lower interest rates on pooled cash and investments. Other non-operating revenue increased by \$926 due to liquidated damage compensation from vendor for the delay of Renewable Energy Project.

Total operating expenses, excluding interest expenses, were \$212,716, an increase of \$16,690 or 8.5% from prior year. The increase was due to \$16,219 in purchased electricity and transmission, distribution, and other power costs as a result of higher prices in the CAISO market and increase in resource adequacy capacity purchases related to new compliance requirements from the California Public Utilities Commission. Other increases include \$1,200 in services provided by other departments due to increased labor support from Hetchy Power and legal service charges from City Attorney's Office, and \$305 increase in other operating expenses mainly from the Neighborhood Steward Program and the new Local Renewable Energy Program. These increases were offset by decreases of \$529 in professional and contractual services mainly from lower management consulting services, \$279 in personnel services mainly due to lower pension obligations and OPEB based on actuarial reports, \$195 in general and administrative expenses mainly due to lower judgements and claims based on actuarial estimates, and \$31 in material and supplies due to reduced furnishings expenses. Interest expenses were \$18, a decrease of \$51 or 73.9% due to lower principal outstanding from Hetchy Power working capital loan.

As a result of the above activities, net position for the year ended June 30, 2021 decreased by \$4,058 or 4.5% compared to prior year.

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**Capital Assets**

**Department-wide Business Type Activities**

The following table summarizes the department-wide changes in capital assets. Detailed discussion follows for each proprietary fund.

<b>Business Type Activities</b>					
<b>Capital Assets, Net of Accumulated Depreciation and Amortization</b>					
<b>As of June 30, 2022, 2021, and 2020</b>					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2022 - 2021</u> <u>Change</u>	<u>2021 - 2020</u> <u>Change</u>
Facilities, improvements, machinery, and equipment	\$ 7,767,562	7,595,329	7,419,330	172,233	175,999
Intangible assets	34,731	35,102	32,528	(371)	2,574
Land and rights-of-way	163,194	154,001	155,089	9,193	(1,088)
Construction work in progress	2,485,201	2,079,754	1,592,097	405,447	487,657
Total	<u>\$ 10,450,688</u>	<u>9,864,186</u>	<u>9,199,044</u>	<u>586,502</u>	<u>665,142</u>

The following table summarizes Water's changes in capital assets.

**Table 3A**  
**Proprietary Fund – Water**  
**Capital Assets, Net of Accumulated Depreciation and Amortization**  
**As of June 30, 2022, 2021, and 2020**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2022 - 2021</u> <u>Change</u>	<u>2021 - 2020</u> <u>Change</u>
Facilities, improvements, machinery, and equipment	\$ 5,056,747	4,948,186	4,928,438	108,561	19,748
Intangible assets	3,152	2,763	4,089	389	(1,326)
Land and rights-of-way	113,441	104,248	105,336	9,193	(1,088)
Construction work in progress	444,254	532,602	492,682	(88,348)	39,920
Total	<u>\$ 5,617,594</u>	<u>5,587,799</u>	<u>5,530,545</u>	<u>29,795</u>	<u>57,254</u>

**Water Capital Assets, Fiscal Year 2022**

The Water Enterprise has net capital assets of \$5,617,594 invested in a broad range of utility capital assets as of June 30, 2022 (see Table 3A). The investment in capital assets includes land, facilities, improvements, water treatment plants, aqueducts, water transmission, distribution mains, water storage facilities, pump stations, water reclamation facilities, machinery, and equipment. The Water Enterprise's net revenue and long term debt are used to finance capital investments. Capital assets, net of accumulated depreciation and amortization, increased by \$29,795 from the prior year. Facilities, improvements, machinery, and equipment increased by \$108,561 mainly due to Water Main Replacement and Treasure Island Well projects. Land increased by \$9,193 mainly from the acquisition of Oak Ridge Ranch Estates and Arroyo Hondo Estates. Construction work in progress decreased by \$88,348 mainly due to Water Main Replacement and Treasure Island Well projects placed into service. Intangible assets increased by \$389 mainly due to Java to Groovy Conversion software and Cross-Connection Assembly asset additions.

Major additions to construction work in progress during the year ended June 30, 2022 include the following:

SF Recycled Water Project	\$ 18,684
Sunol Long Term Improvements	17,655
New Water Utility Services	8,843
Watershed Right of Way Land Acquisition	7,731
Upper Alameda Creek Filter Gallery	6,347
Regional Groundwater Storage & Recovery	5,769
Water Main Replacement - WD-2739 Castro/19th/26th Streets	5,504
Auxiliary Water Supply System - Pump Station Number 2	5,116
Other project additions individually below \$5,000	99,542
Total	<u>\$ 175,191</u>

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Major depreciable facilities, improvements, intangible assets, machinery, and equipment placed in service, including transfers of completed projects from construction work in progress, during the year ended June 30, 2022 include the following:

Water Main Replacement - WD-2739 Castro/19th/26th Streets	\$ 15,666
Treasure Island Well - Civil/Electrical/I&C/Mechanical/Pipeline/Plumbing	11,656
Serramonte Well - Architectural/Structural/Well	10,977
Lake Merced Well - Civil/Electrical/I&C/Mechanical/Pipeline/Plumbing	8,851
New Water Utility Service Facilities	8,843
Colma BART Well - Architectural/Structural/Well	8,739
Serramonte Well - Civil/Electrical/I&C/Mechanical/Pipeline/Plumbing	8,351
Colma BART Well - Civil/Electrical/I&C/Mechanical/Pipeline/Plumbing	7,826
Treasure Island Well - Architectural/Structural/Well	7,646
Hickey Well - Architectural/Structural/Well	7,137
Auxiliary Water Supply System - Pipelines on 19th Ave	6,990
Linear Park Well - Architectural/Structural/Well	6,576
Water Main Replacement - WD-2616 Baker/Sutter Streets	6,567
Hickey Well - Civil/Electrical/I&C/Mechanical/Pipeline/Plumbing	6,465
Funeral Home Well - Civil/Electrical/I&C/Mechanical/Pipeline/Plumbing	6,447
Millbrae Yard Well - Civil/Electrical/I&C/Mechanical/Pipeline/Plumbing	6,086
Linear Park Well - Civil/Electrical/I&C/Mechanical/Pipeline/Plumbing	5,736
Water Main Replacement - WD-2842 Casitas/Lansdale Ave	5,423
Lake Merced Well - Architectural/Structural/Well	5,266
Other items individually below \$5,000	113,430
Total	<u>\$ 264,678</u>

See Note 4 for additional information about capital assets.

### Water System Improvement Program (WSIP)

The WSIP delivers capital improvements that enhance the Water Enterprise’s ability to provide reliable, affordable, high-quality drinking water to its 27 wholesale customers and regional retail customers in Alameda, Santa Clara, and San Mateo Counties, as well as approximately 800,000 residential customers in San Francisco, in an environmentally sustainable manner. The program is structured to cost-effectively meet water quality requirements and long-term water supply objectives, as well as improve seismic and delivery reliability.

Overall, the \$4.8 billion WSIP to upgrade the City of San Francisco’s regional and local drinking water systems is 99% completed with \$4.8 billion of project appropriations expended through fiscal year ended June 30, 2022. The program consists of 35 local projects located within San Francisco and 52 regional projects spread over seven different counties from the Sierra Foothills to San Francisco. As of June 30, 2022, 35 local projects were completed. For regional projects, 47 projects are completed, the Alameda Creek Recapture, Regional Groundwater Storage and Recovery Phase 2A, Regional Groundwater Storage and Recovery Phase 2B projects are under construction, the Bioregional Habitat Restoration project is in close-out, and Long-Term Mitigation Endowment project is not applicable as it does not include construction. The expected completion date is February 2027. Additional details regarding the WSIP are available <https://sfpub.org/construction-contracts/water-infrastructure-improvements>.

### Water Capital Assets, Fiscal Year 2021

The Water Enterprise has net capital assets of \$5,587,799 invested in a broad range of utility capital assets as of June 30, 2021 (see Table 3A). The investment in capital assets includes land, facilities, improvements, water treatment plants, aqueducts, water transmission, distribution mains, water storage facilities, pump stations, water reclamation facilities, machinery, and equipment. The Water Enterprise’s net revenue and long term debt are used to finance capital investments. Capital assets, net of accumulated depreciation and amortization, increased by \$57,524 from the prior year. Construction work in progress increased by \$39,920 primarily due to additions from the SF Recycled Water project, Sunol Long Term Improvements and Regional Groundwater Storage and Recovery projects. Facilities, improvements,

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machinery, and equipment increased by \$19,748 mainly attributable to the San Andreas Pipeline Number 2 and Water Main Replacement projects. Intangible assets decreased by \$1,326 due to \$1,601 in amortization, offset by \$143 addition for information technology and \$132 addition for automated meter reading system. Land decreased by \$1,088 as the result of sale of the Wool Ranch property in the Alameda Creek Watershed and reimbursement of land costs for 2000 Marin Street, San Francisco, CA.

Major additions to construction work in progress during the year ended June 30, 2021 include the following:

SF Recycled Water Project	\$	41,231
Sunol Long Term Improvements		15,516
Regional Groundwater Storage & Recovery		12,298
New Water Utility Services		7,992
San Andreas Pipeline Number 2 Replacement		7,961
Water Main Replacement - WD-2739 Castro/19th/26th Streets		7,953
Calaveras Dam Replacement		7,915
Water Main Replacement - WD-2766 Taraval Street		5,172
Auxiliary Water Supply System - Pump Station Number 2		5,135
Other project additions individually below \$5,000		86,496
Total	\$	<u>197,669</u>

Major depreciable facilities, improvements, intangible assets, machinery, and equipment placed in service, including transfers of completed projects from construction work in progress, during the year ended June 30, 2021 include the following:

San Andreas Pipeline Number 2 Replacement - 4 Segments in San Bruno	\$	43,340
Water Main Replacement - WD-2692 Geary Blvd/36th/48th/Point Lobos Ave		9,329
Water Main Replacement - WD-2719 22nd/Valencia St./Potrero Ave		8,004
New Water Utility Services		7,992
Alameda Creek Watershed Fish Passage Facilities		7,465
Water Main Replacement - WD-2766 Taraval Street		7,328
Water Main Replacement - WD-2793 Geary Blvd/Cleary Ct./Market St.		6,655
Other items individually below \$5,000		72,342
Total	\$	<u>162,455</u>

See Note 4 for additional information about capital assets.

### Water System Improvement Program (WSIP)

The WSIP delivers capital improvements that enhance the Water Enterprise's ability to provide reliable, affordable, high-quality drinking water to its 27 wholesale customers and regional retail customers in Alameda, Santa Clara, and San Mateo Counties, as well as approximately 800,000 residential customers in San Francisco, in an environmentally sustainable manner. The program is structured to cost-effectively meet water quality requirements and long-term water supply objectives, as well as improve seismic and delivery reliability.

Overall, the \$4.8 billion WSIP to upgrade the City of San Francisco's regional and local drinking water systems is 99% completed with \$4.8 billion of project appropriations expended through fiscal year ended June 30, 2021. The program consists of 35 local projects located within San Francisco and 52 regional projects spread over seven different counties from the Sierra Foothills to San Francisco. As of June 30, 2021, 35 local projects were completed, and the completion date was June 3, 2020. For regional projects, 44 are completed and the expected completion date is May 2023. Additional details regarding the WSIP are available at <https://sfpuc.org/construction-contracts/water-infrastructure-improvements>.

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The following table summarizes Wastewater's changes in capital assets.

**Table 3B**  
**Proprietary Fund – Wastewater**  
**Capital Assets, Net of Accumulated Depreciation and Amortization**  
**As of June 30, 2022, 2021, and 2020**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2022 - 2021</u> <u>Change</u>	<u>2021 - 2020</u> <u>Change</u>
Facilities, improvements, machinery, and equipment	\$ 2,270,355	2,214,227	2,104,332	56,128	109,895
Intangible assets	7,107	7,407	3,046	(300)	4,361
Land and rights-of-way	44,572	44,572	44,572	—	—
Construction work in progress	1,724,417	1,340,644	910,338	383,773	430,306
Total	\$ <u>4,046,451</u>	<u>3,606,850</u>	<u>3,062,288</u>	<u>439,601</u>	<u>544,562</u>

### Wastewater Capital Assets, Fiscal Year 2022

The Wastewater Enterprise has capital assets of \$4,046,451, net of accumulated depreciation and amortization, invested in a broad range of utility capital assets as of June 30, 2022 (see Table 3B). This amount represents an increase of \$439,601 or 12.2% from prior fiscal year. The investment in capital assets includes land, buildings, improvements, wastewater treatment plants, sewer pipes and mains, underground transport and storage boxes, pump stations, machinery, and equipment. Construction work in progress increased by \$383,773 or 28.6%. Facilities, improvements, machinery, and equipment increased by \$56,128 or 2.5%. Intangible assets decreased by \$300 or 4.1% due to \$872 depreciation expense and \$780 transfers out to non-capitalized repair and other expenses, offset by asset additions of \$1,352 for the Customer Billing System.

Major additions to construction work in progress during the year ended June 30, 2022 include the following:

Southeast Plant Biosolids and Digester Facilities Project	\$ 133,997
Southeast Plant New Headworks Grit Replacement	131,458
Southeast Community Center	30,582
Southeast Plant Power Feed and Primary Switchgear Upgrades	26,911
Wawona Area Stormwater Improvement Project	15,644
Westside Pump Station Reliability Improvements	13,895
North Shore Pump Station Wet Weather Improvements	13,366
Large Sewer Condition Improvements	11,656
As-Needed Spot Sewer Replacement Number 41 (WW-698)	9,514
Public Works 19th Avenue Infrastructure Improvements	8,782
Oceanside Plant Digester Gas Handling Utilization Upgrade	8,175
As-Needed Spot Sewer Replacement Number 40 (WW-693)	5,007
Various Locations Sewer Replacement Number 8 (WW-679)	4,927
Folsom Area Stormwater Improvement Project	4,728
Public Works 41st and 44th Avenues Infrastructure Improvements	4,676
Mariposa Dry-Weather Pump Station & Force Main Improvements	4,527
Taraval Sewer Improvements	4,401
Ocean Beach Climate Change Adaptation Project	4,301
Southeast Plant Facility-Wide Distributed Control System Upgrades	4,275
Other project additions individually below \$4,000	73,857
Total	\$ <u>514,679</u>

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Major depreciable facilities, improvements, intangible assets, machinery, and equipment placed in service, including transfers of completed projects from construction work in progress, during the year ended June 30, 2022 include the following:

Southeast Plant Seismic Reliability and Condition Assessment Improvements	\$	23,679
Force Main Rehabilitation at Embarcadero and Jackson Streets		11,480
As-Needed Spot Sewer Replacement Number 41 (WW-698)		9,571
Combined Sewer Discharge Backflow Prevention and Monitoring		9,029
Cargo Way Sewer Box Odor Reduction		8,615
Mission Street, 16th to Cesar Chavez Streets, Brick Sewer Rehabilitation		7,783
Public Works Various Locations Number 40 Infrastructure Improvements		6,575
Various Locations Sewer Replacement Number 8 (WW-679)		5,553
Various Locations Sewer Replacement Number 6 (WW-677)		5,347
As-Needed Spot Sewer Replacement Number 40 (WW-693)		5,006
Taraval Sewer Improvements		4,401
Public Works Sunset Parkside Pavement Renovations		4,360
Oceanside Plant Egg Shaped Digester Interior Lining Rehabilitation (WW-706)		3,499
Other project additions individually below \$3,000		26,181
Total	\$	<u>131,079</u>

See Note 4 for additional information about capital assets.

### Sewer System Improvement Program (SSIP)

The Sewer System Improvement Program (SSIP) is the Wastewater Enterprise's capital improvement program which includes multiple projects to improve the existing wastewater system. The implementation of the SSIP projects and their associated expenditures will be phased over 20 years. In March 2016, the refined program scope and budget increased from \$6.9 billion to \$7.0 billion was endorsed by the Commission, referred to as the "2016 SSIP Baseline". In December 2020, the Commission approved the 2020 SSIP Baseline, increasing the budget for SSIP Phase 1 program to \$3,655 million from \$2,910.4 million in 2016. The SFPUC is transitioning away from the original intent of three distinct SSIP phases and instead implementing capital improvement projects as part of a rolling Ten-Year capital plan.

As of June 30, 2022, 38 projects or 54.3% totaling \$373 million were completed, 7 projects in pre-construction phase, 12 projects in construction phase, and 13 projects in close-out phase. The SEP 521/522 and Disinfection Upgrades Project was completed on June 30, 2021 with reported project expenditures of \$44.8 million. The major components of the project are modifications to the existing SEP 521 building to include a new Effluent Sampling Station, new DCS Control Station, and upgrade to the existing bathroom for ADA compliance, new building (SEP 522) to house electrical and hydraulic controls, among others. The Southeast Water Pollution Control Plant New Headworks Facility is on-going construction. The project is reported at 47.0% completion and forecasted final completion is on February 29, 2024. Program expenditures as of June 30, 2022 totaled \$1,943.8 million. Additional details regarding the SSIP are available at <https://sfpuc.org/construction-contracts/sewer-system-improvement-program>.

### Wastewater Capital Assets, Fiscal Year 2021

The Wastewater Enterprise has capital assets of \$3,606,850, net of accumulated depreciation and amortization, invested in a broad range of utility capital assets as of June 30, 2021 (see Table 3B). This amount represents an increase of \$544,562 or 17.8% from prior fiscal year. The investment in capital assets includes land, buildings, improvements, wastewater treatment plants, sewer pipes and mains, underground transport and storage boxes, pump stations, machinery, and equipment. Construction work in progress increased by \$430,306 or 47.3%. Facilities, improvements, machinery, and equipment increased by \$109,895 or 5.2%, and intangible assets increased by \$4,361 or 143.2% due to asset additions of \$2,457 for the Operational Decision System Project and \$1,904 for the Customer Billing System Project.

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Major additions to construction work in progress during the year ended June 30, 2021 include the following:

Southeast Plant Biosolids and Digester Facilities Project	\$ 259,938
Southeast Plant New Headworks Grit Removal and Influent Pump Station	110,472
Southeast Community Center	47,373
Southeast Plant Power Feed and Primary Switchgear Upgrades	18,881
Mariposa Pump Station & Force Main	11,031
Oceanside Plant Digester Gas Handling Utilization	8,856
Seismic Reliability - Phase 1	7,647
Public Works Various Locations Number 35 Infrastructure Improvements	7,134
As-Needed Spot Sewer Replacement Number 40	7,101
Ocean Beach Project	6,727
Force Main Rehabilitation at Embarcadero and Jackson Streets	6,615
Facility-Wide Distributed Control System Upgrade	5,998
Van Ness Bus Rapid Transit Sewer Improvements	5,482
As-Needed Spot Sewer Replacement No. 38	4,972
Public Works Various Locations Number 40 Infrastructure Improvements	4,918
Southeast Plant 062 Archimedes Screw Pump	4,697
Taraval Sewer Improvements	4,070
As-Needed Main Sewer Replacement Number 7	4,043
Other project additions individually below \$4,000	<u>93,864</u>
Total	<u>\$ 619,819</u>

Major depreciable facilities, improvements, intangible assets, machinery, and equipment placed in service, including transfers of completed projects from construction work in progress, during the year ended June 30, 2021 include the following:

Van Ness Bus Rapid Transit Sewer Improvements	\$ 20,665
Richmond Early Implementation Project	13,620
Geary Bus Rapid Transit Sewer Improvements	12,287
Public Works Lombard Street Infrastructure Improvements	11,794
Southeast Plant 062 Archimedes Screw Pump	10,421
Taraval Sewer Improvements	10,397
Sunset Green Infrastructure	9,932
Public Works Various Locations Number 35 Infrastructure Improvements	8,722
As Needed Spot Sewer Replacement Number 40	7,112
Public Works Various Locations Number 39 Infrastructure Improvements	6,493
Public Works Various Locations Number 36 Infrastructure Improvements	6,056
Public Works Various Locations Number 43 Infrastructure Improvements	6,023
As Needed Spot Sewer Replacement Number 38	4,972
Public Works Alemany Blvd Infrastructure Improvements	4,956
Beach and Sansome Street Combined Sewer Distribution Rehabilitation	4,708
Public Works Second Street Infrastructure Improvements	4,560
As Needed Main Sewer Replacement Number 7	4,043
North Point Facility Dewatering Pump Replacement	3,725
Public Works Palou Avenue Infrastructure Improvements	3,514
Various Locations Sewer Replacement Number 7	3,429
Oceanside Plant Door Replacement	3,082
Other project additions individually below \$3,000	<u>25,763</u>
Total	<u>\$ 186,274</u>

See Note 4 for additional information about capital assets.

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## Sewer System Improvement Program

The Sewer System Improvement Program (SSIP) includes three phases over 20 years to improve the existing wastewater system. In March 2016, the refined program scope and budget increased from \$6.9 billion to \$7.0 billion was endorsed by the Commission, which is now referred to as the 2016 SSIP Baseline program.

As of June 30, 2021, 37 projects or 52.9% totaling \$367 million were completed, 8 projects in pre-construction phase, 18 projects in construction phase, and 7 projects in close-out phase. The OSP Condition Assessment Repairs was completed on January 29, 2021 with reported project expenditures of \$11.6 million. The project includes planning, design, and environmental review of major improvements to the plant including rehabilitation of building structures, rehabilitation or replacement of mechanical and electrical equipment, and seismic retrofit of process tanks and buildings. Improvements focus on maintaining operational reliability and extending the service life of buildings that are required to remain in operation for 30 years or more. The SEP Seismic Reliability and Condition Assessment Improvements Project is on-going construction. The project is reported at 86.0% completion and forecasted final completion is on March 8, 2022. Program expenditures as of June 30, 2021 totaled \$1,546.1 million. Additional details regarding the SSIP are available at <https://sfpuc.org/construction-contracts/sewer-system-improvement-program>.

The following table summarizes Hetchy Water's changes in capital assets.

**Table 3C – A**  
**Proprietary Fund – Hetchy Water**  
**Capital Assets, Net of Accumulated Depreciation and Amortization**  
**As of June 30, 2022, 2021, and 2020**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2022 - 2021</u> <u>Change</u>	<u>2021 - 2020</u> <u>Change</u>
Facilities, improvements, machinery, and equipment	\$ 133,263	128,335	122,433	4,928	5,902
Intangible assets	10,374	10,581	10,789	(207)	(208)
Land and rights-of-way	3,232	3,232	3,232	—	—
Construction work in progress	54,138	35,333	24,328	18,805	11,005
Total	<u>\$ 201,007</u>	<u>177,481</u>	<u>160,782</u>	<u>23,526</u>	<u>16,699</u>

## Hetchy Water Capital Assets, Fiscal Year 2022

Hetchy Water has capital assets of \$201,007, net of accumulated depreciation and amortization, invested in a broad range of utility capital assets as of June 30, 2022 (see Table 3C-A). This amount represents an increase of \$23,526 or 13.3%, primarily due to increases of \$18,805 in construction work in progress and \$4,928 in facilities, improvements, machinery, and equipment, offset by a decrease of \$207 in amortization of intangible assets.

For the year ended June 30, 2022, Hetchy Water's major additions to construction work in progress totaled \$29,654. Major depreciable facilities, improvements, intangible assets, machinery, and equipment placed in service totaled \$11,013 (see Table 3D).

See Note 4 for additional information about capital assets.

## Hetchy Water Capital Assets, Fiscal Year 2021

Hetchy Water has capital assets of \$177,481, net of accumulated depreciation and amortization, invested in a broad range of utility capital assets as of June 30, 2021 (see Table 3C-A). This amount represents an increase of \$16,699 or 10.4%, primarily due to increases of \$11,005 in construction work in progress and \$5,902 in facilities, improvements, machinery, and equipment, offset by a decrease of \$208 in amortization of intangible assets.

For the year ended June 30, 2021, Hetchy Water's major additions to construction work in progress totaled \$22,586. Major depreciable facilities, improvements, intangible assets, machinery, and equipment placed in service totaled \$11,703 (see Table 3E).

See Note 4 for additional information about capital assets.

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The following table summarizes Hetchy Power's changes in capital assets.

**Table 3C – B**  
**Proprietary Fund – Hetchy Power**  
**Capital Assets, Net of Accumulated Depreciation and Amortization**  
**As of June 30, 2022, 2021, and 2020**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2022 - 2021</u> <u>Change</u>	<u>2021 - 2020</u> <u>Change</u>
Facilities, improvements, machinery, and equipment	\$ 307,197	304,581	264,127	2,616	40,454
Intangible assets	14,098	14,351	14,604	(253)	(253)
Land and rights-of-way	1,949	1,949	1,949	—	—
Construction work in progress	262,392	171,175	164,749	91,217	6,426
Total	<u>\$ 585,636</u>	<u>492,056</u>	<u>445,429</u>	<u>93,580</u>	<u>46,627</u>

### Hetchy Power Capital Assets, Fiscal Year 2022

Hetchy Power has capital assets of \$585,636, net of accumulated depreciation and amortization, invested in utility capital assets as of June 30, 2022 (see Table 3C-B). This amount represents an increase of \$93,580 or 19.0%, primarily due to increases of \$91,217 in construction work in progress and \$2,616 in facilities, improvements, machinery, and equipment, offset by a decrease of \$253 in amortization of intangible assets.

For the year ended June 30, 2022, Hetchy Power's major additions to construction work in progress totaled \$110,859. Major depreciable facilities, improvements, intangible assets, machinery, and equipment placed in service totaled \$19,974 (see Table 3D).

See Note 4 for additional information about capital assets.

### Hetchy Power Capital Assets, Fiscal Year 2021

Hetchy Power has capital assets of \$492,056, net of accumulated depreciation and amortization, invested in utility capital assets as of June 30, 2021 (see Table 3C-B). This amount represents an increase of \$46,627 or 10.5%, primarily due to increases of \$40,454 in facilities, improvements, machinery, and equipment and \$6,426 in construction work in progress, offset by a decrease of \$253 in amortization of intangible assets.

For the year ended June 30, 2021, Hetchy Power's major additions to construction work in progress totaled \$70,059. Major depreciable facilities, improvements, intangible assets, machinery, and equipment placed in service totaled \$55,828 (see Table 3E).

See Note 4 for additional information about capital assets.

### CleanPowerSF Capital Assets

CleanPowerSF had no capital assets as of June 30, 2022 and 2021.

See Note 4 for additional information about capital assets.

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Major additions to construction work in progress, depreciable facilities, improvements, intangible assets, machinery, and equipment placed in service, including transfers of completed projects from construction work in progress, during the years ended June 30, 2022 and 2021 include the following:

**Table 3D**  
**Proprietary Funds – Hetchy Water and Hetchy Power**  
**Major Additions to Construction Work in Progress and Facilities, Improvements,**  
**Intangible Assets, Machinery, and Equipment Placed in Service**  
**Year ended June 30, 2022**

	<b>Hetchy Water</b>	<b>Hetchy Power</b>	<b>2022 Total</b>
Bay Corridor Project	\$ —	46,608	46,608
Mountain Tunnel Improvement Project	16,638	20,335	36,973
Moccasin Powerhouse Rewind	—	12,368	12,368
O'Shaughnessy Dam Access & Drainage Improvements and Outlet Works	1,733	2,118	3,851
San Joaquin Pipeline Valve & Safe Entry Improvement	2,952	—	2,952
Repair and Replacement Life Extension Program	2,776	—	2,776
Intervening Facilities	—	2,758	2,758
Pier 70	—	2,739	2,739
Van Ness - Bus Rapid Transit	—	2,423	2,423
Transmission Line Clearance Mitigation	—	1,711	1,711
Other project additions individually below \$1,500	5,555	19,799	25,354
Additions to Construction Work in Progress	\$ <u>29,654</u>	<u>110,859</u>	<u>140,513</u>
San Joaquin Pipeline Tesla Valves and Installation	\$ 4,410	—	4,410
O'Shaughnessy Dam Access & Drainage Improvements - Stairs and Fall Protection	1,931	2,360	4,291
Pier 70	—	1,720	1,720
Transmission Line Clearance Mitigation	—	1,508	1,508
Other project additions individually below \$1,500	4,672	14,386	19,058
Facilities, Improvements, Intangible Assets, Machinery, and Equipment Placed in Service	\$ <u>11,013</u>	<u>19,974</u>	<u>30,987</u>

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**Table 3E**

**Proprietary Funds – Hetchy Water and Hetchy Power  
Major Additions to Construction Work in Progress and Facilities, Improvements,  
Intangible Assets, Machinery, and Equipment Placed in Service  
Year ended June 30, 2021**

	<u>Hetchy Water</u>	<u>Hetchy Power</u>	<u>2021 Total</u>
Bay Corridor Project	\$ —	31,556	31,556
Mountain Tunnel Improvement Project	7,744	9,465	17,209
Transmission Line Clearance Mitigation & Upgrade	—	6,176	6,176
Repair & Replacement Life Extension Program	5,188	—	5,188
Moccasin Penstock Rehabilitation and Powerhouse Rewind	—	4,374	4,374
Van Ness - Bus Rapid Transit	—	2,742	2,742
Moccasin Reservoir Security Fence	2,723	—	2,723
San Joaquin Pipeline Valve & Safe Entry Improvement	2,115	—	2,115
Treasure Island Capital Improvements	—	2,025	2,025
Other project additions individually below \$2,000	4,816	13,721	18,537
Additions to Construction Work in Progress	\$ <u>22,586</u>	<u>70,059</u>	<u>92,645</u>
Holm Powerhouse Rehabilitation & Kirkwood Powerhouse			
Oil Containment Upgrades	\$ —	21,920	21,920
Electrical Underground Duct Bank 23rd & Illinois South Street	—	18,133	18,133
Moccasin Reservoir Security Fence	3,549	—	3,549
Switch Yard Asset	—	3,533	3,533
San Joaquin Pipeline Rehabilitation	3,243	—	3,243
San Francisco Academy Solar Carport	—	2,657	2,657
Other project additions individually below \$2,000	4,911	9,585	14,496
Facilities, Improvements, Intangible Assets, Machinery, and Equipment Placed in Service	\$ <u>11,703</u>	<u>55,828</u>	<u>67,531</u>

## Debt Administration

### Department-wide Business Type Activities

The following table summarizes the department-wide outstanding debt, net of unamortized costs, discount, and premium. Detailed discussion follows for each proprietary fund.

**Table 4  
Business Type Activities  
Outstanding Debt, Net of Unamortized Costs  
As of June 30, 2022, 2021, and 2020**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2022 - 2021 Change</u>	<u>2021 - 2020 Change</u>
Revenue bonds	\$ 6,986,674	6,631,009	6,366,836	355,665	264,173
Revenue notes	350,356	—	—	350,356	—
Commercial paper	625,473	859,051	633,828	(233,578)	225,223
Certificates of participation	133,945	138,180	142,265	(4,235)	(4,085)
State revolving fund loans	424,420	215,966	161,820	208,454	54,146
Total	\$ <u>8,520,868</u>	<u>7,844,206</u>	<u>7,304,749</u>	<u>676,662</u>	<u>539,457</u>

## Water Debt Administration

As of June 30, 2022, the Water Enterprise had \$5,284,630 total debt outstanding, a decrease of \$22,076 over the prior year, as shown below in Table 4A. More detailed information about the Water Enterprise's debt activity is presented in Notes 6, 7, 8 and 9 to the financial statements.

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**Table 4A**  
**Proprietary Fund – Water**  
**Outstanding Debt, Net of Unamortized Costs**  
**As of June 30, 2022, 2021, and 2020**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<b>2022 - 2021</b> <b>Change</b>	<b>2021 - 2020</b> <b>Change</b>
Revenue bonds	\$ 4,860,935	4,994,775	4,695,295	(133,840)	299,480
Commercial paper	206,297	105,862	362,354	100,435	(256,492)
Certificates of participation	95,637	98,662	101,578	(3,025)	(2,916)
State revolving fund loans	121,761	107,407	73,271	14,354	34,136
Total	\$ <u>5,284,630</u>	<u>5,306,706</u>	<u>5,232,498</u>	<u>(22,076)</u>	<u>74,208</u>

The decrease of \$133,840 in revenue bonds was due to decreases of \$108,500 from bond repayment, \$25,349 in bond premium from amortization, offset by a \$9 increase in bond discount from amortization. The \$3,025 decrease of certificates of participation was due to a \$2,970 decrease for principal repayment, and a \$55 decrease for amortization of premium. The increase of \$14,354 in State revolving funds loans was from additional reimbursement requests for the SF Westside Recycled Water project. The Water Enterprise had \$179,600 in tax-exempt and \$26,697 in taxable commercial paper as of June 30, 2022, and \$79,251 in tax-exempt and \$26,611 in taxable commercial paper as of June 30, 2021. The increase of \$100,435 was due to additional issuances of \$130,135 in tax-exempt and \$86 in taxable commercial paper, offset by \$29,786 from repayment of tax-exempt commercial paper.

**Credit Ratings and Bond Insurance** – The Water Enterprise carried underlying ratings of “Aa2” and “AA-” from Moody’s and Standard & Poor’s (S&P) at June 30, 2022, and “Aa2” and “AA-” from Moody’s and Standard & Poor’s (S&P) at June 30, 2021, respectively.

**Debt Service Coverage** – Pursuant to the Amended and Restated Indenture, the Water Enterprise is required to collect sufficient net revenues each fiscal year, together with any Water Enterprise funds (except Bond Reserve Funds), which are available for payment of debt service and are not budgeted to be expended, at least equal to 1.25 times annual debt service for said fiscal year. During fiscal years 2022 and 2021, the Water Enterprise’s net revenues, together with fund balances available to pay debt service and not budgeted to be expended, were sufficient to meet the rate covenant requirements under the Water Enterprise’s Amended and Restated Indenture (see Note 9).

**Debt Authorization** – Pursuant to the Charter Section 8B.124, the Water Enterprise can incur indebtedness upon two-thirds vote of the Board of Supervisors, as approved by voters in Proposition E in November 2002. As of June 30, 2022, the Board of Supervisors has authorized the issuance of \$4,617,099 in revenue bonds under Proposition E, with \$3,898,744 issued against this authorization. The Water Enterprise can also incur indebtedness of up to \$1,628,000 for improvements to the water system pursuant to Proposition A that was approved by the voters in November 2002. As of June 30, 2022, \$1,499,230 of the \$1,628,000 Proposition A authorized bonds were issued. The Water Enterprise is also authorized to issue up to \$500,000 in commercial paper.

**Cost of Debt Capital** – The Water Enterprise’s outstanding long-term debt has coupon interest rates ranging from 0.3% to 7.0% as of June 30, 2022 and 2021. The Water Enterprise’s short-term debt has interest rates ranging from 0.1% to 2.0% during fiscal year 2022, and 0.1% to 0.3% during fiscal year 2021.

### Wastewater Debt Administration

As of June 30, 2022, 2021, and 2020, the Wastewater Enterprise’s debt from revenue bonds, revenue notes, commercial paper, certificates of participation, and State revolving fund loans were \$2,988,713, \$2,363,086, and \$1,945,080, respectively, as shown in Table 4B. More detailed information about the Wastewater Enterprise’s debt activity is presented in Notes 6, 7, 8 and 9 to the financial statements.

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**Table 4B  
Proprietary Fund – Wastewater  
Outstanding Debt, Net of Unamortized Costs  
As of June 30, 2022, 2021, and 2020**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2022 - 2021 Change</u>	<u>2021 - 2020 Change</u>
Revenue bonds	\$ 1,931,253	1,589,922	1,621,733	341,331	(31,811)
Revenue notes	350,356	—	—	350,356	—
Commercial paper	379,157	638,518	207,939	(259,361)	430,579
Certificates of participation	25,288	26,087	26,859	(799)	(772)
State revolving fund loans	302,659	108,559	88,549	194,100	20,010
Total	\$ <u>2,988,713</u>	<u>2,363,086</u>	<u>1,945,080</u>	<u>625,627</u>	<u>418,006</u>

The increase of \$625,627 was mainly due to \$373,700 Revenue Bonds 2021 Series A (SSIP/Green) and 2021 Series B (Non-SSIP) net of premium, \$350,823 Revenue (Green) Notes 2021 Series AB net of premium, \$200,702 aggregate new State Revolving Fund loans for the Biosolids Digester, OSP Digester Gas Utilization Upgrade, and Headworks Replacement projects, and \$80,639 issuance of commercial paper, offset by \$340,000 retirement of commercial paper, \$26,148 repayment of outstanding debt, \$9,970 of premium amortizations, and \$4,119 SRF OSP debt reduction for the \$4,000 loan principal forgiveness component and \$119 unreimbursed loan claim.

**Credit Ratings and Bond Insurance** – As of June 30, 2022 and 2021, the Wastewater Enterprise carried underlying ratings of “Aa2” and “AA” from Moody’s and Standard & Poor’s (S&P), respectively.

**Debt Service Coverage** – Pursuant to the Indenture for the Wastewater bonds, the Wastewater Enterprise covenants to collect sufficient net revenues each fiscal year, together with any Wastewater Enterprise funds (except Bond Reserve Funds) that are available for payment of debt service and are not budgeted to be expended, at least equal to 1.25 times annual debt service for said fiscal year. During fiscal years 2022 and 2021, the Wastewater Enterprise’s net revenues, together with fund balances available to pay debt service and not budgeted to be expended, were sufficient to meet the rate covenant requirements under the Indenture (see Note 9).

**Debt Authorization** – Pursuant to the Charter Section 8B.124, the Wastewater Enterprise can incur indebtedness upon two-thirds vote of the Board of Supervisors. As of June 30, 2022, the Wastewater Enterprise had \$4,005,292 in combined debt issuance authorization from the Board of Supervisors under Proposition E, with \$3,145,625 issued against this authorization. The Wastewater Enterprise has a \$750,000 authorized commercial paper program, with \$379,157 in tax-exempt commercial paper outstanding as of June 30, 2022 and \$638,518 in tax-exempt commercial paper outstanding as of June 30, 2021.

**Cost of Debt Capital** – The coupon interest rates on the Wastewater Enterprise’s outstanding revenue bonds ranged from 1.0% to 5.8%, with a blended true interest cost of 2.9%, after factoring in federal interest subsidy receipts on Build America Bonds on June 30, 2022. The 2009 Series C certificates of participation carried coupon interest rates from 2.0% to 5.0% and 2009 Series D certificates of participation carried coupon interest rates from 6.4% to 6.5% in fiscal years 2022 and 2021, respectively. The interest rates on short-term debt ranged from 0.1% to 1.4% during fiscal year 2022 and from 0.1% to 0.2% during fiscal year 2021. The State revolving fund loans (CWSRF loans) carried original interest rates ranging from 0.8% to 1.8% for a weighted average of 1.3% during fiscal year 2022. The State has elected to apply administrative service and grant charges to certain agreement repayment schedules in lieu of receiving interest payments; these charges will not affect the installment payments or increase the repayment amounts.

### Hetchy Water Debt Administration

Hetchy Water did not have debt outstanding as of June 30, 2022 and 2021. Debt, including bond issuances, associated with the funding of water-related, upcountry infrastructure capital improvements is issued through the Water Enterprise, and is reflected in the Water Enterprise’s financial statements.

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## Hetchy Power Debt Administration

As of June 30, 2022 and 2021, Hetchy Power had outstanding debt of \$247,525 and \$174,414, respectively, as shown in Table 4C. More detailed information about the Hetchy Power's debt activity is presented in Notes 6, 7 8 and 9 to the financial statements.

**Table 4C**  
**Proprietary Fund – Hetchy Power**  
**Outstanding Debt, Net of Unamortized Costs**  
**As of June 30, 2022, 2021, and 2020**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2022 - 2021</u> <u>Change</u>	<u>2021 - 2020</u> <u>Change</u>
Clean Renewable Energy Bonds 2008	\$ 415	823	1,231	(408)	(408)
Certificates of Participation 2009 Series C	427	838	1,235	(411)	(397)
Certificates of Participation 2009 Series D (BABs)	12,593	12,593	12,593	—	—
Qualified Energy Conservation Bonds 2011	3,138	3,687	4,229	(549)	(542)
New Clean Renewable Energy Bonds 2012	—	—	130	—	(130)
New Clean Renewable Energy Bonds 2015	1,637	1,779	3,190	(142)	(1,411)
2015 Series A Revenue Bonds	35,144	35,297	35,444	(153)	(147)
2015 Series B Revenue Bonds	3,849	4,726	5,584	(877)	(858)
2021 Series A Revenue Bonds	90,213	—	—	90,213	—
2021 Series B Revenue Bonds	60,090	—	—	60,090	—
Commercial Paper	40,019	114,671	63,535	(74,652)	51,136
Total	\$ <u>247,525</u>	<u>174,414</u>	<u>127,171</u>	<u>73,111</u>	<u>47,243</u>

The increase of \$73,111 was mainly due to \$124,000 in 2021 Series AB revenue bond issuances, \$63,058 in commercial paper issuance for Hetchy Power facilities, and \$27,022 in bond premium for 2021 Series AB revenue bonds, offset by \$140,043 in commercial paper, bonds, and certificates of participation principal repayments, and \$926 in amortization of premium and discount.

**Credit Ratings and Bond Insurance** – The Power Enterprise's Power Revenue Bonds have been rated "AA-" by Fitch Inc and "AA" by Standard and Poor's (S&P) as of June 30, 2022 and 2021, respectively.

In December 2020, Moody's Investors Service, ("Moody's") assigned a first-time A2 Issuer Rating to CleanPowerSF, with a stable outlook. Hetch Hetchy Water and Power contains the Power Enterprise as a separate enterprise fund, with CleanPowerSF a component unit of the Power Enterprise. CleanPowerSF is tracked and audited as a standalone fund, with financial statements, including revenues and expenses, separate and discrete from the Power Enterprise. As such, CleanPowerSF is deemed to be a separate credit from the Power Enterprise, with its own credit rating.

**Debt Service Coverage** – Pursuant to the Indenture, the Power Enterprise is required to collect sufficient net revenues each fiscal year, together with any Available Funds (except Bond Reserve Funds) which include unappropriated fund balances and reserves, and cash and book value of investments held by the Treasurer for the Hetchy Power, that the SFPUC reasonably expects would be available, to pay principal and interest becoming due and payable on all outstanding bonds as provided in the Indenture, less any refundable credits, at least equal to 1.25 times annual debt service for said fiscal year. The Series 2015 AB power revenue bonds represent the first series of senior lien revenue bonds of Hetchy Power. Pursuant to Power's Master Trust Indenture, senior lien debt service coverage excludes debt service on subordinate obligations, such as Hetchy Power's existing CREBS, NCREBs, and QECBs. During fiscal year 2022, the Power Enterprise's net revenues, together with fund balances available to pay debt service and not budgeted to be expended, were sufficient to meet the rate covenant requirements under the Power Enterprise's Indenture (see Note 9).

**Debt Authorization** – Pursuant to Charter Section 9.107(6), the Power Enterprise can incur indebtedness upon three-fourths vote of the Board of Supervisors, for the purpose of the reconstruction or replacement of existing water facilities and electric power facilities, or combinations thereof, under the jurisdiction of the Public Utilities Commission. Pursuant to Charter Section 9.107(8), the Power Enterprise can issue revenue bonds, without voter approval, upon an affirmative vote of the Board of Supervisors, for the purpose of the acquisition, construction, installation, equipping, improvement,

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or rehabilitation of equipment or facilities for renewable energy and energy conservation. Pursuant to Proposition A, approved by the San Francisco voters on June 5, 2018, City Charter Section 8B.124 is amended to authorize the Power Enterprise to enter into indebtedness, including revenue bonds, notes, commercial paper or other forms of indebtedness, when authorized by ordinance approved by a two-thirds vote of the Board of Supervisors to reconstruct, replace, expand, repair, improve or construct new power facilities under the jurisdiction of SFPUC or for any other purpose of the Power Enterprise, and in compliance with City Charter Section 8B.124. Proposition A expressly prohibits the SFPUC from issuing bonds to finance the construction of power plants that generate electricity using fossil fuels or nuclear energy. As of June 30, 2022 and 2021, \$163,555 and \$39,555 of Hetchy Power revenue bonds were issued against existing authorization of \$555,043 and \$535,699, respectively.

**Cost of Debt Capital** – The Power Enterprise's outstanding long-term senior lien debt consists of the 2015 Series AB and 2021 Series AB Power Revenue Bonds issued in May 2015 and December 2021, respectively, which are issued under the Master Indenture and are senior in lien to all the other Power Enterprise's outstanding debt obligations. Coupon interest rates range from 3.0% to 5.0%. The Power Enterprise has previously issued and incurred debt service on Tax Credit Bonds and certificates of participation, which constitute subordinate obligations. Interest rates on the Tax Credit Bonds, which include QECBs and NCREBs, ranging from 1.2% to 1.5% (net of the federal tax subsidy). Certificates of participation carried interest rates ranging from 2.0% to 6.5%. The Power Enterprise's short-term debt issued under its commercial paper program has interest rates ranging from 0.1% to 1.1% and 0.1% to 0.2% during fiscal years 2022 and 2021, respectively.

### CleanPowerSF Debt Administration

CleanPowerSF did not have debt outstanding as of June 30, 2022 and 2021.

### Rates and Charges

#### Water and Wastewater Enterprises

Proposition E, as approved by the voters in November 2002, amended the City Charter by adding the new Article VIII B, entitled "Public Utilities," which changed the Commission's ability to issue new revenue bonds and set retail water and wastewater rates. The Commission is required to:

- Establish rates, fees, and charges based on cost of service;
- Retain an independent rate consultant to conduct cost of service studies at least every five years;
- Consider establishing new connection fees;
- Consider conservation incentives and lifeline rates;
- Adopt a rolling five-year forecast annually; and
- Establish a Rate Fairness Board.

Pursuant to the City and County of San Francisco Charter Section 8B.125, an independent rate study is performed at least once every five years. In compliance with City Charter section 8B.125, a rate study was completed in April 2018 and resulted in an approved four-year water and wastewater rate increase from July 1, 2018 through June 30, 2022. The rates effective July 1, 2021 for fiscal year 2022 will remain unchanged for fiscal year 2023, which are effective July 1, 2022. These rates exclude those changed by the Consumer Price Index from the Controller's Office of the City and County of San Francisco, as well as rates adjusted by the 20-City Average Construction Index (CCI) published by Engineering News-Record (ENR) Magazine. The SFPUC Rates Schedules and Fees is available at <https://sfpuc.org/accounts-services/water-power-and-sewer-rates>.

#### Water Enterprise Wholesale Customers

The WSA prescribes the rate setting process for the wholesale water rates. The WSA has a 25-year term, beginning on July 1, 2009, with two 5-year extension options. The WSA was amended and restated on December 11, 2018 by the SFPUC. The contract changed the rate basis by which the capital cost recovery is determined from a "utility basis" to a "cash basis," resulting in the repayment of the cost of capital over the life of the debt funding of those assets rather than the life of the asset. The WSA requires the rate be calculated and set annually and include a reconciliation between

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prior year revenues and expenses. Refer to Note 11 of the notes to financial statements for further discussion on the balancing account of the wholesale customers.

The following table is the Water Enterprise's ten-year average rate adjustments:

<b>Ten-year Average Rate Adjustments</b>			
<b>Effective date</b>	<b>Retail</b>	<b>Wholesale<sup>5</sup></b>	
July 1, 2013	6.5 <sup>1</sup> %	(16.4) %	
July 1, 2014	12.0 <sup>2</sup>	19.6	
July 1, 2015	12.0 <sup>2</sup>	28.0	
July 1, 2016	10.0 <sup>2</sup>	9.3	
July 1, 2017	7.0 <sup>2</sup>	—	
July 1, 2018	9.0 <sup>3</sup>	—	
July 1, 2019	8.0 <sup>3</sup>	—	
July 1, 2020	7.0 <sup>3</sup>	—	
July 1, 2021	7.0 <sup>3</sup>	—	
July 1, 2022	— <sup>4</sup>	15.9	

<sup>1</sup> Five-year retail rate increases adopted and effective July 1, 2009.  
<sup>2</sup> Four-year retail rate increases adopted and effective July 1, 2014.  
<sup>3</sup> Four-year retail rate increases adopted and effective July 1, 2018.  
<sup>4</sup> No retail rate increase adopted and effective July 1, 2022.  
<sup>5</sup> Wholesale rates adopted annually; no increase for wholesale rates effective July 1, 2017 to June 30, 2022.

The following table is the Wastewater Enterprise's ten-year approved average rate adjustments:

<b>Ten-year Average Rate Adjustments</b>	
<b>Effective Date</b>	<b>Rate</b>
July 1, 2013	5.0 <sup>1</sup> %
July 1, 2014	5.0 <sup>2</sup>
July 1, 2015	5.0 <sup>2</sup>
July 1, 2016	7.0 <sup>2</sup>
July 1, 2017	11.0 <sup>2</sup>
July 1, 2018	7.0 <sup>3</sup>
July 1, 2019	7.0 <sup>3</sup>
July 1, 2020	8.0 <sup>3</sup>
July 1, 2021	8.0 <sup>3</sup>
July 1, 2022	— <sup>4</sup>

<sup>2</sup> Four-year rate increases adopted and effective July 1, 2014.  
<sup>3</sup> Four-year rate increases adopted and effective July 1, 2018.  
<sup>4</sup> No retail rate adjustment.

## Hetchy Water

Hetchy Water charges for services relates to the storage and delivery of water. Assessment fees from the Water Enterprise, which cover the water-related upcountry costs, were \$45,815 and \$44,149 for the years ended June 30, 2022 and 2021, respectively. In fiscal year 2023, the assessment fees will be \$49,636, an increase of \$3,821 or 8.3% as reflected in the fiscal year 2023 adopted budget.

## Hetchy Power

### Municipal Rates

Hetchy Power charges for services relates to power generation and electricity delivery to contractual and municipal customers. For municipal power services, customers are typically charged a General Use rate or Enterprise rate. Enterprise rates are charged based on projected PG&E equivalent rates by customer class. General fund department customers are mostly charged a General Use rate, a rate that is currently below cost of service. These General Use rates, however, are moving closer towards cost of service and increasing by \$0.01 per kWh on an annual basis beginning July 1, 2020. The General Use rates have been adopted every two years.

On May 10, 2020, the Commission adopted two years of General Use rates effective July 1, 2020 through June 30, 2022. The adopted General Use rate for fiscal years 2022 and 2021 are \$0.09877/kWh and \$0.08877/kWh, respectively.

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The Power Enterprise has developed rates under the cost of service analysis model and completed the 2022 Power Rates Study in spring of 2022, in which General Use rates have been modernized to standard customer classes and incrementally increased to cost of service over the next few years. New rates effective fiscal year 2023 have been adopted in May 2022. The SFPUC Rates Schedules and Fees is available at <https://sfpuc.org/accounts-services/water-power-and-sewer-rates>.

### Retail Rates

The Commission approved a new schedule of retail electric rates, fees, and charges for residential, commercial, and industrial customers where Hetch Hetchy has been designated as the power provider for retail customers to be applied to meter readings on or after July 1, 2016. Total bundled service charges for residential service rates and low-income residential service rates are calculated using the total rates, monthly, based on monthly meter reading, plus any applicable taxes.

To date, Hetchy Power has prepared service standards, developed system plans and specifications, acquired materials and equipment, and initiated construction of primary distribution facilities.

Pursuant to City and County of San Francisco Charter Section 8B.125, an independent rate study is performed at least once every five years. The rate study is undertaken to examine future revenue requirements and cost-of-service of the Power Enterprise. In fall 2020, SFPUC engaged a consultant to perform a cost-of-service study. The informed rate setting from this study resulted in recommendation and approval by the Commission in the spring of 2022 for rates to be effective July 1, 2023. The SFPUC Rates Schedules and Fees is available at <https://sfpuc.org/accounts-services/water-power-and-sewer-rates>.

### CleanPowerSF

CleanPowerSF began offering services in May 2016, giving residential and commercial electricity consumers in San Francisco a choice of having their electricity supplied from clean renewable sources, such as solar and wind, at competitive rates. CleanPowerSF offers two products: a "Green" product comprised of at least 48% renewable energy and a "SuperGreen" product comprised of 100% renewable energy. Most customers take service under the "Green" product rates and remaining customers have opted to upgrade to "SuperGreen" product rates. On May 25, 2021, Commission approved a CleanPowerSF rate adjustment formula. Through Resolution 21-0085 CleanPowerSF rates will be formulaically adjusted, when PG&E rates change to the lesser of no more than 5% higher than PG&E generation rates or rates that recover program costs. On September 28, 2021, the Commission approved a subsequent CleanPowerSF rate adjustment formula. Through Resolution 21-0152, CleanPowerSF rates formulaically adjusted when PG&E rates changed to the lesser of no more than 15% higher than PG&E generation rates or rates that recover program costs from November 1, 2021 to June 30, 2022.

CleanPowerSF revenues are adequate to support its own operations. CleanPowerSF is subject to Section 8B.125 of the City Charter, which requires an independent rate study to be performed at least once every five years, and the Commission sets rates and charges for the program. CleanPowerSF rates have been included in the 2022 Power Rates Study, which is completed in the spring of 2022 for rates to be effective July 1, 2023. The CleanPowerSF Rates Schedules are available at <http://cleanpowersf.org/residential> for residential customers and <http://cleanpowersf.org/commercial> for commercial customers.

### Request for Information

This report is designed to provide our citizens, customers, investors, and creditors with an overview of the SFPUC's finances and to demonstrate the Department's accountability for the money it receives. Questions regarding any of the information provided in this report or requests for additional financial information should be addressed to San Francisco Public Utilities Commission, Chief Financial Officer, 525 Golden Gate Avenue, 13th Floor, San Francisco, CA 94102.

This report is available at <https://sfpuc.org/about-us/reports/audited-financial-statements-reports>.

**THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION**  
**Statements of Net Position**  
**Proprietary Funds**  
**June 30, 2022 and 2021**  
(In thousands)

Assets	Business Type Activities – Proprietary Funds													
	Water		Wastewater		Hetchy Water		Hetchy Power		CleanPowerSF		Eliminations		SFPUC Total	
	2022	Restated 2021 <sup>^</sup>	2022	Restated 2021 <sup>^</sup>	2022	Restated 2021 <sup>^</sup>	2022	Restated 2021 <sup>^</sup>	2022	Restated 2021 <sup>^</sup>	2022	2021	2022	Restated 2021 <sup>^</sup>
Current assets:														
Cash and investments with City Treasury.....	\$ 460,954	483,827	285,029	281,572	94,190	89,373	189,641	190,719	56,234	90,838	—	—	1,086,048	1,136,329
Cash and investments outside City Treasury.....	318	301	397	366	1	1	16	611	—	—	—	—	732	1,279
Receivables:														
Charges for services (net of allowance for doubtful accounts of \$3,915, \$4,273, \$0, \$1,297, and \$6,330 in 2022 and \$5,445, \$5,369, \$0, \$1,258, and \$5,485 in 2021).....	61,740	55,473	40,321	33,081	475	442	10,189	19,024	48,703	28,265	—	—	161,428	136,285
Due from other City departments, current portion.....	178	248	225	281	—	—	867	7,413	—	—	(111) A	(110) B	1,159	7,832
Due from other governments.....	—	16	25	—	512	579	298	267	—	—	—	—	835	862
Interest .....	399	257	314	189	40	21	201	125	61	55	—	—	1,015	647
Interest-Leases .....	884	859	—	—	—	—	—	—	—	—	—	—	884	859
Restricted due from other governments.....	7,553	49,546	202,795	20,755	—	—	—	—	—	—	—	—	210,348	70,301
Leases receivable, current portion.....	3,325	3,289	—	—	—	—	—	—	—	—	—	—	3,325	3,289
Restricted interest and other receivable (net of allowance for doubtful accounts of \$146, \$385, \$0, \$0 and \$0 in 2022 and \$24, \$68, \$0, \$0 and \$0 in 2021).....	4,142	3,983	2,301	2,841	—	—	4,303	11,800	—	—	—	—	10,746	18,624
Total current receivables.....	78,221	113,671	245,981	57,147	1,027	1,042	15,858	38,629	48,764	28,320	(111)	(110)	389,740	238,699
Prepaid charges, advances, and other receivables, current portion.....	12,180	6,147	346	877	216	402	1,911	2,666	10,550	2,184	—	—	25,203	12,276
Inventory.....	6,802	5,937	2,958	2,657	199	191	1,678	1,820	—	—	—	—	11,637	10,605
Restricted cash and investments outside City Treasury, current portion.....	11,063	57,165	15,587	298	—	—	5,228	153	—	—	—	—	31,878	57,616
Total current assets.....	569,538	667,048	550,298	342,917	95,633	91,009	214,332	234,598	115,548	121,342	(111)	(110)	1,545,238	1,456,804
Non-current assets:														
Net pension asset.....	100,407	—	48,770	—	13,912	—	17,004	—	1,833	—	—	—	181,926	—
Restricted cash and investments with City Treasury.....	9,299	—	—	—	—	6,990	—	5,241	—	—	—	—	9,299	12,231
Restricted cash and investments outside City Treasury, less current portion.....	64,894	65,688	23,771	9,898	—	—	8,824	3,690	—	—	—	—	97,489	79,276
Leases receivable, less current portion.....	42,840	45,821	—	—	—	—	—	—	—	—	—	—	42,840	45,821
Restricted interest and other receivable, and prepaid (net of allowance for doubtful accounts of \$8, \$29, \$0, \$0, and \$0 in 2022 and \$8, \$29, \$0, \$0, and \$0 in 2021).....	4	4	434	450	—	—	—	—	—	—	—	—	438	454
Lease assets, net of accumulated amortization.....	2,812	4,237	3,597	5,922	61	74	73	90	230	575	—	—	6,773	10,898
Charges for services, less current portion (net of allowance for doubtful accounts of \$656, \$567, \$0, \$0, and \$0 in 2022 and \$658, \$569, \$0, \$0, and \$0 in 2021).....	207	207	342	341	—	—	—	—	—	—	—	—	549	548
Prepaid charges, advances, and other receivables, less current portion.....	3,760	3,517	1,156	1,183	146	152	9,390	753	12,236	—	—	—	26,688	5,605
Capital assets, not being depreciated and amortized.....	558,374	637,529	1,772,035	1,388,262	57,376	38,571	265,772	174,555	—	—	—	—	2,653,557	2,238,917
Capital assets, net of accumulated depreciation and amortization.....	5,059,220	4,950,270	2,274,416	2,218,588	143,631	138,910	319,864	317,501	—	—	—	—	7,797,131	7,625,269
Due from other City departments, less current portion.....	—	—	—	—	—	—	10,937	4,993	—	—	(518) A	(629) B	10,419	4,364
Total non-current assets.....	5,841,817	5,707,273	4,124,521	3,624,644	215,126	184,697	631,864	506,823	14,299	575	(518)	(629)	10,827,109	10,023,383
Total assets.....	6,411,355	6,374,321	4,674,819	3,967,561	310,759	275,706	846,196	741,421	129,847	121,917	(629)	(739)	12,372,347	11,480,187
Deferred outflows of resources														
Unamortized loss on refunding of debt.....	139,481	154,991	33	91	—	—	—	—	—	—	—	—	139,514	155,082
Pensions.....	52,852	64,797	25,369	30,219	6,696	7,799	8,183	9,531	852	803	—	—	93,952	113,149
Other post-employment benefits.....	32,445	37,762	12,898	15,109	3,272	3,725	3,999	4,552	798	442	—	—	53,412	61,590
Total deferred outflows of resources.....	\$ 224,778	257,550	38,300	45,419	9,968	11,524	12,182	14,083	1,650	1,245	—	—	286,878	329,821

(Continued)

- A. Included interfund payables and interfund receivables for fiscal year 2022 of \$629 between Wastewater and Hetchy Power for the 525 Golden Gate Avenue Headquarters construction costs.  
B. Included interfund payables and interfund receivables for fiscal year 2021 of \$739 between Wastewater and Hetchy Power for the 525 Golden Gate Avenue Headquarters construction costs.  
<sup>^</sup>Restated due to the implementation of GASB Statement No. 87, Leases.

See accompanying notes to basic financial statements.

**THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION**  
**Statements of Net Position**  
**Proprietary Funds**  
**June 30, 2022 and 2021**  
(In thousands)

	Business Type Activities – Proprietary Funds												SFPUC Total	
	Water		Wastewater		Hetchy Water		Hetchy Power		CleanPowerSF		Eliminations			
	2022	Restated 2021 <sup>^</sup>	2022	Restated 2021 <sup>^</sup>	2022	Restated 2021 <sup>^</sup>	2022	Restated 2021 <sup>^</sup>	2022	Restated 2021 <sup>^</sup>	2022	2021	2022	Restated 2021 <sup>^</sup>
<b>Liabilities</b>														
<b>Current liabilities:</b>														
Accounts payable.....	\$ 22,852	16,183	22,588	15,282	8,454	4,262	16,668	22,909	23,526	15,859	—	—	94,088	74,495
Accrued payroll.....	10,495	9,845	6,402	6,147	1,098	1,042	2,684	2,596	373	291	—	—	21,052	19,921
Accrued vacation and sick leave, current portion.....	6,888	6,787	5,479	5,811	1,034	1,059	1,747	1,777	279	205	—	—	15,427	15,639
Accrued workers' compensation, current portion.....	1,700	1,694	1,393	1,198	215	197	400	378	—	—	—	—	3,708	3,467
Due to other City departments, current portion.....	—	—	111	110	—	—	380	369	—	—	(111) C	(110) D	380	369
Damage claims liability, current portion.....	10,191	14,400	9,323	5,892	228	218	358	409	15	6	—	—	20,115	20,925
Unearned revenues, refunds, and other, current portion.....	19,137	18,966	6,137	5,345	24	22	5,923	5,141	4,196	1,028	—	—	35,417	30,502
Bond, loan and lease interest payable.....	35,443	36,200	21,460	17,276	—	—	1,327	459	—	1	—	—	58,230	53,936
Bonds, current portion.....	125,285	108,500	34,345	22,880	—	—	1,966	1,928	—	—	—	—	161,596	133,308
Certificates of participation, current portion.....	3,138	2,970	830	785	—	—	427	405	—	—	—	—	4,395	4,160
Commercial paper.....	206,297	105,862	379,157	638,518	—	—	40,019	114,671	—	—	—	—	625,473	859,051
State revolving funds loans payable, current portion.....	3,283	1,667	2,481	2,483	—	—	—	—	—	—	—	—	5,764	4,150
Lease liability, current portion.....	1,008	1,381	2,341	2,314	3	16	3	19	232	345	—	—	3,587	4,075
Wholesale balancing account, current portion.....	48,422	21,538	—	—	—	—	—	—	—	—	—	—	48,422	21,538
Current liabilities payable from restricted assets.....	25,353	27,263	89,905	89,982	6,324	9,057	19,059	15,393	—	—	—	—	140,641	141,695
Total current liabilities.....	519,492	373,256	581,952	814,023	17,380	15,873	90,961	166,454	28,621	17,735	(111)	(110)	1,238,295	1,387,231
<b>Long-term liabilities:</b>														
Other post-employment benefits obligations.....	144,115	148,771	49,123	50,711	14,240	14,444	17,405	17,653	2,264	2,909	—	—	227,147	234,488
Net pension liability.....	—	216,417	—	103,746	—	26,645	—	32,566	—	3,008	—	—	—	382,382
Accrued vacation and sick leave, less current portion.....	6,841	7,129	5,422	5,847	1,135	1,126	1,850	1,840	267	195	—	—	15,515	16,137
Accrued workers' compensation, less current portion.....	7,273	7,134	6,153	5,384	1,013	923	1,850	1,740	—	—	—	—	16,289	15,181
Due to other City departments, less current portion.....	—	—	518	629	—	—	—	—	—	—	(518) C	(629) D	—	—
Damage claims liability, less current portion.....	25,878	22,323	2,722	10,821	399	307	665	699	17	—	—	—	29,681	34,150
Unearned revenues, refunds, and other, less current portion.....	—	—	—	—	110	116	804	852	9,000	9,000	—	—	9,914	9,968
Bonds, less current portion.....	4,735,650	4,886,275	1,896,908	1,567,042	—	—	192,520	44,384	—	—	—	—	6,825,078	6,497,701
Revenue Notes, less current portion.....	—	—	350,356	—	—	—	—	—	—	—	—	—	350,356	—
Certificates of participation, less current portion.....	92,499	95,692	24,458	25,302	—	—	12,593	13,026	—	—	—	—	129,550	134,020
State revolving funds loans payable, less current portion.....	118,478	105,740	300,178	106,076	—	—	—	—	—	—	—	—	418,656	211,816
Lease liability, less current portion.....	1,855	2,863	1,297	3,638	59	62	72	75	—	232	—	—	3,283	6,870
Wholesale balancing account, less current portion.....	30,728	39,326	—	—	—	—	—	—	—	—	—	—	30,728	39,326
Pollution remediation obligations.....	1,271	1,271	8,060	7,800	—	—	—	—	—	—	—	—	9,331	9,071
Total long-term liabilities.....	5,164,588	5,532,941	2,645,195	1,886,996	16,956	43,623	227,759	112,835	11,548	15,344	(518)	(629)	8,065,528	7,591,110
Total liabilities.....	5,684,080	5,906,197	3,227,147	2,701,019	34,336	59,496	318,720	279,289	40,169	33,079	(629)	(739)	9,303,823	8,978,341
<b>Deferred inflows of resources</b>														
Related to pensions.....	248,704	4,885	114,670	2,148	34,477	988	42,138	1,207	5,414	1,093	—	—	445,403	10,321
Leases.....	44,583	48,110	—	—	—	—	—	—	—	—	—	—	44,583	48,110
Other post-employment benefits.....	25,348	21,315	8,640	7,265	2,734	2,085	3,342	2,548	1,594	1,913	—	—	41,658	35,126
Total deferred inflows of resources.....	318,635	74,310	123,310	9,413	37,211	3,073	45,480	3,755	7,008	3,006	—	—	531,644	93,557
<b>Net position</b>														
Net investment in capital assets.....	537,644	517,302	1,092,705	1,253,789	201,007	177,481	352,162	323,066	—	—	—	—	2,183,518	2,271,638
Restricted for debt service.....	14,671	45,586	5,391	2,992	—	—	140	99	—	—	—	—	20,202	48,677
Restricted for capital projects.....	—	22,319	114,657	—	—	—	—	—	—	—	—	—	114,657	22,319
Unrestricted.....	81,103	66,157	149,909	45,767	48,173	47,180	141,876	149,295	84,320	87,077	—	—	505,381	395,476
Total net position.....	\$ 633,418	651,364	1,362,662	1,302,548	249,180	224,661	494,178	472,460	84,320	87,077	—	—	2,823,758	2,738,110

C. Included interfund payables and interfund receivables for fiscal year 2022 of \$629 between Wastewater and Hetchy Power for the 525 Golden Gate Avenue Headquarters construction costs.

D. Included interfund payables and interfund receivables for fiscal year 2021 of \$739 between Wastewater and Hetchy Power for the 525 Golden Gate Avenue Headquarters construction costs.

<sup>^</sup>Restated due to the implementation of GASB Statement No. 87, Leases.

See accompanying notes to basic financial statements.

**THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**June 30, 2022 and 2021**  
(In thousands)

	Business Type Activities – Proprietary Funds											
	Water		Wastewater		Hetchy Water		Hetchy Power		CleanPowerSF		SFPUC Total	
	2022	Restated 2021 <sup>^</sup>	2022	Restated 2021 <sup>^</sup>	2022	Restated 2021 <sup>^</sup>	2022	Restated 2021 <sup>^</sup>	2022	Restated 2021 <sup>^</sup>	2022	Restated 2021 <sup>^</sup>
Operating revenues:												
Charges for services.....	\$ 539,526	550,306	356,041	318,236	49,200	46,979	173,105	136,247	257,893	207,698	1,375,765	1,259,466
Rents and concessions.....	13,765	13,735	705	642	112	111	137	136	—	—	14,719	14,624
Capacity fees.....	2,163	1,326	6,280	3,710	—	—	—	—	—	—	8,443	5,036
Other revenues.....	17,663	17,069	5,856	5,077	—	—	—	—	—	—	23,519	22,146
Total operating revenues.....	573,117	582,436	368,882	327,665	49,312	47,090	173,242	136,383	257,893	207,698	1,422,446	1,301,272
Operating expenses:												
Personnel services.....	83,385	132,528	63,456	90,449	15,636	19,871	34,646	40,756	4,167	7,641	201,290	291,245
Contractual services.....	13,457	14,029	19,115	16,489	2,854	2,398	9,604	8,705	6,821	6,678	51,851	48,299
Transmission/distribution and other power costs.....	—	—	—	—	—	—	51,521	36,711	192	1,012	51,713	37,723
Purchased electricity.....	—	—	—	—	—	—	6,731	5,982	239,546	189,977	246,277	195,959
Materials and supplies.....	15,719	13,175	11,844	9,091	1,362	1,272	2,270	1,990	33	26	31,228	25,554
Depreciation and amortization.....	147,904	145,444	77,575	74,343	6,305	6,028	17,628	15,650	345	345	249,757	241,810
Services provided by other departments.....	73,307	70,235	39,645	38,313	3,129	2,517	6,253	6,137	3,621	3,928	125,955	121,130
General and administrative and other.....	68,014	73,371	45,536	63,488	23,017	18,433	27,694	29,709	7,393	3,104	171,654	188,105
Total operating expenses.....	401,786	448,782	257,171	292,173	52,303	50,519	156,347	145,640	262,118	212,711	1,129,725	1,149,825
Operating income (loss).....	171,331	133,654	111,711	35,492	(2,991)	(3,429)	16,895	(9,257)	(4,225)	(5,013)	292,721	151,447
Non-operating revenues (expenses):												
Federal and state grants.....	5,931	14,829	20,711	—	450	1,349	4,924	1,483	2,424	—	34,440	17,661
Interest and investment income (loss).....	(10,896)	1,374	(7,087)	(1,187)	(2,932)	(232)	(4,001)	24	(1,286)	51	(26,202)	30
Interest expenses.....	(213,668)	(184,678)	(77,743)	(34,944)	(1)	(2)	(5,624)	(1,972)	(5)	(26)	(297,041)	(221,622)
Amortization of premium, discount, refunding loss, and issuance costs.....	9,875	7,782	8,422	8,497	—	—	(192)	219	—	—	18,105	16,498
Net gain from sale of assets.....	1,079	2,556	22	18	7	—	9	—	—	—	1,117	2,574
Other non-operating revenues.....	34,861	28,489	4,721	4,893	22	3	10,830	17,790	335	927	50,769	52,102
Other Non-operating expenses.....	(828)	(2,208)	(482)	(409)	(37)	(63)	(591)	(902)	—	—	(1,938)	(3,582)
Net non-operating revenues (expenses).....	(173,646)	(131,856)	(51,436)	(23,132)	(2,491)	1,055	5,355	16,642	1,468	952	(220,750)	(136,339)
Change in net position before capital contributions and transfers.....	(2,315)	1,798	60,275	12,360	(5,482)	(2,374)	22,250	7,385	(2,757)	(4,061)	71,971	15,108
Capital contributions.....	—	4,180	—	—	—	—	—	—	—	—	—	4,180
Transfers from the City and County of San Francisco.....	15,035	21,025	—	1,440	30,001	16,000	—	—	—	—	45,036	38,465
Transfers to the City and County of San Francisco.....	(30,666)	(16,654)	(161)	(4,188)	—	—	(532)	(532)	—	—	(31,359)	(21,374)
Net capital contributions and transfers.....	(15,631)	8,551	(161)	(2,748)	30,001	16,000	(532)	(532)	—	—	13,677	21,271
Change in net position.....	(17,946)	10,349	60,114	9,612	24,519	13,626	21,718	6,853	(2,757)	(4,061)	85,648	36,379
Net position at beginning of year.....	651,364	641,015	1,302,548	1,292,936	224,661	211,035	472,460	465,607	87,077	91,138	2,738,110	2,701,731
Net position at end of year.....	\$ 633,418	651,364	1,362,662	1,302,548	249,180	224,661	494,178	472,460	84,320	87,077	2,823,758	2,738,110

<sup>^</sup>Restated due to the implementation of GASB Statement No. 87, Leases.  
See accompanying notes to basic financial statements.

**THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION**  
**Statements of Cash Flows**  
**Proprietary Funds**  
**Years ended June 30, 2022 and 2021**  
(In thousands)

Business Type Activities – Proprietary Funds

	Water		Wastewater		Hetchy Water		Hetchy Power		CleanPowerSF		SFPUC Total	
	2022	Restated 2021 <sup>A</sup>	2022	Restated 2021 <sup>A</sup>	2022	Restated 2021 <sup>A</sup>	2022	Restated 2021 <sup>A</sup>	2022	Restated 2021 <sup>A</sup>	2022	Restated 2021 <sup>A</sup>
<b>Cash flows from operating activities:</b>												
Cash received from customers, including cash deposits..... \$	563,433	570,041	360,654	327,879	49,161	46,176	183,203	120,981	237,947	223,325	1,394,398	1,288,402
Cash received from tenants for rent.....	15,032	12,542	1,035	362	114	116	139	142	—	—	16,320	13,162
Cash received from miscellaneous revenues.....	4,558	4,643	667	831	22	3	7,237	13,427	335	927	12,819	19,831
Cash paid to employees for services.....	(137,080)	(132,235)	(93,897)	(90,918)	(20,430)	(19,597)	(40,448)	(40,236)	(5,828)	(5,344)	(297,683)	(288,330)
Cash paid to suppliers for goods and services.....	(159,338)	(136,653)	(103,998)	(126,436)	(25,726)	(20,950)	(107,969)	(81,722)	(268,958)	(211,735)	(665,989)	(577,496)
Cash paid for judgments and claims.....	(2,515)	(3,969)	(10,795)	(3,295)	(276)	(563)	(2,163)	(4,361)	(1,529)	(153)	(17,278)	(12,341)
Net cash provided by (used in) operating activities.....	284,090	314,369	153,666	108,423	2,865	5,185	39,999	8,231	(38,033)	7,020	442,587	443,228
<b>Cash flows from non-capital financing activities:</b>												
Cash received from grants.....	5,947	14,836	12,686	—	517	3,345	4,893	2,860	5,100	—	29,143	21,041
Cash received from settlements.....	6,750	—	—	—	—	—	—	797	—	—	6,750	797
Cash received from license fees.....	—	—	—	—	—	—	3,333	3,151	—	—	3,333	3,151
Cash paid for rebates, program incentives, and other.....	(828)	(2,208)	(482)	(409)	(37)	(63)	(591)	(902)	—	—	(1,938)	(3,582)
Cash paid for Hetchy Power loan interest.....	—	—	—	—	—	—	—	—	—	(235)	—	(235)
Transfers from the City and County of San Francisco.....	15,035	21,025	—	1,440	30,001	16,000	—	—	—	—	45,036	38,465
Transfers to the City and County of San Francisco.....	(30,666)	(16,654)	(161)	(4,188)	—	—	(532)	(532)	—	—	(31,359)	(21,374)
Net cash provided by (used in) non-capital financing activities.....	(3,762)	16,999	12,043	(3,157)	30,481	19,282	7,103	5,374	5,100	(235)	50,965	38,263
<b>Cash flows from capital and related financing activities:</b>												
Proceeds from sale of capital assets.....	986	2,647	22	12	7	—	9	—	—	—	1,024	2,659
Proceeds from bond issuance, net of premium, discount, refunding loss, and issuance costs.....	—	1,000,920	373,700	—	—	—	151,022	—	—	—	524,722	1,000,920
Proceeds from revenue notes issuance, net of premium.....	—	—	350,823	—	—	—	—	—	—	—	350,823	—
Proceeds from commercial paper borrowings.....	130,221	16,328	80,639	435,450	—	—	63,058	51,136	—	—	273,918	502,914
Proceeds from State revolving fund loans.....	56,113	57,861	22,544	4,811	—	—	—	—	—	—	78,657	62,672
Principal paid on commercial paper.....	(29,786)	(272,820)	(340,000)	(4,871)	—	—	(137,710)	—	—	—	(507,496)	(277,691)
Principal paid on long-term debt.....	(111,470)	(704,344)	(23,665)	(23,987)	—	—	(2,333)	(3,674)	—	—	(137,468)	(732,005)
Principal paid on state revolving fund loans.....	—	—	(2,483)	(2,458)	—	—	—	—	—	—	(2,483)	(2,458)
Interest paid on commercial paper.....	(212)	(348)	(614)	(484)	—	—	(59)	(132)	—	—	(885)	(964)
Interest paid on long-term debt.....	(213,922)	(210,276)	(69,988)	(66,654)	—	—	(4,695)	(2,970)	—	—	(288,605)	(279,900)
Interest paid on state revolving fund loans.....	—	—	(1,522)	(1,123)	—	—	—	—	—	—	(1,522)	(1,123)
Interest paid revenue notes.....	—	—	(1,168)	—	—	—	—	—	—	—	(1,168)	—
Issuance costs paid on long-term debt.....	(10)	(3,032)	(1,490)	—	—	—	(1,118)	—	—	—	(2,618)	(3,032)
Acquisition and construction of capital assets.....	(182,776)	(184,144)	(516,032)	(582,841)	(32,558)	(16,981)	(108,062)	(62,461)	—	—	(839,428)	(846,427)
Lease payment.....	(1,439)	(1,472)	(2,371)	(2,371)	(17)	(17)	(22)	(21)	(351)	(350)	(4,200)	(4,231)
Federal interest income subsidy.....	23,590	23,869	5,818	2,297	—	—	397	511	—	—	29,805	26,677
Net cash used in capital and related financing activities.....	(328,705)	(274,811)	(125,787)	(242,219)	(32,568)	(16,998)	(39,513)	(17,611)	(351)	(350)	(526,924)	(551,989)
<b>Cash flows from investing activities:</b>												
Interest income received.....	2,154	4,185	1,335	3,169	329	739	1,003	1,986	407	802	5,228	10,881
Proceeds from sale of investment outside City Treasury.....	398,825	323,586	101,115	134,955	—	—	7,118	3,968	—	—	507,058	462,509
Purchase of investments outside City Treasury.....	(398,825)	(323,586)	(101,115)	(134,955)	—	—	(7,118)	(3,968)	—	—	(507,058)	(462,509)
Net cash provided by investing activities.....	2,154	4,185	1,335	3,169	329	739	1,003	1,986	407	802	5,228	10,881
Increase (decrease) in cash and cash equivalents.....	(46,223)	60,742	41,257	(133,784)	1,107	8,208	8,592	(2,020)	(32,877)	7,237	(28,144)	(59,617)
<b>Cash and cash equivalents:</b>												
Beginning of year.....	606,589	545,847	291,906	425,690	96,276	88,068	200,265	202,285	90,764	83,527	1,285,800	1,345,417
End of year..... \$	560,366	606,589	333,163	291,906	97,383	96,276	208,857	200,265	57,887	90,764	1,257,656	1,285,800
<b>Reconciliation of cash and cash equivalents to the statements of net position:</b>												
<b>Cash and investments with City Treasury:</b>												
Unrestricted..... \$	460,954	483,827	285,029	281,572	94,190	89,373	189,641	190,719	56,234	90,838	1,086,048	1,136,329
Restricted.....	9,299	—	—	—	—	6,990	—	5,241	—	—	9,299	12,231
Add: Unrealized (loss)/gain on investments with City Treasury.....	13,838	(392)	8,379	(228)	3,192	(88)	5,148	(149)	1,653	(74)	32,210	(931)
<b>Cash and investments outside City Treasury:</b>												
Unrestricted.....	318	301	397	366	1	1	16	611	—	—	732	1,279
Restricted.....	75,957	122,853	39,358	10,196	—	—	14,052	3,843	—	—	129,367	136,892
Cash and cash equivalents at end of year on statements of cash flows..... \$	560,366	606,589	333,163	291,906	97,383	96,276	208,857	200,265	57,887	90,764	1,257,656	1,285,800

<sup>A</sup>Restated due to the implementation of GASB Statement No. 87, Leases.  
See accompanying notes to basic financial statements

**THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION**  
**Statements of Cash Flows**  
**Proprietary Funds**  
**Years ended June 30, 2022 and 2021**  
(In thousands)

	Business Type Activities – Proprietary Funds											
	Water		Wastewater		Hetchy Water		Hetchy Power		CleanPowerSF		SFPUC Total	
	2022	Restated 2021 <sup>^</sup>	2022	Restated 2021 <sup>^</sup>	2022	Restated 2021 <sup>^</sup>	2022	Restated 2021 <sup>^</sup>	2022	Restated 2021 <sup>^</sup>	2022	Restated 2021 <sup>^</sup>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:												
Operating income (loss).....	\$ 171,331	133,654	111,711	35,492	(2,991)	(3,429)	16,895	(9,257)	(4,225)	(5,013)	292,721	151,447
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:												
Depreciation and amortization.....	147,904	145,444	77,575	74,343	6,305	6,028	17,628	15,650	345	345	249,757	241,810
Miscellaneous revenues.....	4,558	4,643	667	831	22	3	7,237	13,427	335	927	12,819	19,831
Provision for uncollectible accounts.....	(1,410)	2,945	(781)	2,201	—	—	39	667	845	3,675	(1,307)	9,488
Write-off of capital assets and other non-cash items.....	4,592	3,810	993	4,203	7	51	648	8,333	—	—	6,240	16,397
Changes in operating assets and liabilities:												
Receivables:												
Charges for services.....	(4,734)	1,537	(6,143)	(1,506)	(33)	(413)	8,796	(16,724)	(21,283)	2,772	(23,397)	(14,334)
Due from other City departments.....	70	93	(901)	148	—	104	531	2,437	—	—	(300)	2,782
Prepaid charges, advances, and other.....	(6,543)	(2,385)	51	(716)	192	114	(344)	(12,172)	(20,574)	576	(27,218)	(14,583)
Inventory.....	(865)	(160)	(301)	(181)	(8)	(4)	142	(211)	—	—	(1,032)	(556)
Accounts payable.....	6,669	5,609	7,095	(4,762)	4,192	3,304	(6,241)	8,724	7,667	(6,047)	19,382	6,828
Accrued payroll.....	650	1,354	255	637	56	154	88	298	82	91	1,131	2,534
Other post-employment benefits obligations.....	4,694	(15,549)	1,998	(9,436)	898	(2,409)	1,099	(2,945)	(1,320)	1,242	7,369	(29,097)
Pension obligations.....	(61,060)	10,562	(35,144)	2,970	(5,965)	1,972	(7,291)	2,411	(569)	855	(110,029)	18,770
Leases.....	380	(824)	—	—	—	—	—	—	—	—	380	(824)
Accrued vacation and sick leave.....	(187)	2,296	(757)	2,744	(16)	539	(20)	660	146	109	(834)	6,348
Accrued workers' compensation.....	145	(346)	964	531	108	(67)	132	(82)	—	—	1,349	36
Due to other City departments.....	—	(674)	—	—	—	(240)	11	(231)	—	(1,592)	11	(2,737)
Wholesale balancing account.....	18,286	(3,993)	—	—	—	—	—	—	—	—	18,286	(3,993)
Damage claims liability.....	(654)	25,956	(4,668)	822	102	(33)	(85)	(1,114)	26	(100)	(5,279)	25,531
Unearned revenues, refunds, and other liabilities.....	264	703	792	102	(4)	(489)	734	(1,640)	492	9,180	2,278	7,856
Pollution remediation obligations.....	—	(306)	260	—	—	—	—	—	—	—	260	(306)
Total adjustments.....	112,759	180,715	41,955	72,931	5,856	8,614	23,104	17,488	(33,808)	12,033	149,866	291,781
Net cash provided by (used in) operating activities.....	\$ 284,090	314,369	153,666	108,423	2,865	5,185	39,999	8,231	(38,033)	7,020	442,587	443,228
Noncash transactions:												
Accrued capital asset costs.....	\$ 25,353	27,263	89,905	89,982	6,324	9,057	19,059	15,393	—	—	140,641	141,695
Interfund payables.....	—	—	629	739	—	—	—	—	—	—	629	739
Interfund receivables.....	—	—	—	—	—	—	629	739	—	—	629	739
Unrealized loss/(gain) on investments.....	13,838	(392)	8,379	(228)	3,192	(88)	5,148	(149)	1,653	(74)	32,210	(931)
Capital contributions.....	—	4,180	—	—	—	—	—	—	—	—	—	4,180

<sup>^</sup>Restated due to the implementation of GASB Statement No. 87, *Leases*. See accompanying notes to basic financial statements.

## THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Notes to Basic Financial Statements

June 30, 2022 and 2021

(Dollars in thousands, unless otherwise stated)

### (1) Description of Reporting Entity

The San Francisco Public Utilities Commission (SFPUC or the Commission), established in 1932, is responsible for providing operational oversight of the public utility enterprises of the City, which include the Water, Wastewater, Hetchy Water and Power and CleanPowerSF. The Commission is responsible for determining such matters as the rates and charges for services, approval of contracts, and organizational policy.

Until August 1, 2008, the Commission consisted of five members, all appointed by the Mayor. Proposition E, a City and County of San Francisco Charter Section 4.112 amendment approved by the voters in the June 3, 2008 election, terminated the terms of all five existing members of the Commission, changed the process for appointing new members, and set qualifications for all members. Under the amended Charter, the Mayor continues to nominate candidates to the Commission, but nominees do not take office until the Board of Supervisors votes to approve their appointments by a majority (at least six members). The amended Charter provides for staggered four year terms for the Commission members and requires them to meet the following qualifications:

- Seat 1 must have experience in environmental policy and an understanding of environmental justice issues.
- Seat 2 must have experience in ratepayer or consumer advocacy.
- Seat 3 must have experience in project finance.
- Seat 4 must have expertise in water systems, power systems, or public utility management.
- Seat 5 is an at-large member.

The SFPUC is a department of the City, and as such, the financial operations of the Water Enterprise, the Wastewater Enterprise, and Hetchy Water and Hetchy Power and CleanPowerSF (Hetch Hetchy) are included in the Annual Comprehensive Financial Report of the City as enterprise funds. These financial statements are intended to present only the financial position, and the changes in financial position and cash flows of only the portion of the City that is attributable to the transactions of the enterprises. They do not purport to, and do not, present fairly the financial position of the City as of June 30, 2022 and 2021, the changes in its financial position, or, where applicable, the cash flows for the years then ended in conformity with U.S. generally accepted accounting principles (GAAP).

### Water Enterprise

The San Francisco Water Enterprise was established in 1930 under the provisions of the Charter of the City and County of San Francisco (the City). The Water Enterprise acquired the fully developed, mature water works for San Francisco on March 3, 1930. Since then, the City has operated and maintained the water works as the San Francisco Water Enterprise. The Board of Supervisors of the City has adopted resolutions (the Water Resolutions) providing for the issuance of various water revenue and refunding bond series. The Water Resolutions require the City to keep separate books of records and accounts of the Water Enterprise. The Water Enterprise, which consists of a system of reservoirs, storage tanks, water treatment plants, pump stations, and pipelines, is engaged in the distribution of water to San Francisco and certain suburban areas. In fiscal year 2022, the Water Enterprise sold approximately 66,005 million gallons, i.e., about 181 million gallons per day of water, to approximately 2.7 million people within San Francisco and certain suburban areas.

### Wastewater Enterprise

The San Francisco Wastewater Enterprise, formerly known as the San Francisco Clean Water Program (the Program), was established in 1977 following the transfer of all sewage system related assets and liabilities of the City to the Program.

In 1976, the electorate of the City approved a proposition authorizing the City to issue \$240,000 in revenue bonds pursuant to the Revenue Bond Law of 1941 of the State of California for the purpose of acquiring,

## THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Notes to Basic Financial Statements

June 30, 2022 and 2021

(Dollars in thousands, unless otherwise stated)

constructing, improving, and financing improvements to the City's municipal sewage treatment and disposal system. Since then, the City's Board of Supervisors has adopted resolutions (Wastewater Resolutions) providing for the issuance of various sewer revenue and refunding bond series. The Wastewater Resolutions require the City to keep separate books of records and accounts of the Wastewater Enterprise.

### Hetch Hetchy

San Francisco Hetch Hetchy Water and Power (Hetch Hetchy) was established as a result of the Raker Act of 1913, which granted water and power resources rights-of-way on the Tuolumne River in Yosemite National Park and Stanislaus National Forest to the City and County of San Francisco (the City). CleanPowerSF, launched in May 2016, provides green electricity from renewable sources to residential and commercial customers in San Francisco and was reported as part of Hetch Hetchy starting fiscal year 2016. Hetch Hetchy is a stand-alone enterprise comprised of three funds, Hetchy Power (aka the Power Enterprise), CleanPowerSF and Hetchy Water, the portion of the Water Enterprise's operations, specifically the upcountry water supply and transmission service. Hetch Hetchy accounts for the activities of Hetch Hetchy Water and Power and is engaged in the collection and conveyance of approximately 85% of the regional system's water supply and in the generation and transmission of electricity from that resource, as well as the City Power services including energy efficiency and renewable.

Approximately 69% of the electricity generated by Hetchy Power is used to provide electric service to the City's municipal customers (including the San Francisco Municipal Transportation Agency, Recreation and Parks Department, the Port of San Francisco, the San Francisco International Airport and its tenants, Zuckerberg San Francisco General Hospital and Trauma Center, streetlights, Moscone Convention Center, and the Water and Wastewater Enterprises). The majority of the remaining 31% balance of electricity is sold to CleanPowerSF and the wholesale electric market. As a result of the 1913 Raker Act, energy produced above the City's municipal load is sold first to the Districts to cover their agricultural pumping and municipal load needs and any remaining energy is either sold to other municipalities and/or government agencies (not for resale) or sold into the CAISO. Hetch Hetchy operation is an integrated system of reservoirs, hydroelectric power plants, aqueducts, pipelines, and transmission lines.

Hetch Hetchy also purchases wholesale electric power from various energy providers that are used in conjunction with owned hydro resources to meet the power requirements of its customers. Operations and business decisions can be greatly influenced by market conditions, state and federal power matters before the California Public Utilities Commission (CPUC), the CAISO, and the Federal Energy Regulatory Commission (FERC). Therefore, Hetch Hetchy serves as the City's representative at CPUC, CAISO, and FERC forums and continues to monitor regulatory proceedings.

## (2) Significant Accounting Policies

### (a) Basis of Accounting and Measurement Focus - Fund Financial Statements

The accounts of Water, Wastewater, Hetchy Water, Hetchy Power and CleanPowerSF are organized on the basis of a proprietary fund type and are included as enterprise funds of the City. The activities are accounted for with a separate set of self balancing accounts that comprise the funds' assets, deferred outflows, liabilities, deferred inflows, net position, revenues, and expenses. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

## THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Notes to Basic Financial Statements

June 30, 2022 and 2021

(Dollars in thousands, unless otherwise stated)

The financial activities of Water, Wastewater, Hetchy Water, Hetchy Power and CleanPowerSF are accounted for on a flow of economic resources measurement focus, using the accrual basis of accounting in accordance with U.S. GAAP. Under this method, all assets and liabilities associated with its operations are included on the statements of net position; revenues are recognized when earned, and expenses are recognized when liabilities are incurred. Water and Wastewater Enterprises' operating revenues are defined as charges to customers, rental income, capacity fees and other revenues while Hetchy Water, Hetchy Power and CleanPowerSF's operating revenues are defined as charges to customers and rental incomes. Operating expenses include the costs of delivering services, administrative expenses, and depreciation and amortization on capital assets. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The SFPUC applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

### (b) Cash and Cash Equivalents

The SFPUC considers its pooled deposits and investments held with the City Treasury to be demand deposits and, therefore, cash and cash equivalents for financial reporting. The City Treasury also holds non-pooled cash and investments for the SFPUC. Non-pooled restricted deposits and restricted deposits and investments held outside the City Treasury with original maturities of three months or less are also considered to be cash equivalents.

### (c) Investments

Money market funds are carried at cost, which approximates fair value. All other investments are stated at fair value based upon quoted market prices. Changes in fair value are recognized as investment gains or losses and are recorded as a component of non-operating revenues.

### (d) Inventory

Inventory consists primarily of construction materials and maintenance supplies and is valued at average cost. Inventory is expensed as it is consumed.

### (e) Capital Assets

Capital assets are defined as assets with an initial individual cost of more than \$5 and an estimated useful life in excess of one year. Capital assets with an original acquisition date prior to July 1, 1977 are recorded in the financial statements at estimated cost, as determined by an independent professional appraisal, or at cost, if known. All subsequent acquisitions have been recorded at cost. All donated capital assets are valued at estimated fair value at the time of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the related assets, which range from 1 to 100 years for equipment and 1 to 200 years for buildings, structures, and improvements. No depreciation or amortization is recorded in the year of acquisition, and depreciation or amortization is recorded in the year of disposal.

### (f) Intangible Assets

Under GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, intangible assets are defined as identifiable, non-financial assets capable of being separated, sold, transferred, or licensed, and include contractual or legal rights. Examples of intangible assets include rights-of-way easements, land use rights, water rights, licenses, and permits. The accounting pronouncement also provides guidance on the capitalization of internally generated intangible assets, such as the development and installation of computer software by or on behalf of the reporting entity.

According to the standard, the SFPUC is required to capitalize intangible assets with a useful life extending beyond one reporting period. The SFPUC has established a capitalization threshold of \$100.

## THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Notes to Basic Financial Statements

June 30, 2022 and 2021

(Dollars in thousands, unless otherwise stated)

GASB Statement No. 51 also requires amortization of intangible assets over the benefit period, except for certain assets having an indefinite useful life. Assets with an indefinite useful life generally provide a benefit that is not constrained by legal or contractual limitations or any other external factor, and therefore, are not amortized (see Note 4).

### (g) Construction Work in Progress

The cost of acquisition and construction of major plant and equipment is recorded as construction work in progress. Costs of discontinued construction projects are recorded as an expenses in the year in which the decision is made to discontinue such projects.

### (h) Capitalization of Interest

A portion of the interest cost incurred on capital projects is capitalized on assets that require a period of time for construction or to otherwise prepare them for their intended use. Such amounts are amortized over the useful lives of the assets (see Note 4). Per the implementation of GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, no interest was capitalized to capital assets in fiscal year 2022.

### (i) Bond Discount, Premium, and Issuance Costs

Bond issuance costs related to prepaid insurance costs are capitalized and amortized using the effective interest method. Other bond issuance costs are expensed when incurred. Original issue bond discount or premium are offset against the related debt and are also amortized using the effective interest method.

### (j) Accrued Vacation and Sick Leave

Accrued vacation pay, which may be accumulated up to ten weeks per employee, is charged to expense as earned. Sick leave earned subsequent to December 6, 1978 is non-vesting and may be accumulated up to six months per employee.

### (k) Workers' Compensation

The SFPUC is self-insured for workers' compensation claims and accrues the estimated cost of those claims, including the estimated cost of incurred but not reported claims (see Note 15(b)).

### (l) General Liability

The SFPUC is self insured for general liability and uninsurable property damage claims. Commercially uninsurable property includes assets that are underground or provide transmission and distribution. Maintained commercial coverage does not cover claims attributed to loss from earthquake, contamination, pollution remediation efforts, and other specific naturally occurring contaminants such as mold. The liability represents an estimate of the cost of all outstanding claims, including adverse loss development, and estimated incurred but not reported claims (see Note 15(a)).

### (m) Arbitrage Rebate Payable

Certain bonds are subject to arbitrage rebate requirements in accordance with regulations issued by the U.S. Treasury Department. The requirements generally stipulate that earnings from the investment of the tax exempt bond proceeds that exceed related interest costs on the bonds must be remitted to the federal government on every fifth anniversary of each bond issue. The SFPUC did not have arbitrage rebate liability as of June 30, 2022 and 2021.

**THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION**

Notes to Basic Financial Statements

June 30, 2022 and 2021

(Dollars in thousands, unless otherwise stated)

**(n) Refunding of Debt**

Gains or losses occurring from refunding of debt prior to maturity are reported as deferred outflows and deferred inflows of resources from refunding of debt. Deferred outflows and deferred inflows of resources are recognized as a component of interest expense using the effective interest method over the remaining life of the old debt or the life of the new debt, whichever is shorter.

**(o) Income Taxes**

As a department of a government agency, the SFPUC is exempt from both federal income taxes and California State franchise taxes.

**(p) Revenue Recognition**

Charges for water, wastewater, and power services are based on usage. Effective July 1, 2013, the majority of residential and non-residential customers are billed on a monthly basis except for building and contractor customers which are billed on a bi-monthly basis by the Water and Wastewater Enterprises, Hetchy Water, Hetchy Power and CleanPowerSF revenues are based on consumption and billing rates. Generally, customers are billed monthly. Revenues earned but unbilled are accrued as charges for services and reflected as a receivable on the Statements of Net Position.

The unbilled amounts for the fiscal years ending June 30, 2022 and 2021 are as follow:

<b>Fiscal Years Ending June 30</b>		<b>Water</b>	<b>Wastewater</b>	<b>Hetchy Water</b>	<b>Hetchy Power</b>	<b>CleanPowerSF</b>	<b>SFPUC Total</b>
2022	\$	29,774	15,704	—	3,806	21,878	71,162
2021		30,277	14,175	—	13,823	12,600	70,875

**(q) Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(r) Eliminations**

Eliminations for internal activities between Wastewater, Hetchy Power and CleanPowerSF are made in the Statements of Net Position. There were activities requiring eliminations during the fiscal years ended June 30, 2022 and June 30, 2021 between Wastewater and Hetchy Power.

**(s) Accounting and Financial Reporting for Pollution Remediation Obligations**

According to GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, a government would have to estimate its expected outlays for pollution remediation if it knows a site is polluted, and any of the following recognition triggers occur:

- Pollution poses an imminent danger to the public or environment and a government has little or no discretion to avoid fixing the problem;
- A government has violated a pollution prevention-related permit or license;
- A regulator has identified (or evidence indicates it will identify) a government as responsible (or potentially responsible) for cleaning up pollution, or for paying all or some of the cost of the cleanup;

## THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Notes to Basic Financial Statements

June 30, 2022 and 2021

(Dollars in thousands, unless otherwise stated)

- A government is named (or evidence indicates that it will be named) in a lawsuit to compel it to address the pollution; or  
A government begins or legally obligates itself to begin cleanup or post-cleanup activities limited to amounts the government is legally required to complete).

As a part of ongoing operations, situations may occur requiring the removal of pollution or other hazardous material. These situations typically arise in the process of acquiring an asset, preparing an asset for its intended use, or during the design phase of projects under review by the project managers. Other times, pollution may arise during the implementation and construction of a major or minor capital project. Examples of pollution may include, but are not limited to: asbestos or lead paint removal; leaking of sewage in underground pipes or neighboring areas, chemical spills, removal and disposal of known toxic waste, harmful biological and chemical pollution of water, or contamination of surrounding soils by underground storage tanks (see Note 16(d)).

### (t) Leases

Leases are defined as a contract that conveys control of the right to use another entity's underlying asset for a specified period. The SFPUC is a lessee and a lessor for various noncancellable leases of land, building, equipment, vehicles, easements, and etc.

**Short-term Leases** - For leases with a maximum possible term of 12 months or less at commencement, the Enterprise recognizes lease revenue if the Enterprise is the lessor of the lease or lease expense if the Enterprise is the lessee of the lease, based on the provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period.

**Leases other than Short-term** - For all other leases (i.e., those that are not short-term), SFPUC recognizes a lease liability and intangible right-to-use lease asset as lessee leases, or lease receivable and deferred inflow of resources as lessor leases.

**Measurement of Lease Amounts (Lessee)** - The SFPUC's lease liability is recorded at the present value of future minimum lease payments as of the date of inception. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized into depreciation and amortization expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. If SFPUC is reasonably certain of exercising a purchase option contained in a lease, the lease asset will be amortized over the useful life of the underlying asset.

**Measurement of Lease Amounts (Lessor)** - The SFPUC's lease receivable is measured at the present value of payments expected to be received during the lease term, reduced by any provision of estimated uncollectible amounts. Subsequently, the lease receivable is reduced by the principal portion of lease payments collected. The deferred inflow or resources is initially measured as the initial amount of the lease receivable, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term, plus lease payments received from the lease at or before the commencement of the lease term that related to future periods. Subsequently, the deferred inflow of resources as lease revenue on a straight-line basis over the lease term.

**Key Estimates and Judgements** - Key estimates and judgements include how the SFPUC determines (a) the discount rate it uses to calculate the present value of the expected lease payments, (b) lease terms, (c) lease payments, and (d) materiality threshold for equipment.

## THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Notes to Basic Financial Statements

June 30, 2022 and 2021

(Dollars in thousands, unless otherwise stated)

- The SFPUC generally uses its estimated incremental borrowing rate as the discount rate for leases unless the rate implicit in the lease. The City's incremental borrowing rate (IBR) is established using the average of Municipal Market Data (MMD) AAA benchmark interest rate index by maturity date (year 1 to 30+), plus the average credit spread based on City's Aa/AA, COP, Tax-exempt to generate the yield curve and discount rate table. The City's incremental borrowing rate for leases is based on the rate of interest it would need to pay if it issued general obligation bonds to borrow an amount equal to the lease payments under similar terms at the commencement or remeasurement date.
- The lease term includes the noncancellable period of the lease, plus any additional periods covered by either lessee or lessor unilateral option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the lessee and lessor have an option to terminate (or if both parties have to agree to extend) are excluded from the lease term.
- Payments are evaluated by the SFPUC to determine if they should be included in the measurement of the lease receivables or lease liabilities, including those payments that require a determination of whether they are reasonably certain of being made, such as residual value guarantees, purchase options, payments for termination penalties, and other payments.
- Equipment and other leases have a capitalization threshold of \$100. 70% below market rent and/or ground leases are determined to be below market rent (BMR), excluded from lease capitalization

**Remeasurement of Lease** - The SFPUC monitors changes in circumstances that may require remeasurement of a lease. When certain changes occur that are expected to significantly affect the amount of the lease receivable or lease liability, the receivable or liability is remeasured and a corresponding adjustment is made to the deferred inflow of resources or lease asset, respectively.

**Presentation in Statements of Net Position** - Lease assets are reported with non-current assets, lease liabilities are reported with current and long-term liabilities in the Statements of Net Position.

### (u) Other Post-employment Benefits (OPEB)

As prescribed under GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*, net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense are actuarially determined on a citywide basis. Net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees attributed to those employees' past service, less the amount of the Retiree Healthcare Trust Fund investments measured at fair value (see Note 13(b)).

### (v) New Accounting Standards Adopted in Fiscal Year 2022

- 1) In June 2017, the GASB issued Statement No. 87, *Leases*. GASB Statement No. 87 establishes a single model for lease accounting and requires reporting of certain lease liabilities that currently are not reported. The new standard is effective for periods beginning after June 15, 2021. The SFPUC adopted the provisions of Statement No. 87 in fiscal year 2022 (see Note 10).

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As a result of adoption, the cumulative effect of applying this Statement is recorded as beginning balances for the following accounts as of July 1, 2020:

	<u>Water</u>	<u>Wastewater</u>	<u>Hetchy Water</u>	<u>Hetchy Power</u>	<u>CleanPowerSF</u>	<u>SFPUC Total</u>
<b>Beginning Balance FY2021:</b>						
Lease Receivable - Current	\$ 7,293	—	—	—	—	7,293
Lease Receivable - Non-Current	43,419	—	—	—	—	43,419
Interest Receivable - GASB 87	—	—	—	—	—	—
Deferred Inflows - Leases	(50,712)	—	—	—	—	(50,712)
Right-to-use Assets	5,399	8,247	93	113	920	14,772
Accumulated Amortization	—	—	—	—	—	—
Accrued Interest Payable - Current	—	—	—	—	—	—
Lease Liability - Current	(1,467)	(2,487)	(29)	(35)	(371)	(4,389)
Lease Liability - Long Term	(3,932)	(5,760)	(64)	(78)	(549)	(10,383)
<b>Changes to Net Position:</b>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Activities FY2021:</b>						
Lease Receivable - Current	(4,004)	—	—	—	—	(4,004)
Lease Receivable - Non-Current	2,402	—	—	—	—	2,402
Interest Receivable - GASB 87	859	—	—	—	—	859
Deferred Inflows - Leases	2,602	—	—	—	—	2,602
Right-to-use Assets	247	—	—	—	—	247
Accumulated Amortization	(1,409)	(2,325)	(19)	(23)	(345)	(4,121)
Accrued Interest Payable - Current	(5)	(5)	—	—	(1)	(11)
Lease Liability - Current	86	173	13	16	26	314
Lease Liability - Long Term	1,069	2,122	2	3	317	3,513
<b>Changes to Net Position:</b>	<u>1,847</u>	<u>(35)</u>	<u>(4)</u>	<u>(4)</u>	<u>(3)</u>	<u>1,801</u>
<b>Ending Balance FY2021:</b>						
Lease Receivable - Current	3,289	—	—	—	—	3,289
Lease Receivable - Non-Current	45,821	—	—	—	—	45,821
Interest Receivable - GASB 87	859	—	—	—	—	859
Deferred Inflows - Leases	(48,110)	—	—	—	—	(48,110)
Right-to-use Assets	5,646	8,247	93	113	920	15,019
Accumulated Amortization	(1,409)	(2,325)	(19)	(23)	(345)	(4,121)
Accrued Interest Payable	(5)	(5)	—	—	(1)	(11)
Lease Liability - Current	(1,381)	(2,314)	(16)	(19)	(345)	(4,075)
Lease Liability - Long Term	(2,863)	(3,638)	(62)	(75)	(232)	(6,870)
Revenues	(1,859)	—	—	—	—	(1,859)
Expenses	12	35	4	4	3	58
<b>Changes in Net Position FY2021:</b>	<u>\$ (1,847)</u>	<u>35</u>	<u>4</u>	<u>4</u>	<u>3</u>	<u>(1,801)</u>

2) In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of construction period. The new standard is effective for periods beginning after December 15, 2020. The SFPUC adopted the provisions of Statement No. 89 in fiscal year 2022.

3) In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. GASB Statement No. 92 addresses practice issues that have been identified during implementation and application of certain GASB Statements. The new standard is effective for periods beginning after June 15, 2021. The SFPUC adopted the provisions of Statement No. 92 in fiscal year 2022, which did not have a significant effect on its financial statements.

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- 4) In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The new standard is effective for periods beginning after June 15, 2021. The SFPUC adopted the provisions of Statement No. 93 in fiscal year 2022, which did not have a significant effect on its financial statements.

### (w) GASB Statements Implemented in Fiscal Year 2021

- 1) In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. GASB Statement No. 84 establishes criteria for state and local governments to identify fiduciary activities and how those activities should be reported. The new standard is effective for periods beginning after December 15, 2019. The SFPUC adopted the provisions of this Statement in fiscal year 2021, which did not have a significant effect on its financial statements.
- 2) In August 2018, the GASB issued Statement No. 90, *Accounting and Financial Reporting for Majority Equity Interests*. GASB Statement No. 90 provides clarification when a government should report a majority equity interest in a legally separate organization as either a component unit or an investment. The new standard is effective for periods beginning after December 15, 2019. The SFPUC adopted the provisions of this Statement in fiscal year 2021, which did not have a significant effect on its financial statements.
- 3) In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. GASB Statement No. 97 clarifies the criteria used in determining whether a fiduciary component unit exists and clarifies financial reporting for Internal Revenue Code section 457 deferred compensation plans. The new standard is effective for periods beginning after June 15, 2021. The SFPUC adopted early the provision of Statement No. 97 in fiscal year 2021, which did not have a significant effect on its financial statements.
- 4) In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. GASB Statement No. 98 updates existing accounting standards by changing the name of the Comprehensive Annual Financial Report to the Annual Comprehensive Financial Report. The new standard is effective for periods ending after December 15, 2021. The SFPUC adopted the provisions of this Statement in fiscal year 2021, which did not have a significant effect on its financial statements.

### (x) Future Implementation of New Accounting Standards

- 1) In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. GASB Statement No. 91 enhances the compatibility and consistency of conduit debt obligation reporting and reporting of related transactions by State and local government issuers. The new standard is effective for periods beginning after December 15, 2021. The SFPUC will implement the provisions of Statement No. 91 in fiscal year 2023.
- 2) In March 2020, the GASB Issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The new standard is effective for periods beginning after June 15, 2022. The SFPUC will implement the provisions of Statement No. 94 in fiscal year 2023.
- 3) In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for

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subscription-based information technology arrangements (SBITAs) by a government. The new standard is effective for periods beginning after June 15, 2022. The SFPUC will implement the provisions of Statement No. 96 in fiscal year 2023.

- 4) In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. This Statement enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The new standard is effective for periods beginning after June 15, 2023. The SFPUC will implement the provisions of Statement No. 99 in fiscal year 2024.
- 5) In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. This Statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The new standard is effective for periods beginning after June 15, 2023. The SFPUC will implement the provisions of Statement No. 100 in fiscal year 2024.
- 6) In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.. The new standard is effective for periods beginning after December 15, 2023. The SFPUC will implement the provisions of Statement No. 101 in fiscal year 2025.

### (y) Reclassifications

The SFPUC has reclassified certain amounts relating to the prior period to conform to its current period presentation. These reclassifications had no effect on previously reported changes in net position.

### (3) Cash, Cash Equivalents, and Investments

Cash, cash equivalents, and investments with the City Treasury are invested in an unrated City pool pursuant to investment policy guidelines established by the City Treasurer. The objectives of the policy guidelines are, in order of priority, preservation of capital, liquidity, and yield. The policy addresses soundness of financial institutions in which the City will deposit funds, types of investment instruments as permitted by the California Government Code, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity. The City Treasurer allocates income from the investment of pooled cash at month-end in proportion to SFPUC's average daily cash balances. The primary objectives of SFPUC's investment policy are consistent with the City's policy.

The SFPUC categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The inputs and techniques used for valuing securities are not necessarily an indication of risk associated with investing in those securities.

Commercial paper is valued using a variety of techniques such as matrix pricing; market corroborated pricing inputs such as yield curve, indices, and other market related data. Commercial paper, money market investments, and cash and cash equivalents are exempt from fair value treatment under GASB Statement No. 72.

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**Department-wide Business Type Activities**

Department-wide restricted and unrestricted cash and investments outside City Treasury as of June 30, 2022 and 2021 consist of the following:

SFPUC's Cash and Investments outside City Treasury							Fair Value Measurements Using		
Investments	Credit Ratings (S&P/Moody's)	June 30, 2022		Investments exempt from fair value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Unobservable Inputs (Level 3)		
		Maturities	Fair Value						
U.S. Treasury Money Market Funds	AAAm/Aaa-mf	< 90 days	\$ 116,187	116,187	—	—	—		
Money Market Funds	A-1+/P-1	< 90 days	92	92	—	—	—		
Cash and Cash Equivalents	N/A		13,088	13,088	—	—	—		
Total Restricted Cash and Investments outside City Treasury			\$ 129,367	129,367	—	—	—		
Cash and Cash Equivalents	N/A		732	732	—	—	—		
Total Cash and Investments outside City Treasury			\$ 732	732	—	—	—		

SFPUC's Cash and Investments outside City Treasury							Fair Value Measurements Using		
Investments	Credit Ratings (S&P/Moody's)	June 30, 2021		Investments exempt from fair value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Unobservable Inputs (Level 3)		
		Maturities	Fair Value						
U.S. Treasury Money Market Funds	AAAm/Aaa-mf	< 90 days	\$ 93,956	93,956	—	—	—		
Money Market Funds	A-1+/P-1	< 90 days	81	81	—	—	—		
Cash and Cash Equivalents	N/A		42,855	42,855	—	—	—		
Total Restricted Cash and Investments outside City Treasury			\$ 136,892	136,892	—	—	—		
Cash and Cash Equivalents	N/A		1,279	1,279	—	—	—		
Total Cash and Investments outside City Treasury			\$ 1,279	1,279	—	—	—		

Department-wide cash, cash equivalents, and investments are shown on the accompanying statements of net position as follows:

	2022	2021
Current assets:		
Cash and investments with City Treasury	\$ 1,086,048	1,136,329
Cash and investments outside City Treasury	732	1,279
Restricted cash and investments outside City Treasury	31,878	57,616
Non-current assets:		
Restricted cash and investments with City Treasury	9,299	12,231
Restricted cash and investments outside City Treasury	97,489	79,276
Total cash, cash equivalents, and investments	\$ 1,225,446	1,286,731

The following table shows the percentage distribution of the City's pooled investments by maturity:

Fiscal Years ended June 30	Investment maturities (in months)			
	Under 1	1 to less than 6	6 to less than 12	12 to 60
2022	20.2%	14.0%	14.9%	50.9%
2021	14.5%	27.6%	29.7%	28.2%

**Water Enterprise**

Restricted assets are held by an independent trustee outside the City's investment pool. The assets are held for the purpose of paying future interest and principal on the bonds and for eligible capital project expenditures. The current balances as of June 30, 2022 and 2021 were \$75,957 and \$122,853, respectively. The Water Enterprise held all investments in guaranteed investment contracts, treasury and government obligations,

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commercial paper, corporate bonds, and notes, as well as money market mutual funds consisting of Treasury and Government Obligations.

Funds held by the trustee established under the 2002 Amended and Restated Indentures agreements are invested in "Permitted Investments," as defined in the agreement, which includes money market funds and investment agreements. The agreement permits investment in money market funds registered under the Federal Investment Company Act of 1940 whose shares are registered under the Federal Securities Act of 1933 and have a rating by S&P of "AAAm-G," "AAAm," or "AAm," and a rating by Moody's of "Aaa," "Aa1," or "Aa2". The credit ratings of the money market funds invested in as of June 30, 2022 were "Aaa-mf" and "P-1" by Moody's, and "AAAm" and "A-1+" by S&P. The credit ratings of the money market funds invested in as of June 30, 2021 were "Aaa-mf" and "P-1" by Moody's, and "AAAm" and "A-1+" by S&P. Investment agreements must be with a U.S. bank or trust company that have a rating by Moody's and S&P of "A" or higher, or are guaranteed by any entity with a rating of "A" or higher, at the time the agreement is entered.

The following tables present the Water Enterprise's restricted and unrestricted cash and investments outside City Treasury as of June 30, 2022 and 2021:

Water's Cash and Investments outside City Treasury							
Investments	Credit Ratings (S&P/Moody's)	June 30, 2022		Investments exempt from fair value	Fair Value Measurements Using		
		Maturities	Fair Value		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Unobservable Inputs (Level 3)
U.S. Treasury Money Market Funds	AAAm/Aaa-mf	< 90 days	\$ 62,854	62,854	—	—	—
Money Market Funds	A-1+/P-1	< 90 days	48	48	—	—	—
Cash and Cash Equivalents	N/A		13,055	13,055	—	—	—
Total Restricted Cash and Investments outside City Treasury			\$ 75,957	75,957	—	—	—
Cash and Cash Equivalents	N/A		318	318	—	—	—
Total Cash and Investments outside City Treasury			\$ 318	318	—	—	—

Water's Cash and Investments outside City Treasury							
Investments	Credit Ratings (S&P/Moody's)	June 30, 2021		Investments exempt from fair value	Fair Value Measurements Using		
		Maturities	Fair Value		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Unobservable Inputs (Level 3)
U.S. Treasury Money Market Funds	AAAm/Aaa-mf	< 90 days	\$ 79,973	79,973	—	—	—
Money Market Funds	A-1+/P-1	< 90 days	55	55	—	—	—
Cash and Cash Equivalents	N/A		42,825	42,825	—	—	—
Total Restricted Cash and Investments outside City Treasury			\$ 122,853	122,853	—	—	—
Cash and Cash Equivalents	N/A		301	301	—	—	—
Total Cash and Investments outside City Treasury			\$ 301	301	—	—	—

The restricted cash and investments outside City Treasury as of June 30, 2022 and 2021 included an unrealized gain due to changes in fair value on commercial paper of \$0.

Additional cash outside of the investment pool included revolving fund and cash in transit. The revolving fund has a balance of \$28 as of June 30, 2022 and 2021, respectively, which is held in a commercial bank in non interest bearing checking accounts covered by Federal Deposit Insurance Corporation depository insurance. These accounts were established as provided by the City's Administrative Code for revolving fund needs. The cash in transit was \$290 and \$273 as of June 30, 2022 and 2021, respectively.

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The Water Enterprise's cash, cash equivalents, and investments are shown on the accompanying Statements of Net Position as follows:

	2022	2021
Current assets:		
Cash and investments with City Treasury	\$ 460,954	483,827
Cash and investments outside City Treasury	318	301
Restricted cash and investments outside City Treasury	11,063	57,165
Non-current assets:		
Restricted cash and investments with City Treasury	9,299	—
Restricted cash and investments outside City Treasury	64,894	65,688
Total cash, cash equivalents, and investments	\$ <u>546,528</u>	<u>606,981</u>

**Wastewater Enterprise**

The restricted cash for bond reserves is held by an independent trustee outside the City investment pool. The balances as of June 30, 2022 and 2021 were \$39,358 and \$10,196, respectively. Funds held by the trustee established under the 2003 Indenture are invested in "Permitted Investments" as defined in the Indenture. "Permitted Investments" include money market funds registered under the Federal Investment Company Act of 1940 and whose shares are registered under the Federal Securities Act of 1933 and having a rating by S&P of "AAAm-G," "AAAm," or "AAm" and a rating by Moody's of "Aaa," "Aa1," or "Aa2."

The following tables present the Wastewater Enterprise's restricted and unrestricted cash and investments outside City Treasury as of June 30, 2022 and 2021:

Wastewater's Cash and Investments outside City Treasury					Fair Value Measurements Using		
Investments	Credit Ratings (S&P/Moody's)	June 30, 2022		Investments exempt from fair value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Unobservable Inputs (Level 3)
		Maturities	Fair Value				
U.S. Treasury Money Market Funds	AAAm/Aaa-mf	< 90 days	\$ 39,296	39,296	—	—	—
Money Market Funds	A-1+/P-1	< 90 days	44	44	—	—	—
Cash and Cash Equivalents	N/A		18	18	—	—	—
Total Restricted Cash and Investments outside City Treasury			\$ 39,358	39,358	—	—	—
Cash and Cash Equivalents	N/A		397	397	—	—	—
Total Cash and Investments outside City Treasury			\$ 397	397	—	—	—

Wastewater's Cash and Investments outside City Treasury					Fair Value Measurements Using		
Investments	Credit Ratings (S&P/Moody's)	June 30, 2021		Investments exempt from fair value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Unobservable Inputs (Level 3)
		Maturities	Fair Value				
U.S. Treasury Money Market Funds	AAAm/Aaa-mf	< 90 days	\$ 10,159	10,159	—	—	—
Money Market Funds	A-1+/P-1	< 90 days	26	26	—	—	—
Cash and Cash Equivalents	N/A		11	11	—	—	—
Total Restricted Cash and Investments outside City Treasury			\$ 10,196	10,196	—	—	—
Cash and Cash Equivalents	N/A		366	366	—	—	—
Total Cash and Investments outside City Treasury			\$ 366	366	—	—	—

The restricted cash and investments outside City Treasury as of June 30, 2022 and 2021 included a \$0 unrealized gain due to changes in fair values on Commercial Paper.

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The Wastewater Enterprise's cash, cash equivalents, and investments are shown on the accompanying Statements of Net Position as follows:

	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and investments with City Treasury	\$ 285,029	281,572
Cash and investments outside City Treasury	397	366
Restricted cash and investments outside City Treasury	15,587	298
Non-current assets:		
Restricted cash and investments outside City Treasury	<u>23,771</u>	<u>9,898</u>
Total cash, cash equivalents, and investments	<u>\$ 324,784</u>	<u>292,134</u>

### Hetch Hetchy (Hetchy Water, Hetchy Power and CleanPowerSF)

Restricted assets are held by an independent trustee outside the City's investment pool. The assets are held for the purpose of paying future interest and principal on the bonds and for eligible capital project expenditures. The balances as of June 30, 2022 and 2021 were \$14,052 and \$3,843, respectively. Hetch Hetchy held all investments in guaranteed investment contracts, treasury and government obligations, commercial paper, corporate bonds, and notes, as well as money market mutual funds consisting of treasury and government obligations. The balance as of June 30, 2022 included 2021 Series AB bond proceeds of \$10,346, 2015 Series A bond proceeds of \$2,194, certificates of participation proceeds of \$981, 2015 Series B bond proceeds of \$516, \$17 held at a commercial bank in a non-interest-bearing checking account that is covered by depository insurance, and commercial paper of \$15. The balance as of June 30, 2021 included 2015 Series A bond proceeds of \$2,193, certificates of participation proceeds of \$1,115, \$612 held at a commercial bank in a non-interest-bearing checking account that is covered by depository insurance, 2015 Series B bond proceeds of \$516, and commercial paper of \$19.

Hetch Hetchy did not have any unrealized gain and loss in the restricted cash and investments outside City Treasury as of June 30, 2022 and 2021.

For fiscal year 2022, proceeds from 2021 Series AB and 2015 Series AB bonds held as restricted cash and investments outside City Treasury in the amount of \$13,056 were invested in U.S. Treasury Money Market with maturity date less than 90 days. For fiscal year 2021, proceeds from 2015 Series A and B bonds held as restricted cash and investments outside City Treasury in the amount of \$2,709 were invested in U.S. Treasury Money Market with maturity date less than 90 days. The credit ratings of the U.S. Treasury Money Market as of June 30, 2022 and 2021 were "AAAm" by S&P and "Aaa-mf" by Moody's.

The following tables present the Hetch Hetchy restricted and unrestricted cash and investments outside City Treasury as of June 30, 2022 and 2021:

Hetchy Water and Hetchy Power's Cash and Investments outside City Treasury							
Investments	Credit Ratings (S&P/Moody's)	June 30, 2022		Investments exempt from fair value	Fair Value Measurements Using		
		Maturities	Fair Value		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Unobservable Inputs (Level 3)
<b>Hetchy Water</b>							
Cash and Cash Equivalents	N/A		\$ 1	1	—	—	—
Total Cash and Investments outside City Treasury			<u>\$ 1</u>	<u>1</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Hetchy Power</b>							
U.S. Treasury Money Market Funds	AAAm/Aaa-mf	< 90 days	\$ 14,037	14,037	—	—	—
Cash and Cash Equivalents	N/A		15	15	—	—	—
Total Restricted Cash and Investments outside City Treasury			<u>\$ 14,052</u>	<u>14,052</u>	<u>—</u>	<u>—</u>	<u>—</u>
Cash and Cash Equivalents	N/A		16	16	—	—	—
Total Cash and Investments outside City Treasury			<u>\$ 16</u>	<u>16</u>	<u>—</u>	<u>—</u>	<u>—</u>

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Hetchy Water and Hetchy Power's Cash and Investments outside City Treasury

Investments	Credit Ratings (S&P/Moody's)	June 30, 2021		Investments exempt from fair value	Fair Value Measurements Using		
		Maturities	Fair Value		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Unobservable Inputs (Level 3)
<b>Hetchy Water</b>							
Cash and Cash Equivalents	N/A		\$ 1	1	—	—	—
Total Cash and Investments outside City Treasury			\$ 1	1	—	—	—
<b>Hetchy Power</b>							
U.S. Treasury Money Market Funds	AAAm/Aaa-mf	< 90 days	\$ 3,824	3,824	—	—	—
Cash and Cash Equivalents	N/A		19	19	—	—	—
Total Restricted Cash and Investments outside City Treasury			\$ 3,843	3,843	—	—	—
Cash and Cash Equivalents	N/A		611	611	—	—	—
Total Cash and Investments outside City Treasury			\$ 611	611	—	—	—

Hetch Water and Hetchy Power and CleanPowerSF cash, cash equivalents, and investments as of June 30, 2022 and 2021 are shown on the accompanying Statements of Net Position as follows:

	Hetchy Water	Hetchy Power	CleanPowerSF	Total 2022
<b>Current assets:</b>				
Cash and investments with City Treasury	\$ 94,190	189,641	56,234	340,065
Cash and investments outside City Treasury	1	16	—	17
Restricted cash and investments outside City Treasury	—	5,228	—	5,228
<b>Non-current assets:</b>				
Restricted cash and investments outside City Treasury	—	8,824	—	8,824
Total cash, cash equivalents, and investments	\$ 94,191	203,709	56,234	354,134
	Hetchy Water	Hetchy Power	CleanPowerSF	Total 2021
<b>Current assets:</b>				
Cash and investments with City Treasury	\$ 89,373	190,719	90,838	370,930
Cash and investments outside City Treasury	1	611	—	612
Restricted cash and investments outside City Treasury	—	153	—	153
<b>Non-current assets:</b>				
Restricted cash and investments with City Treasury	6,990	5,241	—	12,231
Restricted cash and investments outside City Treasury	—	3,690	—	3,690
Total cash, cash equivalents, and investments	\$ 96,364	200,414	90,838	387,616

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(Dollars in thousands, unless otherwise stated)

**(4) Capital Assets**

**Department-wide Business Type Activities**

Capital assets with a useful life of 50 years or greater include buildings and structures, reservoirs, dams, treatment plants, pump stations, certain water mains and pipelines, sewer systems, transmission and distributions systems, tunnels, and bridges.

Department-wide capital assets as of June 30, 2022 and 2021 consist of the following:

	2021	Increases	Decreases	2022
Capital assets not being depreciated and amortized:				
Land and rights-of-way	\$ 154,001	9,193	—	163,194
Intangible assets	5,162	—	—	5,162
Construction work in progress	2,079,754	830,383	(424,936) *	2,485,201
Total capital assets not being depreciated and amortized	<u>2,238,917</u>	<u>839,576</u>	<u>(424,936)</u>	<u>2,653,557</u>
Capital assets being depreciated and amortized:				
Facilities and improvements	10,796,179	403,777	—	11,199,956
Intangible assets	78,463	1,942	—	80,405
Machinery and equipment	572,846	11,832	(690)	583,988
Total capital assets being depreciated and amortized	<u>11,447,488</u>	<u>417,551</u> *	<u>(690)</u>	<u>11,864,349</u>
Less accumulated depreciation and amortization for:				
Facilities and improvements	(3,372,070)	(222,366)	—	(3,594,436)
Intangible assets	(48,523)	(2,313)	—	(50,836)
Machinery and equipment	(401,626)	(21,010)	690	(421,946)
Total accumulated depreciation and amortization	<u>(3,822,219)</u>	<u>(245,689)</u>	<u>690</u>	<u>(4,067,218)</u>
Total capital assets being depreciated and amortized, net	<u>7,625,269</u>	<u>171,862</u>	<u>—</u>	<u>7,797,131</u>
Total capital assets, net	\$ <u>9,864,186</u>	<u>1,011,438</u>	<u>(424,936)</u>	<u>10,450,688</u>

\*Decrease in construction work in progress is greater than increase in capital assets being depreciated is mainly explained by \$9,193 transferred to land for Water, \$6,239 in capital project writeoffs for Water, Wastewater Hetchy Water and Hetchy Power, offset by \$8,047 mainly related to direct additions to facilities and improvements, intangible assets and machinery and equipment.

	2020	Increases	Decreases	2021
Capital assets not being depreciated and amortized:				
Land and rights-of-way	\$ 155,089	—	(1,088)	154,001
Intangible assets	5,162	—	—	5,162
Construction work in progress	1,592,097	910,133	(422,476) *	2,079,754
Total capital assets not being depreciated and amortized	<u>1,752,348</u>	<u>910,133</u>	<u>(423,564)</u>	<u>2,238,917</u>
Capital assets being depreciated and amortized:				
Facilities and improvements	10,400,544	395,635	—	10,796,179
Intangible assets	73,827	4,636	—	78,463
Machinery and equipment	557,168	15,989	(311)	572,846
Total capital assets being depreciated and amortized	<u>11,031,539</u>	<u>416,260</u> *	<u>(311)</u>	<u>11,447,488</u>
Less accumulated depreciation and amortization for:				
Facilities and improvements	(3,157,846)	(214,224)	—	(3,372,070)
Intangible assets	(46,461)	(2,062)	—	(48,523)
Machinery and equipment	(380,536)	(21,401)	311	(401,626)
Total accumulated depreciation and amortization	<u>(3,584,843)</u>	<u>(237,687)</u>	<u>311</u>	<u>(3,822,219)</u>
Total capital assets being depreciated and amortized, net	<u>7,446,696</u>	<u>178,573</u>	<u>—</u>	<u>7,625,269</u>
Total capital assets, net	\$ <u>9,199,044</u>	<u>1,088,706</u>	<u>(423,564)</u>	<u>9,864,186</u>

\*Decrease in construction work in progress is greater than increase in capital assets being depreciated is mainly explained by \$16,397 in capital project writeoffs for Water, Wastewater Hetchy Water and Hetchy Power offset by \$10,181 mainly related to direct additions to facilities and improvements, intangible assets and machinery and equipment.

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**Water Capital Assets** – Water’s capital assets as of June 30, 2022 and 2021 consist of the following:

	<u>2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>2022</u>
Capital assets not being depreciated and amortized:				
Land	\$ 104,248	9,193	—	113,441
Intangible assets	679	—	—	679
Construction work in progress	<u>532,602</u>	<u>175,191</u>	<u>(263,539) *</u>	<u>444,254</u>
Total capital assets not being depreciated and amortized	<u>637,529</u>	<u>184,384</u>	<u>(263,539)</u>	<u>558,374</u>
Capital assets being depreciated and amortized:				
Facilities and improvements	6,413,238	247,453	—	6,660,691
Intangible assets	23,772	1,370	—	25,142
Machinery and equipment	<u>326,126</u>	<u>6,662</u>	<u>(315)</u>	<u>332,473</u>
Total capital assets being depreciated and amortized	<u>6,763,136</u>	<u>255,485</u>	<u>(315)</u>	<u>7,018,306</u>
Less accumulated depreciation and amortization for:				
Facilities and improvements	(1,554,515)	(134,202)	—	(1,688,717)
Intangible assets	(21,688)	(981)	—	(22,669)
Machinery and equipment	<u>(236,663)</u>	<u>(11,352)</u>	<u>315</u>	<u>(247,700)</u>
Total accumulated depreciation and amortization	<u>(1,812,866)</u>	<u>(146,535)</u>	<u>315</u>	<u>(1,959,086)</u>
Total capital assets being depreciated and amortized, net	<u>4,950,270</u>	<u>108,950</u>	<u>—</u>	<u>5,059,220</u>
Total capital assets, net	\$ <u>5,587,799</u>	<u>293,334</u>	<u>(263,539)</u>	<u>5,617,594</u>

\*Decrease in construction work in progress of \$8,054 includes \$4,592 in capital project write offs, mainly related to Stern Grove Emergency Restoration and Lake Merced Water Level Restoration projects and \$9,193 transferred to land. The remaining difference of \$5,731 is mainly due to direct additions to facilities and improvements, intangible assets and machinery and equipment.

	<u>2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>2021</u>
Capital assets not being depreciated and amortized:				
Land	\$ 105,336	—	(1,088)	104,248
Intangible assets	679	—	—	679
Construction work in progress	<u>492,682</u>	<u>197,669</u>	<u>(157,749) *</u>	<u>532,602</u>
Total capital assets not being depreciated and amortized	<u>598,697</u>	<u>197,669</u>	<u>(158,837)</u>	<u>637,529</u>
Capital assets being depreciated and amortized:				
Facilities and improvements	6,258,333	154,905	—	6,413,238
Intangible assets	23,497	275	—	23,772
Machinery and equipment	<u>319,000</u>	<u>7,275</u>	<u>(149)</u>	<u>326,126</u>
Total capital assets being depreciated and amortized	<u>6,600,830</u>	<u>162,455</u>	<u>(149)</u>	<u>6,763,136</u>
Less accumulated depreciation and amortization for:				
Facilities and improvements	(1,423,722)	(130,793)	—	(1,554,515)
Intangible assets	(20,087)	(1,601)	—	(21,688)
Machinery and equipment	<u>(225,173)</u>	<u>(11,639)</u>	<u>149</u>	<u>(236,663)</u>
Total accumulated depreciation and amortization	<u>(1,668,982)</u>	<u>(144,033)</u>	<u>149</u>	<u>(1,812,866)</u>
Total capital assets being depreciated and amortized, net	<u>4,931,848</u>	<u>18,422</u>	<u>—</u>	<u>4,950,270</u>
Total capital assets, net	\$ <u>5,530,545</u>	<u>216,091</u>	<u>(158,837)</u>	<u>5,587,799</u>

\*Decrease in construction work in progress includes \$3,810 in capital project write-offs, mainly related to Eastside Recycled Water and San Andreas Spillway projects. The remaining differences of \$8,516 is due to direct additions to facilities and improvements, intangible assets and machinery and equipment.

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**Wastewater Capital Assets** – Wastewater’s capital assets as of June 30, 2022 and 2021 consist of the following:

	2021	Increases	Decreases	2022
Capital assets not being depreciated and amortized:				
Land and rights-of-way	\$ 44,572	—	—	44,572
Intangible assets	3,046	—	—	3,046
Construction work in progress	1,340,644	514,679	(130,906) *	1,724,417
Total capital assets not being depreciated and amortized	<u>1,388,262</u>	<u>514,679</u>	<u>(130,906)</u>	<u>1,772,035</u>
Capital assets being depreciated and amortized:				
Facilities and improvements	3,599,978	129,342	—	3,729,320
Intangible assets	8,976	572	—	9,548
Machinery and equipment	102,397	1,165	(288)	103,274
Total capital assets being depreciated and amortized	<u>3,711,351</u>	<u>131,079</u> *	<u>(288)</u>	<u>3,842,142</u>
Less accumulated depreciation and amortization for:				
Facilities and improvements	(1,412,109)	(69,879)	—	(1,481,988)
Intangible assets	(4,615)	(872)	—	(5,487)
Machinery and equipment	(76,039)	(4,500)	288	(80,251)
Total accumulated depreciation and amortization	<u>(1,492,763)</u>	<u>(75,251)</u>	<u>288</u>	<u>(1,567,726)</u>
Total capital assets being depreciated and amortized, net	<u>2,218,588</u>	<u>55,828</u>	<u>—</u>	<u>2,274,416</u>
Total capital assets, net	<u>\$ 3,606,850</u>	<u>570,507</u>	<u>(130,906)</u>	<u>4,046,451</u>

\*Decrease in construction work in progress is greater than increase in capital assets being depreciated is explained by \$1,165 in direct additions to machinery and equipment offset by \$992 in capital project write-offs, mainly related to Public Works various locations infrastructure improvement projects.

	2020	Increases	Decreases	2021
Capital assets not being depreciated and amortized:				
Land and rights-of-way	\$ 44,572	—	—	44,572
Intangible assets	3,046	—	—	3,046
Construction work in progress	910,338	619,819	(189,513) *	1,340,644
Total capital assets not being depreciated and amortized	<u>957,956</u>	<u>619,819</u>	<u>(189,513)</u>	<u>1,388,262</u>
Capital assets being depreciated and amortized:				
Facilities and improvements	3,419,029	180,949	—	3,599,978
Intangible assets	4,615	4,361	—	8,976
Machinery and equipment	101,595	964	(162)	102,397
Total capital assets being depreciated and amortized	<u>3,525,239</u>	<u>186,274</u> *	<u>(162)</u>	<u>3,711,351</u>
Less accumulated depreciation and amortization for:				
Facilities and improvements	(1,344,830)	(67,279)	—	(1,412,109)
Intangible assets	(4,615)	—	—	(4,615)
Machinery and equipment	(71,462)	(4,739)	162	(76,039)
Total accumulated depreciation and amortization	<u>(1,420,907)</u>	<u>(72,018)</u>	<u>162</u>	<u>(1,492,763)</u>
Total capital assets being depreciated and amortized, net	<u>2,104,332</u>	<u>114,256</u>	<u>—</u>	<u>2,218,588</u>
Total capital assets, net	<u>\$ 3,062,288</u>	<u>734,075</u>	<u>(189,513)</u>	<u>3,606,850</u>

\*Decrease in construction work in progress is greater than increase in capital assets being depreciated is explained by \$4,203 in capital project write-offs, mainly related to the Watershed Storm Management Project, Operational Decision System Ph 2 Project, and the Seacliff Ave Sewer Replacement-627 Project offset by \$964 direct additions to machinery and equipment.

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**Hetchy Water Capital Assets** – Hetchy Water’s capital assets as of June 30, 2022 and 2021 consist of the following:

	2021	Increases	Decreases	2022
Capital assets not being depreciated and amortized:				
Land and rights-of-way	\$ 3,232	—	—	3,232
Intangible assets	6	—	—	6
Construction work in progress	35,333	29,654	(10,849) *	54,138
Total capital assets not being depreciated and amortized	38,571	29,654	(10,849)	57,376
Capital assets being depreciated and amortized:				
Facilities and improvements	295,968	10,148	—	306,116
Intangible assets	20,522	—	—	20,522
Machinery and equipment	27,518	865	—	28,383
Total capital assets being depreciated and amortized	344,008	11,013 *	—	355,021
Less accumulated depreciation and amortization for:				
Facilities and improvements	(174,695)	(5,144)	—	(179,839)
Intangible assets	(9,947)	(207)	—	(10,154)
Machinery and equipment	(20,456)	(941)	—	(21,397)
Total accumulated depreciation and amortization	(205,098)	(6,292)	—	(211,390)
Total capital assets being depreciated and amortized, net	138,910	4,721	—	143,631
Total capital assets, net	\$ 177,481	34,375	(10,849)	201,007

\*Decrease in construction work in progress included \$7 in capital project write-offs, mainly related to Hetchy Water’s share of road improvement projects. The remaining difference of \$171 is due to direct add additions to machinery and equipment.

	2020	Increases	Decreases	2021
Capital assets not being depreciated and amortized:				
Land and rights-of-way	\$ 3,232	—	—	3,232
Intangible assets	6	—	—	6
Construction work in progress	24,328	22,586	(11,581) *	35,333
Total capital assets not being depreciated and amortized	27,566	22,586	(11,581)	38,571
Capital assets being depreciated and amortized:				
Facilities and improvements	284,480	11,488	—	295,968
Intangible assets	20,522	—	—	20,522
Machinery and equipment	27,303	215	—	27,518
Total capital assets being depreciated and amortized	332,305	11,703 *	—	344,008
Less accumulated depreciation and amortization for:				
Facilities and improvements	(169,874)	(4,821)	—	(174,695)
Intangible assets	(9,739)	(208)	—	(9,947)
Machinery and equipment	(19,476)	(980)	—	(20,456)
Total accumulated depreciation and amortization	(199,089)	(6,009)	—	(205,098)
Total capital assets being depreciated and amortized, net	133,216	5,694	—	138,910
Total capital assets, net	\$ 160,782	28,280	(11,581)	177,481

\*Decrease in construction work in progress included \$51 in capital project write-offs, mainly related to Hetchy Water’s share of road improvement projects and 2018 Moccasin Storm Project. The remaining difference of \$173 was offset by direct additions to machinery and equipment.

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**Hetchy Power Capital Assets** – Hetchy Power’s capital assets as of June 30, 2022 and 2021 consist of the following:

	2021	Increases	Decreases	2022
Capital assets not being depreciated and amortized:				
Land and rights-of-way	\$ 1,949	—	—	1,949
Intangible assets	1,431	—	—	1,431
Construction work in progress	171,175	110,859	(19,642) *	262,392
Total capital assets not being depreciated and amortized	174,555	110,859	(19,642)	265,772
Capital assets being depreciated and amortized:				
Facilities and improvements	486,995	16,834	—	503,829
Intangible assets	25,193	—	—	25,193
Machinery and equipment	116,805	3,140	(87)	119,858
Total capital assets being depreciated and amortized	628,993	19,974 *	(87)	648,880
Less accumulated depreciation and amortization for:				
Facilities and improvements	(230,751)	(13,141)	—	(243,892)
Intangible assets	(12,273)	(253)	—	(12,526)
Machinery and equipment	(68,468)	(4,217)	87	(72,598)
Total accumulated depreciation and amortization	(311,492)	(17,611)	87	(329,016)
Total capital assets being depreciated and amortized, net	317,501	2,363	—	319,864
Total capital assets, net	\$ 492,056	113,222	(19,642)	585,636

\*Decrease in construction in progress included \$648 in capital project write-offs, mainly related to Hope San Francisco Project in Sunnydale and Potrero. The remaining difference of \$980 was offset by direct additions to machinery and equipment.

	2020	Increases	Decreases	2021
Capital assets not being depreciated and amortized:				
Land and rights-of-way	\$ 1,949	—	—	1,949
Intangible assets	1,431	—	—	1,431
Construction work in progress	164,749	70,059	(63,633) *	171,175
Total capital assets not being depreciated and amortized	168,129	70,059	(63,633)	174,555
Capital assets being depreciated and amortized:				
Facilities and improvements	438,702	48,293	—	486,995
Intangible assets	25,193	—	—	25,193
Machinery and equipment	109,270	7,535	—	116,805
Total capital assets being depreciated and amortized	573,165	55,828 *	—	628,993
Less accumulated depreciation and amortization for:				
Facilities and improvements	(219,420)	(11,331)	—	(230,751)
Intangible assets	(12,020)	(253)	—	(12,273)
Machinery and equipment	(64,425)	(4,043)	—	(68,468)
Total accumulated depreciation and amortization	(295,865)	(15,627)	—	(311,492)
Total capital assets being depreciated and amortized, net	277,300	40,201	—	317,501
Total capital assets, net	\$ 445,429	110,260	(63,633)	492,056

\*Decrease in construction work in progress is greater than increase in capital assets being depreciated explained by \$8,333 in capital project write-offs, mainly related to Bay Corridor Project, Transmission and Distribution System Improvement Project, and Treasure Island Capital Improvement Project. The remaining difference of \$528 was offset by direct additions to machinery and equipment.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) Pronouncements*, requires that interest expense incurred during construction of assets be capitalized. Per the implementation of GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, no interest was capitalized to construction in progress beginning in fiscal year 2022.

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Interest included in the construction work in progress and total interest expense incurred during the years ended June 30, 2022 and 2021 are as follows:

	2022			
	Water	Wastewater	Hetchy Power	SFPUC Total
Interest expensed	\$ 213,668	77,743	5,624	297,035
Interest included in construction work in progress*	—	—	—	—
<b>Total interest incurred</b>	<b>\$ 213,668</b>	<b>77,743</b>	<b>5,624</b>	<b>297,035</b>

\*Per the implementation of GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*.

	Restated 2021^			
	Water	Wastewater	Hetchy Power	SFPUC Total
Interest expensed^	\$ 184,678	34,944	1,972	221,594
Interest included in construction work in progress	19,461	33,420	1,083	53,964
<b>Total interest incurred</b>	<b>\$ 204,139</b>	<b>68,364</b>	<b>3,055</b>	<b>275,558</b>

^Restated per implementation of GASB Statement No. 87, *Leases*

**(5) Restricted Assets**

**Department-wide Business Type Activities**

The following table summarizes the department-wide restricted assets as of June 30, 2022 and 2021.

	2022	2021
Cash and investments with City Treasury	\$ 9,299	12,231
Cash and investments outside City Treasury	129,367	136,892
Interest and other receivables	221,532	89,379
<b>Total restricted assets</b>	<b>\$ 360,198</b>	<b>238,502</b>

**Water Restricted Assets**

Pursuant to the Indentures, all revenues of the Water Enterprise (except amounts on deposit in the rebate fund) are irrevocably pledged to the punctual payment of debt service on the Water Revenue and Refunding Bonds. Accordingly, the revenues of the Water Enterprise shall not be used for any other purpose while any of its Water Revenue and Refunding Bonds are outstanding, except as expressly permitted by the Indentures. Further, all revenues shall be deposited by the City Treasurer, by instruction of the Water Enterprise, in special funds designated as the Water Enterprise Revenue Fund (the Water Revenue Fund), which must be maintained in the City Treasury. These funds, held at the City Treasury, are recorded in the statement of net position of the Water Enterprise as cash and investments. Deposits in the Water Revenue Fund, including earnings thereon, shall be appropriated, transferred, expended, or used for the following purposes pertaining to the financing, maintenance, and operation of the Water Enterprise in accordance with the following priority:

1. The payment of operation and maintenance expenses for such utility and related facilities;
2. The payment of pension charges and proportionate payments to such compensation and other insurance or outside reserve funds as the Water Enterprise may establish or the Board of Supervisors may require with respect to employees of the Water Enterprise;
3. The payment of principal, interest, reserve, sinking fund, and other mandatory funds created to secure Revenue Bonds issued by the Water Enterprise for the acquisition, construction, or extension of facilities owned, operated, or controlled by the Water Enterprise;

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4. The payment of principal and interest on General Obligation Bonds issued by the City for the Water Enterprise's purposes;
5. Reconstruction and replacement as determined by the Water Enterprise or as required by any of the Water Enterprise's Revenue Bond ordinances duly adopted and approved; and
6. The acquisition of land, real property, or interest in real property for, and the acquisition, construction, enlargement, and improvement of, new and existing buildings, structures, facilities, equipment, appliances, and other property necessary or convenient to the development or improvement of such utility owned, controlled, or operated by the Water Enterprise; and for any other lawful purpose of the Water Enterprise, including the transfer of surplus funds pursuant to the Charter.

In accordance with the Indenture, the bond financing program maintains certain restricted cash and investment balances in trust. Restricted assets held in trust consisted of the following as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash and investments with City Treasury:		
Water revenue bond construction fund	\$ 9,299	—
Cash and investments outside City Treasury:		
2010B Water revenue bond fund	21,386	21,492
2010D Water revenue bond fund	1	—
2010E Water revenue bond fund	16,304	16,299
2010G Water revenue bond fund	17,703	17,698
2011B Water revenue bond fund	—	670
2011C Water revenue bond fund	—	140
2012A Water revenue bond fund	1	1
2020A Water revenue bond fund	86	7,370
2020B Water revenue bond fund	34	3,097
2020C Water revenue bond fund	54	3,463
2020D Water revenue bond fund	38	1,513
2020F Water revenue refunding bond fund	12	12
2020G Water revenue refunding bond fund	22	22
2020H Water revenue refunding bond fund	7	7
2009C Certificates of participation - 525 Golden Gate	1,638	1,638
2009D Certificates of participation - 525 Golden Gate	5,567	6,551
Commercial Paper - Tax Exempt	14	29,793
Commercial Paper - Taxable	37	34
Habitat reserve endowment fund	13,053	13,053
Total cash and investments outside City Treasury	<u>75,957</u>	<u>122,853</u>
Interest and other receivables:		
Water bond construction fund including capacity fee receivables	4,146	3,987
Due from other government for State Revolving Fund	7,553	49,546
Total restricted assets	\$ <u>96,955</u>	<u>176,386</u>

Restricted assets listed above as cash and investments with City Treasury are held in fund accounts within the Water Revenue Fund of the City Treasury.

### **Wastewater Restricted Assets**

The Master Bond Resolution was discharged upon the issuance of the 2003 Series A Refunding Bonds. Pursuant to the Indenture, which became effective with the issuance of the 2003 Series A Refunding Bonds, all net revenues of the Wastewater Enterprise (except amounts on deposit in the rebate fund) are irrevocably pledged to the punctual payment of debt service on the Wastewater revenue bonds. Accordingly, the net revenues of the Wastewater Enterprise shall not be used for any other purpose while any of its revenue bonds are outstanding except as expressly permitted by the Indenture. Further, all net revenues shall be deposited by the City Treasurer, by instruction of the Wastewater Enterprise, in special funds designated as the Revenue Fund, which must be maintained in the City Treasury. These funds, held at the City Treasury, are recorded in the statements of net position of the Wastewater Enterprise as cash and investments. Deposits in the Revenue Fund, including

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earnings thereon, shall be appropriated, transferred, expended, or used for the following purposes and only in accordance with the following priority:

1. The payment of operation and maintenance costs of the Wastewater Enterprise;
2. The payment of State revolving fund loans;
3. The payment of bonds, parity State revolving fund loans, policy costs, and amounts due as reimbursement under any letter of credit agreement; and
4. Any other lawful purpose of the Wastewater Enterprise.

In accordance with the Indenture, the Wastewater Enterprise maintains certain restricted cash and investment balances in trust. Restricted assets held in trust consisted of the following as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash and investments outside City Treasury:		
2009 Series C Certificates of Participation – 525 Golden Gate	\$ 433	433
2009 Series D Certificates of Participation – 525 Golden Gate	1,472	1,732
2010 Series A Wastewater revenue bond fund	—	3,592
2010 Series B Wastewater revenue bond fund	8,826	4,401
2021 Series A Wastewater revenue bond fund	24,396	—
2021 Series B Wastewater revenue bond fund	3,937	—
2021 Series A Wastewater revenue note fund	145	—
2021 Series B Wastewater revenue note fund	86	—
Commercial Paper - Tax Exempt	63	38
Total cash and investments outside City Treasury	<u>39,358</u>	<u>10,196</u>
Interest and other receivables:		
Wastewater revenue bond construction fund including capacity fee receivables	2,735	3,291
Due from other government for State Revolving Fund	202,795	20,755
Total restricted assets	<u>\$ 244,888</u>	<u>34,242</u>

Restricted assets listed above as cash and investments with City Treasury are held in fund accounts within the Sewer Revenue Fund of the City Treasury.

### Hetchy Water Restricted Assets

Hetchy Water restricted assets held in trust consist of the following as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash and investments with City Treasury:		
Hetch Hetchy bond construction fund	\$ —	6,990
Total restricted assets	<u>\$ —</u>	<u>6,990</u>

Restricted assets listed above as cash and investments with City Treasury are held in funds accounts within the Hetchy Water Revenue Fund.

### Hetchy Power Restricted Assets

Pursuant to the Hetchy Power Trust Indenture (the “Indenture”), established in fiscal year 2015, net revenues of the Hetchy Power are pledged first to the 2015 Series AB Bonds and 2021 Series AB Bonds, and have a priority lien on the pledge of net revenues to the outstanding CREBs, QECBs, and NCREBs (the “Subordinate Obligations”). The Lease/Purchase Agreements for the Subordinate Obligations pledge the net revenues of the Hetchy Power to these bonds, and such pledge is subordinate in lien to the net revenues pledge for the 2015 Series AB Bonds and 2021 Series AB Bonds (the “Bonds” or “Bond”).

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In the Indenture, the SFPUC covenants and agrees that it will pay into the Revenue Fund as received all Revenues of Hetchy Power and shall be used and applied, as provided by the Indenture, solely for the purposes of operating and maintaining Hetchy Power and paying all costs, charges, and expenses in connection therewith and for the purpose of making repairs, renewals, and replacements to Hetchy Power and constructing additions, betterments, and extensions thereto.

The Indenture provides that Revenues deposited in the Revenue Fund shall be disbursed in the following order of priority:

1. The payment of operation and maintenance expenses;
2. Any priority reconstruction and replacement fund deposits;
3. Deposit in the interest account of each Bond Fund;
4. Deposit in the bond retirement account of each Bond Fund;
5. Deposit in the reserve fund;
6. (i) Payment of principal and premium, if any, and interest on any Subordinate Obligations; (ii) deposit into a reserve fund securing any Subordinate Obligations; (iii) Swap Agreement payments pursuant to Swap Agreements entered into by the SFPUC with respect to any Subordinate Obligations; and (iv) payment to any financial institution or insurance company providing any letter of credit, line of credit, or other credit or liquidity facility, including municipal bond insurance and guarantees, that secures the payment of principal of or interest on any Subordinate Obligations; in each case in any order of priority within this paragraph which may be hereafter established by the SFPUC by resolution;
7. Any additional reconstruction and replacement fund deposits into the reconstruction and replacement fund;
8. Any necessary or desirable capital additions or improvements to the Hetchy Power;
9. Any payment under a Take-or-Pay Power Purchase Agreement that does not constitute an operation and maintenance expense;
10. Any payment under a Swap Agreement that does not constitute a Swap Agreement payment; and
11. Any other lawful purpose of the SFPUC.

In the Indenture, the SFPUC covenants and agrees to transfer to the Trustee for deposit in the Interest Account of each applicable Bond Fund all Refundable Credits received by the SFPUC.

In accordance with the Agreements, Hetchy Power maintains certain restricted cash and investment balances in trust. Restricted assets held in trust consist of the following as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash and investments with City Treasury:		
Hetch Hetchy bond construction fund	\$ —	5,241
Cash and investments outside City Treasury:		
2009 Series C Certificates of Participation – 525 Golden Gate	223	223
2009 Series D Certificates of Participation – 525 Golden Gate	758	892
2015 Series A Revenue Bonds	2,194	2,193
2015 Series B Revenue Bonds	516	516
2021 Series AB Revenue Bonds	10,346	—
Commercial Paper	15	19
Total restricted cash and investments outside City Treasury	<u>14,052</u>	<u>3,843</u>
Interest receivable:		
Hetch Hetchy bond construction fund	4,303	11,800
Total restricted assets	<u>\$ 18,355</u>	<u>20,884</u>

Restricted assets listed above as cash and investments with City Treasury are held in funds accounts within the Hetchy Power Revenue Fund.

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### (6) Short-Term Debt

#### Department-wide Business Type Activities

The following table summarizes the department-wide short-term commercial paper debt.

	2021	Additions	Reductions	2022
Water	\$ 105,862	130,221	(29,786)	206,297
Wastewater	638,518	80,639	(340,000)	379,157
Hetchy Power	114,671	63,058	(137,710)	40,019
SFPUC Total	\$ 859,051	273,918	(507,496)	625,473

#### Water Short-Term Debt

The Commission and the Board of Supervisors have authorized the issuance of up to \$500,000 in commercial paper pursuant to the voter-approved 2002 Proposition E. As of June 30, 2022 and 2021, amounts outstanding under Proposition E were \$206,297 and \$105,862, respectively. Commercial paper interest rates ranged from 0.1% to 2.0%.

With maturities up to 270 days, the Water Enterprise intends to maintain the program by remarketing the commercial paper upon maturity over the near-to-medium term, at which time outstanding commercial paper will likely be refunded with revenue bonds. This is being done to take advantage of the continued low interest rate environment. If the commercial paper interest rates rise to a level that exceeds these benefits, the Water Enterprise will refinance the commercial paper with the long-term, fixed-rate debt.

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*, the Water Enterprise had \$293,703 and \$394,138 in unused authorization as of June 30, 2022 and 2021, respectively. Significant Events of default as specified in the Reimbursement Agreements, or Revolving Credit Agreement include 1. payment defaults, 2. material breach of warranty, representation, or other non-remedied breach of covenants as specified in the respective agreements (not cured within applicable grace periods) and 3. bankruptcy and insolvency events, which may result in all outstanding obligations to be immediately due and payable (unless waived by the respective Bank, if applicable); or issuance of a No-Issuance Notice, reduction in credit to outstanding amount plus interest coverage, and/or termination of the respective agreement. As of June 30, 2022, there were no such events describe herein.

#### Wastewater Short-Term Debt

Under the voter approved 2002 Proposition E, the Commission and Board of Supervisors has authorized the issuance of up to \$750,000 in commercial paper for the purpose of reconstructing, expanding, repairing, or improving the Wastewater Enterprise's facilities. The Wastewater Enterprise had \$379,157 and \$638,518 in commercial paper outstanding as of June 30, 2022 and 2021, respectively.

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, the Wastewater Enterprise had \$370,843 and \$111,482 in unused authorization as of June 30, 2022 and 2021, respectively. Significant Events of default as specified in the Reimbursement Agreements, Revolving Credit and Term Loan Agreements, or Revolving Credit Agreements include 1. payment defaults, 2. material breach of warranty, representation, or other non-remedied breach of covenants as specified in the respective agreements (not cured within applicable grace periods), and 3. bankruptcy and insolvency events, which may result in all outstanding obligations to be immediately due and payable (unless waived by the respective Bank, if applicable); or issuance of a No-Issuance Notice, reduction in credit to outstanding amount plus interest coverage, and/or termination of the respective agreement. As of June 30, 2022, there were no such events described herein.

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### Hetchy Water Short-Term Debt

Hetchy Water had no commercial paper outstanding as of June 30, 2022 and 2021.

### Hetchy Power Short-Term Debt

Effective March 2019, under Charter Sections 9.107(6) and 9.107(8), and 2018 Proposition A, the Commission and Board of Supervisors authorized the issuance of up to \$250,000 in commercial paper notes for the purpose of reconstructing, replacing, expanding, repairing or improving power facilities of Hetchy Power. Interest rates for the commercial paper ranged from 0.1% to 1.1% and 0.1% to 0.2% in fiscal years 2022 and 2021, respectively. Hetchy Power had \$40,019 and \$114,671 commercial paper outstanding as of June 30, 2022 and 2021, respectively. The Power Enterprise had \$209,981 and \$135,329 in unused authorization as of June 30, 2022 and 2021, respectively.

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*, Significant Events of default as specified in the Reimbursement Agreements include 1. non-payment, 2. material breach of warranty, representation, or other non-remedied breach of covenants as specified in the respective agreements and 3. bankruptcy, which may result in all outstanding obligations to be immediately due and payable (unless waived by the respective Bank, if applicable); or issuance of a No-Issuance Notice, reduction in credit to outstanding amount plus interest coverage, and/or termination of the respective agreement. As of June 30, 2022, there were no such events described herein.

### CleanPowerSF Short-Term Debt

CleanPowerSF had no commercial paper outstanding as of June 30, 2022 and 2021.

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(7) Changes in Long-Term Liabilities

Department-wide Long-Term Liability activities for the years ended June 30, 2022 and 2021 are as follows:

	Interest rate	Maturity (Calendar Year)	Restated 2021 <sup>^</sup>	Additions	Reductions	2022	Due within one year
Revenue Bonds:							
2010A wastewater revenue bonds	4.00 – 5.00 %	2021	\$ 8,820	—	(8,820)	—	—
2010B water revenue bonds (Build America)	4.00 – 6.00	2040	361,500	—	(12,330)	349,170	12,780
2010B wastewater revenue bonds (Build America)	4.65 – 5.82	2040	192,515	—	—	192,515	7,280
2010E water revenue bonds (Build America)	4.90 – 6.00	2040	344,200	—	—	344,200	12,745
2010G water revenue bonds (Build America)	6.95	2050	351,470	—	—	351,470	—
2011B water revenue bonds	3.50 – 5.00	2041	755	—	(755)	—	—
2011C water revenue bonds	3.00 – 5.00	2041	825	—	(825)	—	—
2013A wastewater revenue bonds	1.00 – 5.00	2025	29,595	—	(14,060)	15,535	13,090
2013B wastewater revenue bonds	4.00 – 5.00	2042	331,585	—	—	331,585	—
2015A water revenue refunding bonds	2.00 – 5.00	2036	397,745	—	(15,325)	382,420	16,045
2015A hetchy power revenue bonds	4.00 – 5.00	2045	32,025	—	—	32,025	—
2015B hetchy power revenue bonds	3.00 – 4.00	2026	4,550	—	(815)	3,735	850
2016A water revenue refunding bonds	4.00 – 5.00	2039	743,050	—	(23,315)	719,735	32,790
2016B water revenue refunding bonds	1.50 – 5.00	2030	81,525	—	(10,015)	71,510	12,530
2016C water revenue bonds	0.87 – 4.19	2046	237,050	—	(5,820)	231,230	5,955
2016A wastewater revenue bonds	4.00 – 5.00	2046	240,580	—	—	240,580	—
2016B wastewater revenue bonds	4.00 – 5.00	2046	67,820	—	—	67,820	—
2017A water revenue bonds	5.00	2047	27,000	—	—	27,000	2,325
2017B water revenue bonds	5.00	2047	32,930	—	—	32,930	2,835
2017C water revenue bonds	5.00	2047	15,750	—	—	15,750	1,355
2017D water revenue refunding bonds	2.00 – 5.00	2035	347,720	—	(925)	346,795	1,455
2017E water revenue refunding bonds	4.00 – 5.00	2031	48,890	—	—	48,890	765
2017F water revenue refunding bonds	5.00	2031	8,705	—	—	8,705	700
2017G water revenue refunding bonds	2.03 – 2.91	2024	32,780	—	(820)	31,960	13,070
2018A wastewater revenue bonds	4.00 – 5.00	2043	229,050	—	—	229,050	7,715
2018B wastewater revenue bonds	5.00	2043	185,950	—	—	185,950	6,260
2018C wastewater revenue bonds	2.13	2048	179,145	—	—	179,145	—
2019A water revenue refunding bonds	1.81 – 3.47	2043	615,725	—	(24,405)	591,320	3,495
2019B water revenue refunding bonds	3.15 – 3.52	2041	16,450	—	(65)	16,385	70
2019C water revenue refunding bonds	3.15 – 3.52	2041	17,925	—	(75)	17,850	75
2020A water revenue bonds	4.00 – 5.00	2050	150,895	—	—	150,895	—
2020B water revenue bonds	5.00	2050	61,330	—	—	61,330	—
2020C water revenue bonds	4.00	2050	85,335	—	—	85,335	—
2020D water revenue bonds	3.00	2050	49,200	—	—	49,200	—
2020E water revenue refunding bonds	2.83 – 2.95	2047	341,435	—	(5,900)	335,535	500
2020F water revenue refunding bonds	0.26 – 3.15	2047	136,880	—	(1,425)	135,455	—
2020G water revenue refunding bonds	0.26 – 3.10	2043	120,585	—	(5,820)	114,765	5,795
2020H water revenue refunding bonds	0.26 – 3.15	2047	65,495	—	(680)	64,815	—
2021A wastewater revenue bonds	4.00 – 5.00	2051	—	260,835	—	260,835	—
2021B wastewater revenue bonds	5.00	2051	—	37,045	—	37,045	—
2021 Series A Revenue Bonds	4.00 – 5.00	2052	—	74,280	—	74,280	—
2021 Series B Revenue Bonds	4.00 – 5.00	2052	—	49,720	—	49,720	—
Clean Renewable Energy Bonds	0.00	2022	843	—	(422)	421	421
Qualified Energy Conservation Bonds	4.74	2027	3,687	—	(549)	3,138	555
New Clean Renewable Energy Bonds 2015	4.62	2032	1,779	—	(142)	1,637	146
Less issuance discount			(153)	—	23	(130)	(6)
Add issuance premiums			430,068	102,842	(35,772)	497,138	—
Revenue Notes:							
2021 Series A - Biosolids	1.00	2025	—	218,355	—	218,355	—
2021 Series B - SEP Headworks	1.00	2026	—	129,110	—	129,110	—
Add issuance premiums			—	3,358	(467)	2,891	—
Total revenue bonds & notes payable			6,631,009	875,545	(169,524)	7,337,030	161,596
2009C Certificates of Participation (COPs)	2.00 – 5.00	2022	8,535	—	(4,160)	4,375	4,375
2009C COPs issuance premiums			95	—	(75)	20	20
2009D COPs (Build America)	6.36 – 6.49	2041	129,550	—	—	129,550	—
State Revolving Fund Loans (CWSRF Loans) Water	1.00	2051	107,407	14,354	—	121,761	3,283
State Revolving Fund Loans (CWSRF Loans) Wastewater	0.80 – 1.80	2051	108,559	196,583	(2,483)	302,659	2,481
Other post-employment benefits obligations			234,488	25,469	(32,810)	227,147	—
Net Pension Liability			382,382	—	(382,382)	—	—
Accrued vacation and sick leave			31,776	13,941	(14,775)	30,942	15,427
Accrued workers' compensation			18,648	6,555	(5,206)	19,997	3,708
Due to Other City departments *			369	11	—	380	380
Lease liability			10,945	27	(4,102)	6,870	3,587
Damage claims liability			55,075	13,104	(18,383)	49,796	20,115
Wholesale balancing account water			60,864	18,633	(347)	79,150	48,422
Pollution remediation obligations			9,071	260	—	9,331	—
Unearned revenues, refunds, and other			16,159	23,113	(19,215)	20,057	10,143
			\$ 7,804,932	1,187,595	(653,462)	8,339,065	273,537

\*Ending balance included elimination entries of \$629 interfund payables and receivables between Wastewater and Hetchy Power for the 525 Golden Gate Avenue Headquarters Living Machine.

<sup>^</sup>Restated due to the implementation of GASB Statement No. 87, Leases.

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	Interest rate	Maturity (Calendar Year)	2020	Additions	Reductions	Restated 2021 <sup>^</sup>	Due within one year
<b>Revenue Bonds:</b>							
2010A wastewater revenue bonds	4.00 – 5.00 %	2021	\$ 17,210	—	(8,390)	8,820	8,820
2010B water revenue bonds (Build America)	4.00 – 6.00	2040	373,420	—	(11,920)	361,500	12,330
2010B wastewater revenue bonds (Build America)	4.65 – 5.82	2040	192,515	—	—	192,515	—
2010D water revenue refunding bonds	3.00 – 5.00	2021	30,990	—	(30,990)	—	—
2010E water revenue bonds (Build America)	4.90 – 6.00	2040	344,200	—	—	344,200	—
2010G water revenue bonds (Build America)	6.95	2050	351,470	—	—	351,470	—
2011B water revenue bonds	3.50 – 5.00	2041	1,485	—	(730)	755	755
2011C water revenue bonds	3.00 – 5.00	2041	1,620	—	(795)	825	825
2011D water revenue refunding bonds	4.00 – 5.00	2028	19,135	—	(19,135)	—	—
2012A water revenue bonds	4.00 – 5.00	2043	216,540	—	(216,540)	—	—
2012B water revenue bonds	4.00 – 5.00	2043	16,520	—	(16,520)	—	—
2012C1 water revenue refunding bonds	4.00	2031	8,465	—	(8,465)	—	—
2012C2 water revenue refunding bonds	4.00 – 5.00	2032	69,570	—	(69,570)	—	—
2013A wastewater revenue bonds	1.00 – 5.00	2025	44,445	—	(14,850)	29,595	14,060
2013B wastewater revenue bonds	4.00 – 5.00	2042	331,585	—	—	331,585	—
2015A water revenue refunding bonds	2.00 – 5.00	2036	412,380	—	(14,635)	397,745	15,325
2015A hetchy power revenue bonds	4.00 – 5.00	2045	32,025	—	—	32,025	—
2015B hetchy power revenue bonds	3.00 – 4.00	2026	5,335	—	(785)	4,550	815
2016A water revenue refunding bonds	4.00 – 5.00	2039	763,005	—	(19,955)	743,050	23,315
2016B water revenue refunding bonds	1.50 – 5.00	2030	95,980	—	(14,455)	81,525	10,015
2016C water revenue bonds	0.87 – 4.19	2046	242,755	—	(5,705)	237,050	5,820
2016A wastewater revenue bonds	4.00 – 5.00	2046	240,580	—	—	240,580	—
2016B wastewater revenue bonds	4.00 – 5.00	2046	67,820	—	—	67,820	—
2017A water revenue bonds	5.00	2047	121,140	—	(94,140)	27,000	—
2017B water revenue bonds	5.00	2047	147,725	—	(114,795)	32,930	—
2017C water revenue bonds	5.00	2047	70,675	—	(54,925)	15,750	—
2017D water revenue refunding bonds	2.00 – 5.00	2035	348,610	—	(890)	347,720	925
2017E water revenue refunding bonds	4.00 – 5.00	2031	48,890	—	—	48,890	—
2017F water revenue refunding bonds	5.00	2031	8,705	—	—	8,705	—
2017G water revenue refunding bonds	2.03 – 2.91	2024	33,280	—	(500)	32,780	820
2018A wastewater revenue bonds	4.00 – 5.00	2043	229,050	—	—	229,050	—
2018B wastewater revenue bonds	5.00	2043	185,950	—	—	185,950	—
2018C wastewater revenue bonds	2.13	2048	179,145	—	—	179,145	—
2019A water revenue refunding bonds	1.81 – 3.47	2043	622,580	—	(6,855)	615,725	24,405
2019B water revenue refunding bonds	3.15 – 3.52	2041	16,450	—	—	16,450	65
2019C water revenue refunding bonds	3.15 – 3.52	2041	17,925	—	—	17,925	75
2020A water revenue bonds	4.00 – 5.00	2050	—	150,895	—	150,895	—
2020B water revenue bonds	5.00	2050	—	61,330	—	61,330	—
2020C water revenue bonds	4.00	2050	—	85,335	—	85,335	—
2020D water revenue bonds	3.00	2050	—	49,200	—	49,200	—
2020E water revenue refunding bonds	2.83 – 2.95	2047	—	341,435	—	341,435	5,900
2020F water revenue refunding bonds	0.26 – 3.15	2047	—	136,880	—	136,880	1,425
2020G water revenue refunding bonds	0.26 – 3.10	2043	—	120,585	—	120,585	5,820
2020H water revenue refunding bonds	0.26 – 3.15	2047	—	65,495	—	65,495	680
Clean Renewable Energy Bonds	0.00	2022	1,265	—	(422)	843	422
Qualified Energy Conservation Bonds	4.74	2027	4,229	—	(542)	3,687	549
New Clean Renewable Energy Bonds 2012	4.74	2020	130	—	(130)	—	—
New Clean Renewable Energy Bonds 2015	4.62	2032	3,190	—	(1,411)	1,779	142
Less issuance discount			(177)	—	24	(153)	—
Add issuance premiums			449,024	73,542	(92,498)	430,068	—
Total revenue bonds payable			6,366,836	1,084,697	(820,524)	6,631,009	133,308
2009C Certificates of Participation (COPs)	2.00 – 5.00	2022	12,490	—	(3,955)	8,535	4,160
2009C COPs issuance premiums			225	—	(130)	95	—
2009D COPs (Build America)	6.36 – 6.49	2041	129,550	—	—	129,550	—
State Revolving Fund Loans (CWSRF Loans) Water	1.00	2051	73,271	49,546	(15,410)	107,407	1,667
State Revolving Fund Loans (CWSRF Loans) Wastewater	0.80 – 1.80	2051	88,549	22,468	(2,458)	108,559	2,483
Other post-employment benefits obligations			260,397	26,291	(52,200)	234,488	—
Net Pension Liability			313,899	164,517	(96,034)	382,382	—
Accrued vacation and sick leave			25,428	18,447	(12,099)	31,776	15,639
Accrued workers' compensation			18,612	4,641	(4,605)	18,648	3,467
Due to Other City departments *			851	—	(482)	369	369
Lease liability			14,772	—	(3,827)	10,945	4,075
Damage claims liability			29,544	38,914	(13,383)	55,075	20,925
Wholesale balancing account water			64,857	—	(3,993)	60,864	21,538
Pollution remediation obligations			9,377	—	(306)	9,071	—
Unearned revenues, refunds, and other			9,117	28,750	(21,708)	16,159	6,191
			<u>\$ 7,417,775</u>	<u>1,438,271</u>	<u>(1,051,114)</u>	<u>7,804,932</u>	<u>213,822</u>

\*Ending balance Included elimination entries \$739 of interfund payables and receivables between Wastewater and Hetchy Power for the 525 Golden Gate Avenue Headquarters Living Machine.

<sup>^</sup>Restated due to the implementation of GASB 87, Leases.

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Water Long-Term Liability activities for the years ended June 30, 2022 and 2021 are as follows:

	Interest rate	Maturity (Calendar Year)	Restated 2021 <sup>^</sup>	Additions	Reductions	2022	Due within one year
Revenue Bonds:							
2010B revenue bonds (Build America)	4.00 – 6.00 %	2040	\$ 361,500	—	(12,330)	349,170	12,780
2010E revenue bonds (Build America)	4.90 – 6.00	2040	344,200	—	—	344,200	12,745
2010G revenue bonds (Build America)	6.95	2050	351,470	—	—	351,470	—
2011B revenue bonds	3.50 – 5.00	2041	755	—	(755)	—	—
2011C revenue bonds	3.00 – 5.00	2041	825	—	(825)	—	—
2015A revenue refunding bonds	2.00 – 5.00	2036	397,745	—	(15,325)	382,420	16,045
2016A revenue refunding bonds	4.00 – 5.00	2039	743,050	—	(23,315)	719,735	32,790
2016B revenue refunding bonds	1.50 – 5.00	2030	81,525	—	(10,015)	71,510	12,530
2016C revenue bonds	0.87 – 4.19	2046	237,050	—	(5,820)	231,230	5,955
2017A revenue bonds	5.00	2047	27,000	—	—	27,000	2,325
2017B revenue bonds	5.00	2047	32,930	—	—	32,930	2,835
2017C revenue bonds	5.00	2047	15,750	—	—	15,750	1,355
2017D revenue refunding bonds	2.00 – 5.00	2035	347,720	—	(925)	346,795	1,455
2017E revenue refunding bonds	4.00 – 5.00	2031	48,890	—	—	48,890	765
2017F revenue refunding bonds	5.00	2031	8,705	—	—	8,705	700
2017G revenue refunding bonds	2.03 – 2.91	2024	32,780	—	(820)	31,960	13,070
2019A revenue refunding bonds	1.81 – 3.47	2043	615,725	—	(24,405)	591,320	3,495
2019B revenue refunding bonds	3.15 – 3.52	2041	16,450	—	(65)	16,385	70
2019C revenue refunding bonds	3.15 – 3.52	2041	17,925	—	(75)	17,850	75
2020A revenue bonds	4.00 – 5.00	2050	150,895	—	—	150,895	—
2020B revenue bonds	5.00	2050	61,330	—	—	61,330	—
2020C revenue bonds	4.00	2050	85,335	—	—	85,335	—
2020D revenue bonds	3.00	2050	49,200	—	—	49,200	—
2020E revenue refunding bonds	2.83 – 2.95	2047	341,435	—	(5,900)	335,535	500
2020F revenue refunding bonds	0.26 – 3.15	2047	136,880	—	(1,425)	135,455	—
2020G revenue refunding bonds	0.26 – 3.10	2043	120,585	—	(5,820)	114,765	5,795
2020H revenue refunding bonds	0.26 – 3.15	2047	65,495	—	(680)	64,815	—
Less issuance discount			(133)	—	9	(124)	—
Add issuance premiums			301,758	—	(25,349)	276,409	—
Total revenue bonds payable			4,994,775	—	(133,840)	4,860,935	125,285
2009C Certificates of Participation (COPs)	2.00 – 5.00	2022	6,094	—	(2,970)	3,124	3,124
2009C COPs issuance premiums			69	—	(55)	14	14
2009D COPs (Build America)	6.36 – 6.49	2041	92,499	—	—	92,499	—
State Revolving Funds Loan	1.00	2051	107,407	14,354	—	121,761	3,283
Other post-employment benefits obligations			148,771	14,868	(19,524)	144,115	—
Net pension liability			216,417	—	(216,417)	—	—
Accrued vacation and sick leave			13,916	8,177	(8,364)	13,729	6,888
Accrued workers' compensation			8,828	2,793	(2,648)	8,973	1,700
Lease liability			4,244	—	(1,381)	2,863	1,008
Damage claims liability			36,723	452	(1,106)	36,069	10,191
Wholesale balancing account			60,864	18,633	(347)	79,150	48,422
Pollution remediation obligations			1,271	—	—	1,271	—
Total			\$ 5,691,878	59,277	(386,652)	5,364,503	199,915

<sup>^</sup>Restated due to the implementation of GASB 87, Leases.

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	Interest rate	Maturity (Calendar Year)	2020	Additions	Reductions	Restated 2021 <sup>^</sup>	Due within one year
<b>Revenue Bonds:</b>							
2010B revenue bonds (Build America)	4.00 – 6.00 %	2040	\$ 373,420	—	(11,920)	361,500	12,330
2010D revenue refunding bonds	3.00 – 5.00	2021	30,990	—	(30,990)	—	—
2010E revenue bonds (Build America)	4.90 – 6.00	2040	344,200	—	—	344,200	—
2010G revenue bonds (Build America)	6.95	2050	351,470	—	—	351,470	—
2011B revenue bonds	3.50 – 5.00	2041	1,485	—	(730)	755	755
2011C revenue bonds	3.00 – 5.00	2041	1,620	—	(795)	825	825
2011D revenue refunding bonds	4.00 – 5.00	2028	19,135	—	(19,135)	—	—
2012A revenue bonds	4.00 – 5.00	2043	216,540	—	(216,540)	—	—
2012B revenue bonds	4.00 – 5.00	2043	16,520	—	(16,520)	—	—
2012C1 revenue refunding bonds	4.00	2031	8,465	—	(8,465)	—	—
2012C2 revenue refunding bonds	4.00 – 5.00	2032	69,570	—	(69,570)	—	—
2015A revenue refunding bonds	2.00 – 5.00	2036	412,380	—	(14,635)	397,745	15,325
2016A revenue refunding bonds	4.00 – 5.00	2039	763,005	—	(19,955)	743,050	23,315
2016B revenue refunding bonds	1.50 – 5.00	2030	95,980	—	(14,455)	81,525	10,015
2016C revenue bonds	0.87 – 4.19	2046	242,755	—	(5,705)	237,050	5,820
2017A revenue bonds	5.00	2047	121,140	—	(94,140)	27,000	—
2017B revenue bonds	5.00	2047	147,725	—	(114,795)	32,930	—
2017C revenue bonds	5.00	2047	70,675	—	(54,925)	15,750	—
2017D revenue refunding bonds	2.00 – 5.00	2035	348,610	—	(890)	347,720	925
2017E revenue refunding bonds	4.00 – 5.00	2031	48,890	—	—	48,890	—
2017F revenue refunding bonds	5.00	2031	8,705	—	—	8,705	—
2017G revenue refunding bonds	2.03 – 2.91	2024	33,280	—	(500)	32,780	820
2019A revenue refunding bonds	1.81 – 3.47	2043	622,580	—	(6,855)	615,725	24,405
2019B revenue refunding bonds	3.15 – 3.52	2041	16,450	—	—	16,450	65
2019C revenue refunding bonds	3.15 – 3.52	2041	17,925	—	—	17,925	75
2020A revenue bonds	4.00 – 5.00	2050	—	150,895	—	150,895	—
2020B revenue bonds	5.00	2050	—	61,330	—	61,330	—
2020C revenue bonds	4.00	2050	—	85,335	—	85,335	—
2020D revenue bonds	3.00	2050	—	49,200	—	49,200	—
2020E revenue refunding bonds	2.83 – 2.95	2047	—	341,435	—	341,435	5,900
2020F revenue refunding bonds	0.26 – 3.15	2047	—	136,880	—	136,880	1,425
2020G revenue refunding bonds	0.26 – 3.10	2043	—	120,585	—	120,585	5,820
2020H revenue refunding bonds	0.26 – 3.15	2047	—	65,495	—	65,495	680
Less issuance discount			(143)	—	10	(133)	—
Add issuance premiums			311,923	73,542	(83,707)	301,758	—
Total revenue bonds payable			4,695,295	1,084,697	(785,217)	4,994,775	108,500
2009C Certificates of Participation (COPs)	2.00 – 5.00	2022	8,918	—	(2,824)	6,094	2,970
2009C COPs issuance premiums			161	—	(92)	69	—
2009D COPs (Build America)	6.36 – 6.49	2041	92,499	—	—	92,499	—
State Revolving Funds Loan	1.00	2051	73,271	49,546	(15,410)	107,407	1,667
Other post-employment benefits obligations			163,684	14,036	(28,949)	148,771	—
Net pension liability			178,133	93,066	(54,782)	216,417	—
Accrued vacation and sick leave			11,620	10,109	(7,813)	13,916	6,787
Accrued workers' compensation			9,174	1,912	(2,258)	8,828	1,694
Lease liability			5,399	—	(1,155)	4,244	1,381
Damage claims liability			10,767	27,643	(1,687)	36,723	14,400
Wholesale balancing account			64,857	—	(3,993)	60,864	21,538
Pollution remediation obligations			1,577	—	(306)	1,271	—
<b>Total</b>			<b>\$ 5,315,355</b>	<b>1,281,009</b>	<b>(904,486)</b>	<b>5,691,878</b>	<b>158,937</b>

<sup>^</sup>Restated due to the implementation of GASB 87, Leases.

The payments of principal and interest amounts on various bonds are secured by net revenues of the Water Enterprise.

**a) Water Revenue Bonds 2010 Series B**

The 2010 Series B Bonds in the par amount of \$417,720 were issued as taxable Build America Bonds (with Direct Pay Subsidy) to provide \$364,757 in new money for WSIP capital projects and pay financing costs. The 2010 Series B bonds were issued as serial and term bonds with coupons ranging from 4.0% to 6.0% and have a final maturity of 2040. The Series B bonds have a true interest cost (net of federal subsidy) of 3.9%. As of June 30, 2022 and 2021, the principal amount outstanding was \$349,170 and \$361,500, respectively.

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### b) Water Revenue Bonds 2010 Series DE

In July 2010, the Water Enterprise issued revenue bonds 2010 Series DE in the combined principal amount of \$446,925. The purpose of the bonds is to advance refund \$31,570 of outstanding 2002 Series A revenue bonds and to provide \$372,689 in new money for WSIP capital projects, with the balance applied to financing costs and a cash-funded debt service reserve fund. The bonds were rated "AA-" and "Aa2" from S&P and Moody's, respectively. The bonds included serial and term bonds with interest rates ranging from 3.0% to 6.0%.

The 2010 Series D Bonds in the par amount of \$102,725 were issued as tax-exempt bonds to provide \$72,243 in new money for WSIP capital projects and \$35,080 to advance refund a portion of outstanding 2002 Series A revenue bonds. The Series D bonds were issued as serial bonds with coupons ranging from 3.0% to 5.0% and have a final maturity of 2021. The Series D bonds have a true interest cost of 2.5%.

On February 27, 2013, the Wholesale Water Customers BAWSCA made an early repayment of \$356,139 to the Water Enterprise. \$12,360 of the repayment proceeds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement, dated February 27, 2013, to refund and legally defease a portion of the outstanding 2010 Series D bonds. BAWSCA repayment funds were combined with \$165 from the 2010 Series D Capitalized Interest Account. This deposit, together with certain other available monies, was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities consisting of United States Treasury Securities - SLGS. The principal and interest on monies held by the escrow agent will be sufficient to partially defease a portion of the 2010 Series D bonds maturing November 1, 2015 through 2017. A portion of the proceeds from 2020 Series E and 2020 Series G refunding bonds was deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreements, dated October 1, 2020, to refund and legally defease the outstanding 2010 Series D bonds. These deposits, together with certain other available monies were held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will be sufficient to refund and legally defease all of the maturities of the 2010 Series D bonds starting on November 1, 2021. As of June 30, 2022 and 2021, the principal amount of 2010 Series D bonds outstanding was \$0.

The 2010 Series E Bonds in the par amount of \$344,200 were issued as taxable Build America Bonds (with Direct Pay Subsidy) to provide \$300,446 in new money proceeds for WSIP capital projects. The Series E bonds were issued as serial and term bonds with coupons ranging from 4.9% to 6.0% and have a final maturity of 2040. The Series E bonds have a true interest cost (net of federal subsidy) of 3.8%. As of June 30, 2022 and 2021, the principal amount of 2010 Series E bonds outstanding was \$344,200.

### c) Water Revenue Bonds 2010 Series FG

In December 2010, the Water Enterprise issued revenue bonds 2010 Series FG in the combined principal amount of \$532,430. The purpose of the bonds is to provide \$437,980 in new money for WSIP capital projects, with the balance applied to financing costs and a cash-funded debt service reserve. The bonds were rated "AA-" and "Aa2" from S&P and Moody's, respectively. The bonds included serial and term bonds with interest rates ranging from 3.0% to 7.0%.

The \$180,960 Series F bonds were issued as tax-exempt bonds to provide \$149,728 in new money for WSIP capital projects. The Series F bonds were issued as serial and term bonds with coupons ranging from 3.0% to 5.5% and have a final maturity of 2030. The Series F bonds have a true interest cost of 4.8%.

On February 27, 2013, the Wholesale Water Customers BAWSCA made an early repayment of \$356,139 to the Water Enterprise. \$3,646 of the repayment proceeds were deposited with the trustee, acting as

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escrow agent under the irrevocable Escrow Agreement, dated February 27, 2013, to refund and legally defease a portion of the outstanding 2010 Series F bonds. BAWSCA repayment funds were combined with \$131 from the 2010 Series F Capitalized Interest Account. This deposit, together with certain other available monies, was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities consisting of United States Treasury Securities - SLGS. The principal and interest on monies held by the escrow agent will be sufficient to partially defease a portion of the 2010 Series F bonds maturing November 1, 2017 and 2018.

A portion of the proceeds of the 2016 Series A refunding bonds and 2019 Series A refunding bonds was deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreements, dated October 1, 2016 and December 1, 2019, respectively, to refund and legally defease a portion of the outstanding 2010 Series F bonds. These deposits, together with certain other available monies were held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will be sufficient to refund and legally defease all of the maturities of the 2010 Series F bonds starting on November 1, 2020 and thereafter. As of June 30, 2022 and 2021, the principal amount of 2010 Series F bonds outstanding was \$0.

The \$351,470 Series G bonds were issued as taxable Build America Bonds (with Direct Pay Subsidy) to provide \$288,252 in new money for WSIP capital projects. The Series G bonds were issued as term bonds with a coupon of 7.0% and have a final maturity of 2050. The Series G bonds have a true interest cost (net of federal subsidy) of 4.5%. As of June 30, 2022 and 2021, the principal amount of 2010 Series G bonds outstanding was \$351,470.

### d) Water Revenue Bonds 2011 Series ABCD

In August 2011, the Water Enterprise issued revenue bonds, 2011 Series ABCD in the combined principal amount of \$720,750. The purpose of the bonds is to provide new money for WSIP capital projects, to finance Hetch Hetchy Water Improvements, and to finance the Local Water Main Replacement Projects, as well as refund \$56,670 of outstanding 2001 Series A and 2002 Series A revenue bonds, with the balance applied to financing costs and a cash-funded debt service reserve. The bonds were rated "AA-" and "Aa3" from S&P and Moody's, respectively. The bonds included serial and term bonds with interest rates varying from 3.0% to 5.0%.

The \$602,715 Series A bonds were issued as tax-exempt bonds to provide \$525,000 in new money for WSIP capital projects. The Series A bonds were issued as serial and term bonds with coupons ranging from 4.3% to 5.0% and have a final maturity of 2041. The Series A bonds have a true interest cost of 4.6%.

A portion of the proceeds of the 2017 Series D and G and 2019 Series A refunding bonds was deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreements, dated December 1, 2017 and December 1, 2019, respectively, to refund and legally defease a portion of the outstanding 2011 Series A bonds. These deposits, together with certain other available monies was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will be sufficient to redeem the maturities of the 2011 Series A bonds starting on November 1, 2020 and thereafter. As of June 30, 2022 and 2021, the principal amount of 2011 Series A bonds outstanding was \$0.

The \$28,975 Series B bonds were issued as tax-exempt bonds to provide \$27,710 to finance improvements to certain up-country water storage and transmission facilities under the jurisdiction of Hetch Hetchy Water and Power and CleanPowerSF. The Series B bonds were issued as serial and term bonds with coupons ranging from 3.5% to 5.0% and have a final maturity of 2041. The Series B bonds have a true interest cost of 4.5%.

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On February 27, 2013, the Wholesale Water Customers BAWSCA made an early repayment of \$356,139 to the Water Enterprise. \$515 of the repayment proceeds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement, dated February 27, 2013, to refund and legally defease a portion of the outstanding 2011 Series B bonds. This deposit, together with certain other available monies, was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities consisting of United States Treasury Securities - SLGS. The principal and interest on monies held by the escrow agent will be sufficient to partially defease a portion of the 2011 Series B bonds maturing November 1, 2017 through 2018.

A portion of the proceeds from the 2017 Series F and 2019 Series B refunding bonds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreements, dated December 1, 2017 and December 1, 2019, respectively, to refund and legally defease a portion of the outstanding 2011 Series B bonds. These deposits, together with certain other available monies was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will be sufficient to redeem the maturities of the 2011 Series B bonds starting on November 1, 2022 and thereafter. As of June 30, 2022 and 2021, the principal amount of 2011 Series B bonds outstanding was \$0 and \$755, respectively.

The \$33,595 Series C bonds were issued as tax-exempt bonds to provide \$33,772 to finance certain water main replacement projects within the City. The Series C bonds were issued as serial and term bonds with coupons ranging from 3.0% to 5.0% and have a final maturity of 2041. The Series C bonds have a true interest cost of 4.4%.

On February 27, 2013, the Wholesale Water Customers BAWSCA made an early repayment of \$356,139 to the Water Enterprise. \$3,824 of the repayment proceeds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement, dated February 27, 2013, to refund and legally defease a portion of the outstanding 2011 Series C bonds. This deposit, together with certain other available monies, was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities consisting of United States Treasury Securities - SLGS. The principal and interest on monies held by the escrow agent will be sufficient to partially defease a portion of the 2011 Series C bonds maturing November 1, 2014 through 2018.

A portion of the proceeds of the 2017 Series E and 2019 Series C refunding bonds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreements, dated December 1, 2017 and December 1, 2019, respectively, to refund and legally defease a portion of the outstanding 2011 Series C bonds. These deposits, together with certain other available monies were held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will be sufficient to redeem the maturities of the 2011 Series C bonds starting on November 1, 2022 and thereafter. As of June 30, 2022 and 2021, the principal amount of 2011 Series C bonds outstanding was \$0 and \$825, respectively.

The \$55,465 Series D bonds were issued as tax-exempt bonds to provide \$59,381 to refund, on a current basis, a portion of the 2001 Series A bonds as well as refund, on an advance basis, a portion of the 2002 Series A bonds. The Series D bonds were issued as serial bonds with coupons ranging from 4.0% to 5.0% and have a final maturity of 2028. The Series D bonds have a true interest cost of 3.8%.

A portion of the proceeds of the 2017 Series E refunding bonds was deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement, dated December 1, 2017, to refund and legally defease a portion of the outstanding 2011 Series D bonds. This deposit, together with certain other available monies was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will be

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sufficient to redeem the maturities of the 2011 Series D bonds starting on November 1, 2022 and thereafter. As of June 30, 2022 and 2021, the principal amount of 2011 Series D bonds outstanding was \$0.

### e) **Water Revenue Bonds 2012 Series AB and C (C1 and C2)**

In June 2012, the Water Enterprise issued revenue bonds, 2012 Series ABC in the combined principal amount of \$701,880. The purpose of the bonds was to provide \$530,000 of new money for WSIP capital projects, \$15,750 to reimburse the Water Enterprise for costs to settle litigation arising out of certain capital projects of benefit to the Water Enterprise, and to refund \$99,180 of outstanding 2001 Series A and 2002 Series A revenue bonds, with the balance applied to financing costs and a cash-funded debt service reserve. The bonds were rated "AA-" and "Aa3" from S&P and Moody's, respectively. The bonds included serial and term bonds with interest rates varying from 4.0% to 5.0%.

The \$591,610 Series A bonds were issued as tax-exempt bonds to provide \$530,000 in new money for WSIP capital projects. The Series A bonds were issued as serial and term bonds with coupons ranging from 4.0% to 5.0% and have a final maturity of 2043. The Series A bonds have a true interest cost of 4.3%. A portion of the proceeds of the 2017 Series D, 2019 Series A, and 2020 Series E refunding bonds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreements, dated December 1, 2017, December 1, 2019, and October 1, 2020 respectively, to refund and legally defease a portion of the outstanding 2012 Series A bonds. These deposits, together with certain other available monies was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will be sufficient to redeem the maturities of the 2012 Series A bonds starting on November 1, 2031 and thereafter. As of June 30, 2022 and 2021, the principal amount of 2012 Series A bonds outstanding was \$0.

The \$16,520 Series B bonds were issued as tax-exempt bonds to reimburse the Water Enterprise \$15,750 for costs to settle litigation arising out of certain capital projects of benefit to the Water Enterprise. The Series B bonds were issued as serial and term bonds with coupons ranging from 4.0% to 5.0% and have a final maturity of 2043. The Series B bonds have a true interest cost of 4.1%. A portion of the proceeds of the 2020 Series G refunding bonds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement dated October 1, 2020 to refund and legally defease a portion of the outstanding 2012 Series B bonds. These deposits, together with certain other available monies was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will be sufficient to redeem the maturities of the 2012 Series B bonds starting on November 1, 2031 and thereafter. As of June 30, 2022 and 2021, the principal amount of 2012 Series B bonds outstanding was \$0.

The \$93,750 Series C bonds were issued as tax-exempt bonds to provide \$101,147 to refund, on a current basis, a portion of the 2001 Series A bonds as well as refund, on an advance basis, a portion of the 2002 Series A bonds. The Series C bonds were issued as serial bonds with coupons ranging from 4.0% to 5.0% and have a final maturity of 2032. The Series C bonds have a true interest cost of 3.7%. A portion of the proceeds of the 2017 Series E and 2020 Series G refunding bonds was deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreements dated December 1, 2017 and October 1, 2020, respectively, to refund and legally defease a portion of the outstanding 2012 Series C bonds. This deposit, together with certain other available monies was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will be sufficient to redeem the maturities of the 2012 Series C bonds starting on November 1, 2025 and thereafter. As of June 30, 2022 and 2021, the principal amount of 2012 Series C bonds outstanding was \$0.

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### f) **Water Revenue Refunding Bonds 2015 Series A**

In April 2015, the Water Enterprise issued tax-exempt revenue bonds, 2015 Series A in the amount of \$429,600 for the purpose of refunding all the outstanding 2006 Series A bonds maturing on and after November 1, 2015 and portion of the outstanding 2009 Series A bonds maturing on and after November 1, 2023. The bonds carried "Aa3" and "AA-" ratings from Moody's and S&P, respectively. The 2015 Series A bonds include serial bonds with interest rates varying from 2.0% to 5.0% and have a final maturity in 2036. The Series A bonds have a true interest cost of 3.3%. Unamortized 2006 Series A bond issuance costs were \$1,392, and there were no unamortized bond issuance costs for 2009 Series A bonds at the date of the refunding. The refunding resulted in the recognition of a deferred accounting loss of \$25,365, gross debt service savings of \$28,148 over the next 20 two-year terms, and an economic gain of \$48,561 or 10.3% of refunded principal. As of June 30, 2022 and 2021, the principal amount of 2015 Series A bonds outstanding was \$382,420 and \$397,745, respectively.

### g) **Water Revenue Refunding Bonds 2016 Series AB**

In October 2016, the Water Enterprise issued tax-exempt revenue bonds, 2016 Series AB in the aggregate amount of \$893,820. The 2016 Series A bonds were issued for the purpose of refunding a portion of the outstanding 2009 Series A bonds maturing on and after November 1, 2020, a portion of the outstanding 2009 Series B bonds maturing on and after November 1, 2020, and a portion of the outstanding 2010 Series F bonds maturing on and after November 1, 2021. The 2016 Series B bonds were issued for the purpose of refunding, on a current basis, all the outstanding 2006 Series B and Series C bonds, and a portion of the outstanding 2010 Series A bonds maturing on and after November 1, 2020, the bonds carried "Aa3" and "AA-" ratings from Moody's and S&P, respectively. The 2016 Series AB bonds include serial bonds with interest rates varying from 1.5% to 5.0% and have a final maturity in 2039. The Series AB bonds have a true interest cost of 2.9%. Unamortized bond issuance costs at the date of refunding were \$145 for 2006 Series B bonds and \$54 for 2006 Series C bonds. The refunding resulted in the recognition of a deferred accounting loss of \$106,205, gross debt service savings of \$135,966, and an economic gain of \$107,152 or 11.5% of refunded principal. As of June 30, 2022 and 2021, the principal amount of 2016 Series AB bonds outstanding was \$791,245 and \$824,575, respectively.

### h) **Water Revenue Bonds 2016 Series C**

In December 2016, the Water Enterprise issued taxable bonds, 2016 Series C in the amount of \$259,350. The bonds were issued as Green Bonds. The purpose of the bonds was to refund all of the outstanding taxable commercial paper notes in the approximate amount of \$237,000, and to provide \$19,975 of new money for WSIP capital projects. The bonds carried "Aa3" and "AA-" ratings from Moody's and S&P, respectively. The 2016 Series C bonds include serial bonds with interest rates varying from 0.9% to 4.0% and have a final maturity in 2046, and two term bonds with 4.0% and 4.2% interest rates and final maturities of 2041 and 2046. The Series C bonds have a true interest cost of 3.9%. As of June 30, 2022 and 2021, the principal amount of 2016 Series C bonds outstanding was \$231,230 and \$237,050, respectively.

### i) **Water Revenue Bonds 2017 Series ABC**

In December 2017, the Water Enterprise issued tax-exempt revenue bonds, 2017 ABC in the aggregate amount of \$339,540. The purpose of the 2017 Series ABC Bonds was to refund approximately \$120,500 aggregate principal amount of commercial paper notes and to provide \$230,500 new money for WSIP capital projects, other various capital projects of the Water Enterprise, and capital projects of Hetch Hetchy Water. The bonds carried "Aa3" and "AA-" ratings from Moody's and S&P, respectively. The 2017 Series ABC bonds include serial bonds with coupon rates of 5.0% and have final maturity in 2045, and four term bonds with coupons of 5.0% and final maturities from 2045 to 2047.

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The \$121,140 2017 Series A bonds were issued as tax-exempt Green Bonds to refund approximately \$60,265 of commercial paper notes and to provide \$65,500 in new money for WSIP capital projects. The Series A bonds have a true interest cost of 3.8%. A portion of the proceeds of the 2020 Series E refunding bonds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement dated October 1, 2020 to refund and legally defease a portion of the outstanding 2017 Series A bonds. These deposits, together with certain other available monies was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will be sufficient to redeem the maturities of the 2017 Series A bonds starting on November 1, 2030 and thereafter. As of June 30, 2022 and 2021, the principal amount of 2017 Series A bonds outstanding was \$27,000.

The \$147,725 2017 Series B bonds were issued as tax-exempt bonds to provide \$150,000 in new money for Water Enterprise capital projects (non-WSIP). The Series B bonds were issued as serial and term bonds with coupons of 5.0% and have a final maturity of 2047. The Series B bonds have a true interest cost of 3.8%. A portion of the proceeds of the 2020 Series F refunding bonds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement dated October 1, 2020 to refund and legally defease a portion of the outstanding 2017 Series B bonds. These deposits, together with certain other available monies was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will be sufficient to redeem the maturities of the 2017 Series B bonds starting on November 1, 2030 and thereafter. As of June 30, 2022 and 2021, the principal amount of 2017 Series B bonds outstanding was \$32,930.

The \$70,675 2017 Series C bonds were issued as tax-exempt bonds to refund approximately \$60,266 of commercial paper notes and to provide \$15,000 in new money for Hetch Hetchy Water capital projects. The Series C bonds were issued as serial bonds and a term bond with coupons of 5.0% and have a final maturity of 2047. The Series C bonds have a true interest cost of 3.8%. A portion of the proceeds of the 2020 Series H refunding bonds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement dated October 1, 2020 to refund and legally defease a portion of the outstanding 2017 Series C bonds. These deposits, together with certain other available monies was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will be sufficient to redeem the maturities of the 2017 Series C bonds starting on November 1, 2030 and thereafter. As of June 30, 2022 and 2021, the principal amount of 2017 Series C bonds outstanding was \$15,750.

### j) **Water Revenue Refunding Bonds 2017 Series DEFG**

In December 2017, the Water Enterprise issued tax-exempt revenue bonds, 2017 Series DEF, and taxable 2017 Series G refunding bonds in the aggregate amount of \$442,180. The 2017 Series D (WSIP, Green) bonds were issued for the purpose of refunding a portion of the outstanding 2011 Series A (WSIP) bonds maturing on and after November 1, 2022, a portion of the outstanding 2012 Series A bonds maturing on and after November 1, 2031.

The 2017 Series E bonds were issued for the purpose of refunding a portion of the outstanding 2011 Series C bonds maturing on or after November 1, 2022, a portion of the outstanding 2011 Series D bonds maturing on and after November 1, 2022, a portion of 2012 Series C1 bonds maturing on or after November 1, 2029.

The 2017 Series F bonds were issued for the purpose of refunding a portion of the outstanding 2011 Series B bonds maturing on or after November 1, 2022.

The taxable 2017 Series G (WSIP, Green) bonds were issued to refund a portion of the outstanding 2011 Series A bonds maturing on and after November 1, 2022.

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The bonds carried “Aa3” and “AA-” ratings from Moody’s and S&P, respectively. The 2017 Series DEFG bonds include serial bonds with interest rates varying from 2.0% to 5.0% and have a final maturity in 2035. The Series DEFG bonds have a true interest cost of 2.9%. The refunding resulted in the recognition of a deferred accounting loss of \$34,275, gross debt service savings of \$68,942, and an economic gain of \$51,698 or 10.7% of refunded principal. As of June 30, 2022 and 2021, the principal amount of 2017 Series DEFG bonds outstanding was \$436,350 and \$438,095 respectively.

### k) Water Revenue Refunding Bonds 2019 Series ABC

In January 2020, the Water Enterprise issued taxable revenue bonds, 2019 Series ABC refunding bonds in the aggregate amount of \$656,955. The 2019 Series A (WSIP, Green) bonds were issued for the purpose of refunding a portion of the outstanding 2010 Series F (WSIP) bonds maturing on and after November 1, 2020, a portion of the outstanding 2011 Series A (WSIP) bonds maturing on and after November 1, 2020, and a portion of the outstanding 2012 Series A (WSIP) bonds maturing on and after November 1, 2035.

The 2019 Series B (Hetch Hetchy Water) bonds were issued for the purpose of refunding a portion of the outstanding 2011 Series B bonds maturing on or after November 1, 2032.

The 2019 Series C (Local) bonds were issued for the purpose of refunding a portion of the outstanding 2011 Series C bonds maturing on or after November 1, 2032.

The bonds carried “Aa2” and “AA-” ratings from Moody’s and S&P, respectively. The 2019 Series ABC bonds include serial bonds with interest rates varying from 1.8% to 3.5% and have a final maturity in 2043. The Series ABC bonds have a true interest cost of 3.3%. The refunding resulted in the recognition of a deferred accounting loss of \$17,329, gross debt service savings of \$119,827, and an economic gain of \$92,556 or 14.0% of refunded principal. As of June 30, 2022 and 2021, the principal amount of 2019 Series ABC bonds outstanding was \$625,555 and \$650,100, respectively.

### l) Water Revenue Bonds 2020 Series ABCD

In September 2020, the Water Enterprise issued tax-exempt revenue bonds, 2020 Series ABCD in the aggregate amount of \$346,760. The purpose of the 2020 Series ABCD Bonds was to refund approximately \$229,770 aggregate principal amount of commercial paper notes and to provide \$164,632 new money for various capital projects of the Water Enterprise, and capital projects of Hetch Hetchy Water. The bonds carried “Aa2” and “AA-” ratings from Moody’s and S&P, respectively. The 2020 Series ABCD bonds include term bonds with coupons of 3.0% to 5.0% and final maturities from 2045 to 2050.

The \$150,895 2020 Series A bonds were issued as tax-exempt Green Bonds to refund approximately \$180,000 of commercial paper notes for WSIP capital projects. The Series A bonds were issued as term bonds with coupons of 4.0% and 5.0% and a final maturity of 2050. The 2020 Series A bonds have a true interest cost of 3.3%. As of June 30, 2022 and 2021, the principal amount of 2020 Series A bonds outstanding was \$150,895.

The \$61,330 Series B bonds were issued as tax-exempt bonds to provide \$69,644 in new money for Water Enterprise capital projects (non-WSIP, Regional). The Series B bonds were issued as term bonds with coupons of 5.0% and have a final maturity of 2050. The Series B bonds have a true interest cost of 3.7%. As of June 30, 2022 and 2021, the principal amount of 2020 Series B bonds outstanding was \$61,330.

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The \$85,335 Series C bonds were issued as tax-exempt bonds to provide \$94,948 in new money for Water Enterprise capital projects (non-WSIP, Local). The Series C bonds were issued as term bonds with coupons of 4.0% and have a final maturity of 2050. The Series C bonds have a true interest cost of 3.0%. As of June 30, 2022 and 2021, the principal amount of 2020 Series C bonds outstanding was \$85,335.

The \$49,200 Series D bonds were issued as tax-exempt bonds to refund approximately \$49,761 of commercial paper notes for Hetch Hetchy Water capital projects. The Series D bonds were issued as term bonds with coupons of 3.0% and a final maturity of 2050. The 2020 Series D bonds have a true interest cost of 2.7%. As of June 30, 2022 and 2021, the principal amount of 2020 Series D bonds outstanding was \$49,200.

### m) Water Revenue Bonds 2020 Series EFGH

In October 2020, the Water Enterprise issued taxable revenue bonds, 2020 Series EFGH refunding bonds in the aggregate amount of \$664,395. The 2020 Series E (WSIP, Green) bonds were issued for the purpose of refunding a portion of the outstanding 2010 Series D (WSIP) bonds maturing on and after November 1, 2020, a portion of the outstanding 2012 Series A (WSIP) bonds maturing on and after November 1, 2038, and a portion of the outstanding 2017 Series A (WSIP) bonds maturing on and after November 1, 2030.

The 2020 Series F (non-WSIP, Regional) bonds were issued for the purpose of refunding a portion of the outstanding 2017 Series B bonds maturing on or after November 1, 2030.

The 2020 Series G (non-WSIP, Local) bonds were issued for the purpose of refunding a portion of the outstanding 2010 Series D bonds maturing on or after November 1, 2020, a portion of the 2011 Series D bonds maturing on or after November 1, 2022, a portion of 2012 Series B bonds maturing on or after November 1, 2031, and a portion of 2012 Series C bonds maturing on or after November 1, 2025.

The 2020 Series H (Hetch Hetchy Water) bonds issued for the purpose of refunding a portion of the outstanding 2017 Series C bonds maturing on or after November 1, 2030.

The bonds carried "Aa2" and "AA-" ratings from Moody's and S&P, respectively. The 2020 Series EFGH bonds include serial bonds and term bonds with interest rates varying from 0.3% to 3.1% and have a final maturity in 2047. The Series EFGH bonds have a true interest cost of 2.7%. The refunding resulted in the recognition of a deferred accounting loss of \$27,010, gross debt service savings of \$117,114, and an economic gain of \$75,212 or 12.0% of refunded principal. As of June 30, 2022 and 2021, the principal amount of 2020 Series EFGH bonds outstanding was \$650,570 and \$664,395, respectively.

### n) Future Annual Debt Service of Revenue Bonds

The following table presents the future annual debt service relating to the revenue and refunding bonds outstanding as of June 30, 2022. The federal interest subsidy amounts represent 35.0%, excluding sequestration, of the interest for the revenue bond 2010 Series B, E, and G.

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	<u>Principal</u>	<u>Interest before subsidy</u>	<u>Federal interest subsidy*</u>	<u>Interest net of subsidy</u>
Fiscal years ending June 30:				
2023	\$ 125,285	203,067	(21,290)	181,777
2024	135,095	197,481	(20,841)	176,640
2025	140,485	191,563	(20,370)	171,193
2026	151,930	185,085	(19,876)	165,209
2027	157,635	177,956	(19,345)	158,611
2028-2032	892,755	770,116	(87,360)	682,756
2033-2037	1,092,025	540,947	(64,682)	476,265
2038-2042	1,037,900	295,084	(35,116)	259,968
2043-2047	464,125	145,355	(17,128)	128,227
2048-2051	387,415	40,159	(4,608)	35,551
Total	<u>4,584,650</u>	<u>2,746,813</u>	<u>(310,616)</u>	<u>2,436,197</u>
Less: Current portion	(125,285)			
Less: Unamortized bond discount	(124)			
Add: Unamortized bond premiums	276,409			
Long-term portion as of June 30, 2022	<u>\$ 4,735,650</u>			

\*The SFPUC received an IRS notice, dated June 2, 2022, that the federal interest subsidies on the 2010 Series B bonds, 2010 Series E bonds, and 2010 Series G bonds are reduced by 5.7%, or a total reduction of \$18,776, due to sequestration over the remaining life of the bonds assuming the sequestration rate will remain the same after fiscal year 2023.

As defined in the Indentures, the principal and interest of the Water Enterprise's revenue and refunding bonds are payable from its revenues, as well as monies deposited in certain funds and accounts pledged thereto (See Note 5).

**o) SF Westside Recycled Water Project and Future Annual Debt Service for Clean Water State Revolving Fund (CWSRF) Loan and Grant**

In September 2017, the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a Clean Water State Revolving Fund (CWSRF) Loan and Grant to fund the Water Enterprise's SF Westside Recycled Water Project. The CWSRF loan is in the amount of \$186,220, which includes \$15,000 of principal forgiveness, or a grant. It will bear an interest rate of 1.0% for a 30-year term, with loan repayment beginning one year after substantial completion of project construction. The CWSRF loan is secured on a parity lien basis with the Water Enterprise's outstanding revenue bonds.

The principal outstanding as of June 30, 2022 and 2021 were \$121,761 and \$107,407, respectively. In addition, there was \$15,000 of principal forgiveness.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal years ending June 30:			
2023	\$ 3,283	1,142	4,425
2024	3,542	1,185	4,727
2025	3,577	1,149	4,726
2026	3,613	1,114	4,727
2027	3,649	1,077	4,726
2028-2032	18,801	4,833	23,634
2033-2037	19,760	3,874	23,634
2038-2042	20,768	2,866	23,634
2043-2047	21,827	1,806	23,633
2048-2052	22,941	692	23,633
Total	<u>121,761</u>	<u>19,738</u>	<u>141,499</u>
Less: Current portion	(3,283)		
Long-term portion as of June 30, 2022	<u>\$ 118,478</u>		

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### p) **Drinking Water State Revolving Fund (DWSRF) Loan**

In April 2022, the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a Drinking Water State Revolving Fund (DWSRF) Loan to fund the Water Enterprise's Mountain Tunnel Improvement Project. The DWSRF loan is in the amount of \$238,219. It will bear an interest rate of 1.1% for a 30-year term, with interest payments beginning annually after the initial loan proceed draw occurs and loan principal repayment beginning one year after substantial completion of project construction. Power Enterprise is responsible for repayment for its share of SRF Loan debt service costs representing up to its allocable share of the cost of the Mountain Tunnel Project by a Memorandum of Understanding that will be executed with the Water Enterprise. The DWSRF loan is secured on a parity lien basis with the Water Enterprise's outstanding revenue bonds. The principal outstanding as of June 30, 2022 was \$0.

### q) **Proposition A**

On November 5, 2002, the San Francisco voters passed Proposition A, which provides for the issuance of revenue bonds and/or other forms of indebtedness by the Commission in a principal amount not to exceed \$1,628,000 to finance the acquisition and construction of improvements to the City's Water System. As of June 30, 2022, there was no commercial paper outstanding pursuant to this authorization and \$1,499,230 of bonds had been issued in fiscal years 2006, 2010, 2012, 2021 against Prop A. The total authorization against Prop A was \$1,499,230 as of June 30, 2022.

### r) **Proposition E**

On November 5, 2002, the San Francisco voters passed Proposition E, which authorizes the Board of Supervisors' approval of the issuance of revenue bonds and/or other forms of indebtedness by the Commission to finance costs for the Commission's capital programs, including WSIP. As of June 30, 2022, the Board of Supervisors has authorized the issuance of \$4,617,099 in revenue bonds with \$3,898,744 issued against this authorization; and in September 2017, the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a Clean Water State Revolving Fund (CWSRF) Loan and Grant to fund the Water Enterprise's SF Westside Recycled Water Project in the amount of \$186,220 (which includes a \$15,000 grant) and in April 2022, the SFPUC entered in to an Installment Sale Agreement with the State Water Resources Control Board for a Drinking Water State Revolving Fund (DWSRF) Loan to fund the Mountain Tunnel Improvement Project in the amount of \$238,219. Additionally, \$206,297 and \$105,862 in commercial paper was outstanding pursuant to this authorization as of June 30, 2022 and 2021, respectively.

### s) **Events of Default and Remedies**

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*, significant events of default as specified in the Water Enterprise Indenture (applicable to Water Revenue Bonds, and CWSRF Loan) include 1) Non-payment 2) material breach of warranty, representation or indenture covenants (not cured within applicable grace periods) and 3) bankruptcy and insolvency events, which may result in the Trustee (upon written request by the majority of the owners (by aggregate amount of the bond obligations or of a credit provider), declaring the principal and the interest accrued thereon, to be due and payable immediately. As of June 30, 2022, there were no such events describe herein.

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**Wastewater Long-Term Liability activities for the years ended June 30, 2022 and 2021 are as follows:**

	Interest rate	Maturity (Calendar Year)	Restated 2021 <sup>^</sup>	Additions	Reductions	2022	Due within one year
Revenue bonds:							
2010 Series A	4.00 – 5.00 %	2021	\$ 8,820	—	(8,820)	—	—
2010 Series B (Build America)	4.65 – 5.82	2040	192,515	—	—	192,515	7,280
2013 Series A	1.00 – 5.00	2025	29,595	—	(14,060)	15,535	13,090
2013 Series B	4.00 – 5.00	2042	331,585	—	—	331,585	—
2016 Series A	4.00 – 5.00	2046	240,580	—	—	240,580	—
2016 Series B	4.00 – 5.00	2046	67,820	—	—	67,820	—
2018 Series A	4.00 – 5.00	2043	229,050	—	—	229,050	7,715
2018 Series B	5.00	2043	185,950	—	—	185,950	6,260
2018 Series C	2.13	2048	179,145	—	—	179,145	—
2021 Series A	4.00 – 5.00	2051	—	260,835	—	260,835	—
2021 Series B	5.00	2051	—	37,045	—	37,045	—
For issuance premiums			124,862	75,820	(9,489)	191,193	—
Revenue Notes:							
2021 Series A - Biosolids	1.00	2025	—	218,355	—	218,355	—
2021 Series B - SEP Headworks	1.00	2026	—	129,110	—	129,110	—
For issuance premiums			—	3,358	(467)	2,891	—
Total revenue bonds and notes payable			1,589,922	724,523	(32,836)	2,281,609	34,345
2009 Series C Certificates of Participation (COPs)	2.00 – 5.00	2022	1,611	—	(785)	826	826
2009 Series C COPs issuance premiums			18	—	(14)	4	4
2009 Series D COPs (Build America)	6.36 – 6.49	2041	24,458	—	—	24,458	—
State Revolving Fund Loans (CWSRF Loans)	0.80 – 1.80	2056	108,559	196,583	(2,483)	302,659	2,481
Other post-employment benefits obligations			50,711	5,466	(7,054)	49,123	—
Net pension liability			103,746	—	(103,746)	—	—
Accrued vacation and sick leave			11,658	2,895	(3,652)	10,901	5,479
Accrued workers' compensation			6,582	3,207	(2,243)	7,546	1,393
Due to Other City departments			739	—	(110)	629	111
Lease liability			5,952	27	(2,341)	3,638	2,341
Damage claims liability			16,713	8,812	(13,480)	12,045	9,323
Pollution remediation obligations			7,800	260	—	8,060	—
Total			\$ 1,928,469	941,773	(168,744)	2,701,498	56,303

<sup>^</sup>Restated due to the implementation of GASB Statement No. 87, Leases.

	Interest rate	Maturity (Calendar Year)	2020	Additions	Reductions	Restated 2021 <sup>^</sup>	Due within one year
Revenue bonds:							
2010 Series A	4.00 – 5.00 %	2021	\$ 17,210	—	(8,390)	8,820	8,820
2010 Series B (Build America)	4.65 – 5.82	2040	192,515	—	—	192,515	—
2013 Series A	1.00 – 5.00	2025	44,445	—	(14,850)	29,595	14,060
2013 Series B	4.00 – 5.00	2042	331,585	—	—	331,585	—
2016 Series A	4.00 – 5.00	2046	240,580	—	—	240,580	—
2016 Series B	4.00 – 5.00	2046	67,820	—	—	67,820	—
2018 Series A	4.00 – 5.00	2043	229,050	—	—	229,050	—
2018 Series B	5.00	2043	185,950	—	—	185,950	—
2018 Series C	2.13	2048	179,145	—	—	179,145	—
For issuance premiums			133,433	—	(8,571)	124,862	—
Total revenue bonds payable			1,621,733	—	(31,811)	1,589,922	22,880
2009 Series C Certificates of Participation (COPs)	2.00 – 5.00	2022	2,358	—	(747)	1,611	785
2009 Series C COPs issuance premiums			43	—	(25)	18	—
2009 Series D COPs (Build America)	6.36 – 6.49	2041	24,458	—	—	24,458	—
State Revolving Fund Loans (CWSRF Loans)	0.80 – 1.80	2051	88,549	22,468	(2,458)	108,559	2,483
Other post-employment benefits obligations			58,183	6,609	(14,081)	50,711	—
Net pension liability			86,235	42,533	(25,022)	103,746	—
Accrued vacation and sick leave			8,914	5,406	(2,662)	11,658	5,811
Accrued workers' compensation			6,051	2,616	(2,085)	6,582	1,198
Due to Other City departments			849	—	(110)	739	110
Lease liability			8,247	—	(2,295)	5,952	2,314
Damage claims liability			15,891	6,428	(5,606)	16,713	5,892
Pollution remediation obligations			7,800	—	—	7,800	—
Total			\$ 1,929,311	86,060	(86,902)	1,928,469	41,473

<sup>^</sup> Restated due to the implementation of GASB Statement No. 87, Leases.

The payments of principal and interest amounts on various bonds are secured by net revenues of the Wastewater Enterprise.

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### a) **Wastewater Revenue Bonds 2010 Series A**

During fiscal year 2010, the Wastewater Enterprise issued revenue bonds 2010 Series A in the amount of \$47,050 with interest rates ranging from 4.0% to 5.0%. Proceeds from the bonds were used to redeem \$50,000 in outstanding commercial paper notes, fund a cash debt service reserve fund, and pay the costs of issuing the bonds. The bonds were rated “Aa3” and “AA-” by Moody’s and S&P, respectively at the time of issuance. Bonds mature through October 1, 2021. The true interest cost is 2.9%. As of June 30, 2022 and 2021, the 2010 Series A bonds’ principal amount outstanding was \$0 and \$8,820, respectively.

### b) **Wastewater Revenue Bonds 2010 Series B**

During fiscal year 2010, the Wastewater Enterprise issued revenue bonds 2010 Series B (Federally Taxable – Build America Bonds – Direct Payment) in the amount of \$192,515 with interest rates ranging from 4.7% to 5.8%. Proceeds from the bonds were used to redeem \$53,500 in outstanding commercial paper notes, provide funding for capital projects in the amount of \$112,429, fund a cash debt service reserve fund, and pay financing costs for the bonds. The bonds were rated “Aa3” and “AA-” by Moody’s and S&P, respectively at the time of issuance. Bonds mature through October 1, 2040. The true interest cost is 3.7%. As of June 30, 2022 and 2021, the 2010 Series B bonds’ principal amount outstanding was \$192,515.

### c) **Wastewater Revenue Bonds 2013 Series A**

In January 2013, the Wastewater Enterprise issued tax-exempt revenue bonds 2013 Series A in the amount of \$193,400 for the purpose of refunding the remaining portion of the outstanding 2003 Series A bonds maturing on and after October 1, 2013. The bonds carried “Aa3” and “AA-” ratings from Moody’s and S&P, respectively at the time of issuance. The 2013 Series A refunding bonds include serial bonds with interest rates varying from 1.0% to 5.0% and have a final maturity in October 2025. The Series A bonds have a true interest cost of 1.2%. The 2013 Series A bonds also refunded the remaining portion of the outstanding state revolving fund loans. The refunding resulted in the recognition of a deferred accounting loss of \$2,986, gross debt service savings of \$35,107 over the next 13 years, and an economic gain of \$32,783 or 15.4% of the refunded principal. As of June 30, 2022 and 2021, the principal amount outstanding of the 2013 Series A bonds was \$15,535 and \$29,595, respectively.

### d) **Wastewater Revenue Bonds 2013 Series B**

In February 2013, the Wastewater Enterprise issued revenue bonds 2013 Series B in the amount of \$331,585 with interest rates ranging from 4.0% to 5.0%. Proceeds from the bonds were used for Wastewater capital projects, pay off all outstanding Wastewater commercial paper notes, and pay the costs of issuing the bonds. The bonds were rated “Aa3” and “AA-” by Moody’s and S&P, respectively at the time of issuance. Bonds mature through October 1, 2042. The true interest cost is 3.6%. As of June 30, 2022 and 2021, the principal amount outstanding of the 2013 Series B bonds was \$331,585.

### e) **Wastewater Revenue Bonds 2016 Series A**

In May 2016, the Wastewater Enterprise issued tax-exempt revenue bonds 2016 Series A (Green Bonds) in the amount of \$240,580 with interest rates ranging from 4.0% to 5.0%. Proceeds from the bonds were used for Wastewater capital projects, to pay off \$53,439 of outstanding commercial paper notes, to fund capitalized interest, and pay the costs of issuing the bonds. The bonds carried ratings of “AA” and “Aa3” from S&P and Moody’s, respectively at the time of issuance. Bonds mature through October 1, 2046. The bonds have a true interest cost of 3.2%. As of June 30, 2022 and 2021, the principal amount outstanding of the 2016 Series A bonds was \$240,580.

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**f) Wastewater Revenue Bonds 2016 Series B**

In May 2016, the Wastewater Enterprise issued tax-exempt revenue bonds 2016 Series B in the amount of \$67,820 with interest rates ranging from 4.0% to 5.0%. Proceeds from the bonds were used for Wastewater capital projects, to pay off \$20,560 of outstanding commercial paper notes, to fund capitalized interest, and pay the costs of issuing the bonds. The bonds carried ratings of “AA” and “Aa3” from S&P and Moody’s, respectively at the time of issuance. Bonds mature through October 1, 2046. The bonds have a true interest cost of 3.2%. As of June 30, 2022 and 2021, the principal amount outstanding of the 2016 Series B bonds was \$67,820.

**g) Wastewater Revenue Bonds 2018 Series A**

In August 2018, the Wastewater Enterprise issued tax-exempt revenue bonds 2018 Series A (SSIP) (Green Bonds) in the amount of \$229,050 with interest rates ranging from 4.0% to 5.0%. Proceeds from the bonds were used for Wastewater capital projects in furtherance of the SFPUC’s Sewer System Improvement Program (SSIP), to pay off \$25,000 of outstanding commercial paper notes, to fund capitalized interest, and pay the costs of issuing the bonds. The bonds carried ratings of “AA” and “Aa3” from S&P and Moody’s, respectively at the time of issuance. Bonds mature through October 1, 2043. The bonds have a true interest cost of 3.4%. As of June 30, 2022 and 2021, the principal amount outstanding of the 2018 Series A bonds was \$229,050.

**h) Wastewater Revenue Bonds 2018 Series B**

In August 2018, the Wastewater Enterprise issued tax-exempt revenue bonds 2018 Series B (Non-SSIP) in the amount of \$185,950 with 5.0% interest rate. Proceeds from the bonds were used for Wastewater capital projects, to fund capitalized interest, and pay the costs of issuing the bonds. The bonds carried ratings of “AA” and “Aa3” from S&P and Moody’s, respectively at the time of issuance. Bonds mature through October 1, 2043. The bonds have a true interest cost of 3.5%. As of June 30, 2022 and 2021, the principal amount outstanding of the 2018 Series B bonds was \$185,950.

**i) Wastewater Revenue Bonds 2018 Series C**

In August 2018, the Wastewater Enterprise issued tax-exempt revenue bonds 2018 Series C (SSIP) (Green Bonds) in the amount of \$179,145 with 2.1% interest rate. Proceeds from the bonds were used for Wastewater capital projects, to fund capitalized interest, and pay the costs of issuing the bonds. The bonds carried ratings of “AA” and “Aa3” from S&P and Moody’s, respectively at the time of issuance. Bonds mature through October 1, 2048. The Initial Mandatory Tender date of the 2018 Series C bonds is October 1, 2023. The bonds have a true interest cost of 3.5%. As of June 30, 2022 and 2021, the principal amount outstanding of the 2018 Series C bonds was \$179,145.

**j) Wastewater Revenue Bonds 2021 Series AB**

In November 2021, the Wastewater Enterprise issued tax-exempt revenue bonds, 2021 Series AB in the aggregate amount of \$297,880. The purpose of the 2021 Series AB Bonds was to refund approximately \$340,000 aggregate principal amount of commercial paper notes which funded various capital projects of the Wastewater Enterprise. The bonds carried “Aa2” and “AA” ratings from Moody’s and S&P, respectively.

The \$260,835 2021 Series A Bonds were issued as tax-exempt Green Bonds to refund approximately \$296,000 of commercial paper notes for SSIP capital projects. The Series A bonds were issued as serial bonds with coupons of 4.0% and 5.0% and a final maturity of 2051. The 2021 Series A bonds have a true interest cost of 3.0%. As of June 30, 2022, the principal amount of the 2021 Series A bonds outstanding was \$260,835.

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The \$37,045 2021 Series B bonds were issued as tax-exempt bonds to refund approximately \$44,000 of commercial paper notes for Wastewater capital projects. The Series B bonds were issued as serial bonds with coupons of 5.0% and have a final maturity of 2051. The Series B bonds have a true interest cost of 3.2%. As of June 30, 2022, the principal amount of the 2021 Series B bonds outstanding was \$37,045.

**k) Wastewater Revenue Notes 2021 Series AB**

In November 2021, the Wastewater Enterprise issued tax-exempt revenue (Green) notes, 2021 Sub-Series A and Sub-Series B together with an aggregate principal of \$347,465 to finance a portion of the design, acquisition and construction of the Biosolids Digester Facility Project and Southeast Water Pollution Control Plant improvements. The SFPUC intends to pay principal of the 2021A Notes and 2021B Notes from the proceeds of one or more draws under WIFIA Loan Agreements for the Biosolids Digester Facility Project and Southeast Treatment Plant Improvements, respectively, or from the proceeds of future obligations.

The \$218,355 2021 Series A Notes were issued as tax-exempt Green Notes to fund a portion of the Biosolids Digester Facilities Project. The Series A Notes were issued with 1.0% coupons and a final maturity of 2025. The 2021 Series A Notes have a true interest cost of 0.75%. As of June 30, 2022, the principal amount of 2021 Series A Notes outstanding was \$218,355.

The \$129,110 2021 Series B Notes were issued as tax-exempt Green Notes to fund a portion of Southeast Water Pollution Control Plant improvements. The Series B Notes were issued with 1.0% coupons and a final maturity of 2026. The 2021 Series B Notes have a true interest cost of 0.81%. As of June 30, 2022, the principal amount of 2021 Series B Notes outstanding was \$129,110.

**l) Future Annual Debt Service of Revenue and Refunding Bonds**

The following table presents the future annual debt service relating to the revenue and refunding bonds outstanding as of June 30, 2022. The interest before subsidy amounts include the interest for 2010 Series A and B, 2013 Series A and B, 2016 Series A and B, and 2018 Series A, B, and C, 2021 Series A and B bonds, and 2021 Series A and B notes. The federal interest subsidy amounts represent 35% of the interest, excluding sequestration, for the 2010 Series B revenue bonds.

	Principal	Interest before subsidy	Federal interest subsidy*	Interest net of subsidy
Fiscal years ending June 30:				
2023	\$ 34,345	79,288	(3,471)	75,817
2024	36,905	79,234	(3,356)	75,878
2025	36,935	79,083	(3,235)	75,848
2026	257,030	76,151	(3,105)	73,046
2027	169,625	72,469	(2,968)	69,501
2028-2032	233,765	325,416	(12,483)	312,933
2033-2037	295,065	259,098	(7,749)	251,349
2038-2042	367,020	181,095	(2,061)	179,034
2043-2047	404,575	96,342	—	96,342
2048-2052	252,260	22,115	—	22,115
Total	2,087,525	1,270,291	(38,428)	1,231,863
Less: Current portion	(34,345)			
Add: Unamortized bond premiums	194,084			
Long-term portion as of June 30, 2022	\$ 2,247,264			

\*The SFPUC received an IRS notice, dated June 2, 2022, that the federal interest subsidy on the 2010 Series B bonds is reduced by 5.7%, or a total reduction of \$2,323, due to sequestration over the remaining life of the bonds assuming the sequestration rate will remain the same after fiscal year 2023.

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As defined in the Indenture, the principal and interest of the Wastewater Enterprise's refunding bonds are payable from its corresponding revenue as well as monies deposited in certain funds and accounts pledged thereto (see Note 5).

### **m) Lake Merced Green Infrastructure Project CWSRF Loan**

In January 2016, then amended in May 2016, the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a Clean Water State Revolving Fund ("CWSRF") Loan to fund the Lake Merced Green Infrastructure Project of the Sewer System Improvement Program. The aggregate amount of the CWSRF loans is \$7,435. The loan bears an interest rate of 1.6% which was equal to one-half of the State of California's most recent 30-year General Obligation Bond true interest cost at the time the agreement was executed. The CWSRF loan will have a 30-year term, with loan repayment beginning one year after substantial completion of each project's construction; substantial completion is expected by July 2020. The CWSRF loan is secured on a parity lien basis with the Wastewater Enterprise's outstanding revenue bonds. The SFPUC has received loan disbursements to date totaling \$6,116 and a construction period interest of \$166 transferred to principal. As of June 30, 2022 and 2021, the principal amount outstanding of the loan was \$6,112 and \$6,282, respectively.

### **n) Southeast Plant (SEP) 521/522 and Disinfection Upgrade Project CWSRF Loan**

In September 2017, then amended in December 2017 and May 2018, the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a CWSRF Loan to fund the SEP 521/522 and Disinfection Upgrade Project of the Sewer System Improvement Program. The aggregate amount of the CWSRF loans is \$40,007. The loan bears an interest rate of 1.8% which was equal to one-half of the State of California's most recent 30-year General Obligation Bond true interest cost at the time the agreement was executed. The CWSRF loan will have a 30-year term, with loan repayment beginning one year after substantial completion of each project's construction; substantial completion occurred in July 2019. The CWSRF loan is secured on a parity lien basis with the Wastewater Enterprise's outstanding revenue bonds. The SFPUC has received proceeds from loan disbursements to date totaling \$39,741. As of June 30, 2022 and 2021, the principal amount outstanding of the loan was \$37,450 and \$38,512, respectively.

### **o) North Point Facility Outfall Rehabilitation Project CWSRF Loan**

In September 2017 the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a CWSRF Loan to fund the North Point Facility Outfall Rehabilitation Project of the Sewer System Improvement Program. The aggregate amount of the CWSRF loans is \$20,199. The loan bears an interest rate of 1.8% which was equal to one-half of the State of California's most recent 30-year General Obligation Bond true interest cost at the time the agreement was executed. The CWSRF loan will have a 30-year term, with loan repayment beginning one year after substantial completion of each project's construction, substantial completion occurred in February 2018. The CWSRF loans is secured on a parity lien basis with the Wastewater Enterprise's outstanding revenue bonds. The SFPUC has received proceeds from loan disbursements to date totaling \$17,706. As of June 30, 2022 and 2021 the principal amount outstanding of the loan was \$15,710 and \$16,181, respectively.

### **p) Southeast Plant (SEP) Primary/Secondary Clarifier Upgrade Project CWSRF Loan**

In September 2017 the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a CWSRF Loan to fund the SEP Primary/Secondary Clarifier Upgrade Project of the Sewer System Improvement Program. The aggregate amount of the CWSRF loans is \$34,446. The loan bears an interest rate of 0.8% which was equal to one-half of the State of California's most

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recent 30-year General Obligation Bond true interest cost at the time the agreement was executed. The CWSRF loan will have a 30-year term, with loan repayment beginning one year after substantial completion of each project's construction; substantial completion occurred in June 2018. The CWSRF loan is secured on a parity lien basis with the Wastewater Enterprise's outstanding revenue bonds. The SFPUC has received proceeds from loan disbursements to date totaling \$29,197. As of June 30, 2022 and 2021, the principal amount outstanding of the loan was \$26,048 and \$26,829, respectively.

### q) **Oceanside Plant (OSP) Digester Gas Utilization Upgrade Project**

In May 2020 the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a CWSRF Loan to fund the OSP Digester Gas Utilization Upgrade Project of the Sewer System Improvement Program. The CWSRF loan is in the amount of \$54,388, which includes \$4,000 of principal forgiveness, or a grant. The loan bears an interest rate of 1.4% which was equal to one-half of the State of California's most recent 30-year General Obligation Bond true interest cost at the time the agreement was executed. The CWSRF loan will have a 30-year term, with loan repayment beginning one year after substantial completion of each project's construction; substantial completion is expected in August 2021. The CWSRF loan is secured on a parity lien basis with the Wastewater Enterprise's outstanding revenue bonds. The SFPUC has received proceeds from loan disbursements to date totaling \$22,544 and a receivable for reimbursement of \$6,117, which included a loan forgiveness grant of \$4,000. As of June 30, 2022 and 2021, the principal amount outstanding of the loan was \$24,661 and \$20,755, respectively.

### r) **Southeast Plant (SEP) Biosolids Digester Facilities Project**

In May 2020 the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a CWSRF Loan to fund the SEP Biosolids Digester Facilities Project of the Sewer System Improvement Program. The CWSRF loan is in the amount of \$132,000, which includes \$4,000 of principal forgiveness, or a grant. The loan bears an interest rate of 1.4% which was equal to one-half of the State of California's most recent 30-year General Obligation Bond true interest cost at the time the agreement was executed. The CWSRF loan will have a 30-year term, with loan repayment beginning one year after substantial completion of each project's construction; substantial completion is expected in May 2026. The CWSRF loan is secured on a parity lien basis with the Wastewater Enterprise's outstanding revenue bonds. The SFPUC has received proceeds from loan disbursements to date totaling \$0 and a receivable for reimbursement of \$132,000, which includes a \$4,000 loan forgiveness grant. As of June 30, 2022 and 2021, the principal amount outstanding of the loan was \$128,000 and \$0, respectively.

### s) **Southeast Plant (SEP) New Headworks (Grit) Replacement Project**

In May 2021, the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a CWSRF Loan to fund the SEP New Headworks (Grit) Replacement Project of the Sewer System Improvement Program. The CWSRF loan is in the amount of \$112,036. The loan bears an interest rate of 1.1% which was equal to one-half of the State of California's most recent 30-year General Obligation Bond true interest cost at the time the agreement was executed. The CWSRF loan will have a 30-year term, with loan repayment beginning one year after substantial completion of each project's construction; substantial completion is expected in March 2024. The CWSRF loan is secured on a parity lien basis with the Wastewater Enterprise's outstanding revenue bonds. The SFPUC has received proceeds from loan disbursements to date totaling \$0 and a receivable for reimbursement of \$64,678. As of June 30, 2022 and 2021, the principal amount outstanding of the loan was \$64,678 and \$0, respectively.

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**t) Future Annual Debt Services of State Revolving Fund Loans (CWSRF Loans Wastewater Revenue Notes 2021 Series AB)**

The future annual debt services relating to the State Revolving Fund Loan to fund the Lake Merced Green Infrastructure Project, the North Point Facility Outfall Rehabilitation Project, the SEP Primary/Secondary Clarifier Upgrade Project, the SEP 521/522 and Disinfection Upgrade Project, the OSP Digester Gas Utilization Upgrade Project, the SEP Biosolids Digester Facilities Project, and the SEP New Headworks (Grit) Replacement Project outstanding as of June 30, 2022 are as follows:

	<u>Principal</u>	<u>Interest and Fees*</u>	<u>Total</u>
Fiscal years ending June 30:			
2023	\$ 2,481	1,524	4,005
2024	3,192	1,824	5,016
2025	5,079	2,481	7,560
2026	5,154	2,406	7,560
2027	8,693	4,121	12,814
2028-2032	45,402	18,672	64,074
2033-2037	48,807	15,267	64,074
2038-2042	52,476	11,598	64,074
2043-2047	56,429	7,645	64,074
2048-2052	48,642	3,637	52,279
2053-2056	26,304	812	27,116
Total	<u>302,659</u>	<u>69,987</u>	<u>372,646</u>
Less: Current portion	<u>(2,481)</u>		
Long-term portion as of June 30, 2022	\$ <u>300,178</u>		

\*Interest and Fees included debt admin fees for the North Point Facility and SEP Clarifier Upgrade SRF loans.

**u) WIFIA Loan Agreement-Biosolids Digester Facility Project**

In July 2018 the SFPUC entered into a “Water Infrastructure Finance and Innovation Act (WIFIA)” Loan Agreement (“WIFIA Loan”) with the United States Environmental Protection Agency in the amount of \$699,242. The WIFIA Loan was entered into pursuant to the WIFIA statute authorized by Congress in 2014. The WIFIA Loan will fund 49% of the costs of the Wastewater Enterprise’s Biosolids Digester Facility Project plus certain eligible expenses. Payment of the WIFIA Loan will be secured by a senior lien pledge of the Wastewater Enterprise’s net revenues and is on a parity lien basis with the SFPUC’s outstanding Wastewater Revenue Bonds and Clean Water State Revolving Fund (“SRF”) Loans entered into with the California State Water Resources Control Board.

The original 2018 loan bore a fixed interest rate of 3.09% for a 35-year term, with loan repayment expected to begin in fiscal year 2026, after substantial completion of project construction. In June 2020, the SFPUC re-executed the WIFIA Loan Agreement to have a fixed interest rate of 1.45% for a 35-year term. All other terms of WIFIA Loan Agreement are unchanged.

The SFPUC has not submitted any requests for loan disbursements to date and there is no outstanding loan principal as of June 30, 2022.

**v) WIFIA Loan Agreement-Southeast Treatment Plant Improvements Project**

In June 2020 the SFPUC entered into a “Water Infrastructure Finance and Innovation Act (WIFIA) Loan Agreement (WIFIA Loan) with the United States Environmental Protection Agency in the amount of \$513,862. The WIFIA Loan was entered into pursuant to the WIFIA statute authorized by Congress in 2014. The WIFIA Loan will fund 49% of the costs of the Wastewater Enterprise’s SEP New Headworks Replacement Project and additional costs of the revised Biosolids Digester Facility Project plus certain eligible expenses. Payment of the WIFIA Loan will be secured by a senior lien pledge of the Wastewater

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Enterprise’s net revenues and is on a parity lien basis with the SFPUC’s outstanding Wastewater Revenue Bonds and Clean Water State Revolving Fund (“SRF”) Loans entered into with the California State Water Resources Control Board. The loan will bear a fixed interest rate of 1.45% for a 35-year term, with loan repayment expected to begin in fiscal year 2025, after substantial completion of project construction. The SFPUC has not submitted any requests for loan disbursements to date and there is no outstanding loan principal as of June 30, 2022.

**w) Events of Default and Remedies**

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, significant events of default as specified in the Wastewater Enterprise Indenture (applicable to Wastewater Revenue Bonds, SRF Loans, and WIFIA Loan include 1) Non-payment 2) material breach of warranty, representation, or indenture covenants (not cured within applicable grace periods), and 3) bankruptcy and insolvency events, which may result in the Trustee (upon written request by the majority of the owners (by aggregate amount of the bond obligations or of a credit provider), declaring the principal and the interest accrued thereon, to be due and payable immediately. As of June 30, 2022, there were no such events described herein.

**Hetchy Water Long-Term Liability activities for the years ended June 30, 2022 and 2021 are as follows:**

	Restated 2021 <sup>^</sup>	Additions	Reductions	2022	Due within one year
Other post-employment benefits obligations	\$ 14,444	1,921	(2,125)	14,240	—
Net pension liability	26,645	—	(26,645)	—	—
Accrued vacation and sick leave	2,185	749	(765)	2,169	1,034
Accrued workers’ compensation	1,120	233	(125)	1,228	215
Lease liability	78	—	(16)	62	3
Damage claims liability	525	253	(151)	627	228
Unearned revenues, refunds, and other	138	14	(18)	134	24
<b>Total</b>	<b>\$ 45,135</b>	<b>3,170</b>	<b>(29,845)</b>	<b>18,460</b>	<b>1,504</b>

<sup>^</sup>Restated due to the implementation of GASB Statement No. 87, *Leases*.

	2020	Additions	Reductions	Restated 2021 <sup>^</sup>	Due within one year
Other post-employment benefits obligations	\$ 16,350	1,818	(3,724)	14,444	—
Net pension liability	21,477	12,119	(6,951)	26,645	—
Accrued vacation and sick leave	1,646	1,034	(495)	2,185	1,059
Accrued workers’ compensation	1,187	18	(85)	1,120	197
Due to Other City departments	240	—	(240)	—	—
Lease liability	93	—	(15)	78	16
Damage claims liability	558	478	(511)	525	218
Unearned revenues, refunds, and other	627	629	(1,118)	138	22
<b>Total</b>	<b>\$ 42,178</b>	<b>16,096</b>	<b>(13,139)</b>	<b>45,135</b>	<b>1,512</b>

<sup>^</sup>Restated due to the implementation of GASB Statement No. 87, *Leases*.

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**Hetchy Power Long-Term Liability activities for the years ended June 30, 2022 and 2021 are as follows:**

	Interest Rate	Maturity (Calendar Year)	Restated 2021 <sup>^</sup>	Additions	Reductions	2022	Due within one year
<b>Bonds:</b>							
Clean Renewable Energy Bonds	0.00 %	2022	\$ 843	—	(422)	421	421
Qualified Energy Conservation Bonds	4.74	2027	3,687	—	(549)	3,138	555
New Clean Renewable Energy Bonds 2015	4.62	2032	1,779	—	(142)	1,637	146
2015 Series A Revenue Bonds	4.00 - 5.00	2045	32,025	—	—	32,025	—
2015 Series B Revenue Bonds	3.00 - 4.00	2026	4,550	—	(815)	3,735	850
2021 Series A Revenue Bonds	4.00 - 5.00	2052	—	74,280	—	74,280	—
2021 Series B Revenue Bonds	4.00 - 5.00	2052	—	49,720	—	49,720	—
Less issuance discount			(20)	—	14	(6)	(6)
Add issuance premiums			3,448	27,022	(934)	29,536	—
Total bonds payable			46,312	151,022	(2,848)	194,486	1,966
2009 Series C Certificates of Participation (COPs)	2.00 – 5.00	2022	830	—	(405)	425	425
2009 Series C COPs issuance premiums			8	—	(6)	2	2
2009 Series D COPs (Build America)	6.36 – 6.49	2041	12,593	—	—	12,593	—
Other post-employment benefits obligations			17,653	2,347	(2,595)	17,405	—
Net pension liability			32,566	—	(32,566)	—	—
Accrued vacation and sick leave			3,617	1,856	(1,876)	3,597	1,747
Accrued workers' compensation			2,118	322	(190)	2,250	400
Due to Other City departments			369	11	—	380	380
Lease liability			94	—	(19)	75	3
Damage claims liability			1,108	2,005	(2,090)	1,023	358
Unearned revenues, refunds, and other			5,993	8,410	(7,676)	6,727	5,923
Total			\$ 123,261	165,973	(50,271)	238,963	11,204

<sup>^</sup>Restated due to the implementation of GASB Statement 87, *Leases*.

	Interest Rate	Maturity (Calendar Year)	2020	Additions	Reductions	Restated 2021 <sup>^</sup>	Due within one year
<b>Bonds:</b>							
Clean Renewable Energy Bonds	0.00 %	2022	\$ 1,265	—	(422)	843	422
Qualified Energy Conservation Bonds	4.74	2027	4,229	—	(542)	3,687	549
New Clean Renewable Energy Bonds 2012	4.74	2020	130	—	(130)	—	—
New Clean Renewable Energy Bonds 2015	4.62	2032	3,190	—	(1,411)	1,779	142
2015 Series A Revenue Bonds	4.00 - 5.00	2045	32,025	—	—	32,025	—
2015 Series B Revenue Bonds	3.00 - 4.00	2026	5,335	—	(785)	4,550	815
Less issuance discount			(34)	—	14	(20)	—
Add issuance premiums			3,668	—	(220)	3,448	—
Total bonds payable			49,808	—	(3,496)	46,312	1,928
2009 Series C Certificates of Participation (COPs)	2.00 – 5.00	2022	1,214	—	(384)	830	405
2009 Series C COPs issuance premiums			21	—	(13)	8	—
2009 Series D COPs (Build America)	6.36 – 6.49	2041	12,593	—	—	12,593	—
Other post-employment benefits obligations			19,983	2,223	(4,553)	17,653	—
Net pension liability			26,249	14,812	(8,495)	32,566	—
Accrued vacation and sick leave			2,957	1,763	(1,103)	3,617	1,777
Accrued workers' compensation			2,200	95	(177)	2,118	378
Due to Other City departments			600	—	(231)	369	369
Lease liability			113	—	(19)	94	19
Damage claims liability			2,222	4,212	(5,326)	1,108	409
Unearned revenues, refunds, and other			7,642	8,560	(10,209)	5,993	5,141
Total			\$ 125,602	31,665	(34,006)	123,261	10,426

<sup>^</sup>Restated due to the implementation of GASB Statement 87, *Leases*.

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**CleanPowerSF Long-Term Liability activities for the years ended June 30, 2022 and 2021 are as follows:**

	Restated 2021 <sup>^</sup>	Additions	Reductions	2022	Due within one year
Other post-employment benefits obligations	\$ 2,909	867	(1,512)	2,264	—
Net pension liability	3,008	—	(3,008)	—	—
Accrued vacation and sick leave	400	264	(118)	546	279
Lease liability	577	—	(345)	232	232
Damage claims liability	6	1,582	(1,556)	32	15
Unearned revenues, refunds, and other	10,028	14,689	(11,521)	13,196	4,196
<b>Total</b>	<b>\$ 16,928</b>	<b>17,402</b>	<b>(18,060)</b>	<b>16,270</b>	<b>4,722</b>

<sup>^</sup>Restated due to the implementation of GASB Statement No. 87, *Leases*.

	2020	Additions	Reductions	Restated 2021 <sup>^</sup>	Due within one year
Other post-employment benefits obligations	\$ 2,197	1,605	(893)	2,909	—
Net pension liability	1,805	1,987	(784)	3,008	—
Accrued vacation and sick leave	291	135	(26)	400	205
Lease liability	920	—	(343)	577	345
Damage claims liability	106	153	(253)	6	6
Unearned revenues, refunds, and other	848	19,561	(10,381)	10,028	1,028
<b>Total</b>	<b>\$ 6,167</b>	<b>23,441</b>	<b>(12,680)</b>	<b>16,928</b>	<b>1,584</b>

<sup>^</sup>Restated due to the implementation of GASB Statement No. 87, *Leases*.

**a) Clean Renewable Energy Bonds**

In November 2008, Hetchy Power issued \$6,325 of taxable CREBs to finance the installation of solar energy equipment on City-owned facilities, including Chinatown Branch Library, Maxine Hall Medical Center, City Distribution Division Warehouse, North Point Wastewater Plant, Chinatown Public Health Center, Municipal Transportation Agency Woods, and Municipal Transportation Agency Ways and Structures. The CREBs were non-rated and privately-placed with Banc of America Leasing. The net effective interest rate on the CREBs, after the federal tax subsidy, is 0% through 2022. Hetchy Power began making principal payments in the amount of \$422 on December 15, 2008 and will continue annual payments for 15 years until December 15, 2022. Funding for these payments will be guaranteed by net power revenues. Interest payments are not required, since the effective equivalent of interest on the bonds is paid in the form of federal tax credits in lieu of interest paid by the issuer.

The future annual debt service relating to the CREBs outstanding as of June 30, 2022 is as follows:

Fiscal years ending June 30:	<u>Principal</u>
2023	\$ 421
Less: Current portion	(421)
Less: Unamortized bond discount	(6)
Less: Current portion	6
Long-term portion as of June 30, 2022	<u>\$ —</u>

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**b) Qualified Energy Conservation Bonds**

In December 2011, Hetchy Power issued \$8,291 of taxable QECBs. The QECBs were issued to fund certain qualified green components for the SFPUC's 525 Golden Gate Headquarters project. The QECBs were non-rated and privately placed with Banc of America Leasing. The net effective interest rate on the QECBs, after the federal tax subsidy, is 1.2% through 2028.

The future annual debt service relating to the QECBs outstanding as of June 30, 2022 is as follows:

Fiscal years ending June 30:	Principal	Interest before subsidy	Federal interest subsidy*	Interest net of subsidy
2023	\$ 555	142	(100)	42
2024	562	116	(82)	34
2025	569	89	(63)	26
2026	576	62	(44)	18
2027	582	35	(24)	11
2028	294	7	(4)	3
Total	<u>3,138</u>	<u>451</u>	<u>(317)</u>	<u>134</u>
Less: Current portion	<u>(555)</u>			
Long-term portion as of June 30, 2022	\$ <u>2,583</u>			

\*The SFPUC received an IRS notice dated June 2, 2022 that the federal interest subsidy is reduced by 5.7% or a total reduction of \$19 due to sequestration over the remaining life of the bonds assuming the sequestration rate will remain the same after fiscal year 2023.

**c) New Clean Renewable Energy Bonds 2012**

In April 2012, Hetchy Power issued \$6,600 of taxable NCREBs. The NCREBs were issued to fund certain qualified facilities that provide clean, renewable energy at Davies Symphony Hall, City Hall, and University Mound Reservoir. The NCREBs were non-rated and privately placed with Banc of America Leasing. The net effective interest rate on the NCREBs, after the federal tax subsidy, is 1.5% through 2021. \$288 and \$2,523 of principal was prepaid in fiscal year 2017 and 2016, respectively. There was no prepayment thereafter. 2012 NCREBs have been fully repaid as of June 30, 2021.

**d) New Clean Renewable Energy Bonds 2015**

In October 2015, Hetchy Power issued \$4,100 of taxable 2015 NCREBs. The 2015 NCREBs were issued to fund certain qualified clean, renewable energy solar generation facilities at the Marina Middle School and the San Francisco Police Academy. The 2015 NCREBs were non-rated and privately placed with Banc of America Leasing. The net effective interest rate on the 2015 NCREBs, after the federal tax subsidy, is 1.4% through 2033. \$0 and \$1,272 of principal were prepaid in fiscal years 2022 and 2021, respectively.

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The future annual debt service relating to the 2015 NCREBs outstanding as of June 30, 2022 is as follows:

Fiscal years ending June 30:	Principal	Interest before subsidy	Federal interest subsidy*	Interest net of subsidy
2023	\$ 146	74	(49)	25
2024	148	67	(44)	23
2025	150	60	(40)	20
2026	152	53	(35)	18
2027	154	47	(31)	16
2028-2032	803	122	(81)	41
2033	84	2	(1)	1
Total	1,637	425	(281)	144
Less: Current portion	(146)			
Long-term portion as of June 30, 2022	\$ 1,491			

\*The SFPUC received an IRS notice dated June 2, 2022 that the federal interest subsidy is reduced by 5.7% or a total reduction of \$17 due to sequestration over the remaining life of the bonds assuming the sequestration rate will remain the same after fiscal year 2023.

**e) Power Revenue Bonds 2015 Series A (Green) and Series B**

In May 2015, Hetchy Power issued tax-exempt revenue bonds, 2015 Series A (Green) in the amount of \$32,025 with interest rates ranging from 4.0% to 5.0% and 2015 Series B in the amount of \$7,530 with interest rates ranging from 3.0% to 4.0%. Proceeds from the bonds were used to finance reconstruction or replacement of existing facilities of the SFPUC's Hetch Hetchy project, to fund capitalized interest on the 2015 Series AB Bonds, to fund a debt service reserve account for the 2015 Series AB Bonds, and to pay costs of issuance of the 2015 Series AB bonds. The bonds were rated "A+" and "AA-" by S&P and Fitch, respectively. Final maturity for 2015 Series AB are November 1, 2045 and November 1, 2026, respectively. The true interest cost is 3.95%. As of June 30, 2022 and 2021, the outstanding principal amounts were \$35,760 and \$36,575, respectively.

The future annual debt service relating to the 2015 Series AB Bonds outstanding as of June 30, 2022 are as follows:

<b>Hetchy Power - Power Revenue Bonds 2015 Series A (Green)</b>			
Fiscal years ending June 30:	Principal	Interest	Total
2023	\$ —	1,593	1,593
2024	—	1,593	1,593
2025	—	1,593	1,593
2026	—	1,593	1,593
2027	830	1,576	2,406
2028-2032	5,645	7,121	12,766
2033-2037	7,205	5,522	12,727
2038-2042	9,190	3,482	12,672
2043-2046	9,155	943	10,098
Total	32,025	25,016	57,041
Add: Unamortized bond premium	3,119		
Long-term portion as of June 30, 2022	\$ 35,144		

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**Hetchy Power - Power Revenue Bonds 2015 Series B**

Fiscal years ending June 30:	Principal	Interest	Total
2023	\$ 850	124	974
2024	880	93	973
2025	910	62	972
2026	945	25	970
2027	150	3	153
Total	<u>3,735</u>	<u>307</u>	<u>4,042</u>
Less: Current portion	(850)		
Add: Unamortized bond premium	114		
Long-term portion as of June 30, 2022	\$ <u>2,999</u>		

**f) Power Revenue Bonds 2021 Series A (Green) and Series B**

In December 2021, Hetchy Power issued tax-exempt revenue bonds, 2021 Series A (Green) in the amount of \$74,280 with interest rates ranging from 4.0% to 5.0% and 2021 Series B in the amount of \$49,720 with interest rates ranging from 4.0% to 5.0%. Proceeds from the bonds were used to refinance a portion of the costs of various capital projects benefiting the Power Enterprise, to fund capitalized interest on the 2021 Series AB Bonds, and to pay costs of issuance. The bonds were rated "AA" and "AA-" by S&P and Fitch, respectively. Final maturity for 2021 Series AB are November 1, 2051. The true interest cost is 2.64%. As of June 30, 2022 the outstanding principal amount was \$124,000.

The future annual debt service relating to the 2021 Series AB Bonds outstanding as of June 30, 2022 are as follows:

**Hetchy Power - Power Revenue Bonds 2021 Series A (Green)**

Fiscal years ending June 30:	Principal	Interest	Total
2023	\$ —	3,085	3,085
2024	—	3,085	3,085
2025	1,385	3,050	4,435
2026	1,455	2,979	4,434
2027	1,530	2,905	4,435
2028-2032	8,875	13,294	22,169
2033-2037	11,025	11,140	22,165
2038-2042	13,470	8,698	22,168
2043-2047	16,450	5,716	22,166
2048-2052	20,090	2,073	22,163
Total	<u>74,280</u>	<u>56,025</u>	<u>130,305</u>
Add: Unamortized bond premium	15,933		
Long-term portion as of June 30, 2022	\$ <u>90,213</u>		

**Hetchy Power - Power Revenue Bonds 2021 Series B**

Fiscal years ending June 30:	Principal	Interest	Total
2023	\$ —	2,045	2,045
2024	—	2,045	2,045
2025	585	2,030	2,615
2026	620	2,000	2,620
2027	650	1,969	2,619
2028-2032	3,765	9,308	13,073
2033-2037	4,755	8,363	13,118
2038-2042	5,945	7,295	13,240
2043-2047	9,900	5,920	15,820
2048-2052	23,500	2,426	25,926
Total	<u>49,720</u>	<u>43,401</u>	<u>93,121</u>
Add: Unamortized bond premium	10,370		
Long-term portion as of June 30, 2022	\$ <u>60,090</u>		

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**g) Events of Default and Remedies**

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, significant events of default as specified in the Power Enterprise Indenture (applicable to Power Revenue Bonds and energy bonds) and the Equipment Lease/Purchase Agreement include 1) non-payment, 2) material breach of warranty, representation, or indenture covenants (not cured within applicable grace periods) and 3) bankruptcy and insolvency events, which may result in the Trustee (upon written request by the majority of the owners (by aggregate amount of the bond obligations), declare the principal and the interest accrued thereon to be due and payable immediately. As of June 30, 2022 and 2021, there were no such events described herein.

**(8) Certificates of Participation Issued for the 525 Golden Gate Avenue Headquarters Building**

**Department-wide Business Type Activities**

In October 2009, the City issued \$167,670 in certificates of participation to fund the headquarters building of the SFPUC at 525 Golden Gate Avenue. The 2009 Series C were issued for \$38,120 and 2009 Series D for \$129,550 as “Build America Bonds” (BABs) on a taxable basis under the 2009 American Recovery and Reinvestment Act. The 2009 Series C certificates carry interest rates ranging from 2.0% to 5.0% and mature on November 1, 2022. The 2009 Series D certificates carry interest rates ranging from 6.4% to 6.5% and mature on November 1, 2041. After adjusting for the federal interest subsidy, the true interest cost averages 3.4% and 4.3% for Series C and Series D, respectively.

Under the terms of a memorandum of understanding (MOU) between the City and the SFPUC dated October 1, 2009, the City conveyed the real property to the Trustee, the Bank of New York Mellon Trust Company, N.A., which was replaced by U.S. Bank in March 2014 under a property lease in exchange for the proceeds of the sale of the certificates. The Trustee has leased the property back to the City for the City’s use under a project lease. The City is obligated under the project lease to pay base rental payments and other payments to the Trustee each year during the 32-year term of the project lease. The Commission makes annual base rental payments to the City for the building equal to annual debt service on the certificates. It is anticipated these lease costs will be offset with reductions in costs associated with current office rental expense. There are no events of default stated in this memorandum of understanding.

Each of the three enterprises has an ownership interest in the building equal to their projected usage of space as follows: Water (73%), Wastewater (15%), and Hetchy Power (12%). Similarly, each enterprise is responsible for a portion of the annual base rental payment based on their ownership percentages less contributed equity. The percentage share of Base Rental Payments for the enterprises is as follows: Water (71.4%), Wastewater (18.9%), and Hetchy Power (9.7%).

The future annual debt services relating to the certificates of participation 2009 Series C and D outstanding as of June 30, 2022 are as follows:

**Water Enterprise**

**Certificates of Participation 2009 Series C  
(Tax-Exempt)**

	Principal	Interest	Total
Fiscal years ending June 30:			
2023	\$ 3,124	78	3,202
Less: Current portion	(3,124)		
Add: Unamortized bond premium	14		
Less: Current portion	(14)		
Long-term portion as of June 30, 2022	\$ —		

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<b>Certificates of Participation 2009 Series D (Taxable BABs)</b>	Principal	Interest before subsidy	Federal interest subsidy*	Interest net of subsidy
Fiscal years ending June 30:				
2023	\$ —	5,968	(1,970)	3,998
2024	3,267	5,864	(1,935)	3,929
2025	3,402	5,652	(1,865)	3,787
2026	3,545	5,431	(1,792)	3,639
2027	3,695	5,201	(1,716)	3,485
2028-2032	20,949	22,183	(7,321)	14,862
2033-2037	25,811	14,651	(4,835)	9,816
2038-2042	31,830	5,335	(1,761)	3,574
Total		<u>70,285</u>	<u>(23,195)</u>	<u>47,090</u>
Long-term portion as of June 30, 2022	\$ <u>92,499</u>			

\*The SFPUC received an IRS notice dated June 2, 2022 that the federal interest subsidy on the 2009 Series D bonds is reduced by 5.7%, or a total reduction of \$1,402, due to sequestration over the remaining life of the bonds assuming the sequestration rate will remain the same after fiscal year 2023.

### Wastewater Enterprise

**Certificates of Participation 2009 Series C  
(Tax-Exempt)**

	Principal	Interest	Total
Fiscal years ending June 30:			
2023	\$ 826	21	847
Less: Current portion	(826)		
Add: Unamortized bond premium	4		
Less: Current portion	(4)		
Long-term portion as of June 30, 2022	\$ <u>—</u>		

**Certificates of Participation 2009 Series D  
(Taxable BABs)**

	Principal	Interest before subsidy	Federal interest subsidy*	Interest net of subsidy
Fiscal years ending June 30:				
2023	\$ —	1,578	(521)	1,057
2024	864	1,551	(512)	1,039
2025	900	1,494	(493)	1,001
2026	937	1,436	(474)	962
2027	977	1,375	(454)	921
2028-2032	5,539	5,865	(1,936)	3,929
2033-2037	6,825	3,874	(1,279)	2,595
2038-2042	8,416	1,411	(466)	945
Total		<u>18,584</u>	<u>(6,135)</u>	<u>12,449</u>
Long-term portion as of June 30, 2022	\$ <u>24,458</u>			

\*The SFPUC received an IRS notice dated June 2, 2022 that the federal interest subsidy on the 2009 Series D bonds is reduced by 5.7%, or a total reduction of \$371, due to sequestration over the remaining life of the bonds assuming the sequestration rate will remain the same after fiscal year 2023.

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**Hetchy Power**

**Certificates of Participation 2009 Series C**

**(Tax-Exempt)**

	Principal	Interest	Total
Fiscal years ending June 30:			
2023	\$ 425	10	435
Less: Current portion	(425)		
Add: Unamortized bond premium	2		
Less: Current portion	(2)		
Long-term portion as of June 30, 2022	\$ —		

**Certificates of Participation 2009 Series D**

**(Taxable BABs)**

	Principal	Interest before subsidy	Federal interest subsidy*	Interest net of subsidy
Fiscal years ending June 30:				
2023	\$ —	812	(268)	544
2024	445	798	(263)	535
2025	463	769	(254)	515
2026	483	739	(244)	495
2027	503	709	(234)	475
2028-2032	2,852	3,020	(997)	2,023
2033-2037	3,514	1,995	(658)	1,337
2038-2042	4,333	727	(240)	487
Total		9,569	(3,158)	6,411
Long-term portion as of June 30, 2022	\$ 12,593			

\*The SFPUC received an IRS notice dated June 2, 2022 that the federal interest subsidy is reduced by 5.7% or a total reduction of \$191 due to sequestration over the remaining life of the bonds assuming the sequestration rate will remain the same after fiscal year 2023.

**(9) Revenue Pledge**

**Department-wide Business Type Activities**

Department-wide revenue pledge for the years ended June 30, 2022 and 2021 are as follows:

	2022	2021
Bonds issued with revenue pledge	\$ 7,038,726	6,623,446
Notes issued with revenue pledge	347,465	—
Clean Water State Revolving Fund (CWSRF) loans with revenue pledge	432,026	221,088
Principal and interest remaining due at the end of the year	11,494,005	10,421,954
Principal and interest paid during the year	369,899	335,861
Net revenues for the year ended June 30	516,732	458,054
Funds available for debt service	819,884	808,093

**Water Revenue Pledge**

The Water Enterprise has pledged future revenues to repay various revenue bonds and State Revolving Fund loans. Proceeds from the revenue bonds and State Revolving Fund loans provided financing for various capital construction projects, and to refund previously issued bonds. The bonds and State Revolving Fund loans are payable solely from revenues of the Water Enterprise through the fiscal year ending 2051.

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The original amount of revenue bonds and State Revolving Fund loans issued, total principal and interest remaining, principal and interest paid during fiscal years 2022 and 2021, applicable net revenues and funds available for debt service are as follows:

	<b>2022</b>	<b>2021</b>
Bonds issued with revenue pledge	\$ 4,891,480	4,891,480
Clean Water State Revolving Fund (CWSRF) loans with revenue pledge	121,761	107,407
Principal and interest remaining due at the end of the year	7,472,962	7,771,993
Principal and interest paid during the year	279,352	248,427
Net revenues for the year ended June 30	306,918	339,046
Funds available for debt service	410,424	467,738

### Wastewater Revenue Pledge

The Wastewater Enterprise has pledged future revenues to repay various revenue bonds, revenue notes, and State Revolving Fund loans. Proceeds from the revenue bonds, revenue notes, and State Revolving Fund loans provided financing for various capital construction projects, and to refund previously issued bonds. The bonds, notes, and State Revolving Fund loans payable through fiscal years 2052, 2027 and 2056, respectively, and are solely from revenues of the Wastewater Enterprise.

The original amount of revenue bonds issued, revenue notes issued, and State Revolving Fund loans issued, total principal and interest remaining, principal and interest paid during fiscal years 2022 and 2021, applicable net revenues, and funds available for debt service are as follows:

	<b>2022</b>	<b>2021</b>
Bonds issued with revenue pledge	\$ 1,964,975	1,667,095
Notes issued with revenue pledge	347,465	—
Clean Water State Revolving Fund (CWSRF) loans with revenue pledge	310,265	113,681
Principal and interest remaining due at the end of the year	3,730,462	2,578,879
Principal and interest paid during the year	86,619	82,066
Net revenues for the year ended June 30	155,504	108,399
Funds available for debt service	310,835	306,177

### Hetchy Power Revenue Pledge

Hetchy Power has pledged future power revenues to repay the 2008 CREBs, the 2011 QECBs, the 2012 NCREBs, and the 2015 NCREBs. Additionally, Hetchy Power has pledged future power revenues for 2015 Series AB and 2021 Series AB power revenue bonds. Proceeds from the bonds provided financing for various capital construction and facility energy efficiency projects. The Series 2015 AB power and 2021 Series AB revenue bonds are payable through fiscal year 2046 and 2052, respectively, are solely payable from net revenues of Hetchy Power on a senior lien basis to the 2008 CREBs, the 2011 QECBs, and the 2015 NCREBs.

The original amount of bonds issued, total principal and interest remaining, principal and interest paid during fiscal years 2022 and 2021, applicable net revenues, and funds available for debt service are as follows:

	<b>2022</b>	<b>2021</b>
Bonds issued with revenue pledge	\$ 182,271	64,871
Principal and interest remaining due at the end of the year	290,581	71,082
Principal and interest paid during the year*	3,928	5,368
Net revenues for the year ended June 30	54,310	10,609
Funds available for debt service	98,625	34,178

\*Per Indenture, debt service for coverage is calculated using the amount of principal and interest paid during the year for the 2015 Series AB and 2021 Series AB power revenue bonds net of capitalized interest if any, which have a senior lien on power enterprise revenues; principal and interest paid during the year for the 2015 Series AB and 2021 Series AB power revenue bonds was \$2,565, net of capitalized interest.

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**(10) Leases**

**Department-wide Business Type Activities**

**Lessee**

The SFPUC has entered into long-term leases for land, office space, communication site, data processing, machinery, and other equipment. The terms and conditions for these leases varies, which ranges between 1-75 years. A summary of intangible right-to-use lease during the years ended June 30, 2022 and 2021 is as follows:

Right-to-use assets:	2021	Increases	Decreases	Remeasurements	2022
Land	\$ 605	—	—	—	605
Building/facility	14,414	—	(58)	—	14,356
Total lease assets	15,019	—	(58)	—	14,961
Less accumulated amortization for:					
Land	(187)	(196)	—	—	(383)
Building/facility	(3,934)	(3,929)	58	—	(7,805)
Total accumulated amortization	(4,121)	(4,125)	58	—	(8,188)
<b>Total lease assets, net</b>	<b>\$ 10,898</b>	<b>(4,125)</b>	<b>—</b>	<b>—</b>	<b>6,773</b>

Right-to-use assets:	2020	Increases	Decreases	Remeasurements	2021
Land	\$ 605	—	—	—	605
Building/facility	14,167	250	(3)	—	14,414
Total lease assets	14,772	250	(3)	—	15,019
Less accumulated amortization for:					
Land	—	(187)	—	—	(187)
Building/facility	—	(3,937)	3	—	(3,934)
Total accumulated amortization	—	(4,124)	3	—	(4,121)
<b>Total lease assets, net</b>	<b>\$ 14,772</b>	<b>(3,874)</b>	<b>—</b>	<b>—</b>	<b>10,898</b>

A summary of changes in the related leases liabilities during the years ended June 30, 2022 and 2021 is as follows:

	2021	Deductions	2022	Due within one year
Water	\$ 4,244	(1,381)	2,863	1,008
Wastewater	5,952	(2,314)	3,638	2,341
Hetchy Water	78	(16)	62	3
Hetchy Power	94	(19)	75	3
CleanPowerSF	577	(345)	232	232
SFPUC Total	\$ 10,945	(4,075)	6,870	3,587

	2020	Deductions	2021	Due within one year
Water	\$ 5,399	(1,155)	4,244	1,381
Wastewater	8,247	(2,295)	5,952	2,314
Hetchy Water	93	(15)	78	16
Hetchy Power	113	(19)	94	19
CleanPowerSF	920	(343)	577	345
SFPUC Total	\$ 14,772	(3,827)	10,945	4,075

**Variable Lease Payments**

Variable lease payments, other than those payments that depend on an index or rate or are fixed in substance, are excluded from the measurement of the lease liability. Such amounts are recognized as lease expenses in the period in which the obligation for those payments is incurred.

Certain equipment or facility rental leases require SFPUC to make variable lease payments that based on usage, related to the property taxes levied on the lessor, and insurance payments made by the lessor; these amounts are generally determined annually. The amounts recognized as expense for

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variable lease payments not included in the measurement of the lease liability for SFPUC during the year ended June 30, 2022 and 2021 were as follows:

	<u>Water</u>	<u>Wastewater</u>	<u>Hetchy Water</u>	<u>Hetchy Power</u>	<u>CleanPowerSF</u>	<u>SFPUC Total</u>
2022	\$ 34	207	1	1	43	286
2021	—	130	—	—	24	154

**Lessor**

The SFPUC has leased facilities, easements, communication site and equipment to various tenants. The terms and conditions for these leases vary, which range between 1-65 years.

Water Enterprise variable payments include percentage of sales, utility payments or payments depended on an index made by the lessee; these amounts are generally determined periodically. The Water Enterprise did not incur revenue related to residual value guarantees or lease termination penalties. The total amounts for lease revenue, interest revenue, and other lease-related revenues recognized during the year ended June 30, 2022 and 2021 were \$2,332 and \$2,976, respectively.

**Water Enterprise as Lessor**

Principal and interest requirements to maturity for the leases receivable at June 30, 2022 and 2021 are as follows:

Years ending June 30:	<u>Principal amount</u>	<u>Interest amount</u>	<u>FY 2022 Total</u>
2023	\$ 3,325	907	4,232
2024	3,389	848	4,237
2025	3,470	804	4,274
2026	2,951	743	3,694
2027	2,619	687	3,306
2028-2032	10,827	2,777	13,604
2033-2037	10,736	1,691	12,427
2038-2042	2,258	940	3,198
2043-2047	—	998	998
2048-2052	—	1,157	1,157
2053-2057	—	1,341	1,341
2058-2062	765	789	1,554
2063-2067	1,128	675	1,803
2068-2072	1,577	513	2,090
2073+	3,120	327	3,447
<b>Total \$</b>	<b><u>46,165</u></b>	<b><u>15,197</u></b>	<b><u>61,362</u></b>

Years ending June 30:	<u>Principal amount</u>	<u>Interest amount</u>	<u>FY 2021 Total</u>
2022	\$ 3,289	957	4,246
2023	3,285	901	4,186
2024	3,348	843	4,191
2025	3,427	800	4,227
2026	2,905	739	3,644
2027-2031	11,102	2,988	14,090
2032-2036	10,862	1,908	12,770
2037-2041	4,302	1,010	5,312
2042-2046	—	969	969
2047-2051	—	1,123	1,123
2052-2056	—	1,302	1,302
2057-2061	586	924	1,510
2062-2066	1,049	701	1,750
2067-2071	1,479	550	2,029
2072+	3,476	414	3,890
<b>Total \$</b>	<b><u>49,110</u></b>	<b><u>16,129</u></b>	<b><u>65,239</u></b>

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**Water Enterprise as Lessee**

A summary of intangible right-to-use leases during the years ended June 30, 2022 and 2021 is as follows:

Right-to-use assets:	2021	Increases	Decreases	Remeasurements	2022
Land	\$ 605	—	—	—	605
Building/facility	5,041	—	—	—	5,041
Total lease assets	<u>5,646</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,646</u>
Less accumulated amortization for:					
Land	(187)	(196)	—	—	(383)
Building/facility	(1,222)	(1,229)	—	—	(2,451)
Total accumulated amortization	<u>(1,409)</u>	<u>(1,425)</u>	<u>—</u>	<u>—</u>	<u>(2,834)</u>
<b>Total lease assets, net</b>	<b>\$ 4,237</b>	<b>(1,425)</b>	<b>—</b>	<b>—</b>	<b>2,812</b>
Right-to-use assets:	2020	Increases	Decreases	Remeasurements	2021
Land	\$ 605	—	—	—	605
Building/facility	4,794	250	(3)	—	5,041
Total lease assets	<u>5,399</u>	<u>250</u>	<u>(3)</u>	<u>—</u>	<u>5,646</u>
Less accumulated amortization for:					
Land	—	(187)	—	—	(187)
Building/facility	—	(1,225)	3	—	(1,222)
Total accumulated amortization	<u>—</u>	<u>(1,412)</u>	<u>3</u>	<u>—</u>	<u>(1,409)</u>
<b>Total lease assets, net</b>	<b>\$ 5,399</b>	<b>(1,162)</b>	<b>—</b>	<b>—</b>	<b>4,237</b>

Future annual lease payments as of June 30, 2022 and 2021 are as follows:

Years ending June 30:	Principal amount	Interest amount	FY 2022 Total
2023	\$ 1,008	42	1,050
2024	370	33	403
2025	186	29	215
2026	101	27	128
2027	103	25	128
2028-2032	436	96	532
2033-2037	446	49	495
2038-2042	213	6	219
Total	<u>2,863</u>	<u>307</u>	<u>3,170</u>
Less: Current portion	<u>(1,008)</u>		
Long-term portion as of June 30, 2022	<b>\$ 1,855</b>		
Years ending June 30:	Principal amount	Interest amount	FY 2021 Total
2022	\$ 1,381	58	1,439
2023	1,008	42	1,050
2024	370	33	403
2025	186	29	215
2026	101	27	128
2027-2031	455	105	560
2032-2036	436	58	494
2037-2041	307	12	319
Total	<u>4,244</u>	<u>364</u>	<u>4,608</u>
Less: Current portion	<u>(1,381)</u>		
Long-term portion as of June 30, 2021	<b>\$ 2,863</b>		

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**Wastewater Enterprise as Lessee**

A summary of intangible right-to-use leases during the years ended June 30, 2022 and 2021 is as follows:

Right-to-use assets:	2021	Increases	Decreases	Remeasurements	2022
Building/facility	\$ 8,247	—	—	—	8,247
Total lease assets	<u>8,247</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>8,247</u>
Less accumulated amortization for:					
Building/facility	(2,325)	(2,325)	—	—	(4,650)
Total accumulated amortization	<u>(2,325)</u>	<u>(2,325)</u>	<u>—</u>	<u>—</u>	<u>(4,650)</u>
<b>Total lease assets, net</b>	<b>\$ 5,922</b>	<b>(2,325)</b>	<b>—</b>	<b>—</b>	<b>3,597</b>
Right-to-use assets:	2020	Increases	Decreases	Remeasurements	2021
Building/facility	\$ 8,247	—	—	—	8,247
Total lease assets	<u>8,247</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>8,247</u>
Less accumulated amortization for:					
Building/facility	—	(2,325)	—	—	(2,325)
Total accumulated amortization	<u>—</u>	<u>(2,325)</u>	<u>—</u>	<u>—</u>	<u>(2,325)</u>
<b>Total lease assets, net</b>	<b>\$ 8,247</b>	<b>(2,325)</b>	<b>—</b>	<b>—</b>	<b>5,922</b>

Future annual lease payments as of June 30, 2022 and 2021 are as follows:

		Principal amount	Interest amount	FY 2022 Total
Years ending June 30:				
2023	\$	2,341	30	2,371
2024		1,297	6	1,303
Total		<u>3,638</u>	<u>36</u>	<u>3,674</u>
Less: Current portion		<u>(2,341)</u>		
Long-term portion as of June 30, 2022	\$	<u>1,297</u>		
		Principal amount	Interest amount	FY 2021 Total
Years ending June 30:				
2022	\$	2,314	57	2,371
2023		2,341	30	2,371
2024		1,297	6	1,303
Total		<u>5,952</u>	<u>93</u>	<u>6,045</u>
Less: Current portion		<u>(2,314)</u>		
Long-term portion as of June 30, 2021	\$	<u>3,638</u>		

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**Hetchy Water as Lessee**

A summary of intangible right-to-use leases during the years ended June 30, 2022 and 2021 is as follows:

Right-to-use assets:	<u>2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Remeasurements</u>	<u>2022</u>
Building/facility	\$ 93	—	(26)	—	67
Total lease assets	<u>93</u>	<u>—</u>	<u>(26)</u>	<u>—</u>	<u>67</u>
Less accumulated amortization for:					
Building/facility	(19)	(13)	26	—	(6)
Total accumulated amortization	<u>(19)</u>	<u>(13)</u>	<u>26</u>	<u>—</u>	<u>(6)</u>
<b>Total lease assets, net</b>	<b>\$ <u>74</u></b>	<b><u>(13)</u></b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>61</u></b>
Right-to-use assets:	<u>2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Remeasurements</u>	<u>2021</u>
Building/facility	\$ 93	—	—	—	93
Total lease assets	<u>93</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>93</u>
Less accumulated amortization for:					
Building/facility	—	(19)	—	—	(19)
Total accumulated amortization	<u>—</u>	<u>(19)</u>	<u>—</u>	<u>—</u>	<u>(19)</u>
<b>Total lease assets, net</b>	<b>\$ <u>93</u></b>	<b><u>(19)</u></b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>74</u></b>

Future annual lease payments as of June 30, 2022 and 2021 are as follows:

Years ending June 30:	<u>Principal amount</u>	<u>Interest amount</u>	<u>FY 2022 Total</u>
2023	\$ 3	1	4
2024	3	1	4
2025	3	1	4
2026	3	1	4
2027	3	1	4
2028-2032	17	4	21
2033-2037	18	3	21
2038-2042	12	1	13
<b>Total</b>	<u>62</u>	<u>13</u>	<u>75</u>
Less: Current portion	(3)		
Long-term portion as of June 30, 2022	<b>\$ <u>59</u></b>		

Years ending June 30:	<u>Principal amount</u>	<u>Interest amount</u>	<u>FY 2021 Total</u>
2022	\$ 16	2	18
2023	3	1	4
2024	3	1	4
2025	3	1	4
2026	3	1	4
2027-2031	16	5	21
2032-2036	18	3	21
2037-2041	16	1	17
<b>Total</b>	<u>78</u>	<u>15</u>	<u>93</u>
Less: Current portion	(16)		
Long-term portion as of June 30, 2021	<b>\$ <u>62</u></b>		

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**Hetchy Power as Lessee**

A summary of intangible right-to-use leases during the years ended June 30, 2022 and 2021 is as follows:

	2021	Increases	Decreases	Remeasurements	2022
Right-to-use assets:					
Building/facility	\$ 113	—	(32)	—	81
Total lease assets	<u>113</u>	<u>—</u>	<u>(32)</u>	<u>—</u>	<u>81</u>
Less accumulated amortization for:					
Building/facility	(23)	(17)	32	—	(8)
Total accumulated amortization	<u>(23)</u>	<u>(17)</u>	<u>32</u>	<u>—</u>	<u>(8)</u>
<b>Total lease assets, net</b>	<u>\$ 90</u>	<u>(17)</u>	<u>—</u>	<u>—</u>	<u>73</u>
Right-to-use assets:	2020	Increases	Decreases	Remeasurements	2021
Building/facility	\$ 113	—	—	—	113
Total lease assets	<u>113</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>113</u>
Less accumulated amortization for:					
Building/facility	—	(23)	—	—	(23)
Total accumulated amortization	<u>—</u>	<u>(23)</u>	<u>—</u>	<u>—</u>	<u>(23)</u>
<b>Total lease assets, net</b>	<u>\$ 113</u>	<u>(23)</u>	<u>—</u>	<u>—</u>	<u>90</u>

Future annual lease payments as of June 30, 2022 and 2021 are as follows:

	Principal amount	Interest amount	FY 2022 Total
Years ending June 30:			
2023	\$ 3	2	5
2024	4	2	6
2025	4	1	5
2026	4	1	5
2027	4	1	5
2028-2032	20	5	25
2033-2037	23	3	26
2038-2042	13	1	14
Total	<u>75</u>	<u>16</u>	<u>91</u>
Less: Current portion	(3)		
Long-term portion as of June 30, 2022	<u>\$ 72</u>		
Years ending June 30:			
2022	\$ 19	2	21
2023	3	2	5
2024	4	2	6
2025	4	1	5
2026	4	1	5
2027-2031	20	6	26
2032-2036	22	3	25
2037-2041	18	1	19
Total	<u>94</u>	<u>18</u>	<u>112</u>
Less: Current portion	(19)		
Long-term portion as of June 30, 2021	<u>\$ 75</u>		

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**CleanPowerSF as Lessee**

A summary of intangible right-to-use leases during the years ended June 30, 2022 and 2021 is as follows:

Right-to-use assets:	2021	Increases	Decreases	Remeasurements	2022
Building/facility	\$ 920	—	—	—	920
Total lease assets	<u>920</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>920</u>
Less accumulated amortization for:					
Building/facility	(345)	(345)	—	—	(690)
Total accumulated amortization	<u>(345)</u>	<u>(345)</u>	<u>—</u>	<u>—</u>	<u>(690)</u>
<b>Total lease assets, net</b>	<b>\$ 575</b>	<b>(345)</b>	<b>—</b>	<b>—</b>	<b>230</b>
Right-to-use assets:	2020	Increases	Decreases	Remeasurements	2021
Building/facility	\$ 920	—	—	—	920
Total lease assets	<u>920</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>920</u>
Less accumulated amortization for:					
Building/facility	—	(345)	—	—	(345)
Total accumulated amortization	<u>—</u>	<u>(345)</u>	<u>—</u>	<u>—</u>	<u>(345)</u>
<b>Total lease assets, net</b>	<b>\$ 920</b>	<b>(345)</b>	<b>—</b>	<b>—</b>	<b>575</b>

Future annual lease payments as of June 30, 2022 and 2021 are as follows:

Years ending June 30:		Principal amount	Interest amount	FY 2022 Total
2023	\$	232	1	233
Less: Current portion		<u>(232)</u>		
Long-term portion as of June 30, 2022	\$	<u>—</u>		
Years ending June 30:		Principal amount	Interest amount	FY 2021 Total
2022	\$	345	5	350
2023		232	1	233
Total		<u>577</u>	<u>6</u>	<u>583</u>
Less: Current portion		<u>(345)</u>		
Long-term portion as of June 30, 2021	\$	<u>232</u>		

**(11) Water Wholesale Balancing Account**

**Water Supply Agreement**

From 1984-2009, the Water Enterprise provided water service pursuant to the terms of the 1984 Water Settlement Agreement and Master Water Sales Contract, which established the basis for water rates to be charged to those customers (Wholesale Customers). The Master Water Sales Contract expired on June 30, 2009. The Commission and the Wholesale Customers approved a Water Supply Agreement (WSA) effective July 1, 2009 (the contract was restated and amended by the SFPUC on December 11, 2018). The WSA has a 25-year term from July 1, 2009 with two options for five-year extensions. The existing 184 million gallons per day (mgd) Supply Assurance continues under the WSA and no increase in the Supply Assurance will be considered before December 31, 2028. During the period from 2009 to 2028, the WSA limits the quantity of water delivered to Retail Customers and Wholesale Customers from the watersheds to 265 mgd. Under the WSA, annual operating expenses, including debt service on bonds sold to finance regional system improvements and regional capital projects funded from revenues, will be allocated between Retail Customers and Wholesale Customers on the basis of proportionate annual water use. The original WSA stated the Wholesale Customers' share of net book value of existing regional assets as of June 30, 2009 would be

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recovered on level annual payment over the 25-year term of the WSA at an interest rate of 5.13%. The 25-year term repayment obligation was settled in February 2013. The Wholesale Customers made an early repayment to the Water Enterprise of the outstanding balance of \$356,139 as discussed further in the “BAWSCA Early Repayment” Section 5.03 of the WSA. The WSA continues much of the rate setting, accounting, and dispute resolution provisions contained in the expired contract, and has emergency and drought-pricing adjustment provisions.

Pursuant to the terms of the WSA, the Water Enterprise is required to establish water rates applicable to the Wholesale Customers annually. The wholesale water rates are based on an estimate of the level of revenues necessary to recoup the cost of distributing water to the Wholesale Customers in accordance with the methodology outlined in Article V of the WSA (the Wholesale Revenue Requirement (WRR), previously known as the Suburban Revenue Requirement. During fiscal years ending in 2022 and 2021, the WRR, net of adjustments, charged to such wholesale customers was \$289,828 and \$245,743 respectively. Such amounts are subject to final review by the Wholesale Customers, along with a trailing wholesale balancing account compliance audit of the WRR calculation.

Pursuant to Article VII, Section 7.02 of the WSA, the Water Enterprise is required to re-compute the WRR after the close of each fiscal year based on the actual costs incurred in the delivery of water to the Wholesale Customers. The difference between the wholesale revenues earned during the year and the “actual” WRR is recorded in a separate account (the Balancing Account) and represents the cumulative amount that is either owed to the Wholesale Customers (if the wholesale revenues exceed the WRR) or owed to the City (if the WRR exceeds the wholesale revenues paid). In accordance with Article VI of the WSA, the amount recorded in the Balancing Account shall earn interest at a rate equal to the average rate received by the City during the year on the invested pooled funds of the City Treasury, and shall be taken into consideration in the determination of subsequent wholesale water rates. The Water Enterprise owed the Wholesale Customers \$79,150 and \$60,864 for the years ended June 30, 2022 and 2021, respectively, an increase of \$18,286. Refer to the compliance audit report for the final balancing account available at <https://sfpuc.org/about-us/reports/audited-financial-statements-reports>.

In addition to advancing funds to acquire the pre-2009 assets as discussed previously, the Water Enterprise has also previously appropriated funds, advanced through rates charged to Retail Customers, for construction of capital projects that were not yet placed into service as of June 30, 2009. Wholesale Customers’ share of these construction work in progress costs is calculated in accordance with the provisions in the WSA, including a 10-year repayment term and payment of annual principal and interest rate calculated at 4.0% annually. The total obligation of the Wholesale Customers to the Water Enterprise is estimated at \$9,532, and the level annual payment including principal and interest is approximately \$1,159. The Wholesale Customers made the first annual payment as of June 30, 2015 and will end on June 30, 2024.

### (12) Other Non-Operating Revenues – Hetchy Power Transbay Cable Construction and Licensing Fees

In 2007, the Board of Supervisors adopted the resolution to enter into two non-exclusive licenses with the Transbay Cable LLC (the Licensee) for the Transbay Cable Project. The Licensee proposed to install, operate, and maintain approximately 53 miles of high-voltage direct current transmission cable running from the City of Pittsburg to the City. The first license is a Construction License to install a 400 MW high-voltage transmission line, with a four-year term. The Licensee has paid Hetchy Power \$3,500 in Renewable Energy, Transmission and Grid Reliability. The entire licensing fees were fully spent as of 2020.

The second license is an operational license for operation of the transmission line with 25-year term and an option to renew for 10 years. The Licensee agrees to pay Hetchy Power in excess of \$20,000 in 10 separate installments of \$2,000 annually with adjustments for inflation, as the “San Francisco Electric Reliability Payment” to implement, advance, promote, or enhance policies and projects consistent with City Energy Policies. The project came on line November 29, 2010 and cumulative revenues of \$22,708 were recorded, with final payment

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of \$2,574 received in fiscal year 2020. Per agreement, the SFPUC shall consult with Departments of Environment and Public Health, as well as community members, including the Power Plant Task Force, in developing its proposals to the Board of Supervisors on how to spend the San Francisco Electricity Reliability Payment, and shall consider specifically renewable energy, conservation, and environmental health programs, which benefit low-income, at-risk, and environmentally disadvantaged communities. The San Francisco Electricity Reliability Payment shall also be partly used for green jobs training and placement programs, which benefit low-income, at-risk, and environmentally disadvantaged communities. As of June 30, 2022, cumulative expenses of \$11,136 have been incurred, with \$1,525 and \$1,254 in fiscal years 2022 and 2021, respectively.

**(13) Employee Benefits**

**a) Pension Plan**

**San Francisco City and County Employees' Retirement System** – The SFPUC participates in a cost-sharing multiple-employer defined benefit pension Plan (SFERS Plan). The SFERS Plan is administered by the San Francisco City and County Employees' Retirement System (SFERS). For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, pension expense, information about the fiduciary net position of the SFERS Plan, and additions to/deductions from the SFERS Plan's fiduciary net position have been determined on the same basis as they are reported by the SFERS Plan. Contributions are recognized in the period in which they are due pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Replacement Benefits Plan** – The Replacement Benefits Plan (RBP) is a qualified excess benefit plan established in October 1989. Internal Revenue Code Section 415(m) provides for excess benefit arrangements that legally permit benefit payments above the Section 415 limits, provided that the payments are not paid from the SFERS Plan. The RBP allows the City to pay SFERS retirees any portion of the Charter-mandated retirement allowance that exceeds the annual Section 415(b) limit. The RBP plan does not meet the criteria of a qualified trust under GASB Statement No. 73 because RBP assets are subject to the claims of the employer's general creditors under federal and state law in the event of insolvency.

GASB Statements No. 68 and No. 73 require that the SFERS Plan and RBP reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2021</u>
Valuation Date (VD)	June 30, 2020 updated to June 30, 2021	June 30, 2019 updated to June 30, 2020
Measurement Date (MD)	June 30, 2021	June 30, 2020
Measurement Period (MP)	July 1, 2020 to June 30, 2021	July 1, 2019 to June 30, 2020

**SFERS Plan** – The City is an employer of the SFERS Plan with a proportionate share of 94.64% as of June 30, 2021 (measurement date) and 94.39% as of June 30, 2020 (measurement date) a 0.25% increased from prior year. SFPUC's allocation percentage was determined based on its employer contributions divided by the City's total employer contributions for fiscal years 2021 and 2020. The net pension liability, deferred outflows/inflows of resources related to pensions, amortization of deferred outflows/inflows, and pension expense are based on each department's allocated percentage. SFPUC's allocation of the City's proportionate share was 7.59%: 4.27% for Water, 1.99% for Wastewater, 0.57% for Hetchy Water, 0.69% for Hetchy Power and 0.07% for CleanPowerSF as of June 30, 2021 (measurement date). SFPUC's allocation of the City's proportionate share was 7.46%: 4.21% for Water, 2.03% for Wastewater, 0.52% for Hetchy Water, 0.64% for Hetchy Power and 0.06% for CleanPowerSF as of June 30, 2020 (measurement date).

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**RBP** – The Water Enterprise's allocation percentage was determined based on the Water Enterprise's headcount (both active members and retirees) divided by the City's total headcount for fiscal year 2021. The Water Enterprise's total pension liability, deferred outflows/inflows of resources related to pensions, amortization of deferred outflows/inflows and pension expense is based on the Water Enterprise's allocated percentage. The Water Enterprise's allocation of the City's proportionate share was 1.85% as of June 30, 2021 (measurement date) and 0.64% as of June 30, 2020 (measurement date).

**SFERS Plan Description** – The Plan provides basic service retirement, disability, and death benefits based on specified percentages of defined final average monthly salary and provides annual cost of living adjustments (COLA) after retirement. The Plan also provides pension continuation benefits to qualified survivors. The San Francisco City and County Charter and the Administrative Code are the authorities which establish and amend the benefit provisions and employer obligations of the Plan. The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained on the Retirement System's website <http://mysfers.org> or by writing to the San Francisco City and County Employees' Retirement System, 1145 Market Street, 5th Floor, San Francisco, CA 94103 or by calling (415) 487-7000.

**SFERS Benefits** – The Retirement System provides service retirement, disability, and death benefits based on specified percentages of defined final average monthly salary and annual COLA after retirement. Benefits and refunds are recognized when due and payable in accordance with the terms of the SFERS Plan. The Retirement System pays benefits according to the category of employment and the type of benefit coverage provided by the City and County.

The four main categories of Plan members are:

- a. Miscellaneous Non-Safety Members – staff, operational, supervisory, and all other eligible employees who are not in special membership categories.
- b. Sheriff's Department and Miscellaneous Safety members – sheriffs assuming office on and after January 7, 2012, and undersheriffs, deputized personnel of the Sheriff's department, and miscellaneous safety employees hired on and after January 7, 2012.
- c. Firefighter Members – firefighters and other employees whose principal duties are in fire prevention and suppression work or who occupy positions designated by law as firefighter member positions.
- d. Police Members – police officers and other employees whose principal duties are in active law enforcement or who occupy positions designated by law as police member positions.

The membership groups and the related service retirement benefits are included in the Notes to the Basic Financial Statements of San Francisco Employees' Retirement System.

All members are eligible to apply for a disability retirement benefit, regardless of age, when they have 10 or more years of credited service and they sustain an injury or illness that prevents them from performing their duties. Safety members are eligible to apply for an industrial disability retirement benefit from their first day on the job if their disability is caused by an illness or injury that they receive while performing their duties.

All retired members receive a benefit adjustment each July 1, which is the Basic COLA. The majority of adjustments are determined by changes in Consumer Price Index with increases capped at 2%. The Plan provides for a Supplemental COLA in years when there are sufficient "excess" investment earnings in the Plan. The maximum benefit adjustment each July 1 is 3.5% including the Basic COLA. Effective July 1, 2012, voters approved changes in the criteria for payment of the Supplemental COLA benefit, so that Supplemental COLAs would only be paid when the Plan is also fully funded on a market value of assets basis. Certain provision of this voter-approved proposition were challenged in the Courts. A decision by the California Courts modified the interpretation of the proposition. Effective July 1, 2012,

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members who retired before November 6, 1996 will receive a Supplemental COLA only when the Plan is also fully funded on a market value of assets basis. However, the “full funding” requirement does not apply to members who retired on or after November 6, 1996 and were hired before January 7, 2012. For all members hired before January 7, 2012, all Supplemental COLAs paid to them in retirement benefits will continue into the future even where an additional Supplemental COLA is not payable in any given year. For members hired on and after January 7, 2012, a Supplemental COLA will only be paid to retirees when the Plan is fully funded on a market value of asset basis and in addition for these members, Supplemental COLAs will not be permanent adjustments to retirement benefits. That is, in years when a Supplemental COLA is not paid, all previously paid Supplemental COLAs will expire.

### Funding and Contribution Policy

**SFERS Plan** – Contributions are made by both the City and the participating employees. Employee contributions are mandatory as required by the Charter. Employee contribution rates varied from 7.5% to 13.0% as a percentage of gross covered salary in fiscal years 2021 and 2020. Most employee groups agreed through collective bargaining for employees to contribute the full amount of the employee contributions on a pretax basis. The City is required to contribute at an actuarially determined rate. Based on the July 1, 2020 actuarial report, the required employer contribution rate for fiscal year 2022 was 19.91% to 24.41%. Based on the July 1, 2019 actuarial report, the required employer contribution rate for fiscal year 2021 was 22.40% to 26.90%.

Employer contributions and employee contributions made by the employer to the SFERS Plan are recognized when due and the employer has made a formal commitment to provide the contributions. The City's proportionate share of employer contributions recognized by the Retirement System in fiscal years ended June 30, 2021 and 2020 (measurement years) were \$791,736 and \$701,307, respectively. The SFPUC's allocation of employer contributions for fiscal years 2021 and 2020 (measurement periods) were \$59,094 and \$52,242, respectively. The Water Enterprise's allocation of employer contributions for fiscal years 2021 and 2020 (measurement periods) were \$33,367 and \$29,647, respectively. The Wastewater Enterprise's allocation of employer contributions for fiscal years 2021 and 2020 (measurement periods) were \$16,083 and \$14,352, respectively. Hetchy Water's allocation of employer contributions for fiscal years 2021 and 2020 (measurement periods) were \$4,130 and \$3,574, respectively. Hetchy Power's allocation of employer contributions for fiscal years 2021 and 2020 (measurement periods) were \$5,048 and \$4,369, respectively. CleanPowerSF's allocation of employer contributions for fiscal years 2021 and 2020 (measurement periods) were \$466 and \$300, respectively.

For the year ended June 30, 2022, the City's actuarial determined contribution was \$729,578. SFPUC's share was \$55,460: \$31,151 for Water, \$14,543 for Wastewater, \$4,149 for Hetchy Water, \$5,071 for Hetchy Power and \$546 for CleanPowerSF for fiscal year 2022 and will be recognized as a reduction of the net pension liability in the subsequent fiscal period.

**Replacement Benefits Plan** – The RBP is and will remain unfunded and the rights of any participant and beneficiary are limited to those specified in the RBP. The RBP constitutes an unsecured promise by the City to make benefit payments in the future to the extent funded by the City. The City paid \$4,097 and \$3,600 replacement benefits in the years ended June 30, 2022 and June 30, 2021, respectively.

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**Pension (Assets)/Liabilities, Pension Expenses, and Deferred Outflows and Inflows of Resources Related to Pensions**

**Fiscal Year 2022**

The City reported net pension asset (NPA) of \$2,226,990 for its proportionate share of the SFERS Plan and RBP, which the net pension asset for SFERS Plan was \$2,446,564 and the net pension liability of the RBP was \$219,574, as of June 30, 2022. The City's net pension asset for the SFERS Plan is measured as the proportionate share of the net pension asset. The net pension (asset)/liability of the SFERS Plan is measured as of June 30, 2021 (measurement date), and the total pension (asset)/liability for the SFERS Plan and RBP used to calculate the net pension (asset)/liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The City's proportion of the net pension (asset)/liability for the SFERS Plan was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The SFPUC's allocation of the City's proportionate share of the net pension (asset) for the plan as of June 30 2022 was (\$181,926) of which (\$100,407) for Water Enterprise, (\$48,770) for Wastewater Enterprise, (\$13,912) for Hetchy Water, (\$17,004) for Hetchy Power and (\$1,833) for CleanPowerSF. The Water Enterprise's allocation of the total pension liability for the RBP as of June 30, 2022 was \$4,056.

For the year ended June 30, 2022, the City recognized net pension (benefit) of (\$922,979), which includes pension (benefit) of (\$951,714) for the SFERS Plan and pension expense of \$28,735 for RBP, including amortization of deferred outflow/inflow related pension items. SFPUC's allocation of pension (benefit) for the SFERS Plan including amortization of deferred outflow/inflow related pension items were (\$54,567) of which (\$29,908), net of RBP of \$3,131, was for the Water Enterprise, (\$20,601) was for the Wastewater Enterprise, (\$1,816) was for Hetchy Water, (\$2,220) was for Hetchy Power, and (\$22) was for CleanPowerSF.

At June 30, 2022, SFPUC reported deferred outflows of resources and deferred inflows of resources related to pensions were the following:

**SFERS Plan - Schedule of Deferred Outflows of Resources**

<b>Fiscal Year 2022</b>	<b>Water</b>	<b>Wastewater</b>	<b>Hetchy Water</b>	<b>Hetchy Power</b>	<b>CleanPowerSF</b>	<b>SFPUC Total</b>
Pension contribution subsequent to the measurement date	\$ 31,151	14,543	4,149	5,071	546	55,460
Differences between expected and actual experience	9,593	4,479	1,278	1,561	168	17,079
Changes in assumptions	7,068	3,300	941	1,151	124	12,584
Change in employer's proportion	3,531	3,047	328	400	14	7,320
<b>Total \$</b>	<b>51,343</b>	<b>25,369</b>	<b>6,696</b>	<b>8,183</b>	<b>852</b>	<b>92,443</b>

**SFERS Plan - Schedule of Deferred Inflows of Resources**

<b>Fiscal Year 2022</b>	<b>Water</b>	<b>Wastewater</b>	<b>Hetchy Water</b>	<b>Hetchy Power</b>	<b>CleanPowerSF</b>	<b>SFPUC Total</b>
Differences between expected and actual experience	\$ 343	160	45	56	6	610
Changes in assumptions	18,339	8,562	2,443	2,985	322	32,651
Net difference between projected and actual earnings on pension plan investments	226,935	105,948	30,223	36,939	3,982	404,027
Change in employer's proportion	1,706	—	1,766	2,158	1,104	6,734
<b>Total \$</b>	<b>247,323</b>	<b>114,670</b>	<b>34,477</b>	<b>42,138</b>	<b>5,414</b>	<b>444,022</b>

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**Water Enterprise - RBP**

		<b>Schedule of Deferred Outflows of Resources</b>	<b>Schedule of Deferred Inflows of Resources</b>
<b>Fiscal Year 2022</b>			
Differences between expected and actual experience	\$	552	—
Changes in assumptions		757	—
Change in employer's proportion		200	1,381
<b>Total \$</b>		<b>1,509</b>	<b>1,381</b>

Amounts reported as deferred outflows, exclusive of contributions made after the measurement date, and deferred inflows of resources will be amortized annually and recognized in pension (benefit)/expense as follows:

**Deferred Outflows/(Inflows) of Resources**

<b>Fiscal years</b>	<b>SFERS Plan</b>						<b>RBP</b>
	<b>Water</b>	<b>Wastewater</b>	<b>Hetchy Water</b>	<b>Hetchy Power</b>	<b>CleanPowerSF</b>	<b>SFPUC Total</b>	<b>Water</b>
2023	\$ (57,166)	(26,134)	(8,033)	(9,817)	(1,407)	(102,557)	247
2024	(51,954)	(23,662)	(7,470)	(9,130)	(1,278)	(93,494)	52
2025	(54,608)	(24,937)	(7,679)	(9,386)	(1,194)	(97,804)	1
2026	(63,403)	(29,111)	(8,748)	(10,693)	(1,229)	(113,184)	(172)
<b>Total \$</b>	<b>(227,131)</b>	<b>(103,844)</b>	<b>(31,930)</b>	<b>(39,026)</b>	<b>(5,108)</b>	<b>(407,039)</b>	<b>128</b>

**Fiscal Year 2021**

The City reported net pension liabilities for its proportionate share of the pension liability of the Plan and RBP of \$5,292,473 (which includes RBP pension liability of \$185,203) as of June 30, 2021. The City's net pension liability for the SFERS Plan is measured as the proportionate share of the net pension liability. The net pension liability of the SFERS Plan is measured as of June 30, 2020 (measurement date), and the total pension liability for the SFERS Plan and RBP used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The City's proportion of the net pension liability for the SFERS Plan was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The SFPUC's allocation of the City's proportionate share of the net pension liability for the plan as of June 30 2021 was \$381,205, of which \$215,240 for Water Enterprise, \$103,746 for Wastewater Enterprise, \$26,645 for Hetchy Water, \$32,566 for Hetchy Power and \$3,008 for CleanPowerSF. The Water Enterprise's allocation of the total pension liability for the RBP as of June 30, 2021 was \$1,177.

For the year ended June 30, 2021, the City's recognized pension expense was \$962,576 (which includes RBP pension expense of \$25,243) including amortization of deferred outflow/inflow related pension items. SFPUC's allocation of pension expense including amortization of deferred outflow/inflow related pension items were \$77,865 of which \$43,929 for the Water Enterprise, \$19,053 for the Wastewater Enterprise, \$6,103 for Hetchy Water, \$7,459 for Hetchy Power, and \$1,321 for CleanPowerSF. Pension expense increased from the prior year, largely due to the amortization of deferrals.

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At June 30, 2021, SFPUC reported deferred outflows of resources and deferred inflows of resources related to pensions were the following:

SFERS Plan - Schedule of Deferred Outflows of Resources						
Fiscal Year 2021	SFERS Plan		Hetchy	Hetchy	CleanPowerSF	SFPUC
	Water	Wastewater	Water	Power		Total
Pension contribution subsequent to the measurement date	\$ 33,367	16,083	4,130	5,048	466	59,094
Differences between expected and actual experience	7,310	3,524	905	1,106	102	12,947
Changes in assumptions	11,817	5,696	1,463	1,788	165	20,929
Change in employer's proportion	6,987	2,744	743	907	7	11,388
<b>Total \$</b>	<b>63,988</b>	<b>30,219</b>	<b>7,799</b>	<b>9,531</b>	<b>803</b>	<b>112,340</b>

SFERS Plan - Schedule of Deferred Inflows of Resources						
Fiscal Year 2021	SFERS Plan		Hetchy	Hetchy	CleanPowerSF	SFPUC
	Water	Wastewater	Water	Power		Total
Differences between expected and actual experience	\$ 674	325	83	102	9	1,193
Net difference between projected and actual earnings on pension plan investments	—	—	—	—	—	—
Change in employer's proportion	54	26	443	541	1,032	2,096
<b>Total \$</b>	<b>4,456</b>	<b>2,148</b>	<b>988</b>	<b>1,207</b>	<b>1,093</b>	<b>9,892</b>

Water Enterprise - RBP		
Fiscal Year 2021	Schedule of Deferred Outflows of Resources	Schedule of Deferred Inflows of Resources
	Differences between expected and actual experience	\$ 112
Changes in assumptions	315	13
Change in employer's proportion	382	416
<b>Total \$</b>	<b>809</b>	<b>429</b>

Amounts reported as deferred outflows, exclusive of contributions made after the measurement date, and deferred inflows of resources will be amortized annually and recognized in pension expense as follows:

Deferred Outflows/(Inflows) of Resources							
Fiscal years	SFERS Plan					SFPUC	RBP
	Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	Total	Water
2022 \$	54	(787)	(115)	(141)	(472)	(1,461)	109
2023	6,166	3,009	665	812	(195)	10,457	193
2024	11,286	5,528	1,160	1,418	(90)	19,302	12
<b>Total \$</b>	<b>26,165</b>	<b>11,988</b>	<b>2,681</b>	<b>3,276</b>	<b>(756)</b>	<b>43,354</b>	<b>380</b>

## Actuarial Assumptions

### Fiscal Year 2022

A summary of the actuarial assumptions and methods used to calculate the Total Pension Liability for both SFERS Plan and RBP as of June 30, 2021 (measurement period) is provided below, including any assumptions that differ from those used in the July 1, 2020 actuarial valuation. Refer to the July 1, 2020 actuarial valuation report for a complete description of all other assumptions, which can be found on the Retirement System's website <http://mysfers.org>.

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<u>Key Actuarial Assumptions</u>	<u>SFERS Plan</u>			
Valuation Date	June 30, 2020 updated to June 30, 2021			
Measurement Date	June 30, 2021			
Actuarial Cost Method	Entry-Age Normal Cost			
Expected Rate of Return	7.40% net of investment expenses			
Municipal Bond Yield	2.21% as of June 30, 2020			
	2.16% as of June 30, 2021			
	Bond Buyer 20-Bond GO Index, June 25, 2020 and June 24, 2021			
Inflation	2.50%			
Salary Increases	3.25% plus merit component based employee classification and years of service			
Discount Rate	7.40% as of June 30, 2020			
	7.40% as of June 30, 2021			
Administrative Expenses	0.60% of payroll as of June 30, 2020			
	0.60% of payroll as of June 30, 2021			
		<u>Old Miscellaneous</u>	<u>Old Police &amp; Fire</u>	<u>Old Police &amp; Fire,</u>
		<u>and all New Plans</u>	<u>pre 7/1/75</u>	<u>Charters A8.595</u>
				<u>and A8.596</u>
Basic COLA June 30, 2020		2.00%	2.50%	3.10%
Basic COLA June 30, 2021		2.00%	1.90%	2.50%
				<u>Old Police &amp; Fire,</u>
				<u>Charters A8.559</u>
				<u>and A8.585</u>
				4.20%
				3.60%
<u>Key Actuarial Assumptions</u>	<u>Replacement Benefits Plan</u>			
Valuation Date	June 30, 2020 updated to June 30, 2021			
Measurement Date	June 30, 2021			
Actuarial Cost Method	Entry-Age Normal Cost			
Municipal Bond Yield	2.16% as of June 30, 2021			
	Bond Buyer 20-Bond GO Index, June 25, 2020 and June 24, 2021			
Inflation	2.50%			
Salary Increases	3.25% plus merit component based employee classification and years of service			
Discount Rate	2.16% as of June 30, 2021			
Administrative Expenses	0.60% of payroll as of June 30, 2021			
		<u>Old Miscellaneous</u>	<u>Old Police &amp; Fire</u>	<u>Old Police &amp; Fire,</u>
				<u>Charters</u>
Basic COLA June 30, 2020		2.00%	2.50%	3.10%
Basic COLA June 30, 2021		2.00%	1.90%	2.50%
				<u>Old Police &amp; Fire,</u>
				<u>Charters</u>
				4.20%
				3.60%

Mortality rates for health Miscellaneous members were based upon adjusted PubG-2010 Employee and Retiree tables for non-annuitants and retirees, respectively. Mortality rates were then projected generationally from the base year using the MP-2019 projection scale.

The actuarial assumptions used at the June 30, 2021 measurement date was based upon the result of a demographic experience study for the period July 1, 2014 through June 30, 2019 and an economic experience study as of July 1, 2020.

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### Fiscal Year 2021

A summary of the actuarial assumptions and methods used to calculate the Total Pension Liability for both SFERS Plan and RBP as of June 30, 2020 (measurement period) is provided below, including any assumptions that differ from those used in the July 1, 2019 actuarial valuation. Refer to the July 1, 2019 actuarial valuation report for a complete description of all other assumptions, which can be found on the Retirement System's website <http://mysfers.org>.

<u>Key Actuarial Assumptions</u>	<u>SFERS Plan</u>			
Valuation Date	June 30, 2019 updated to June 30, 2020			
Measurement Date	June 30, 2020			
Actuarial Cost Method	Entry-Age Normal Cost			
Expected Rate of Return	7.40% net of pension plan investment, including inflation			
Municipal Bond Yield	3.50% as of June 30, 2019			
	2.21% as of June 30, 2020			
	Bond Buyer 20-Bond GO Index, June 27, 2019 and June 25, 2020			
Inflation	2.75%			
Salary Increases	3.50% plus merit component based on employee classification and years of service			
Discount Rate	7.40% as of June 30, 2019			
	7.40% as of June 30, 2020			
Administrative Expenses	0.60% of payroll as of June 30, 2019			
	0.60% of payroll as of June 30, 2020			
	<u>Old Miscellaneous and all New Plans</u>	<u>Old Police &amp; Fire pre 7/1/75</u>	<u>Old Police &amp; Fire, Charters A8.595 and A8.596</u>	<u>Old Police &amp; Fire, Charters A8.559 and A8.585</u>
Basic COLA June 30, 2019	2.00%	2.50%	3.10%	4.20%
Basic COLA June 30, 2020	2.00%	2.50%	3.10%	4.20%

<u>Key Actuarial Assumptions</u>	<u>Replacement Benefits Plan</u>			
Valuation Date	June 30, 2019 updated to June 30, 2020			
Measurement Date	June 30, 2020			
Actuarial Cost Method	Entry-Age Normal Cost			
Municipal Bond Yield	2.21% as of June 30, 2020			
	Bond Buyer 20-Bond GO Index, June 27, 2019 and June 25, 2020			
Inflation	2.75%			
Salary Increases	3.50% plus merit component based on employee classification and years of service			
Discount Rate	2.21% as of June 30, 2020			
Administrative Expenses	0.60% of payroll as of June 30, 2020			
	<u>Old Miscellaneous</u>	<u>Old Police &amp; Fire</u>	<u>Old Police &amp; Fire, Charters</u>	<u>Old Police &amp; Fire, Charters</u>
Basic COLA June 30, 2020	2.00%	2.50%	3.10%	4.20%

For healthy annuitants, the sex distinct 2009 CalPERS healthy annuitant mortality table, adjusted 1.014 for females and 0.909 for males. For active members, the sex distinct 2009 CalPERS employee mortality tables, adjusted 0.918 for females and 0.948 for males. Rates are projected generationally from the 2009 base year using a modified version of the MP-2015 projection scale.

The actuarial assumptions used at the June 30, 2020 measurement date was based upon the result of a demographic experience study for the period July 1, 2009 through June 30, 2014 and an economic experience study as of July 1, 2019.

### Discount Rate

### Fiscal Year 2022

**SFERS Plan** – The beginning and end of year measurements are based on different assumptions and contribution methods that may result in different discount rates. The discount rate was 7.40% as of June 30, 2021 (measurement date) and June 30, 2020 (measurement date).

The discount rate used to measure the Total Pension Liability as of June 30, 2021 was 7.40%. The projection of cash flows used to determine the discount rate assumed that plan member contributions

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will continue to be made at the rates specified in the Charter. Employer contributions were assumed to be made in accordance with the contribution policy in effect for July 1, 2020 actuarial valuation. That policy includes contributions equal to the employer portion of the entry age normal costs for members as of the valuation date, a payment for the expected administrative expenses, and an amortization payment on the unfunded actuarial liability.

The amortization payment is based on closed periods that vary in length depending on the source. Charter amendments prior to July 1, 2014 are amortized over 20 years. After July 1, 2014, any Charter changes to active member benefits are amortized over 15 years and changes to inactive member benefits, including Supplemental COLAs, are amortized over 5 years. The remaining unfunded actuarial liability not attributable to Charter amendments as of July 1, 2013 is amortized over a 19-year period commencing July 1, 2014. Experience gains and losses and assumption or method changes on or after July 1, 2014 are amortized over 20 years. The full amortization payment for the 2015 assumption changes is phased in over a period of 5 years. For the July 1, 2016 valuation, the increase in the unfunded actuarial liability attributable to the Supplemental COLAs granted on July 1, 2013 and July 1, 2014 are amortized over 17-years and 5-years respectively. All amortization schedules are established as a level percentage of payroll so payments increase 3.25% each year. The unfunded actuarial liability is based on an actuarial value of assets that smooths investment gains and losses over five years and a measurement of the actuarial liability that excludes the value of any future Supplemental COLAs.

While the contributions and measure of actuarial liability in the funding valuation do not anticipate any future Supplemental COLAs, the projected contributions for the determination of the discount rate include the anticipated future amortization payments on future Supplemental COLAs for current members when they are expected to be granted. For members who worked after November 6, 1996 and before Proposition C passed (Post 97 Retirees), a Supplemental COLA is granted if the actual investment earnings during the year exceed the expected investment earnings on the actuarial value of assets. For members who did not work after November 6, 1996 and before Proposition C passed, the market value of assets must also exceed the actuarial liability at the beginning of the year for a Supplemental COLA to be granted. When a Supplemental COLA is granted, the amount depends on the amount of excess earnings and the basic COLA amount for each membership group. The large majority of members receive a 1.50% Supplemental COLA when granted.

Because the probability of a Supplemental COLA depends on the current funded level of the Retirement System for certain members, an assumption was developed as of June 30, 2021 for the probability and amount of Supplemental COLA for each future year. A full Supplemental COLA will be paid to all retired members, and their beneficiaries, who were retired effective July 1, 2021. The table below shows the net assumed Supplemental COLA for members with a 2.00% Basic COLA for sample years.

**Assumed Supplemental COLA for Members with a  
2.00% Basic COLA**

<u>Fiscal years</u>	<u>96 - Prop C</u>	<u>Before 11/6/96 or After Prop C</u>
2023	0.75 %	0.70 %
2025	0.75	0.70
2027	0.75	0.60
2029	0.75	0.60
2031	0.75	0.60
2033 +	0.75	0.50

The projection of benefit payments to current members for determining the discount rate includes the payment of anticipated future Supplemental COLAs.

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Based on these assumptions, the Retirement System’s fiduciary net position was projected to be available to make projected future benefit payments for current members for all future years. Projected benefit payments are discounted at the long-term expected return on assets of 7.40% to the extent the fiduciary net position is available to make the payments and at the municipal bond rate of 2.16% to the extent they are not available. The single equivalent rate used to determine the Total Pension Liability as of June 30, 2021 is 7.40%.

The long-term expected rate of return on pension plan investments was 7.40%. It was set by the Retirement Board after consideration of both expected future returns and historical returns experienced by the Retirement System. Expected future returns were determined by using a building-block method in which best-estimate ranges of expected future real rates of return were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Target allocation and best estimates of geometric long-term expected real rates of return (net of pension plan investment expense and inflation) for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	37.0 %	4.2 %
Private Equity	23.0	7.9
Private Credit	10.0	5.1
Real Assets	10.0	5.1
Hedge Funds/Absolute Returns	10.0	2.9
Treasuries	8.0	0.0
Liquid Credit	5.0	2.3
Leverage	(3.0)	0.1
Total	100.0 %	

**RBP** – The beginning and end of year measurements are based on different assumptions that result in different discount rates. The discount rate was 2.16% as of June 30, 2021. This reflects the yield for a 20-year, tax-exempt general obligation municipal bond with an average rating of AA/Aa or higher. The Municipal Bond Yields are the Bond Buyer 20-Year GO Index as of June 25, 2020 and June 24, 2021. These are the rates used to determine the total pension liability as of June 30, 2021.

The inflation assumption of 2.50% compounded annually was used for projecting the annual IRC Section 415(b) limitations. However, the actual IRC Section 415(b) limitations published by the IRS of \$230 for 2021 was used for the 2021 measurement date.

The SFERS assumptions about Basic and Supplemental COLA previously discussed also apply to the RBP, including the impact of the State Appeals Court determination that the full funding requirement for payment of Supplemental COLA included in Proposition C was unconstitutional and the impact is accounted for as a change in benefits.

On June 30, 2022, City’s membership in the RBP had a total of 350 active members and 135 retirees and beneficiaries currently receiving benefits. The Water Enterprise has 9 active members and 3 retiree and beneficiary currently receiving benefits.

**Fiscal Year 2021**

**SFERS Plan** – The beginning and end of year measurements are based on different assumptions and contribution methods that may result in different discount rates. The discount rate was 7.40% as of June 30, 2020 (measurement date) and June 30, 2019 (measurement date).

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The discount rate used to measure the Total Pension Liability as of June 30, 2020 was 7.40%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will continue to be made at the rates specified in the Charter. Employer contributions were assumed to be made in accordance with the contribution policy in effect for July 1, 2019 actuarial valuation. That policy includes contributions equal to the employer portion of the entry age normal costs for members as of the valuation date, a payment for the expected administrative expenses, and an amortization payment on the unfunded actuarial liability.

The amortization payment is based on closed periods that vary in length depending on the source. Charter amendments prior to July 1, 2014 are amortized over 20 years. After July 1, 2014, any Charter changes to active member benefits are amortized over 15 years and changes to inactive member benefits, including Supplemental COLAs, are amortized over 5 years. The remaining unfunded actuarial liability not attributable to Charter amendments as of July 1, 2013 is amortized over a 19-year period commencing July 1, 2014. Experience gains and losses and assumption or method changes on or after July 1, 2014 are amortized over 20 years. The full amortization payment for the 2015 assumption changes is phased in over a period of 5 years. For the July 1, 2016 valuation, the increase in the unfunded actuarial liability attributable to the Supplemental COLAs granted on July 1, 2013 and July 1, 2014 are amortized over 17-years and 5-years respectively. All amortization schedules are established as a level percentage of payroll so payments increase 3.50% each year. The unfunded actuarial liability is based on an actuarial value of assets that smooths investment gains and losses over five years and a measurement of the actuarial liability that excludes the value of any future Supplemental COLAs.

While the contributions and measure of actuarial liability in the funding valuation do not anticipate any future Supplemental COLAs, the projected contributions for the determination of the discount rate include the anticipated future amortization payments on future Supplemental COLAs for current members when they are expected to be granted. For members who worked after November 6, 1996 and before Proposition C passed (Post 97 Retirees), a Supplemental COLA is granted if the actual investment earnings during the year exceed the expected investment earnings on the actuarial value of assets. For members who did not work after November 6, 1996 and before Proposition C passed, the market value of assets must also exceed the actuarial liability at the beginning of the year for a Supplemental COLA to be granted. When a Supplemental COLA is granted, the amount depends on the amount of excess earnings and the basic COLA amount for each membership group. The large majority of members receive a 1.50% Supplemental COLA when granted.

Because the probability of a Supplemental COLA depends on the current funded level of the Retirement System for certain members, an assumption was developed as of June 30, 2020 for the probability and amount of Supplemental COLA for each future year. There were no excess earnings during the fiscal year ending June 30, 2020; consequently, no Supplemental COLA will be paid effective July 1, 2020. The table below shows the net assumed Supplemental COLA for members with a 2.00% Basic COLA for sample years.

**Assumed Supplemental COLA for Members with a  
2.00% Basic COLA**

Fiscal years	96 - Prop C	Before 11/6/96 or After Prop C
2022	0.75 %	0.19 %
2024	0.75	0.27
2026	0.75	0.30
2028	0.75	0.33
2030	0.75	0.35
2032	0.75	0.37
2034 +	0.75	0.38

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The projection of benefit payments to current members for determining the discount rate includes the payment of anticipated future Supplemental COLAs.

Based on these assumptions, the Retirement System’s fiduciary net position was projected to be available to make projected future benefit payments for current members for all future years. Projected benefit payments are discounted at the long-term expected return on assets of 7.40% to the extent the fiduciary net position is available to make the payments and at the municipal bond rate of 2.21% to the extent they are not available. The single equivalent rate used to determine the Total Pension Liability as of June 30, 2020 is 7.40%.

The long-term expected rate of return on pension plan investments was 7.40%. It was set by the Retirement Board after consideration of both expected future returns and historical returns experienced by the Retirement System. Expected future returns were determined by using a building-block method in which best-estimate ranges of expected future real rates of return were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Target allocation and best estimates of geometric long-term expected real rates of return (net of pension plan investment expense and inflation) for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	31.0 %	4.9 %
Private Equity	18.0	7.9
Real Assets	17.0	5.7
Hedge Funds/Absolute Returns	15.0	3.0
Private Credit	10.0	4.8
Treasuries	6.0	(0.5)
Liquid Credit	3.0	2.7
Total	100.0 %	

**RBP** – The beginning and end of year measurements are based on different assumptions that result in different discount rates. The discount rate was 2.21% as of June 30, 2020. This reflects the yield for a 20-year, tax-exempt general obligation municipal bond with an average rating of AA/Aa or higher. The Municipal Bond Yields are the Bond Buyer 20-Year GO Index as of June 27, 2019 and June 25, 2020. These are the rates used to determine the total pension liability as of June 30, 2020.

The inflation assumption of 2.75% compounded annually was used for projecting the annual IRC Section 415(b) limitations. However, the actual IRC Section 415(b) limitations published by the IRS of \$230 for 2020 was used for the 2020 measurement date.

The SFERS assumptions about Basic and Supplemental COLA previously discussed also apply to the RBP, including the impact of the State Appeals Court determination that the full funding requirement for payment of Supplemental COLA included in Proposition C was unconstitutional and the impact is accounted for as a change in benefits.

On June 30, 2021, City’s membership in the RBP had a total of 683 active members and 105 retirees and beneficiaries currently receiving benefits. The Water Enterprise has 4 active members and 1 retiree and beneficiary currently receiving benefits.

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**Sensitivity of Proportionate Share of the Net Pension (Asset)/Liability to Changes in the Discount Rate**

The following presents the SFPUC's allocation of the employer's proportionate share of the net pension (asset)/liability (NPA/NPL) for the SFERS Plan, calculated using the discount rate, as well as what the SFPUC's allocation of the employer's proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate.

<b>SFERS Plan - Schedule of Employers' Proportionate Share of the Net Pension (Asset)/Liability</b>						
<b>Fiscal Year 2022</b>	<b>Water</b>	<b>Wastewater</b>	<b>Hetchy Water</b>	<b>Hetchy Power</b>	<b>CleanPowerSF</b>	<b>SFPUC Total</b>
1% Decrease Share of NPL @ 6.40%	\$ 69,621	32,504	9,272	11,333	1,221	123,951
Share of (NPA) @ 7.40%	(104,463)	(48,770)	(13,912)	(17,004)	(1,833)	(185,982)
1% Increase Share of (NPA) @ 8.40%	(248,184)	(115,868)	(33,053)	(40,398)	(4,354)	(441,857)

<b>Schedule of Employers' Proportionate Share of the Net Pension Liability</b>						
<b>Fiscal Year 2021</b>	<b>Water</b>	<b>Wastewater</b>	<b>Hetchy Water</b>	<b>Hetchy Power</b>	<b>CleanPowerSF</b>	<b>SFPUC Total</b>
1% Decrease Share of NPL @ 6.40%	\$ 380,571	183,436	47,111	57,580	5,318	674,016
Share of NPL @ 7.40%	215,240	103,746	26,645	32,566	3,008	381,205
1% Increase Share of NPL @ 8.40%	78,645	37,907	9,736	11,899	1,099	139,286

The following presents the Water Enterprise's allocation of the employer's proportionate share of the total pension liability for the RBP, calculated using the discount rate, as well as what the Water Enterprise's allocation of the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate.

<b>Replacement Benefits Plan - Schedule of Employers' Proportionate Share of the Net Pension Liability</b>	
<b>Fiscal Year 2022</b>	<b>Water</b>
1% Decrease Share of NPL @ 1.16%	\$ 4,889
Share of NPL @ 2.16%	4,056
1% Increase Share of NPL @ 3.16%	3,411
<b>Fiscal Year 2021</b>	<b>Water</b>
1% Decrease Share of NPL @ 1.21%	\$ 1,418
Share of NPL @ 2.21%	1,177
1% Increase Share of NPL @ 3.21%	989

**b) Other Post-Employment Benefits**

The SFPUC participates in the City's single-employer defined benefit other post-employment benefits plan (the Plan). The Plan is maintained by the City and is administered through the City's Health Service System. It provides post-employment medical, dental and vision insurance benefits to eligible employees, retired employees, surviving spouses, and domestic partners. Health benefit provisions are established and may be amended through negotiations between the City and the respective bargaining units. The City does not issue a separate report on its other post-employment benefit plan.

GASB Statement No. 75 requires that reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

<b>San Francisco Health Service System Retiree Plan - Single-Employer</b>		
	<b>Fiscal Year 2022</b>	<b>Fiscal Year 2021</b>
Valuation Date (VD)	June 30, 2020 updated to June 30, 2021	June 30, 2020
Measurement Date (MD)	June 30, 2021	June 30, 2020
Measurement Period (MP)	July 1, 2020 to June 30, 2021	July 1, 2019 to June 30, 2020

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The SFPUC's allocation percentage of the Plan was determined based on its percentage of citywide "pay-as-you-go" contributions for the years ended June 30, 2021 and June 30, 2020. The SFPUC's net OPEB liability, deferred outflows/inflows of resources related to OPEB, amortization of deferred outflows/inflows and OPEB expense to each department is based on SFPUC's allocated percentage. The SFPUC's proportionate share of the City's OPEB elements as of June 30, 2021 (measurement date) was 6.15%: 3.90% for the Water Enterprise, 1.33% for the Wastewater Enterprise, 0.39% for Hetchy Water, 0.47% for Hetchy Power, and 0.06% for CleanPowerSF. The SFPUC's proportionate share of the City's OPEB elements as of June 30, 2020 (measurement date) was 6.14%: 3.89% for the Water Enterprise, 1.33% for the Wastewater Enterprise, 0.38% for Hetchy Water, 0.46% for Hetchy Power, and 0.08% for CleanPowerSF.

**Benefits** – Permanent full-time and elected employees are eligible to retire and receive postretirement health insurance benefits when they are eligible for retirement benefits from the City and County of San Francisco's Retirement System. The eligibility requirements are as follows:

Normal Retirement	Miscellaneous	Age 50 with 20 years of credited service <sup>1</sup> Age 60 with 10 years of credited service
	Safety	Age 50 with 5 years of credited service
Disabled Retirement <sup>2</sup>		Any age with 10 years of credited service
Terminated Vested		5 years of credited service at separation

<sup>1</sup> Age 53 with 20 years of credited service, age 60 with 10 years of credited service, or age 65 for Miscellaneous members hired on or after January 7, 2012.

<sup>2</sup> No service requirement for Safety members retiring under the industrial disability benefit or for surviving spouses/domestic partners of those killed in the line of duty.

Retiree healthcare benefits are administered by the San Francisco Health Service System and include the following:

Medical:	PPO – City Health Plan (self-insured) and UHC Medicare Advantage (fully-insured) HMO – Kaiser (fully-insured) and Blue Shield (flex-funded)
Dental:	Delta Dental, DeltaCare USA and United Healthcare Dental
Vision:	Vision benefits are provided under the medical insurance plans and are administered by Vision Service Plan.

Projections of the sharing of benefit related costs are based on an established pattern of practice.

**Contributions** – Benefits provided under the Plan are currently paid through "pay as you go" funding. Additionally, under the City Charter, active officers and employees of the City who commenced employment on or after January 10, 2009, shall contribute to the Retiree Health Care Trust Fund (Trust Fund) a percentage of compensation not to exceed 2% of pre-tax compensation. The City shall contribute 1% of compensation for officers and employees who commenced employment on or after January 10, 2009 until the City's GASB Actuary has determined that the City's portion of the Trust Fund is fully funded. At that time, the City's 1% contribution shall cease, and officers and employees will each contribute 50% of the maximum 2% of pre-tax compensation.

Starting July 1, 2016, active officers and employees of the City who commenced employment on or before January 9, 2009, shall contribute 0.25% of pre-tax compensation into the Trust Fund. Beginning on July 1st of each subsequent year, the active officers and employees of the City who commenced employment on or before January 9, 2009, shall contribute an additional 0.25% of pre-tax compensation up to a maximum of 1%. Starting July 1, 2016, the City shall contribute 0.25% of compensation into the Trust Fund for each officer and employee who commenced employment on or before January 9, 2009. Beginning on July 1st of each subsequent year, the City shall contribute an additional 0.25% of compensation, up to a maximum of 1% for each officer and employee who commenced employment on or before January 9, 2009. When the City's actuary has determined that the City's portion of the Trust Fund is fully funded, the City's 1% contribution shall cease, and officers and employees will each

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contribute 50% of the maximum 1% of pre-tax compensation. Additional or existing contribution requirements may be established or modified by amendment to the City's Charter.

**Fiscal Year 2022**

For the fiscal year ended June 30, 2022, the City's funding was based on "pay-as-you-go" plus a contribution of \$41,841 to the Retiree Healthcare Trust Fund. The "pay-as-you-go" portion paid by the City was \$211,205 for a total contribution of \$252,866 for the fiscal year ended June 30, 2022. The SFPUC's proportionate share of contributions for fiscal year 2022 was \$15,560: \$9,873 for Water Enterprise, \$3,365 for the Wastewater Enterprise, \$975 for Hetchy Water, \$1,192 for Hetchy Power, and \$155 for CleanPowerSF for fiscal year 2022 and will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period.

**Fiscal Year 2021**

For the fiscal year ended June 30, 2021, the City's funding was based on "pay-as-you-go" plus a contribution of \$39,555 to the Retiree Healthcare Trust Fund. The "pay-as-you-go" portion paid by the City was \$206,439 for a total contribution of \$245,994 for the fiscal year ended June 30, 2021. The SFPUC's proportionate share of contributions for fiscal year 2021 was \$15,087: \$9,572 for Water Enterprise, \$3,263 for the Wastewater Enterprise, \$929 for Hetchy Water, \$1,136 for Hetchy Power, and \$187 for CleanPowerSF.

**OPEB Liabilities, OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB**

**Fiscal Year 2022**

As of June 30, 2022, the City reported net OPEB liabilities related to the Plan of \$3,691,122. The SFPUC's proportionate share of the City's net OPEB liability as of June 30, 2022 was \$227,147: \$144,115 for Water Enterprise, \$49,123 for the Wastewater Enterprise, \$14,240 for Hetchy Water, \$17,405 for Hetchy Power, and \$2,264 for CleanPowerSF.

For the year ended June 30, 2022, the City's recognized OPEB expense was \$272,001. Amortization of the City's deferred outflows and inflows is included as a component of OPEB expense. The SFPUC's proportionate share of the City's OPEB expense was \$22,932: \$14,566 for Water Enterprise, \$5,364 for the Wastewater Enterprise, \$1,874 for Hetchy Water, \$2,291 for Hetchy Power, offset by \$1,163 for CleanPowerSF.

As of June 30, 2022, the SFPUC's reported its proportionate share of the City's deferred outflows and inflows of resources related to OPEB from the following sources:

Schedule of Deferred Outflows of Resources						
	Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC Total
<b>Fiscal Year 2022</b>						
Contribution subsequent to the measurement date	\$ 9,873	3,365	975	1,192	155	15,560
Differences between expected and actual experience	4,330	1,476	428	523	68	6,825
Changes in assumptions	6,091	2,076	602	735	96	9,600
Change in proportion	12,151	5,981	1,267	1,549	479	21,427
<b>Total \$</b>	<b>32,445</b>	<b>12,898</b>	<b>3,272</b>	<b>3,999</b>	<b>798</b>	<b>53,412</b>

Schedule of Deferred Inflows of Resources						
	Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC Total
<b>Fiscal Year 2022</b>						
Differences between expected and actual experience	\$ 22,191	7,564	2,193	2,680	348	34,976
Net difference between projected and actual earnings on plan investments	2,728	930	269	329	43	4,299
Change in proportion	429	146	272	333	1,203	2,383
<b>Total \$</b>	<b>25,348</b>	<b>8,640</b>	<b>2,734</b>	<b>3,342</b>	<b>1,594</b>	<b>41,658</b>

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Amounts reported as deferred outflows, exclusive of contributions made after the measurement date, and deferred inflows of resources will be amortized annually and recognized in OPEB (benefit)/expense as follows:

Fiscal years	Water	Wastewater	Hetchy		CleanPowerSF	SFPUC
			Water	Power		Total
2023	\$ (313)	291	(105)	(128)	(264)	(519)
2024	(324)	288	(106)	(130)	(264)	(536)
2025	(286)	301	(103)	(125)	(264)	(477)
2026	(263)	231	46	57	(167)	(96)
2027	(669)	95	(43)	(53)	(59)	(729)
Thereafter	(921)	(313)	(126)	(156)	67	(1,449)
Total	\$ (2,776)	893	(437)	(535)	(951)	(3,806)

**Fiscal Year 2021**

As of June 30, 2021, the City reported net OPEB liabilities related to the Plan of \$3,823,334. The SFPUC's proportionate share of the City's net OPEB liability as of June 30, 2021 was \$234,488: \$148,771 for Water Enterprise, \$50,711 for the Wastewater Enterprise, \$14,444 for Hetchy Water, \$17,653 for Hetchy Power, and \$2,909 for CleanPowerSF.

For the year ended June 30, 2021, the City's recognized OPEB expense was \$320,684. Amortization of the City's deferred outflows and inflows is included as a component of OPEB expense. The SFPUC's proportionate share of the City's OPEB expense was a net credit of \$14,011: \$5,978 for Water Enterprise, \$6,174 for the Wastewater Enterprise, \$1,480 for Hetchy Water, \$1,809 for Hetchy Power, offset by \$1,430 expense for CleanPowerSF.

As of June 30, 2021, the SFPUC's reported its proportionate share of the City's deferred outflows and inflows of resources related to OPEB from the following sources:

**Schedule of Deferred Outflows of Resources**

Fiscal Year 2021	Water	Wastewater	Hetchy		CleanPowerSF	SFPUC
			Water	Power		Total
Contribution subsequent to the measurement date	\$ 9,572	3,263	929	1,136	187	15,087
Differences between expected and actual experience	5,394	1,839	524	640	106	8,503
Changes in assumptions	7,531	2,567	731	894	147	11,870
Net difference between projected and actual earnings on pension plan investments	97	33	9	12	2	153
Change in proportion	15,168	7,407	1,532	1,870	—	25,977
Total	\$ 37,762	15,109	3,725	4,552	442	61,590

**Schedule of Deferred Inflows of Resources**

Fiscal Year 2021	Water	Wastewater	Hetchy		CleanPowerSF	SFPUC
			Water	Power		Total
Differences between expected and actual experience	\$ 21,315	7,265	2,070	2,529	417	33,596
Change in proportion	—	—	15	19	1,496	1,530
Total	\$ 21,315	7,265	2,085	2,548	1,913	35,126

Amounts reported as deferred outflows, exclusive of contributions made after the measurement date, and deferred inflows of resources will be amortized annually and recognized in OPEB expense as follows:

Fiscal years	Water	Wastewater	Hetchy		CleanPowerSF	SFPUC
			Water	Power		Total
2022	\$ 1,266	829	90	110	(328)	1,967
2023	1,324	849	96	117	(326)	2,060
2024	1,312	846	94	116	(326)	2,042
2025	1,351	859	99	120	(326)	2,103
2026	1,368	788	245	299	(222)	2,478
Thereafter	254	410	87	106	(130)	727
Total	\$ 6,875	4,581	711	868	(1,658)	11,377

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**Actuarial Assumptions**

**Fiscal Year 2022**

A summary of the actuarial assumptions and methods used to calculate the total OPEB liability as of June 30, 2021 (measurement date) is provided below:

Key Actuarial Assumptions

Valuation Date	June 30, 2020 updated to June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	The Entry Age Actuarial Cost Method is used to measure the Plan's Total OPEB Liability
Healthcare Cost Trend Rates	Pre-Medicare trend starts at 6.74% trending down to ultimate rate of 4.04% in 2075 Medicare trend starts at 7.24% trending down to ultimate rate of 4.04% in 2075 10-County average trend starts at 5.50% trending down to ultimate rate of 4.04% in 2075 Vision and expenses trend remains a flat 3.00% for all years
Expected Rate of Return on Plan Assets	7.00%
Salary Increase Rate	Wage Inflation Component: 3.25% Additional Merit Component (dependent on years of service): Police: 0.50% - 7.50% Fire: 0.50% - 14.00% Muni Drivers: 0.00% - 16.00% Craft: 0.50% - 3.75% Misc: 0.30% - 5.50%
Inflation Rate	Wage Inflation: 3.25% compounded annually Consumer Price Inflation: 2.50% compounded annually
Mortality Tables	Base mortality tables are developed by multiplying a published table by an adjustment factor developed study for the period ending June 30, 2019.

Non-Annuitants

	Published Table	Adjustment Factor	
		Male	Female
Miscellaneous	PubG-2010 Employee	0.834	0.866
Safety	PubS-2010 Employee	1.011	0.979

Healthy Retirees

	Published Table	Adjustment Factor	
		Male	Female
Miscellaneous	PubG-2010 Employee	1.031	0.977
Safety	PubS-2010 Employee	0.947	1.044

Disabled Retirees

	Published Table	Adjustment Factor	
		Male	Female
Miscellaneous	PubG-2010 Employee	1.045	1.003
Safety	PubS-2010 Employee	0.916	0.995

Beneficiaries

	Published Table	Adjustment Factor	
		Male	Female
Miscellaneous	PubG-2010 Employee	1.031	0.977
Safety	PubG-2010 Employee	1.031	0.977

The mortality rates in the base tables are projected generationally from the base year using the MP-2019 projection scale.

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**Fiscal Year 2021**

A summary of the actuarial assumptions and methods used to calculate the total OPEB liability as of June 30, 2020 (measurement date) is provided below:

Key Actuarial Assumptions

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Actuarial Cost Method	The Entry Age Actuarial Cost Method is used to measure the Plan's Total OPEB Liability
Healthcare Cost Trend Rates	Pre-Medicare trend starts at 4.00% in 2022, 7.00% in 2023, trending down to ultimate rate of 4.04% in 2075 Medicare trend starts at 1.00% in 2022, 7.50% in 2023, trending down to ultimate rate of 4.04% in 2075 10-County average trend starts at 4.50% in 2022, 5.50% in 2023, trending down to ultimate rate of 4.04% Vision and expenses trend remains a flat 3.00% for all years
Expected Rate of Return on Plan Assets	7.00%
Salary Increase Rate	Wage Inflation Component: 3.25% Additional Merit Component (dependent on years of service): Police: 0.50% - 7.50% Fire: 0.50% - 14.00% Muni Drivers: 0.00% - 16.00% Craft: 0.50% - 3.75% Misc: 0.30% - 5.50%
Inflation Rate	Wage Inflation: 3.25% compounded annually Consumer Price Inflation: 2.50% compounded annually
Mortality Tables	Base mortality tables are developed by multiplying a published table by an adjustment factor developed study for the period ending June 30, 2019.

Non-Annuityants

	Published Table	Adjustment Factor	
		Male	Female
Miscellaneous	PubG-2010 Employee	0.834	0.866
Safety	PubS-2010 Employee	1.011	0.979

Healthy Retirees

	Published Table	Adjustment Factor	
		Male	Female
Miscellaneous	PubG-2010 Employee	1.031	0.977
Safety	PubS-2010 Employee	0.947	1.044

Disabled Retirees

	Published Table	Adjustment Factor	
		Male	Female
Miscellaneous	PubG-2010 Employee	1.045	1.003
Safety	PubS-2010 Employee	0.916	0.995

Beneficiaries

	Published Table	Adjustment Factor	
		Male	Female
Miscellaneous	PubG-2010 Employee	1.031	0.977
Safety	PubG-2010 Employee	1.031	0.977

The mortality rates in the base tables are projected generationally from the base year using the MP-2019 projection scale.

**Sensitivity of Liabilities to Changes in the Healthcare Cost Trend Rate and Discount Rate**

The following presents the SFPUC's proportionate share of the City's net OPEB liability calculated using the healthcare cost trend rate, as well as what its allocation of the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current rate as of June 30, 2022 and June 30, 2021:

	<u>Water</u>	<u>Wastewater</u>	<u>Hetchy Water</u>	<u>Hetchy Power</u>	<u>CleanPowerSF</u>	<u>Total 2022</u>
1% Decrease	\$ 122,667	41,812	12,121	14,814	1,927	193,341
Healthcare Trend	144,115	49,123	14,240	17,405	2,264	227,147
1% Increase	170,851	58,236	16,882	20,634	2,685	269,288

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	<b>Water</b>	<b>Wastewater</b>	<b>Hetchy Water</b>	<b>Hetchy Power</b>	<b>CleanPowerSF</b>	<b>Total 2021</b>
1% Decrease	\$ 128,633	43,846	12,488	15,264	2,515	202,746
Healthcare Trend	148,771	50,711	14,444	17,653	2,909	234,488
1% Increase	175,020	59,657	16,992	20,767	3,422	275,858

**Discount Rate**

**Fiscal Year 2022**

The discount rate used to measure the Total OPEB Liability as of June 30, 2021 was 7.0%. Based on the assumption that plan member contributions will continue to be made at the rates specified in the Charter, it was determined that the Plan’s projected fiduciary net position will be greater than or equal to the benefit payments projected for each future period. As such, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The long-term expected rate of return on OPEB plan investments was 7.0% based on expected future returns and historical returns experienced by the Trust Fund. Expected future returns were determined based on 10-year and 20-year capital market assumptions for the Trust Fund’s asset allocation.

Target allocation for each major asset class and best estimates of geometric real rates of return are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
<b>Equities</b>		
U.S. Large Cap	28.0 %	8.2 %
U.S. Small Cap	3.0	9.5
Developed Market Equity (non-U.S.)	15.0	8.9
Emerging Market Equity	13.0	11.0
<b>Credit</b>		
Bank Loans	3.0	4.4
High Yield Bonds	3.0	4.4
Emerging Market Bonds	3.0	4.3
<b>Rate Securities</b>		
Investment Grade Bonds	9.0	1.9
Long-term Government Bonds	4.0	3.2
Short-term Treasury Inflation-Protected Securities (TIPS)	4.0	1.5
<b>Private Markets</b>		
Private Equity	5.0	13.0
Core Private Real Estate	5.0	6.2
<b>Risk Mitigating Strategies</b>		
Global Macro	5.0	4.4
<b>Total</b>	<b>100.0 %</b>	

The following presents the SFPUC’s proportionate share of the City’s net OPEB liability calculated using the discount rate, as well as what the SFPUC’s proportionate share of the City’s net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

<b>Fiscal Year 2022</b>	<b>Water</b>	<b>Wastewater</b>	<b>Hetchy Water</b>	<b>Hetchy Power</b>	<b>CleanPowerSF</b>	<b>SFPUC Total</b>
1% Decrease 6.00%	\$ 168,520	57,442	16,652	20,352	2,648	265,614
Discount Rate 7.00%	144,115	49,123	14,240	17,405	2,264	227,147
1% Increase 8.00%	124,181	42,328	12,271	14,997	1,951	195,728

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**Fiscal Year 2021**

The discount rate used to measure the Total OPEB Liability as of June 30, 2020 was 7.0%. Based on the assumption that plan member contributions will continue to be made at the rates specified in the Charter, it was determined that the Plan's projected fiduciary net position will be greater than or equal to the benefit payments projected for each future period. As such, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The long-term expected rate of return on OPEB plan investments was 7.0% based on expected future returns and historical returns experienced by the Trust Fund. Expected future returns were determined based on 10-year and 20-year capital market assumptions for the Trust Fund's asset allocation.

Target allocation for each major asset class and best estimates of geometric real rates of return are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
<b>Equities</b>		
U.S. Large Cap	28.0 %	8.4 %
U.S. Small Cap	3.0	9.8
Developed Market Equity (non-U.S.)	15.0	9.6
Emerging Market Equity	13.0	11.7
<b>Credit</b>		
Bank Loans	3.0	4.9
High Yield Bonds	3.0	4.9
Emerging Market Bonds	3.0	4.8
<b>Rate Securities</b>		
Investment Grade Bonds	9.0	2.2
Long-term Government Bonds	4.0	3.1
Short-term Treasury Inflation-Protected Securities (TIPS)	4.0	1.9
<b>Private Markets</b>		
Private Equity	5.0	12.5
Core Private Real Estate	5.0	6.4
<b>Risk Mitigating Strategies</b>		
Global Macro	5.0	4.1
<b>Total</b>	<u><u>100.0 %</u></u>	

The asset allocation targets summarized have a 20-year return estimate of 6.90%, which was weighted against a 10-year model estimating a 6.93% return, resulting in the ultimate long-term expected rate of return of 7.00%.

The following presents the SFPUC's proportionate share of the City's net OPEB liability calculated using the discount rate, as well as what the SFPUC's proportionate share of the City's net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

Fiscal Year 2021		Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC Total
1% Decrease 6.00%	\$	172,646	58,848	16,761	20,486	3,376	272,117
Discount Rate 7.00%		148,771	50,711	14,444	17,653	2,909	234,488
1% Increase 8.00%		129,281	44,067	12,551	15,341	2,528	203,768

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City issues a publicly available financial report that includes the complete note disclosures and required supplementary information related to the City's post-employment health care obligations. The report may be obtained by writing to the City and County of San Francisco, Office of the Controller, 1 Dr. Carlton B. Goodlett Place, Room 316, San Francisco, California 94102, or by calling (415) 554-7500.

**(14) Related Parties**

Various common costs incurred by the Commission are allocated proratably between Water, Wastewater, Hetchy Water and Hetchy Power and CleanPowerSF. The allocations are based on the Commission management's best estimate and may change from year to year depending on the activities incurred by each enterprise and the information available.

The following tables show the administrative costs including COVID-19 Project expenses for the years ended June 30, 2022 and 2021:

Fiscal Years	Water		Wastewater		Hetchy Water		Hetchy Power		CleanPowerSF		SFPUC Total
	\$	%	\$	%	\$	%	\$	%	\$	%	
2022	52,769	49.2%	32,212	30.0%	10,886	10.2%	8,820	8.2%	2,515	2.4%	107,202
2021	48,374	49.4%	29,457	30.0%	4,585	4.7%	13,202	13.5%	2,312	2.4%	97,930

SFPUC's 75-year lease agreement with the San Francisco Recreation and Parks Department (SFRPD), for the use of parking spaces for its fleet of vehicles at the Civic Center Garage, commenced on February 1, 2011. The total payment under this agreement is \$6,274, which was fully made as of fiscal year 2015. The expenses and prepayments among the three SFPUC Enterprises are based on 525 Golden Gate occupancy.

The following tables show the allocable share of expenses and prepayments for the years ended June 30, 2022 and 2021:

	2022				
	Water	Wastewater	Hetchy Water	Hetchy Power	SFPUC Total
Allocable share of expenses	\$ 44	22	5	13	84
Allocable share of prepayment	3,265	1,145	151	753	5,314

	2021				
	Water	Wastewater	Hetchy Water	Hetchy Power	SFPUC Total
Allocable share of expenses	\$ 45	21	4	13	83
Allocable share of prepayment	3,309	1,167	156	766	5,398

**Water Enterprise**

The Water Enterprise purchases water from Hetch Hetchy Water. The amounts, totaling \$45,815 and \$44,149 for the years ended June 30, 2022 and 2021, respectively, have been included in the services provided by other departments in the accompanying financial statements.

The Water Enterprise purchases electricity from Hetch Hetchy Power at market rates. The amounts, totaling \$11,394 and \$9,790 for the years ended June 30, 2022 and 2021, respectively, have been included in services provided by other departments in the accompanying financial statements.

The Water Enterprise sold water to the Wastewater Enterprise at retail rates. This amount, totaling \$1,819 and \$1,308 for the years ended June 30, 2022 and 2021, respectively, has been included in charges for services in the accompanying financial statements.

Since fiscal year 2008, the Water Enterprise has charged City departments for water usage with the exception of fire hydrants, which are used for general public safety. In fiscal years 2022 and 2021, the Water Enterprise

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delivered water for fire hydrant purposes totaling \$8 and \$7, respectively, based on metered usage and applicable water rates, and the amount has been excluded from operating revenues in the accompanying financial statements.

A variety of City departments provide services such as engineering, purchasing, legal, data processing, telecommunications, and human resources to the Water Enterprise and charge amounts designed to recover those departments' costs. These charges, totaling \$15,951 and \$16,239 for the years ended June 30, 2022 and 2021, respectively, have been included in services provided by other departments in the accompanying financial statements.

During the fiscal year ended June 30, 2022, the Water Enterprise transferred \$30,000 to Hetch Hetchy Water to fund various Mountain Tunnel projects, \$500 to the Department of Public Works for the UN Plaza Large Alternative Water Source project and purchase of capital assets, \$134 to the Arts Commission for arts enrichment fund for the new CDD Headquarters, and \$32 to the Office of the City Administrator for the Water Enterprise's contribution to the Surety Bond Program. The Water Enterprise received \$15,030 for the Earthquake Safety and Emergency Response program, and \$5 from the General Fund for low income assistance programs.

As of June 30, 2022, the Water Enterprise had interfund receivables of \$102 from DPW relating to custom work projects and \$69 from Academy of Sciences for unpaid interdepartmental services. As of June 30, 2021, the Water Enterprise had \$248 due from DPW for custom work projects.

The Water Enterprise had receivables due from the Office of Community Investment and Infrastructure for capacity fees of \$195 and from Treasure Island Development Authority for custom work projects of \$7 for the year ended June 30, 2022. As of June 30, 2021, the Water Enterprise had no receivables due from component units.

### Wastewater Enterprise

The Wastewater Enterprise purchases electricity from Hetch Hetchy Power at market rates. This amount, totaling \$11,887 and \$10,122 for the years ended June 30, 2022 and 2021, respectively, has been included in services provided by other departments in the accompanying financial statements.

The Wastewater Enterprise purchases water from Water Enterprise at retail rates. This amount, totaling \$1,819 and \$1,308 for the years ended June 30, 2022 and 2021, respectively, has been included in services provided by other departments in the accompanying financial statements.

The Wastewater Enterprise provides sewer services to other City departments at non-residential rates established by the Commission, and through the Customer Services Bureau, bills and collects sewer service charges on behalf of the Wastewater Enterprise.

The City's Department of Public Works provides certain engineering and other services to the Wastewater Enterprise and charges amounts designed to recover its costs. These services are primarily related to street cleaning, engineering, building repair, and sewer repair. These amounts totaling approximately \$13,099 and \$15,088 for the years ended June 30, 2022 and 2021, respectively, have been included in services provided by other departments in the accompanying financial statements.

A variety of other City departments provide services such as purchasing, legal, data processing, telecommunications, and human resources to the Wastewater Enterprise and charge amounts designed to recover those departments' costs. These charges totaling approximately \$12,840 and \$11,795 for the years ended June 30, 2022 and 2021, respectively, have been included in services provided by other departments in the accompanying financial statements.

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As of June 30, 2022 and 2021, the Wastewater Enterprise has payables in the amount of \$629 and \$739, respectively, which is associated with the SFPUC Headquarters Living Machine system. As of June 30, 2022 and 2021, the Wastewater Enterprise has payable of \$0 to the City Attorney's Office for legal services provided.

As of June 30, 2022, the Wastewater Enterprise has interfund receivable of \$224, of which \$118 from DPW for custom work projects and \$106 from the Academy of Sciences for sewer charges. In fiscal year 2021, the Wastewater Enterprise has interfund receivable of \$261, of which \$237 from the DPW and \$24 from the San Francisco Port for the Islais Creek Project.

As of June 30, 2022, the Wastewater Enterprise has receivables due of \$1,015, consisting of \$1,014 from the Treasure Island Development Authority for capacity charges and \$1 from the Office of Community Investment and Infrastructure (OCII) for the Candlestick Point Project. In fiscal year 2021, the Wastewater Enterprise has receivable of \$20 due from OCII.

SFPUC's 30-year lease agreement with the San Francisco Port Commission, for the use of approximately 4,833 square feet of land located within Seawall Lot 345 and within the public right-of-way on Terry A. Francois Boulevard and on Illinois Street, commenced on September 1st, 2018. SFPUC intends to use the premises for the reconstruction of the Mariposa Pump Station and Force Main Improvements. Total payment under this agreement is \$502, which was fully made as of fiscal year 2019. As of June 30, 2022, the Wastewater Enterprise's expenses and prepayment were \$17 and \$438, respectively, and as of June 30, 2021 were \$17 and \$455, respectively.

### Hetchy Water

The Water Enterprise purchases water from Hetchy Water. Included in the operating revenues are the water assessment fees of \$45,815 and \$44,149 for the years ended June 30, 2022 and 2021, respectively. The water assessment fees represent a recovery to fund upcountry, water-related costs that are not otherwise funded through Hetchy water-related revenue or Water revenue bonds.

A variety of City departments provide direct services such as engineering, purchasing, legal, data processing, telecommunication, and human resources to Hetchy Water and charge amounts designed to recover those departments' costs. These charges totaling approximately \$3,129 and \$2,517 for the years ended June 30, 2022 and 2021, respectively, have been included in services provided by other departments in the accompanying financial statements.

Hetchy Water received \$30,001 and \$16,000 for the years ended June 30, 2022 and 2021, respectively, from the Water Enterprise to fund upcountry projects.

### Hetchy Power

As of June 30, 2022, and 2021, operating revenues in sales of power to departments within the City were \$116,334 and \$82,129, respectively.

A variety of City departments provide direct services such as engineering, purchasing, legal, data processing, telecommunication, and human resources to Hetchy Power and charge amounts designed to recover those departments' costs. These charges totaling approximately \$6,253 and \$6,137 for the years ended June 30, 2022 and 2021, respectively, have been included in services provided by other departments in the accompanying financial statements.

The Water Enterprise also purchases electricity and gas from Hetchy Power. This amount totaled \$11,394 and \$9,790 for the years ended June 30, 2022 and 2021, respectively.

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The Wastewater Enterprise purchases electricity and gas from Hetchy Power. This amount totaled \$11,887 and \$10,122 for the years ended June 30, 2022 and 2021, respectively.

The Low Carbon Fuel Standard (LCFS) program is a regulatory program overseen by the California Air Resources Board (CARB). The LCFS program seeks to reduce the carbon intensity of California's transportation fuel by 20% by 2030. Transportation fuel suppliers can achieve this goal by either reducing the carbon intensity of their fuels or purchasing LCFS credits from other fuel suppliers that have a lower carbon intensity. In 2017, the San Francisco Municipal Transportation Agency (SFMTA) joined the LCFS program, signing up its transit fleet of electric buses, cable cars, and light rail vehicles and generating LCFS credits. Through a Memorandum of Understanding (MOU) with SFMTA, approved by the SFPUC Commission in Resolution 17-0199, net proceeds from the sale of LCFS credits would be shared 50/50 between SFMTA and Hetchy Power. Under the MOU, Hetchy Power would take responsibility for selling the LCFS credits. In Ordinance 0199-19, the Board of Supervisors authorized Hetchy Power to establish the Low Carbon Fuel Standard Fund to account for the revenue and expenditure from the sale of LCFS credits. The Ordinance also allowed Hetchy Power to sell LCFS credits on behalf of other City agencies. As of June 30, 2022 and 2021, Hetchy Power received total payments of \$2,367 and \$2,362, respectively, 50% (\$1,184 in fiscal year 2022 and \$1,181 in fiscal year 2021) was reallocated to SFMTA and the remaining portion was reported as other non-operating revenues on the Statements of Revenues, Expenses, and Change in Net Position.

Due from other City departments was \$11,804 and \$12,406 for the years ended June 30, 2022 and 2021, respectively. Hetchy Power serves as the City's department for energy efficiency projects and maintains the Sustainable Energy Account (SEA) (formerly known as the Mayor's Energy Conservation Account) fund to sponsor and financially support such projects at various City departments. In this role, Hetchy Power may secure low-interest financing to supplement funds available in the SEA fund. At June 30, 2022 and 2021, projects completed or under way throughout the City amounted to \$4,050 and \$4,556, respectively, and are recorded as due from other government agencies.

Hetchy funded a project for the Treasure Island Development Authority and recorded a receivable in connection with an upgraded submarine power cable for the Treasure Island as due from other government agencies. This amount totaled \$6,666 and \$6,627 for the years ended June 30, 2022 and 2021, respectively.

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As of June 30, 2022 and 2021, Hetchy Power recorded receivables of \$629 and \$739, respectively, due from Wastewater Enterprise for its share of costs relating to SFPUC Headquarters Living Machine System. Details of due from other City departments are as follows:

	<u>2022</u>	<u>2021</u>
Treasure Island Development Authority	\$ 6,666	6,627
SEA-related projects - Moscone Center	4,050	4,556
Wastewater - 525 Golden Gate Headquarters Project	629	739
San Francisco Recreation and Park	314	419
Department of Public Works	<u>145</u>	<u>65</u>
Total due from other City departments	11,804	12,406
Less: current portion	<u>(867)</u>	<u>(7,413)</u>
Long-term portion as of June 30, net	<u>\$ 10,937</u>	<u>4,993</u>

As of June 30, 2022, Hetchy Power had payables in the amount of \$380, of which \$369 to the Port of San Francisco for Pier 70 Shoreside Power Project and \$11 to the Department of Public Works for painting of light poles. As of June 30, 2021, Hetchy Power had payables of \$369 to the Port of San Francisco for Pier 70 Shoreside Power Project.

### CleanPowerSF

As of June 30, 2022, and 2021, operating revenue in sales of power to Hetchy Power were \$2,332 and \$1,072, respectively. Operating expenses in purchase of power from Hetchy Power were \$1,589 and \$2,456, respectively. Wholesale sales of energy, capacity and/or other electric power related products may be made between the CleanPowerSF and Hetchy Power, when available. CleanPowerSF and Hetchy Power transact for such products at prevailing market prices.

A variety of City departments provide direct services such as engineering, purchasing, legal, data processing, telecommunication, and human resources to CleanPowerSF and charge amounts designed to recover those departments' costs. These charges totaling approximately \$3,621 and 3,928 for the years ended June 30, 2022 and 2021, respectively, have been included in services provided by other departments in the accompanying financial statements.

CleanPowerSF received program support services from Hetchy Power. This amount totaled \$1,861 and \$2,224 for the years ended June 30, 2022 and 2021, respectively.

## (15) Risk Management

The SFPUC's Risk Management program includes both self-insured (i.e., self-retention) and insured exposures at risk. Risk assessments and purchasing of insurance coverage are collaboratively coordinated by SFPUC Enterprise Risk Management and the City's Office of Risk Management. With certain exceptions, the City and the SFPUC's general approach is to first evaluate the exposure at risk for self-insurance. Based on this analysis, internal mitigation strategies and financing through a self-retention mechanism are generally more economical as the SFPUC in coordination with the City Attorney's Office administers, adjusts, settles, defends, and pays claims from budgeted resources (i.e., pay-as-you-go fund). When economically more viable or when required by debt financing covenants, the SFPUC obtains commercial insurance. At least annually, the City actuarially determines general liability and workers' compensation risk exposures. The SFPUC does not maintain commercial earthquake coverage, with certain minor exceptions, such as a sub-limit for fire-sprinkler leakage due to earthquake under the SFPUC Property Insurance program. In the past three years, there was no settlements that exceeded insurance coverage.

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<b>Risks</b>	<b>Coverage Approach</b>
(a) General liability	Self-Insured
(b) Workers' compensation	Self-Insured through Citywide Pool
(c) Property	Purchased Insurance and Self-Insured
(d) Public officials liability	Purchased Insurance
(e) Employment practices liability	Purchased Insurance
(f) Cyber Liability	Purchased Insurance
(g) Crime	Purchased Insurance
(h) Electronic data processing	Purchased Insurance and Self-Insured
(i) Surety bonds	Purchased and Contractual Risk Transfer
(j) Errors and omissions	Purchased and Contractual Risk Transfer
(k) Builders' risk	Contractual Risk Transfer

**a) General Liability**

Through coordination with the Controller and the City Attorney's Office, the general liability risk exposure is actuarially determined and is addressed through pay-as-you-go funding as part of the budgetary process. Associated costs and estimates are booked as expenses as required under GAAP for financial statement purposes for both the SFPUC and the City and County of San Francisco's Annual Comprehensive Financial Report. The claim expense allocations are determined based on actuarially determined anticipated claim payments and the projected timing of disbursement.

The changes for the general liability (damage claims) for the years ended June 30, 2022 and 2021 are as follows:

	<b>2022</b>					
	<b>Water</b>	<b>Wastewater</b>	<b>Hetchy Water</b>	<b>Hetchy Power</b>	<b>CleanPowerSF</b>	<b>SFPUC Total</b>
Beginning of year	\$ 36,723	16,713	525	1,108	6	55,075
Claims and changes in estimates	452	8,812	253	2,005	1,582	13,104
Claims paid	(1,106)	(13,480)	(151)	(2,090)	(1,556)	(18,383)
End of year	\$ <u>36,069</u>	<u>12,045</u>	<u>627</u>	<u>1,023</u>	<u>32</u>	<u>49,796</u>
	<b>2021</b>					
	<b>Water</b>	<b>Wastewater</b>	<b>Hetchy Water</b>	<b>Hetchy Power</b>	<b>CleanPowerSF</b>	<b>SFPUC Total</b>
Beginning of year	\$ 10,767	15,891	558	2,222	106	29,544
Claims and changes in estimates	27,643	6,428	478	4,212	153	38,914
Claims paid	(1,687)	(5,606)	(511)	(5,326)	(253)	(13,383)
End of year	\$ <u>36,723</u>	<u>16,713</u>	<u>525</u>	<u>1,108</u>	<u>6</u>	<u>55,075</u>

**b) Workers' Compensation**

The City actuarially determines and allocates workers' compensation costs to the SFPUC according to a formula based on the following: (i) the dollar amount of claims; (ii) yearly projections of payments based on historical experience; and (iii) the size of the SFPUC's payroll. The administration of workers' compensation claims and payouts are handled by the Workers' Compensation Division of the City's Department of Human Resources. Statewide workers' compensation reforms have resulted in budgetary savings in recent years. The City continues to develop and implement improved programs, such as return-to-work programs, to lower or mitigate the growth of workers' compensation costs. Programs include accident prevention, investigation, and duty modification for injured employees with medical restrictions so return to work can occur as soon as possible.

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The changes in the liabilities for workers' compensation for the years ended June 30, 2022 and 2021 are as follows:

	2022*				
	Water	Wastewater	Hetchy Water	Hetchy Power	SFPUC Total
Beginning of year	\$ 8,828	6,582	1,120	2,118	18,648
Claims and changes in estimates	2,793	3,207	233	322	6,555
Claims paid	(2,648)	(2,243)	(125)	(190)	(5,206)
End of year	\$ 8,973	7,546	1,228	2,250	19,997

	2021*				
	Water	Wastewater	Hetchy Water	Hetchy Power	SFPUC Total
Beginning of year	\$ 9,174	6,051	1,187	2,200	18,612
Claims and changes in estimates	1,912	2,616	18	95	4,641
Claims paid	(2,258)	(2,085)	(85)	(177)	(4,605)
End of year	\$ 8,828	6,582	1,120	2,118	18,648

\* CleanPowerSF had no workers' compensation liability as of June 30, 2022 and 2021.

**c) Property**

The SFPUC's property risk management approach varies depending on whether the facility is currently under construction, the property is part of revenue-generating operations, the property is of high value, or is mission-critical in nature. During the course of construction, the SFPUC requires each contractor to provide its own insurance, while ensuring the full scope of work be covered with satisfactory levels to limit the SFPUC's risk exposure. Once construction is complete, the SFPUC performs an assessment to determine whether liability/loss coverage will be obtained through the commercial property policy or self-insurance. The majority of property scheduled in the insurance program is for: 1. revenue generating facilities, 2. debt financed facilities, 3. mandated coverage to meet statutory requirements for bonding of various public officials, or 4. high-value, mission-critical property or equipment.

**d) Public Officials Liability**

All SFPUC public officials with financial oversight responsibilities are provided coverage through a commercial Public Officials Liability Policy.

**e) Employment Practices Liability**

An Employment Practices Liability Policy is retained to protect against employment-related claims and liabilities.

**f) Cyber Liability**

A Cyber Liability Policy is retained to protect against cyber-related claims and liabilities.

**g) Crime**

The SFPUC also retains a Commercial Crime Policy, in lieu of bonding its employees, to provide coverage against liabilities or losses due to third-party crime or employee fraud.

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### h) **Electronic Data Processing**

The Electronic Data Processing policy protects selected high-value electronic property in case of damage or loss.

### i) **Surety Bonds**

Bonds are required in most phases of the public utilities construction contracting process for such phases as bid, performance, and payment or maintenance. Additionally, bonds may be required in other contracts where goods or services are provided to ensure compliance with applicable terms and conditions such as warranty.

### j) **Errors and Omissions**

Errors and omissions, also known as Professional Liability, are commonly transferred through contract to the contracted professional, or retained through self insurance on a case-by-case basis depending on the size, complexity, or scope of construction or professional service contracts. Examples of such contracts are inclusive of services provided by engineers, architects, design professionals, and other licensed or certified professional service providers.

### k) **Builders' Risk**

Builders' Risk policies of insurance are required to be provided by the contractor on all construction projects for the full value of construction.

### l) **Energy Risk Management**

Similar to other electric utilities with a heavy reliance on hydroelectric generation, Hetch Hetchy is exposed to risks that could impact its ability to generate net revenues to fund operating and capital investment activities. Hydroelectric generation facilities in the Sierra Nevada are the primary source of electricity for Hetch Hetchy. For this reason, the Hetch Hetchy revenues can vary with watershed hydrology, unexpected generator outages, and market prices for energy. Given the inherent risk for all hydroelectric generation, several risk management interventions have been developed to mitigate exposure.

### m) **Enterprise Risk Management**

The Power Enterprise adopted the ISO 31000 standard for Hetchy Power and the CleanPowerSF program as the framework for implementing Enterprise Risk Management (ERM). The SFPUC utilizes this framework to systematically and proactively identify and mitigate risks that threatens its business objectives. Since not all risks are insurable or transferable contractually, the ERM program provides an additional method to manage risks and protect the SFPUC's current and expanding business allowing for increased operational resiliency and the ability to capitalize on opportunities.

## (16) **Commitments and Litigation**

### a) **Commitments**

SFPUC has outstanding commitments with third parties for various capital projects and other purchase agreements for materials and services. As of June 30, 2022 and 2021, the Water Enterprise had outstanding commitments with third parties of \$322,132 and \$185,161, respectively. As of June 30, 2022 and 2021, the Wastewater Enterprise had outstanding commitments with third parties of \$1,037,607 and \$633,255, respectively. As of June 30, 2022 and 2021, Hetch Hetchy had outstanding commitments with third parties of \$199,283 and \$143,404, respectively.

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### Hetchy Water

To meet certain requirements of the Don Pedro Reservoir operating license, the City entered into an agreement with the Modesto Irrigation District (MID) and Turlock Irrigation District (TID) in which the Districts would be responsible for an increase in water flow releases from the reservoir in exchange for annual payments from the City, which are included in Hetchy Water's operating expenses. The payment amounts were \$5,129 and \$5,069 for fiscal years 2022 and 2021, respectively. The payments are to be made for the duration of the license, but may be terminated with one year's prior written notice after 2001. The City and the Districts have also agreed to monitor the fisheries in the lower Tuolumne River for the duration of the license. A maximum monitoring expense of \$1,400 is to be shared between the City and the Districts over the term of the license. The City's share of the monitoring costs is 52%, while the Districts are responsible for 48% of the costs.

### Hetchy Power

#### Wholesale Distribution Tariff (WDT) and Key Operating Agreements for Grid Access

Upon expiration of the City's previous Interconnection Agreement with PG&E, the City began taking service in 2015 under the Wholesale Distribution Tariff (WDT) for distribution service and under the CAISO Open-Access Transmission Tariff for transmission service. The FERC-regulated Wholesale Distribution Tariff is implemented by PG&E through the City specific Service Agreements and Interconnection Agreements. The terms of these agreements have been in contention since the effective date. The City continues to negotiate with PG&E and, where necessary, file complaints and protests at FERC. In September 2020, PG&E filed a revised WDT. Under the terms of the new WDT, the City would pay substantially higher rates, at least twice to potentially four times the current charges, and be required to install costly and inefficient equipment not needed for technical, safety or reliability of operations. In addition, Hetchy Power would no longer be allowed to connect to the "network" grid in the center of San Francisco; have new secondary interconnections; and/or serve any small, typically unmetered loads, such as streetlights, traffic signal and bus shelters.

Staff prepare regular reporting to the Board of Supervisors outlining on-going disputes with PG&E over project requirements, costs and delays. During fiscal years 2022 and 2021, Hetchy Power purchased distribution services for \$22,404 and \$8,868, respectively, from PG&E under the terms of the Service Agreements and Interconnection Agreements that implement the WDT. The City continues to litigate and dispute these terms at FERC and in the court systems; and pursue the purchase of PG&E's electric grid in San Francisco.

#### Western System Power Pool and other Market Purchases and Sales

Hetchy Power may purchase or sell energy and other related products (such as ancillary services, spinning reserves, resource adequacy products, and congestion revenue rights) with different market entities through the Western System Power Pool (WSPP) and the CAISO. During fiscal years 2022 and 2021, Hetchy Power purchased \$4,152 and \$0 of power and other related products, respectively. Sales of excess power, after meeting Hetchy's obligations, were \$0 for 2022 and \$469 or 110,043 MWh for 2021, respectively.

#### Power Purchase Agreement (PPA)

Hetchy Power (Buyer) purchases energy, capacity, and environmental attributes from a local solar photovoltaic project located at Sunset Reservoir (the facility) pursuant to the 2009 25-year PPA with SFCity1, LP, owned by Duke Energy (Seller). In November 2010, the facility commenced commercial operation and began to provide Hetchy Power energy generated by the facility.

The PPA sets the starting purchase price of generated energy at \$235/MWh, increasing by 3% each year throughout the term of the agreement, and it is expected that the facility will generate 6,560 MWh

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per year. In fiscal year 2022, the facility generated 6,460 MWh and the rate was at \$334/MWh. In the event that the facility generates more energy than expected due to better than normal meteorological conditions, the PPA requires the Buyer to purchase all the excess energy but generation in excess of 120% of expected is purchased at no cost. The PPA also requires the Seller to generate a minimum amount of energy from the facility annually. If energy production falls below 50% of expected, the Seller must provide replacement power, and if energy falls below 90% of expected, the price for energy generated is lowered. In fiscal years 2022 and 2021, purchases of energy under the Agreement were \$2,225, or 6,460 MWh, and \$2,127, or 6,598 MWh, respectively.

### APX, Inc

Hetchy Power and CleanPowerSF participate in the California Independent System Operator (CAISO) energy markets which requires the SFPUC to have a contract with a certified Scheduling Coordinator (SC). In June 2022, CleanPowerSF renewed a 5-year contract with APX, Inc with contract amount not to exceed \$134,743 to fulfill this requirement. APX, Inc provides a number of services including but not limited to an interface with the CAISO's energy scheduling portal, manage invoice payments to the CAISO and communications between the CAISO and the SFPUC, and dispatch of the Hetch Hetchy plant 24 hours a day, seven days a week. The contract also provides that APX, Inc will act as the SC for renewable generation plants under some of CleanPowerSF's Power Purchase Agreements. Hetchy Power's share was \$456 and \$472 as of June 30, 2022 and 2021, respectively. CleanPowerSF's share was \$192 as of June 30, 2022 and 2021.

### CleanPowerSF

CleanPowerSF has added multiple additional short-term and medium-term contracts with multiple counterparties pursuant to master agreements, including the WSP Master Agreement, to purchase renewable, carbon-free and conventional energy and resource adequacy capacity. CleanPowerSF has also entered into long-term contracts for renewable energy and capacity with renewable energy developers including sPower, Terra-Gen, NextEra and EDF Renewables. These contracts have been entered to allow CleanPowerSF to meet its existing retail sales obligations, to support future retail sales from citywide enrollment into the CleanPowerSF program, and to comply with state law requiring that 65% of CleanPowerSF's RPS compliance targets be fulfilled by RPS-eligible electricity from contracts of 10 or more years. Citywide enrollment was substantively completed with the enrollment of residential accounts in April 2019. Since it began serving customers in 2016, CleanPowerSF's cumulative opt-out rate is 4.3% of all enrolled accounts. The total power purchase cost, net of wholesale sales, equaled \$238,149 and \$188,533 in fiscal years 2022 and 2021, respectively.

CleanPowerSF contracts with Calpine Energy Solutions to provide meter data management, billing and customer care support. Calpine is responsible for calculating and providing CleanPowerSF charges to Pacific Gas & Electric (PG&E), which in turn bills both CleanPowerSF and PG&E customers for electricity transmission, distribution, and CleanPowerSF generation services. PG&E remits payments received from customers for CleanPowerSF charges to the City. During fiscal years 2022 and 2021, amounts paid were \$4,730 and \$6,664, respectively.

### CleanPowerSF Power Purchase Agreement (PPA)

In November 2021, CleanPowerSF amended an existing Renewable Power Purchase Agreement with Blythe Solar IV, LLC (seller) to purchase a storage product from the solar powered generation facility located in Blythe, California pursuant to the 20-year PPA. Under the revised agreement, the project in Blythe, California, will add batteries to the operating 62-MW solar photovoltaic power plant. The contract, including the new battery component, is for \$196,399 over 20 years.

In November 2020, CleanPowerSF executed a Power and Storage Purchase Agreement to purchase solar product and storage product from a solar powered generation facility and battery storage facility

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located at Livermore pursuant to the 25-year PPA with IP Aramis, LLC (Seller). As of June 30, 2022 and 2021, CleanPowerSF received cash collateral of \$9,000 for Development Assurance and Performance Assurance from the Seller.

### CleanPowerSF Guarantee

In March 2018, CleanPowerSF entered into a five-year, \$75,000 Credit Agreement with JPMorgan Chase Bank, National Association ("Bank") to provide letters of credit or loans from the Bank to guarantee certain power purchase agreement payment obligations of CleanPowerSF and to meet working capital needs, if necessary. In November 2021 the Credit Agreement was decreased (at the request of CleanPowerSF) the available amount from \$75,000 to \$20,000, and the stated term of the agreement was extended to March 2024. Additional changes to the agreement effected by the November 2021 Amendments include elimination of target reserve requirements, revisions to debt service coverage (allowing for a liquidity test two times in the aggregate for any consecutive four quarters) and rate-setting covenants, changes to ongoing reporting requirements to the Bank, and changes to events of default, including the addition of an event of default if CleanPowerSF's long-term unenhanced credit rating is downgraded below investment grade or suspended, withdrawn or otherwise unavailable. In May 2022 CleanPowerSF executed another amendment to its Credit Agreement to eliminate and change certain financial covenants contained in the 2018 Credit Agreement. Specifically, this Amendment eliminated the covenant of the Commission to maintain a specified debt service coverage ratio and changed such financial covenant to commit the Commission to maintain a specified level of Day Liquidity on Hand (as defined in the Credit Agreement). The Credit Agreement is secured by CleanPowerSF's net revenues; there is no pledge of, or lien on net revenues that ranks senior to the obligations under the Credit Agreement. The Bank issued letters of credit in the face amounts totaling \$5,847 and \$13,810 for fiscal years ending June 30, 2022 and 2021, respectively. CleanPowerSF did not draw on the Credit Agreement during fiscal years 2022 and 2021. Accordingly, the uncommitted credit capacity under the Credit Agreement was \$14,153 and \$61,190 during fiscal years 2022 and 2021, respectively

Original financial covenants include that CleanPowerSF maintain a Debt Service Coverage Ratio as defined in the Credit Agreement of not less than 1.05 for each fiscal quarter, as determined for the four consecutive fiscal quarter periods ended on the last day of such fiscal quarter. As of June 30, 2021, CleanPowerSF was not in compliance with this financial covenant as calculated for the four consecutive fiscal quarters ended on such date, resulting in a covenant event of default under the Credit Agreement. In connection with subsequent amendments to the Credit Agreement, JPMorgan Chase granted a waiver of such event of default for the period ended June 30, 2021. CleanPowerSF was in compliance with other covenants and requirements of the Credit Agreement as of June 30, 2021. CleanPowerSF was in compliance with all covenants and requirements of the Credit Agreement as amended as of June 30, 2022.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, requires the disclosure of certain information related to debt, including unused letters of credit. Significant events of default under the Credit Agreement, include 1) non-payment, 2) material breach of warranty, representation, or other non-remedied breach of covenants as specified in the agreement and 3) bankruptcy and insolvency events, which could result in all outstanding loans under the Credit Agreement to be immediately due and payable; or the immediate termination of the Bank's commitment to issue letters of credit or make loans under the Credit Agreement.

### Green Tariff and Community Solar Green Tariff Programs for Disadvantaged Communities

In June 2018, the California Public Utilities Commission (CPUC) established the Disadvantaged Communities-Green Tariff (DAC-GT) and Community Solar Green Tariff (CSGT) program to address barriers to solar adoption faced by low-income electric customers in neglected communities. The

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DAC-GT program provides a 20% rate discount on 100% Renewable Portfolio Standard (RPS) eligible electricity service to income-qualified customers residing in Disadvantaged Communities (DACs) as defined by the California Environmental Protection Agency's (Cal EPA). Similar to DAC-GT, the CSGT program allows primarily for the DACs to benefit from the development of solar generation projects located in their own or nearby DACs. CSGT projects must also have a local community-based sponsor that supports site selection and customer enrollment.

The CPUC approved CleanPowerSF's application to establish DAC-GT and CSGT programs in April 2021 and to receive funds to cover program administration and a portion of electricity supply costs. CleanPowerSF began enrolling customers in the DAC-GT program branded as "SuperGreen Saver" on June 1, 2022. The CSGT program is expected to start serving customers during fiscal year 2025, once CleanPowerSF is able to procure electricity from a CSGT-eligible solar project(s). As of June 30, 2022, CleanPowerSF received \$1,150 from a combination of ratepayer funds and California Cap and Trade Auction proceeds.

### b) Grants

Grants that the SFPUC received are subject to audit and final acceptance by the granting agency. Current and prior year costs of such grants are subject to adjustment upon audit.

### c) Litigation

The SFPUC is a defendant in various legal actions and claims that arise during the normal course of business. The final disposition of these legal actions and claims is not determinable. However, in the opinion of management, the outcome of any litigation of these matters will not have a material effect on the financial position or changes in net position of SFPUC.

### d) Environmental Issue

#### Water

As of June 30, 2022 and 2021, the pollution remediation liability of \$1,271 related to the Pacific Rod & Gun Club site.

#### Wastewater

As of June 30, 2022, and 2021, the Wastewater Enterprise recorded \$8,060 and \$7,800 in pollution remediation liability, respectively. The increase of \$260 in pollution remediation liability in fiscal year 2022 is due to violation penalties of \$240 at the Southeast Plant for the discharge of secondary treated and disinfected wastewater and \$20 at the Oceanside Plant for failure to meet the District permit condition-imposed standards relating to gas released into the atmosphere from digesters. As of June 30, 2022 the pollution remediation liability of \$8,060 consisted of \$7,800 for the Yosemite Creek toxic sediments and \$260 aggregate violation fines at the Southeast Plant and Oceanside Plant. In fiscal year 2021, the pollution liability of \$7,800 was based on cleanup cost estimates for the toxic sediments at Yosemite Creek.

#### Hetch Hetchy

Hetch Hetchy had no pollution remediation liability as of June 30, 2022 and 2021.

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**(17) Subsequent Events**

**a) SFPUC Extension on the Moratorium on Shutoff of Electric Service**

On September 13, 2022, the Commission approved to extend moratorium on shutoff of water service and sewer service for the residents in the City and electric service for residential retail customers in the City through June 30, 2023 and granted the General Manager discretion to restart severance and liens processes to multi-family residential accounts carrying balances greater than \$25 which are 90 days or more past due. In addition, the temporary suspension of the return of delinquent residential CleanPowerSF customers to PG&E has also been extended through June 30, 2023.

**b) Wastewater Revenue Bonds 2022 Series B Issuances**

On July 6, 2022, the SFPUC issued its San Francisco Wastewater Revenue Bonds, 2022 Sub-Series B (Refunding) with an aggregate principal of \$137,080 to refund a portion of the SFPUC's outstanding 2013 Series A and 2013 Series B Wastewater Revenue Bonds.

**c) Wastewater Interim Funding Program – Credit Providers**

On July 7, 2022, the SFPUC entered into a \$75,000 Revolving Credit and Term Loan Agreement with TD Bank N.A. (TD Bank) (Series A-4) which expires July 6, 2027. The Series A-4 Revolving Credit and Term Loan Agreement replaced the \$75,000 Revolving Credit and Term Loan Agreement from the Toronto Dominion Bank which expired July 8, 2022.



## Required Supplementary Information (Unaudited)

Schedules of the Proportionate Share of the Net Pension (Asset)/Liability

Schedules of Employer Contributions – Pension Plan

Schedules of Changes in Total Pension Liability and Related Ratios –  
Replacement Benefits Plan

Schedules of Changes in Other Post-employment Benefits Liability and  
Related Ratio - Other Post-employment Healthcare Benefits Plan

Schedules of Employer Contributions – Other Post-employment Healthcare  
Benefits Plan

### **Supplementary Information (Proprietary Funds)**

Schedule of Changes in Net Position – Dollar and Percentage Change vs.  
Prior Year

Schedule of Changes in Revenues, Expenses, and Net Position – Dollar and  
Percentage Change vs. Prior Year

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**Required Supplementary Information (Unaudited)**  
**Schedules of the Proportionate Share of the Net Pension (Asset)/Liability**  
**Fiscal Years Ended 2015 to 2022**  
(In thousands)

<b>City - San Francisco Employee's Retirement System (SFERS) Plan and Measurement Period (MP)</b>	<b>2015*</b> (MP 2014)	<b>2016**</b> (MP 2015)	<b>2017**</b> (MP 2016)	<b>2018</b> (MP 2017)	<b>2019**</b> (MP 2018)	<b>2020</b> (MP 2019)	<b>2021</b> (MP 2020)	<b>2022</b> (MP 2021)
Proportion of net pension liability	93.78%	93.90%	94.22%	94.07%	94.10%	94.13%	94.39%	94.64%
Proportionate share of the net pension (asset)/liability	\$ 1,660,365	2,156,049	5,476,654	4,697,131	4,030,207	4,213,808	5,107,270	(2,446,564)
Covered payroll (City and County only)	\$ 2,398,979	2,529,879	2,681,695	2,880,112	3,045,153	3,186,405	3,378,945	3,434,713
Proportionate share of the net pension (asset)/liability as a percentage of covered payroll	69.21%	85.22%	204.22%	163.09%	132.35%	132.24%	151.15%	-71.23%
Plan fiduciary net position as a percentage of total pension (asset)/liability	91.84%	89.90%	77.61%	81.78%	85.20%	85.30%	83.10%	107.80%
<b>Water</b>								
Proportion of net pension liability	5.08%	5.00%	4.75%	4.45%	4.35%	4.23%	4.21%	4.27%
Proportionate share of the net pension (asset)/liability	\$ 84,374	108,024	259,956	209,003	175,429	178,133	215,240	(100,407)
Covered payroll^	127,364	132,138	134,734	135,361	140,137	142,781	150,170	154,740
Proportionate share of the net pension (asset)/liability as a percentage of covered payroll	66.25%	81.75%	192.94%	154.40%	125.18%	124.76%	143.33%	-64.89%
<b>Wastewater</b>								
Proportion of net pension liability	2.27%	2.20%	2.17%	2.15%	2.11%	2.05%	2.03%	1.99%
Proportionate share of the net pension (asset)/liability	\$ 37,615	48,177	118,907	100,973	85,037	86,235	103,746	(48,770)
Covered payroll^	56,913	58,141	61,552	65,399	67,975	69,197	72,410	72,116
Proportionate share of the net pension (asset)/liability as a percentage of covered payroll	66.09%	82.86%	193.18%	154.40%	125.10%	124.62%	143.28%	-67.63%
<b>Hetchy Water</b>								
Proportion of net pension liability	0.56%	0.57%	0.57%	0.54%	0.50%	0.51%	0.52%	0.57%
Proportionate share of the net pension (asset)/liability	\$ 9,242	12,093	31,235	25,216	20,390	21,477	26,645	(13,912)
Covered payroll^	14,040	15,064	16,168	16,426	16,108	17,215	18,548	20,656
Proportionate share of the net pension (asset)/liability as a percentage of covered payroll	65.83%	80.28%	193.19%	153.51%	126.59%	124.76%	143.65%	-67.35%
<b>Hetchy Power</b>								
Proportion of net pension liability	0.68%	0.69%	0.70%	0.65%	0.62%	0.62%	0.64%	0.69%
Proportionate share of the net pension (asset)/liability	\$ 11,295	14,781	38,177	30,819	24,920	26,249	32,566	(17,004)
Covered payroll	17,049	18,235	19,855	19,772	19,974	20,928	22,829	25,005
Proportionate share of the net pension (asset)/liability as a percentage of covered payroll	66.25%	81.06%	192.27%	155.87%	124.76%	125.43%	142.65%	-68.00%
<b>CleanPowerSF</b>								
Proportion of net pension liability				0.02%	0.03%	0.04%	0.06%	0.07%
Proportionate share of the net pension (asset)/liability	\$	Data not available - CleanPowerSF launched in May 2016.		1,087	1,070	1,805	3,008	(1,833)
Covered payroll^				608	966	1,350	2,140	2,537
Proportionate share of the net pension (asset)/liability as a percentage of covered payroll				178.68%	110.71%	133.69%	140.55%	-72.26%
<b>SFPUC Total</b>								
Proportion of net pension liability	8.59%	8.46%	8.19%	7.81%	7.61%	7.45%	7.46%	7.59%
Proportionate share of the net pension (asset)/liability	\$ 142,526	183,075	448,275	367,098	306,846	313,899	381,205	(181,926)
Covered payroll^	215,365	223,577	232,309	237,566	245,159	251,471	266,098	275,054
Proportionate share of the net pension (asset)/liability as a percentage of covered payroll	66.18%	81.88%	192.96%	154.52%	125.16%	124.83%	143.26%	-66.14%

\* Fiscal year 2015 was the first year of implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Therefore only seven eight years data shown. RSI will be provided for 10 years as it becomes available.

\*\*Changes of Assumptions - There were no changes in the discount rate for the measurement period ended June 30, 2021 and 2020. For the measurement period ended June 30, 2019, the discount rate was decreased from 7.50% to 7.40%. There were no changes in the discount rate for the measurement pension ended June 30, 2018. For the measurement period ended June 30, 2017, the discount rate was increased from 7.46% to 7.50%.

^ Water, Wastewater, Hetchy Water, Hetchy Power, CleanPowerSF and SFPUC covered payroll is calculated based on the percentage of proportion of net pension (asset)/liability by the Total covered payroll from SFERS ([www.mysfers.org](http://www.mysfers.org)). The total covered payroll for SFERS includes the City, San Francisco Unified School District, San Francisco Community College District, and the San Francisco Courts.

Source: Office of the Controller, City and County of San Francisco and San Francisco Employees' Retirement System (SFERS)

See accompanying auditors' report.

**THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION**  
**Required Supplementary Information (Unaudited)**  
**Schedules of Employer Contributions - Pension Plan**  
**Fiscal Years Ended 2015 to 2022**  
(In thousands)

City - SFERS Plan and Measurement Period (MP)	2015*	2016	2017	2018	2019	2020	2021	2022
	(MP 2015)	(MP 2016)	(MP 2017)	(MP 2018)	(MP 2019)	(MP 2020)	(MP 2021)	(MP 2022)
Actuarially determined contributions <sup>1**</sup>	\$ 556,511	496,343	519,073	582,568	607,408	701,307	791,736	729,578
Contributions in relations to the actuarially determined contributions <sup>1</sup>	(556,511)	(496,343)	(519,073)	(582,568)	(607,408)	(701,307)	(791,736)	(729,578)
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—
Covered payroll	\$ 2,529,879	2,681,695	2,880,112	3,045,153	3,186,405	3,378,945	3,434,713	3,553,859
Contributions as a percentage of covered payroll	22.00%	18.51%	18.02%	19.13%	19.06%	20.76%	23.05%	20.53%
<b>Water</b>								
Actuarially determined contributions <sup>1</sup>	\$ 28,280	24,497	24,638	25,922	26,440	29,647	33,367	31,151
Contributions in relations to the actuarially determined contributions <sup>1</sup>	(28,280)	(24,497)	(24,638)	(25,922)	(26,440)	(29,647)	(33,367)	(31,151)
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—
Covered payroll <sup>^</sup>	\$ 132,138	134,734	135,361	140,137	142,781	150,170	154,740	159,803
Contributions as a percentage of covered payroll	21.40%	18.18%	18.20%	18.50%	18.52%	19.74%	21.56%	19.49%
<b>Wastewater</b>								
Actuarially determined contributions <sup>1</sup>	\$ 12,608	10,930	11,270	12,523	12,816	14,352	16,083	14,543
Contributions in relations to the actuarially determined contributions <sup>1</sup>	(12,608)	(10,930)	(11,270)	(12,523)	(12,816)	(14,352)	(16,083)	(14,543)
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—
Covered payroll <sup>^</sup>	\$ 58,141	61,552	65,399	67,975	69,197	72,410	72,116	74,475
Contributions as a percentage of covered payroll	21.69%	17.76%	17.23%	18.42%	18.52%	19.82%	22.30%	19.53%
<b>Hetchy Water</b>								
Actuarially determined contributions <sup>1</sup>	\$ 3,097	2,806	2,961	3,128	3,073	3,574	4,130	4,149
Contributions in relations to the actuarially determined contributions <sup>1</sup>	(3,097)	(2,806)	(2,961)	(3,128)	(3,073)	(3,574)	(4,130)	(4,149)
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—
Covered payroll <sup>^</sup>	\$ 15,064	16,168	16,426	16,108	17,215	18,548	20,656	21,332
Contributions as a percentage of covered payroll	20.56%	17.36%	18.03%	19.42%	17.85%	19.27%	19.99%	19.45%
<b>Hetchy Power</b>								
Actuarially determined contributions <sup>1</sup>	\$ 3,786	3,430	3,618	3,822	3,756	4,369	5,048	5,071
Contributions in relations to the actuarially determined contributions <sup>1</sup>	(3,786)	(3,430)	(3,618)	(3,822)	(3,756)	(4,369)	(5,048)	(5,071)
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—
Covered payroll <sup>^</sup>	\$ 18,235	19,855	19,772	19,974	20,928	22,829	25,005	25,823
Contributions as a percentage of covered payroll	20.76%	17.27%	18.30%	19.14%	17.95%	19.14%	20.19%	19.64%
<b>CleanPowerSF</b>								
Actuarially determined contributions <sup>1</sup>	Data not available - CleanPowerSF launched in May 2016.			135	161	300	466	546
Contributions in relations to the actuarially determined contributions <sup>1</sup>				(135)	(161)	(300)	(466)	(546)
Contribution deficiency (excess)				—	—	—	—	—
Covered payroll <sup>^</sup>				966	1,350	2,140	2,537	2,620
Contributions as a percentage of covered payroll				13.97%	11.92%	14.02%	18.37%	20.84%
<b>SFPUC Total</b>								
Actuarially determined contributions <sup>1</sup>	\$ 47,771	41,663	42,487	45,530	46,246	52,242	59,094	55,460
Contributions in relations to the actuarially determined contributions <sup>1</sup>	(47,771)	(41,663)	(42,487)	(45,530)	(46,246)	(52,242)	(59,094)	(55,460)
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—
Covered payroll <sup>^</sup>	\$ 223,577	232,309	236,958	245,159	251,471	266,098	275,054	284,053
Contributions as a percentage of covered payroll	21.37%	17.93%	17.93%	18.57%	18.39%	19.63%	21.48%	19.52%

(continued)

<sup>1</sup>Contractually required contributions is an actuarially contribution for all cost-sharing plans.

\*Fiscal year 2015 was the first year of implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Therefore only eight seven years data shown, RSI will be provided for 10 years as it becomes available.

\*\* In fiscal year 2015, the actuarially determined contributions were based on an estimated. Due to the early implementation of GASB Statement No. 82, *Pension Issues*, the City decreased the actuarially determined contributions for the City SFERS plan to deduct the employer pickup in the amount of \$8.6 million. (City and County only)

<sup>^</sup>Water, Wastewater, Hetchy Water, Hetchy Power, CleanPowerSF and SFPUC covered payroll is calculated based on the latest available measurement period percentage of proportion of net pension (asset)/liability by the Total covered payroll from SFERS ([www.mysfers.org](http://www.mysfers.org)). The total covered payroll for SFERS includes the City, San Francisco Unified School District, San Francisco Community College District and the San Francisco Courts. For fiscal year 2021, the percentage of proportion of net pension liability is updated to be based on measuring period 2021. Fiscal year 2022 is an estimated percentage of proportion of net pension liability based on measuring period 2021.

Source: Office of the Controller, City and County of San Francisco and San Francisco Employees' Retirement System (SFERS)

See accompanying auditors' report.

Source: Office of the Controller, City and County of San Francisco. See accompanying auditors' report.

**THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION**  
**Required Supplementary Information (Unaudited)**  
**Schedules of Employer Contributions - Pension Plan**  
**Fiscal Years Ended 2015 to 2022**

**Methods and assumptions used to determine contribution rates to SFERS Plan**

	<b>Fiscal Year 2022</b>	<b>Fiscal Year 2021</b>
Valuation date.....	July 1, 2019	July 1, 2018
Actuarial cost method.....	Entry-age normal cost method	Entry-age normal cost method
Amortization method.....	Level annual percentage of payroll	Level annual percentage of payroll
Remaining amortization period.....	Closed 15-year period	Closed 15-year period
Asset valuation method.....	5 year smoothed market	5 year smoothed market
Investment rate of return.....	7.40% (net of investment expenses)	7.40% (net of investment expenses)
Inflation.....	2.75%	3.00% compounded annually
Projected salary increase.....	Wage inflation component: 3.50%	Wage inflation component: 3.50%
	<b>Fiscal Year 2020</b>	<b>Fiscal Year 2019</b>
Valuation date.....	July 1, 2017	July 1, 2016
Actuarial cost method.....	Entry-age normal cost method	Entry-age normal cost method
Amortization method.....	Level annual percentage of payroll	Level annual percentage of payroll
Remaining amortization period.....	Closed 15-year period	Closed 15-year period
Asset valuation method.....	5 year smoothed market	5 year smoothed market
Investment rate of return.....	7.50% (net of investment expenses)	7.50% (net of investment expenses)
Inflation.....	3.00% compounded annually	3.25% compounded annually
Projected salary increase.....	Wage inflation component: 3.50%	Wage inflation component: 3.75%
	<b>Fiscal Year 2018</b>	<b>Fiscal Year 2017</b>
Valuation date.....	July 1, 2015	July 1, 2014
Actuarial cost method.....	Entry-age normal cost method	Entry-age normal cost method
Amortization method.....	Level annual percentage of payroll	Level annual percentage of payroll
Remaining amortization period.....	Closed 15-year period	Closed 15-year period
Asset valuation method.....	5 year smoothed market	5 year smoothed market
Investment rate of return.....	7.50% (net of investment expenses)	7.50% (net of investment expenses)
Inflation.....	3.25% compounded annually	3.25% compounded annually
Projected salary increase.....	Wage inflation component: 3.75%	Wage inflation component: 3.75%
	<b>Fiscal Year 2016</b>	<b>Fiscal Year 2015</b>
Valuation date.....	July 1, 2013	July 1, 2012
Actuarial cost method.....	Entry-age normal cost method	Entry-age normal cost method
Amortization method.....	Level annual percentage of payroll	Level annual percentage of payroll
Remaining amortization period.....	Rolling 15-year period	Rolling 15-year period
Asset valuation method.....	5 year smoothed market	5 year smoothed market
Investment rate of return.....	7.58% (net of investment expenses)	7.58% (net of investment expenses)
Inflation.....	3.33% compounded annually	3.33% compounded annually
Projected salary increase.....	Wage inflation component: 3.83%	Wage inflation component: 3.83%

Methods and assumptions updated per Office of the Controller.  
Source: Office of the Controller, City and County of San Francisco.

**THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION**  
**Required Supplementary Information (Unaudited)**  
**Schedules of Changes in Total Pension Liability and Related Ratios - Replacement Benefits Plan**  
**Fiscal Years 2021 to 2022**  
(In thousands)

	<b>2021*</b>	<b>2022</b>
	<u>(MP 2020)</u>	<u>(MP 2021)</u>
<b>City Replacement Benefits Plan</b>		
Plan total pension liability:		
Service Cost.....	\$ 1,976	2,571
Interest.....	4,776	4,076
Changes of benefits.....	—	—
Differences between expected and actual experience.....	7,800	24,547
Changes of assumptions.....	37,013	7,274
Benefit payments.....	<u>(3,634)</u>	<u>(4,097)</u>
Net change in total pension liability.....	47,931	34,371
Total pension liability, beginning.....	<u>137,272</u>	<u>185,203</u>
<b>Plan total pension liability, ending.....</b>	<b>\$ <u>185,203</u></b>	<b><u>219,574</u></b>
Covered-employee payroll.....	\$ 3,414,923	3,470,495
Plan total pension liability as a percentage of the covered-employee payroll .....	\$ 5.42%	6.33%
<b>Water Enterprise</b>		
Plan total pension liability:		
Service Cost.....	\$ 13	47
Interest.....	30	75
Changes of benefits.....	—	—
Differences between expected and actual experience.....	50	453
Changes of assumptions.....	235	134
Benefit payments.....	<u>(23)</u>	<u>(76)</u>
Net change in total pension liability.....	305	635
Total pension liability, beginning.....	—	1,177
Adjustments to pension.....	<u>872</u>	<u>2,244</u>
<b>Plan total pension liability, ending.....</b>	<b>\$ <u>1,177</u></b>	<b><u>4,056</u></b>
Covered-employee payroll.....	\$ 21,695	64,104
Plan total pension liability as a percentage of the covered-employee payroll .....	\$ 0.03%	0.12%
Water Enterprise's allocation of the City's proportionate share:	0.64%	1.85%

\* Fiscal year 2021 was the first year SFPUC Water Enterprise have Replacement Benefits Plan. RSI will be provided for 10 years as it becomes available.

No assets are accumulated in a trust that meet the criteria in GASB Statement No. 73 to pay related benefits.

Source: Office of the Controller, City and County of San Francisco.

See accompanying auditors' report.

**THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION**  
**Required Supplementary Information (Unaudited)**  
**Schedules of Changes in Other Post-employment Benefits Liability and Related Ratios**  
**Other Post-employment Healthcare Benefits Plan**  
**Fiscal Years Ended 2018 to 2022**  
**(In thousands)**

City Plan and Measurement Period (MP)	2018*	2019	2020	2021	2022
	(MP 2017)	(MP 2018)	(MP 2019)	(MP 2020)	(MP 2021)
<b>Total Other Postemployment Benefits (OPEB) Liability</b>					
Service Cost	\$ 125,195	127,850	133,736	141,642	155,840
Interest (includes interest on service cost)	272,942	290,029	283,520	314,907	300,122
Differences between expected and actual experience	—	(385,732)	194,068	(381,922)	(151,947)
Changes of assumptions	—	111,119	—	151,725	—
Benefits payments, including refunds of member contributions	(165,470)	(178,019)	(185,839)	(196,445)	(206,439)
Net change in total OPEB liability	232,667	(34,753)	425,485	29,907	97,576
Total OPEB liability - beginning	3,659,019	3,891,686	3,856,933	4,282,418	4,312,323
Adjustments to OPEB	—	—	—	(2)	—
Total OPEB liability - ending	<u>\$ 3,891,686</u>	<u>3,856,933</u>	<u>4,282,418</u>	<u>4,312,323</u>	<u>4,409,899</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 183,898	203,858	218,625	235,963	245,994
Contributions - member	31,686	41,682	51,024	60,236	61,582
Net investment income	17,368	14,105	26,959	22,746	128,916
Benefit payments, including refunds of member contributions	(165,470)	(178,019)	(185,839)	(196,445)	(206,439)
Administrative expense	(109)	(137)	(132)	(113)	(265)
Net change in plan fiduciary net position	67,373	81,489	110,637	122,387	229,788
Plan fiduciary net position - beginning	107,104	174,477	255,966	366,603	488,989
Adjustments to OPEB	—	—	—	(1)	—
Plan fiduciary net position - ending	<u>174,477</u>	<u>255,966</u>	<u>366,603</u>	<u>488,989</u>	<u>718,777</u>
Net OPEB liability - ending	<u>\$ 3,717,209</u>	<u>3,600,967</u>	<u>3,915,815</u>	<u>3,823,334</u>	<u>3,691,122</u>
Plan fiduciary net position as a percentage of the total OPEB liability					
	4.48%	6.64%	8.56%	11.34%	16.30%
Covered payroll	\$ 3,393,658	3,583,448	3,763,446	3,951,792	3,955,498
Net OPEB liability as a percentage of covered payroll	109.53%	100.49%	104.05%	96.75%	93.32%
<b>Water</b>					
Proportion of net OPEB liability	\$ 166,336	150,771	163,684	148,771	144,115
Percentage of proportion of net OPEB liability	4.47%	4.19%	4.18%	3.89%	3.90%
Covered payroll	151,858	150,037	157,315	153,769	154,437
Net OPEB liability as a percentage of covered payroll	109.53%	100.49%	104.05%	96.75%	93.32%
<b>Wastewater</b>					
Proportion of net OPEB liability	\$ 59,517	53,567	58,183	50,711	49,123
Percentage of proportion of net OPEB liability	1.60%	1.49%	1.49%	1.33%	1.33%
Covered payroll	54,337	53,306	55,919	52,415	52,641
Net OPEB liability as a percentage of covered payroll	109.53%	100.49%	104.05%	96.75%	93.32%
<b>Hetchy Water</b>					
Proportion of net OPEB liability	\$ 15,872	15,404	16,350	14,444	14,240
Percentage of proportion of net OPEB liability	0.43%	0.43%	0.42%	0.38%	0.39%
Covered payroll	14,490	15,329	15,714	14,929	15,260
Net OPEB liability as a percentage of covered payroll	109.53%	100.49%	104.05%	96.75%	93.32%
<b>Hetchy Power</b>					
Proportion of net OPEB liability	\$ 19,400	18,826	19,983	17,653	17,405
Percentage of proportion of net OPEB liability	0.52%	0.52%	0.51%	0.46%	0.47%
Covered payroll	17,711	18,734	19,205	18,246	18,652
Net OPEB liability as a percentage of covered payroll	109.53%	100.49%	104.05%	96.75%	93.32%
<b>CleanPowerSF</b>					
Proportion of net OPEB liability	\$ 728	1,242	2,197	2,909	2,264
Percentage of proportion of net OPEB liability	0.02%	0.03%	0.06%	0.08%	0.06%
Covered payroll	665	1,236	2,112	3,007	2,426
Net OPEB liability as a percentage of covered payroll	109.53%	100.49%	104.05%	96.75%	93.32%
<b>SFPUC Total</b>					
Proportion of net OPEB liability	\$ 261,853	239,810	260,397	234,488	227,147
Percentage of proportion of net OPEB liability	7.04%	6.66%	6.66%	6.14%	6.15%
Covered payroll	239,061	238,643	250,265	242,366	243,416
Net OPEB liability as a percentage of covered payroll	109.53%	100.49%	104.05%	96.75%	93.32%

(continued)

\*Fiscal year 2018 was the first year of implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. Therefore five years data is shown. RSI will be provided for 10 years as it becomes available.

^ Water, Wastewater, Hetchy Water, Hetchy Power, CleanPowerSF and SFPUC covered payroll is based on the percentage of proportion of net OPEB liability to the City's covered payroll.

Source: Office of the Controller, City and County of San Francisco.

See accompanying auditors' report.

**THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION**  
**Required Supplementary Information (Unaudited)**  
**Schedules of Employer Contributions - Other Post-employment Healthcare Benefits Plan**  
**Fiscal Years Ended 2018 to 2022**  
(In thousands)

<b>City - City Plan and Measurement Period</b>	<b>2018*</b>	<b>2019</b>	<b>2020</b>	<b>2021**</b>	<b>2022</b>
	(MP 2018)	(MP 2019)	(MP 2020)	(MP 2021)	(MP 2022)
Charter Required or Actuarially determined contributions (ADC)	\$ 203,858	218,625	235,963	245,992	252,866
Contributions in relations to charter required contribution or ADC	(203,858)	(218,625)	(235,963)	(245,992)	(252,866)
Contribution deficiency (excess)	\$ —	—	—	—	—
Covered payroll	\$ 3,583,448	3,763,446	3,951,792	3,955,498	4,267,680
Contributions as a percentage of covered payroll	5.69%	5.81%	5.97%	6.22%	5.93%
<b>Water</b>					
Charter Required or Actuarially determined contributions (ADC)	\$ 9,122	9,154	9,863	9,572	9,873
Contributions in relations to charter required contribution or ADC	(9,122)	(9,154)	(9,863)	(9,572)	(9,873)
Contribution deficiency (excess)	\$ —	—	—	—	—
Covered payroll <sup>^</sup>	\$ 150,037	157,315	153,769	154,437	166,626
Contributions as a percentage of covered payroll	6.08%	5.82%	6.41%	6.20%	5.93%
<b>Wastewater</b>					
Charter Required or Actuarially determined contributions (ADC)	\$ 3,264	3,252	3,506	3,263	3,365
Contributions in relations to charter required contribution or ADC	(3,264)	(3,252)	(3,506)	(3,263)	(3,365)
Contribution deficiency (excess)	\$ —	—	—	—	—
Covered payroll <sup>^</sup>	\$ 53,306	55,919	52,415	52,641	56,796
Contributions as a percentage of covered payroll	6.12%	5.82%	6.69%	6.20%	5.92%
<b>Hetchy Water</b>					
Charter Required or Actuarially determined contributions (ADC)	\$ 870	935	985	929	975
Contributions in relations to charter required contribution or ADC	(870)	(935)	(985)	(929)	(975)
Contribution deficiency (excess)	\$ —	—	—	—	—
Covered payroll <sup>^</sup>	\$ 15,329	15,714	14,929	15,260	16,464
Contributions as a percentage of covered payroll	5.68%	5.95%	6.60%	6.09%	5.92%
<b>Hetchy Power</b>					
Charter Required or Actuarially determined contributions (ADC)	\$ 1,064	1,143	1,204	1,136	1,192
Contributions in relations to charter required contribution or ADC	(1,064)	(1,143)	(1,204)	(1,136)	(1,192)
Contribution deficiency (excess)	\$ —	—	—	—	—
Covered payroll <sup>^</sup>	\$ 18,734	19,205	18,246	18,652	20,124
Contributions as a percentage of covered payroll	5.68%	5.95%	6.60%	6.09%	5.92%
<b>CleanPowerSF</b>					
Charter Required or Actuarially determined contributions (ADC)	\$ 40	75	132	187	155
Contributions in relations to charter required contribution or ADC	(40)	(75)	(132)	(187)	(155)
Contribution deficiency (excess)	\$ —	—	—	—	—
Covered payroll <sup>^</sup>	1,236	2,112	3,007	2,426	2,618
Contributions as a percentage of covered payroll	3.24%	3.55%	4.39%	7.71%	5.92%
<b>SFPUC Total</b>					
Charter Required or Actuarially determined contributions (ADC)	\$ 14,360	14,559	15,690	15,087	15,560
Contributions in relations to charter required contribution or ADC	(14,360)	(14,559)	(15,690)	(15,087)	(15,560)
Contribution deficiency (excess)	\$ —	—	—	—	—
Covered payroll <sup>^</sup>	\$ 238,642	250,265	242,366	243,416	262,628
Contributions as a percentage of covered payroll	6.02%	5.82%	6.47%	6.20%	5.92%

\*Fiscal year 2018 was the first year of implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. Therefore five years data is shown. RSI will be provided for 10 years as it becomes available.

\*\* Fiscal year 2021 and 2020 covered payroll data and percentage updated in fiscal year 2022.

<sup>^</sup> Water, Wastewater, Hetchy Water, Hetchy Power, CleanPowerSF and SFPUC covered payroll is calculated based on the percentage of proportion of net OPEB liability by the Total covered payroll. For fiscal year 2022, the percentage of proportion of net OPEB liability is based on FY2021.

Source: Office of the Controller, City and County of San Francisco.

See accompanying auditors' report.

**THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION**  
**Schedule of Changes in Net Position – Dollar and Percentage Change vs. Prior Year**  
**Proprietary Funds**  
**June 30, 2022 and 2021**  
**(In thousands)**

	Business Type Activities – Proprietary Funds													
	Water		Wastewater		Hetchy Water		Hetchy Power		CleanPowerSF		Eliminations		SFPU Total	
	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change
<b>Assets</b>														
<b>Current assets:</b>														
Cash and investments with City Treasury..... \$	(22,873)	(4.7)	3,457	1.2	4,817	5.4	(1,078)	(0.6)	(34,604)	(38.1)	—	—	(50,281)	(4.4)
Cash and investments outside City Treasury.....	17	5.6	31	8.5	—	—	(595)	(97.4)	—	—	—	—	(547)	(42.8)
<b>Receivables:</b>														
Charges for services (net of allowance for doubtful accounts of \$3,915, \$4,273, \$0, \$1,297, and \$6,330 in 2022 and \$5,445, \$5,369, \$0, \$1,258, and \$5,485 in 2021).....	6,267	11.3	7,240	21.9	33	7.5	(8,835)	(46.4)	20,438	72.3	—	—	25,143	18.4
Due from other City departments, current portion.....	(70)	(28.2)	(56)	(19.9)	—	—	(6,546)	(88.3)	—	—	(1)	(0.9)	(6,673)	(85.2)
Due from other governments.....	(16)	(100.0)	25	100.0	(67)	(11.6)	31	11.6	—	—	—	—	(27)	(3.1)
Interest.....	142	55.3	125	66.1	19	90.5	76	60.8	6	10.9	—	—	368	56.9
Interest-Leases.....	25	2.9	—	—	—	—	—	—	—	—	—	—	25	2.9
Restricted due from other governments.....	(41,993)	(84.8)	182,040	877.1	—	—	—	—	—	—	—	—	140,047	199.2
Leases receivable, current portion.....	36	1.1	—	—	—	—	—	—	—	—	—	—	36	1.1
Restricted interest and other receivable (net of allowance for doubtful accounts of \$146, \$385, \$0, \$0 and \$0 in 2022 and \$24, \$68, \$0, \$0 and \$0 in 2021).....	159	4.0	(540)	(19.0)	—	—	(7,497)	(63.5)	—	—	—	—	(7,878)	(42.3)
Total current receivables.....	(35,450)	(31.2)	188,834	330.4	(15)	(1.4)	(22,771)	(58.9)	20,444	72.2	(1)	(0.9)	151,041	63.3
Prepaid charges, advances, and other receivables, current portion.....	6,033	98.1	(531)	(60.5)	(186)	(46.3)	(755)	(28.3)	8,366	383.1	—	—	12,927	105.3
Inventory.....	865	14.6	301	11.3	8	4.2	(142)	(7.8)	—	—	—	—	1,032	9.7
Restricted cash and investments outside City Treasury, current portion.....	(46,102)	(80.6)	15,289	5,130.5	—	—	5,075	3,317.0	—	—	—	—	(25,738)	(44.7)
Total current assets.....	(97,510)	(14.6)	207,381	60.5	4,624	5.1	(20,266)	(8.6)	(5,794)	(4.8)	(1)	(0.9)	88,434	6.1
<b>Non-current assets:</b>														
Net pension asset.....	100,407	100.0	48,770	100.0	13,912	100.0	17,004	100.0	1,833	100.0	—	—	181,926	100.0
Restricted cash and investments with City Treasury.....	9,299	100.0	—	—	(6,990)	(100.0)	(5,241)	(100.0)	—	—	—	—	(2,932)	(24.0)
Restricted cash and investments outside City Treasury, less current portion.....	(794)	(1.2)	13,873	140.2	—	—	5,134	139.1	—	—	—	—	18,213	23.0
Leases receivable, less current portion.....	(2,981)	(6.5)	—	—	—	—	—	—	—	—	—	—	(2,981)	(6.5)
Restricted interest and other receivable, and prepaid (net of allowance for doubtful accounts of \$8, \$29, \$0, \$0, and \$0 in 2022 and \$8, \$29, \$0, \$0, and \$0 in 2021).....	—	—	(16)	(3.6)	—	—	—	—	—	—	—	—	(16)	(3.5)
Lease assets, net of accumulated amortization.....	(1,425)	(33.6)	(2,325)	(39.3)	(13)	(17.6)	(17)	(18.9)	(345)	(60.0)	—	—	(4,125)	(37.9)
Charges for services, less current portion (net of allowance for doubtful accounts of \$656, \$567, \$0, \$0, and \$0 in 2022 and \$658, \$569 \$0, \$0, and \$0 in 2021).....	—	—	1	0.3	—	—	—	—	—	—	—	—	1	0.2
Prepaid charges, advances, and other receivables, less current portion.....	243	6.9	(27)	(2.3)	(6)	(3.9)	8,637	1,147.0	12,236	100.0	—	—	21,083	376.1
Capital assets, not being depreciated and amortized.....	(79,155)	(12.4)	383,773	27.6	18,805	48.8	91,217	52.3	—	—	—	—	414,640	18.5
Capital assets, net of accumulated depreciation and amortization.....	108,950	2.2	55,828	2.5	4,721	3.4	2,363	0.7	—	—	—	—	171,862	2.3
Due from other City departments, less current portion.....	—	—	—	—	—	—	5,944	119.0	—	—	111	17.6	6,055	138.7
Total non-current assets.....	134,544	2.4	499,877	13.8	30,429	16.5	125,041	24.7	13,724	2,386.8	111	17.6	803,726	8.0
Total assets.....	37,034	0.6	707,258	17.8	35,053	12.7	104,775	14.1	7,930	6.5	110	14.9	892,160	7.8
<b>Deferred outflows of resources</b>														
Unamortized loss on refunding of debt.....	(15,510)	(10.0)	(58)	(63.7)	—	—	—	—	—	—	—	—	(15,568)	(10.0)
Pensions.....	(11,945)	(18.4)	(4,850)	(16.0)	(1,103)	(14.1)	(1,348)	(14.1)	49	6.1	—	—	(19,197)	(17.0)
Other post-employment benefits.....	(5,317)	(14.1)	(2,211)	(14.6)	(453)	(12.2)	(553)	(12.1)	356	80.5	—	—	(8,178)	(13.3)
Total deferred outflows of resources..... \$	(32,772)	(12.7)	(7,119)	(15.7)	(1,556)	(13.5)	(1,901)	(13.5)	405	32.5	—	—	(42,943)	(13.0)

(Continued)

See accompanying auditors' report.

**THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION**  
**Schedule of Changes in Net Position – Dollar and Percentage Change vs. Prior Year**  
**Proprietary Funds**  
**June 30, 2022 and 2021**  
**(In thousands)**

	Business Type Activities – Proprietary Funds													
	Water		Wastewater		Hetchy Water		Hetchy Power		CleanPowerSF		Eliminations		SFPUC Total	
	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change
<b>Liabilities</b>														
<b>Current liabilities:</b>														
Accounts payable.....	\$ 6,669	41.2	7,306	47.8	4,192	98.4	(6,241)	(27.2)	7,667	48.3	—	—	19,593	26.3
Accrued payroll.....	650	6.6	255	4.1	56	5.4	88	3.4	82	28.2	—	—	1,131	5.7
Accrued vacation and sick leave, current portion.....	101	1.5	(332)	(5.7)	(25)	(2.4)	(30)	(1.7)	74	36.1	—	—	(212)	(1.4)
Accrued workers' compensation, current portion.....	6	0.4	195	16.3	18	9.1	22	5.8	—	—	—	—	241	7.0
Due to other City departments, current portion.....	—	—	1	0.9	—	—	11	3.0	—	—	(1)	(0.9)	11	3.0
Damage claims liability, current portion.....	(4,209)	(29.2)	3,431	58.2	10	4.6	(51)	(12.5)	9	150.0	—	—	(810)	(3.9)
Unearned revenues, refunds, and other, current portion.....	171	0.9	792	14.8	2	9.1	782	15.2	3,168	308.2	—	—	4,915	16.1
Bond, loan and lease interest payable.....	(757)	(2.1)	4,184	24.2	—	—	868	189.1	(1)	(100.0)	—	—	4,294	8.0
Bonds, current portion.....	16,785	15.5	11,465	50.1	—	—	38	2.0	—	—	—	—	28,288	21.2
Certificates of participation, current portion.....	168	5.7	45	5.7	—	—	22	5.4	—	—	—	—	235	5.6
Commercial paper.....	100,435	94.9	(259,361)	(40.6)	—	—	(74,652)	(65.1)	—	—	—	—	(233,578)	(27.2)
State revolving funds loans payable, current portion.....	1,616	96.9	(2)	(0.1)	—	—	—	—	—	—	—	—	1,614	38.9
Lease liability, current portion.....	(373)	(27.0)	27	1.2	(13)	(81.3)	(16)	(84.2)	(113)	(32.8)	—	—	(488)	(12.0)
Wholesale balancing account, current portion.....	26,884	124.8	—	—	—	—	—	—	—	—	—	—	26,884	124.8
Current liabilities payable from restricted assets.....	(1,910)	(7.0)	(77)	(0.1)	(2,733)	(30.2)	3,666	23.8	—	—	—	—	(1,054)	(0.7)
<b>Total current liabilities.....</b>	<b>146,236</b>	<b>39.2</b>	<b>(232,071)</b>	<b>(28.5)</b>	<b>1,507</b>	<b>9.5</b>	<b>(75,493)</b>	<b>(45.4)</b>	<b>10,886</b>	<b>61.4</b>	<b>(1)</b>	<b>(0.9)</b>	<b>(148,936)</b>	<b>(10.7)</b>
<b>Long-term liabilities:</b>														
Other post-employment benefits obligations.....	(4,656)	(3.1)	(1,588)	(3.1)	(204)	(1.4)	(248)	(1.4)	(645)	(22.2)	—	—	(7,341)	(3.1)
Net pension liability.....	(216,417)	(100.0)	(103,746)	(100.0)	(26,645)	(100.0)	(32,566)	(100.0)	(3,008)	(100.0)	—	—	(382,382)	(100.0)
Accrued vacation and sick leave, less current portion.....	(288)	(4.0)	(425)	(7.3)	9	0.8	10	0.5	72	36.9	—	—	(622)	(3.9)
Accrued workers' compensation, less current portion.....	139	1.9	769	14.3	90	9.8	110	6.3	—	—	—	—	1,108	7.3
Due to other City departments, less current portion.....	—	—	(111)	(17.6)	—	—	—	—	—	—	111	17.6	—	—
Damage claims liability, less current portion.....	3,555	15.9	(8,099)	(74.8)	92	30.0	(34)	(4.9)	17	100.0	—	—	(4,469)	(13.1)
Unearned revenues, refunds, and other, less current portion.....	—	—	—	—	(6)	(5.2)	(48)	(5.6)	—	—	—	—	(54)	(0.5)
Bonds, less current portion.....	(150,625)	(3.1)	329,866	21.1	—	—	148,136	333.8	—	—	—	—	327,377	5.0
Notes, less current portion.....	—	—	350,356	100.0	—	—	—	—	—	—	—	—	350,356	100.0
Certificates of participation, less current portion.....	(3,193)	(3.3)	(844)	(3.3)	—	—	(433)	(3.3)	—	—	—	—	(4,470)	(3.3)
State revolving funds loans payable, less current portion.....	12,738	12.0	194,102	183.0	—	—	—	—	—	—	—	—	206,840	97.7
Lease liability, less current portion.....	(1,008)	(35.2)	(2,341)	(64.3)	(3)	(4.8)	(3)	(4.0)	(232)	(100.0)	—	—	(3,587)	(52.2)
Wholesale balancing account, less current portion.....	(8,598)	(21.9)	—	—	—	—	—	—	—	—	—	—	(8,598)	(21.9)
Pollution remediation obligations.....	—	—	260	3.3	—	—	—	—	—	—	—	—	260	2.9
<b>Total long-term liabilities.....</b>	<b>(368,353)</b>	<b>(6.7)</b>	<b>758,199</b>	<b>40.2</b>	<b>(26,667)</b>	<b>(61.1)</b>	<b>114,924</b>	<b>101.9</b>	<b>(3,796)</b>	<b>(24.7)</b>	<b>111</b>	<b>17.6</b>	<b>474,418</b>	<b>6.2</b>
<b>Total liabilities.....</b>	<b>(222,117)</b>	<b>(3.8)</b>	<b>526,128</b>	<b>19.5</b>	<b>(25,160)</b>	<b>(42.3)</b>	<b>39,431</b>	<b>14.1</b>	<b>7,090</b>	<b>21.4</b>	<b>110</b>	<b>14.9</b>	<b>325,482</b>	<b>3.6</b>
<b>Deferred inflows of resources</b>														
Related to pensions.....	243,819	4,991.2	112,522	5,238.5	33,489	3,389.6	40,931	3,391.1	4,321	395.3	—	—	435,082	4,215.5
Leases.....	(3,527)	(7.3)	—	—	—	—	—	—	—	—	—	—	(3,527)	(7.3)
Other post-employment benefits.....	4,033	18.9	1,375	18.9	649	31.1	794	31.2	(319)	(16.7)	—	—	6,532	18.6
<b>Total deferred inflows of resources.....</b>	<b>244,325</b>	<b>328.8</b>	<b>113,897</b>	<b>1,210.0</b>	<b>34,138</b>	<b>1,110.9</b>	<b>41,725</b>	<b>1,111.2</b>	<b>4,002</b>	<b>133.1</b>	<b>—</b>	<b>—</b>	<b>438,087</b>	<b>468.3</b>
<b>Net position</b>														
Net investment in capital assets.....	20,342	3.9	(161,084)	(12.8)	23,526	13.3	29,096	9.0	—	—	—	—	(88,120)	(3.9)
Restricted for debt service.....	(30,915)	(67.8)	2,399	80.2	—	—	41	41.4	—	—	—	—	(28,475)	(58.5)
Restricted for capital projects.....	(22,319)	(100.0)	114,657	100.0	—	—	—	—	—	—	—	—	92,338	413.7
Unrestricted.....	14,946	22.6	104,142	227.5	993	2.1	(7,419)	(5.0)	(2,757)	(3.2)	—	—	109,905	27.8
<b>Total net position.....</b>	<b>(17,946)</b>	<b>(2.8)</b>	<b>60,114</b>	<b>4.6</b>	<b>24,519</b>	<b>10.9</b>	<b>21,718</b>	<b>4.6</b>	<b>(2,757)</b>	<b>(3.2)</b>	<b>—</b>	<b>—</b>	<b>85,648</b>	<b>3.1</b>

See accompanying auditors' report.

**THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION**  
**Schedule of Changes in Revenues, Expenses, and Net Position – Dollar and Percentage Change vs. Prior Year**  
**Proprietary Funds**  
**June 30, 2022 and 2021**  
**(In thousands)**

	Business Type Activities – Proprietary Funds											
	Water		Wastewater		Hetchy Water		Hetchy Power		CleanPowerSF		SFPUC Total	
	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change
<b>Operating revenues:</b>												
Charges for services.....	\$ (10,780)	(2.0)	37,805	11.9	2,221	4.7	36,858	27.1	50,195	24.2	116,299	9.2
Rents and concessions.....	30	0.2	63	9.8	1	0.9	1	0.7	—	—	95	0.6
Capacity fees.....	837	63.1	2,570	69.3	—	—	—	—	—	—	3,407	67.7
Other revenues.....	594	3.5	779	15.3	—	—	—	—	—	—	1,373	6.2
<b>Total operating revenues.....</b>	<b>(9,319)</b>	<b>(1.6)</b>	<b>41,217</b>	<b>12.6</b>	<b>2,222</b>	<b>4.7</b>	<b>36,859</b>	<b>27.0</b>	<b>50,195</b>	<b>24.2</b>	<b>121,174</b>	<b>9.3</b>
<b>Operating expenses:</b>												
Personnel services.....	(49,143)	(37.1)	(26,993)	(29.8)	(4,235)	(21.3)	(6,110)	(15.0)	(3,474)	(45.5)	(89,955)	(30.9)
Contractual services.....	(572)	(4.1)	2,626	15.9	456	19.0	899	10.3	143	2.1	3,552	7.4
Transmission/distribution and other power costs.....	—	—	—	—	—	—	14,810	40.3	(820)	(81.0)	13,990	37.1
Purchased electricity.....	—	—	—	—	—	—	749	12.5	49,569	26.1	50,318	25.7
Materials and supplies.....	2,544	19.3	2,753	30.3	90	7.1	280	14.1	7	26.9	5,674	22.2
Depreciation and amortization.....	2,460	1.7	3,232	4.3	277	4.6	1,978	12.6	—	—	7,947	3.3
Services provided by other departments.....	3,072	4.4	1,332	3.5	612	24.3	116	1.9	(307)	(7.8)	4,825	4.0
General and administrative and other.....	(5,357)	(7.3)	(17,952)	(28.3)	4,584	24.9	(2,015)	(6.8)	4,289	138.2	(16,451)	(8.7)
<b>Total operating expenses.....</b>	<b>(46,996)</b>	<b>(10.5)</b>	<b>(35,002)</b>	<b>(12.0)</b>	<b>1,784</b>	<b>3.5</b>	<b>10,707</b>	<b>7.4</b>	<b>49,407</b>	<b>23.2</b>	<b>(20,100)</b>	<b>(1.7)</b>
<b>Operating income (loss).....</b>	<b>37,677</b>	<b>28.2</b>	<b>76,219</b>	<b>214.7</b>	<b>438</b>	<b>(12.8)</b>	<b>26,152</b>	<b>282.5</b>	<b>788</b>	<b>(15.7)</b>	<b>141,274</b>	<b>93.3</b>
<b>Non-operating revenues (expenses):</b>												
Federal and state grants.....	(8,898)	(60.0)	20,711	100.0	(899)	(66.6)	3,441	232.0	2,424	100.0	16,779	95.0
Interest and investment income (loss).....	(12,270)	(893.0)	(5,900)	497.1	(2,700)	1,163.8	(4,025)	(16,770.8)	(1,337)	(2,621.6)	(26,232)	(87,440.0)
Interest expenses.....	(28,990)	(15.7)	(42,799)	(122.5)	1	50.0	(3,652)	(185.2)	21	80.8	(75,419)	(34.0)
Amortization of premium, discount, refunding loss, and issuance costs.....	2,093	26.9	(75)	(0.9)	—	—	(411)	(187.7)	—	—	1,607	9.7
Net gain from sale of assets.....	(1,477)	(57.8)	4	22.2	7	100.0	9	100.0	—	—	(1,457)	(56.6)
Other non-operating revenues.....	6,372	22.4	(172)	(3.5)	19	633.3	(6,960)	(39.1)	(592)	(63.9)	(1,333)	(2.6)
Other Non-operating expenses.....	1,380	62.5	(73)	(17.8)	26	41.3	311	34.5	—	—	1,644	45.9
<b>Net non-operating revenues (expenses).....</b>	<b>(41,790)</b>	<b>(31.7)</b>	<b>(28,304)</b>	<b>(122.4)</b>	<b>(3,546)</b>	<b>(336.1)</b>	<b>(11,287)</b>	<b>(67.8)</b>	<b>516</b>	<b>54.2</b>	<b>(84,411)</b>	<b>61.9</b>
<b>Change in net position before capital contributions and transfers.....</b>	<b>(4,113)</b>	<b>(228.8)</b>	<b>47,915</b>	<b>387.7</b>	<b>(3,108)</b>	<b>(130.9)</b>	<b>14,865</b>	<b>201.3</b>	<b>1,304</b>	<b>(32.1)</b>	<b>56,863</b>	<b>376.4</b>
Capital contributions.....	(4,180)	100.0	—	—	—	—	—	—	—	—	(4,180)	(100.0)
Transfers from the City and County of San Francisco.....	(5,990)	(28.5)	(1,440)	(100.0)	14,001	87.5	—	—	—	—	6,571	17.1
Transfers to the City and County of San Francisco.....	(14,012)	84.1	4,027	(96.2)	—	—	—	—	—	—	(9,985)	46.7
<b>Net capital contributions and transfers.....</b>	<b>(24,182)</b>	<b>(282.8)</b>	<b>2,587</b>	<b>(94.1)</b>	<b>14,001</b>	<b>87.5</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(7,594)</b>	<b>(35.7)</b>
<b>Change in net position.....</b>	<b>(28,295)</b>	<b>(273.4)</b>	<b>50,502</b>	<b>525.4</b>	<b>10,893</b>	<b>79.9</b>	<b>14,865</b>	<b>216.9</b>	<b>1,304</b>	<b>(32.1)</b>	<b>49,269</b>	<b>135.4</b>
Net position at beginning of year.....	10,349	1.6	9,612	0.7	13,626	6.5	6,853	1.5	(4,061)	(4.5)	36,379	1.3
<b>Net position at end of year.....</b>	<b>(17,946)</b>	<b>(2.8)</b>	<b>60,114</b>	<b>4.6</b>	<b>24,519</b>	<b>10.9</b>	<b>21,718</b>	<b>4.6</b>	<b>(2,757)</b>	<b>(3.2)</b>	<b>85,648</b>	<b>3.1</b>

See accompanying auditors' report.



KPMG LLP  
Suite 1400  
55 Second Street  
San Francisco, CA 94105

**Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

The Honorable Mayor and Board of Supervisors  
City and County of San Francisco:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of San Francisco Public Utilities Commission (SFPUC), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the SFPUC's basic financial statements, and have issued our report thereon dated February 28, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered SFPUC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SFPUC's internal control. Accordingly, we do not express an opinion on the effectiveness of SFPUC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether SFPUC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SFPUC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**KPMG LLP**

San Francisco, California  
February 28, 2023



## Statistical Section (Unaudited)

### **Financial Trends**

These schedules contain trend information to help understand how SFPUC's financial performance and well-being have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess SFPUC's revenues sources and rate structures.

### **Debt Capacity**

These schedules contain information to help the reader assess the affordability of the SFPUC's current levels of outstanding debt and its ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which SFPUC's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to enhance the reader's ability to understand how the information in the SFPUC financial report relates to the services it provides and the activities it performs.



# Statistical Section

## **Financial Trends**

Comparative Highlights of Revenues and Expenses

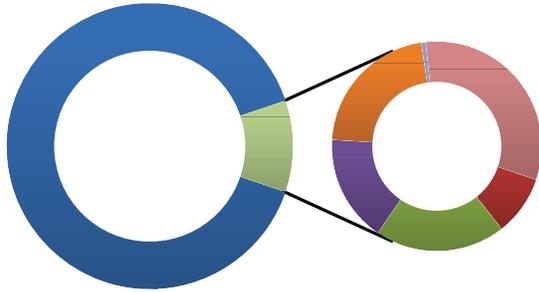
Changes in Net Position

Summary of Net Position by Component

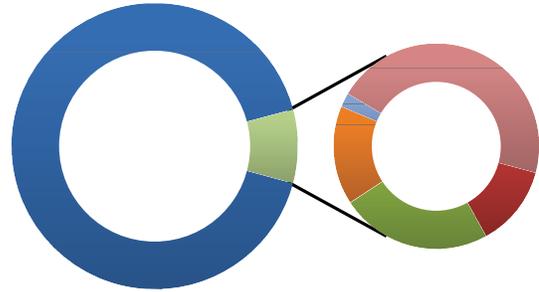
Investments in Capital Assets

**Financial Trends**  
 Department-wide  
 Comparative Highlights of Revenues & Expenses  
 Fiscal Years Ended 2022 and 2021^  
 (Dollars in Thousands)

**2022 Revenues - \$1,482,570**



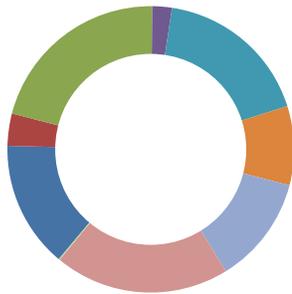
**2021 Revenues - \$1,373,639**



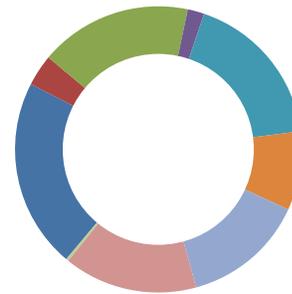
Charges for services	\$1,375,765	92.8%
Other	\$106,805	7.2%
Rents and concessions	\$14,719	1.0%
Other operating revenues	\$31,962	2.2%
Interest and investment loss	\$(26,202)	-1.8%
Net gain from sale of assets	\$1,117	0.1%
Federal and State grants	\$34,440	2.3%
Other non-operating revenues	\$50,769	3.4%

Charges for services	\$1,259,466	91.6%
Other	\$114,173	8.4%
Rents and concessions	\$14,624	1.1%
Other operating revenues	\$27,182	2.0%
Interest and investment loss	\$30	0.0%
Net gain from sale of assets	\$2,574	0.2%
Federal and State grants	\$17,661	1.3%
Other non-operating revenues	\$52,102	3.8%

**2022 Expenses - \$1,410,599**



**2021 Expenses - \$1,358,531**



Personnel services	\$201,290	14.3%
Contractual services	\$51,851	3.7%
Purchased power & related costs	\$297,990	21.1%
Materials and supplies	\$31,228	2.2%
Depreciation and amortization	\$249,757	17.7%
Services provided by other departments	\$125,955	8.9%
General & administrative and Other operating expenses	\$171,654	12.2%
Interest Expense	\$278,936	19.8%
Non-operating expenses	\$1,938	0.1%

Personnel services	\$291,245	21.5%
Contractual services	\$48,687	3.6%
Purchased power & related costs	\$233,682	17.2%
Materials and supplies	\$25,554	1.9%
Depreciation and amortization	\$241,423	17.8%
Services provided by other departments	\$121,130	8.9%
General & administrative and Other operating expenses	\$188,105	13.9%
Interest Expense	\$205,124	15.0%
Non-operating expenses	\$3,582	0.3%

\*Interest expenses includes net of amortization of premium, discount, refunding loss, and issuance costs.

^Rents and concessions, Interest and investment income (loss), Contractual services, and Depreciation and amortization categories were restated due to the implementation of GASB Statement No. 87, Leases.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

## Financial Trends

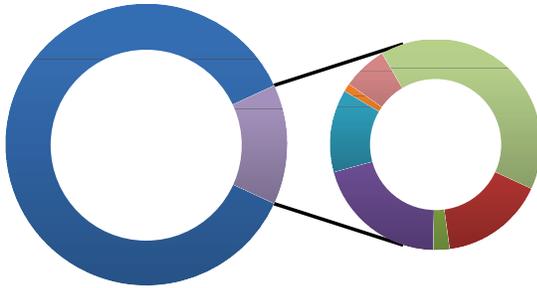
### Water Fund

#### Comparative Highlights of Revenues & Expenses

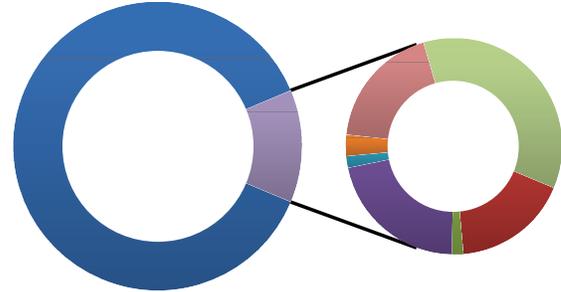
Fiscal Years Ended 2022 and 2021<sup>^</sup>

(Dollars in Thousands)

#### 2022 Revenues - \$604,092



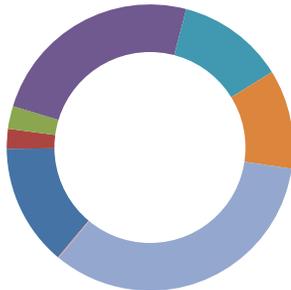
#### 2021 Revenues - \$629,684



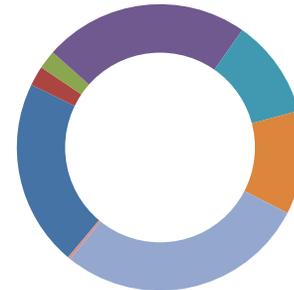
Charges for services	\$539,526	89.3%
Other	\$64,566	10.7%
Rents and concessions	\$13,765	2.3%
Capacity fees	\$2,163	0.4%
Other operating revenues	\$17,663	2.8%
Interest and investment income	\$(10,896)	-1.8%
Net gain from sale of assets	\$1,079	0.2%
Federal and State grants	\$5,931	1.0%
Other non-operating revenues	\$34,861	5.8%

Charges for services	\$550,306	87.4%
Other	\$79,378	12.6%
Rents and concessions	\$13,735	2.2%
Capacity fees	\$1,326	0.2%
Other operating revenues	\$17,069	2.7%
Interest and investment income	\$1,374	0.2%
Net gain from sale of assets	\$2,556	0.4%
Federal and State grants	\$14,829	2.4%
Other non-operating revenues	\$28,489	4.5%

#### 2022 Expenses - \$606,407



#### 2021 Expenses - \$627,886



Personnel services	\$83,385	13.8%
Contractual services	\$13,457	2.2%
Materials and supplies	\$15,719	2.6%
Depreciation and amortization	\$147,904	24.4%
Services provided by other departments	\$73,307	12.1%
General & administrative and Other operating expense	\$68,014	11.2%
*Interest Expense	\$203,793	33.6%
Non-operating expenses	\$828	0.1%

Personnel services	\$132,528	21.1%
Contractual services	\$14,029	2.2%
Materials and supplies	\$13,175	2.1%
Depreciation and amortization	\$145,444	23.2%
Services provided by other departments	\$70,235	11.2%
General & administrative and Other operating expense	\$73,371	11.6%
*Interest Expense	\$176,896	28.2%
Non-operating expenses	\$2,208	0.4%

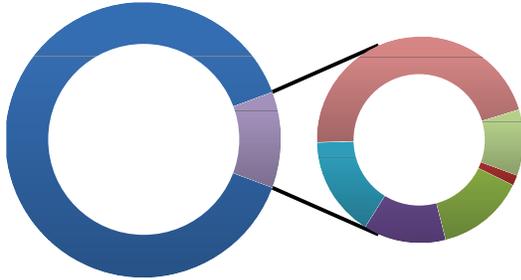
\*Interest expenses includes net of amortization of premium, discount, refunding loss, and issuance costs.

<sup>^</sup>Rents and concessions, Interest and investment income (loss), Contractual services, and Depreciation and amortization categories were restated due to the implementation of GASB Statement No. 87, Leases.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

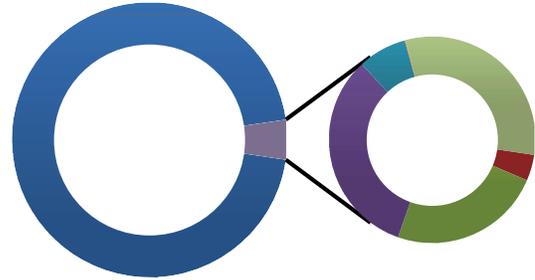
**Financial Trends**  
**Wastewater Fund**  
 Comparative Highlights of Revenues & Expenses  
 Fiscal Years Ended 2022 and 2021^  
 (Dollars in Thousands)

**2022 Revenues - \$ 387,249**



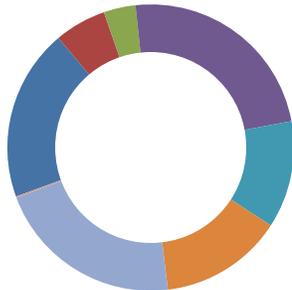
Charges for services	\$356,041	92.0%
Other	\$31,208	8.0%
Rents and concessions	\$705	0.2%
Capacity fees	\$6,280	1.6%
Other operating revenues	\$5,856	1.5%
Interest and investment income	\$(7,087)	-1.8%
Net gain from sale of assets	\$22	0.0%
Federal and State grants	\$20,711	5.3%
Other non-operating revenues	\$4,721	1.2%

**2021 Revenues - \$331,389**



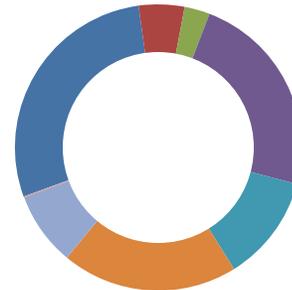
Charges for services	\$318,236	96.1%
Other	\$13,153	3.9%
Rents and concessions	\$642	0.2%
Capacity fees	\$3,710	1.1%
Other operating revenues	\$5,077	1.5%
Interest and investment income	\$(1,187)	-0.4%
Net gain from sale of assets	\$18	0.0%
Other non-operating revenues	\$4,893	1.5%

**2022 Expenses - \$326,974**



Personnel services	\$63,456	19.5%
Contractual services	\$19,115	5.8%
Materials and supplies	\$11,844	3.6%
Depreciation and amortization	\$77,575	23.7%
Services provided by other departments	\$39,645	12.1%
General & administrative and Other operating expense	\$45,536	13.9%
*Interest Expense	\$69,321	21.3%
Non-operating expenses	\$482	0.1%

**2021 Expenses - \$319,029**



Personnel services	\$90,449	28.4%
Contractual services	\$16,489	5.2%
Materials and supplies	\$9,091	2.8%
Depreciation and amortization	\$74,343	23.3%
Services provided by other departments	\$38,313	12.0%
General & administrative and Other operating expense	\$63,488	19.9%
*Interest Expense	\$26,447	8.3%
Non-operating expenses	\$409	0.1%

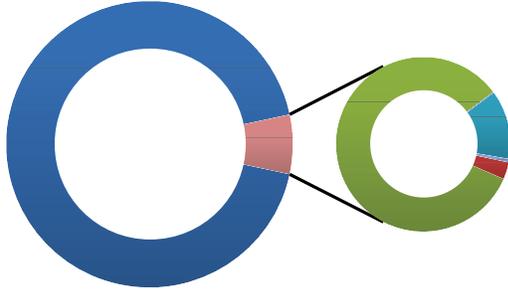
\*Interest expenses includes net of amortization of premium, discount, refunding loss, and issuance costs.

^Contractual services, and Depreciation and amortization categories were restated due to the implementation of GASB Statement No. 87, Leases.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

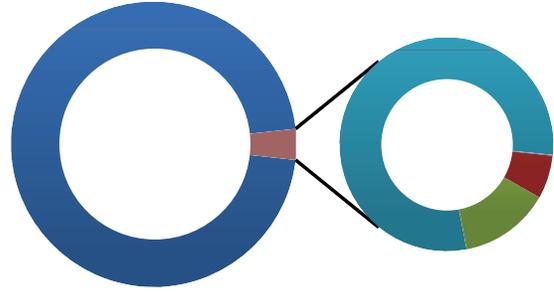
**Financial Trends**  
**Hetchy Water Fund**  
 Comparative Highlights of Revenues & Expenses  
 Fiscal Years Ended 2022 and 2021^  
 (Dollars in Thousands)

**2022 Revenues - \$46,859**



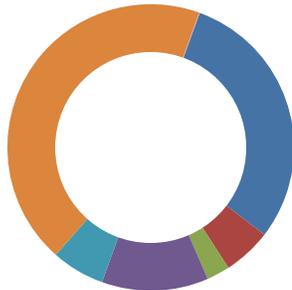
Charges for services	\$49,200	105.0%
Other	\$(2,341)	-5.0%
Rents and concessions	\$112	0.2%
Interest and investment loss	\$(2,932)	-6.3%
Net gain from sale of assets	\$7	0.0%
Federal and State grants	\$450	1.0%
Other non-operating revenues	\$22	0.1%

**2021 Revenues - \$48,210**



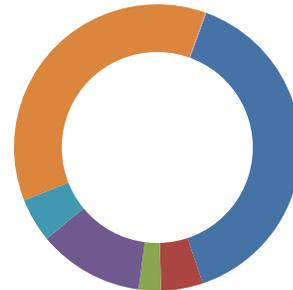
Charges for services	\$46,979	97.5%
Other	\$1,231	2.5%
Rents and concessions	\$111	0.2%
Interest and investment loss	\$(232)	-0.5%
Federal and State grants	\$1,349	2.8%
Other non-operating revenues	\$3	0.0%

**2022 Expenses - \$52,341**



Personnel services	\$15,636	29.9%
Contractual services	\$2,854	5.5%
Materials and supplies	\$1,362	2.6%
Depreciation and amortization	\$6,305	12.0%
Services provided by other departments	\$3,129	6.0%
General and administrative and Other	\$23,017	44.0%
Interest Expense	\$1	0.0%
Non-operating expenses	\$37	0.0%

**2021 Expenses - \$50,584**



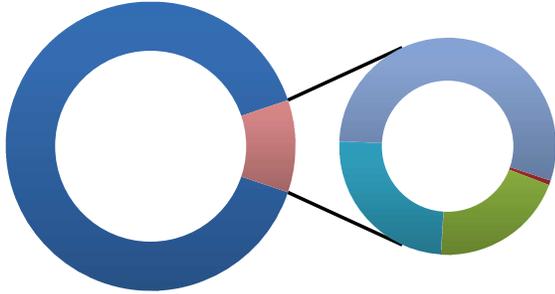
Personnel services	\$19,871	39.3%
Contractual services	\$2,398	4.7%
Materials and supplies	\$1,272	2.5%
Depreciation and amortization	\$6,028	11.9%
Services provided by other departments	\$2,517	5.0%
General and administrative and Other	\$18,433	36.4%
Interest Expense	\$2	0.0%
Non-operating expenses	\$63	0.1%

^Contractual services, and Depreciation and amortization categories were restated due to the implementation of GASB Statement No. 87, Leases.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

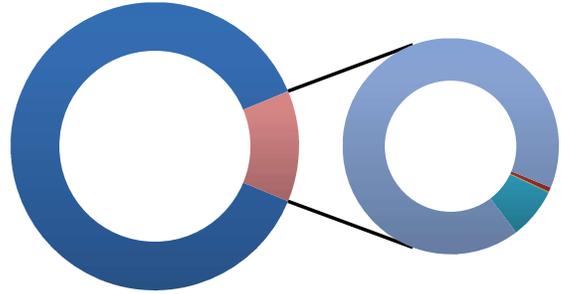
**Financial Trends**  
 Hetchy Power Fund  
 Comparative Highlights of Revenues & Expenses  
 Fiscal Years Ended 2022 and 2021^  
 (Dollars in Thousands)

**2022 Revenues - \$185,004**



Charges for services	\$173,105	93.5%
Other	\$11,899	6.5%
Rents and concessions	\$137	0.1%
Interest and investment loss	\$(4,001)	-2.2%
Net gain from sale of assets	\$9	0.0%
Federal and State grants	\$4,924	2.7%
Other non-operating revenues	\$10,830	5.9%

**2021 Revenues - \$155,680**



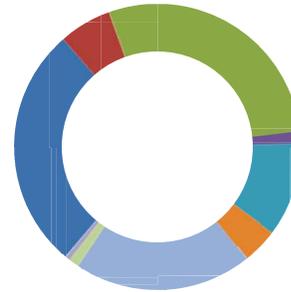
Charges for services	\$136,247	87.5%
Other	\$19,433	12.5%
Rents and concessions	\$136	0.1%
Interest and investment income/loss	\$24	0.0%
Federal and State grants	\$1,483	1.0%
Other non-operating revenues	\$17,790	11.4%

**2022 Expenses - \$162,754**



Personnel services	\$34,646	21.3%
Contractual services	\$9,604	5.9%
Purchased power & related costs	\$58,252	35.9%
Materials and supplies	\$2,270	1.4%
Depreciation and amortization	\$17,628	10.8%
Services provided by other departments	\$6,253	3.8%
General and administrative and Other	\$27,694	17.0%
Interest Expense	\$5,816	3.6%
Solar incentive program	\$395	0.2%
Non-operating expenses	\$196	0.1%

**2021 Expenses - \$148,295**



Personnel services	\$40,756	27.5%
Contractual services	\$8,705	5.9%
Purchased power & related costs	\$42,693	28.8%
Materials and supplies	\$1,990	1.3%
Depreciation and amortization	\$15,650	10.5%
Services provided by other departments	\$6,137	4.1%
General and administrative and Other	\$29,709	20.0%
Interest Expense	\$1,753	1.2%
Solar incentive program	\$760	0.5%
Non-operating expenses	\$142	0.1%

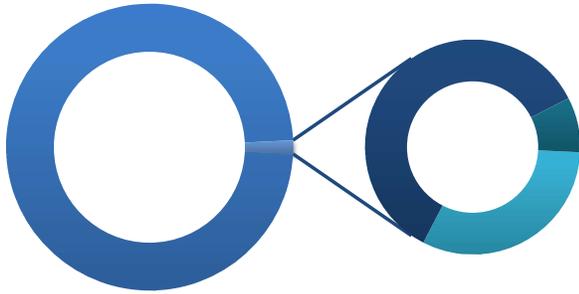
\*Interest expenses includes net of amortization of premium, discount, refunding loss, and issuance costs.

^Contractual services, and Depreciation and amortization categories were restated due to the implementation of GASB Statement No. 87, Leases.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

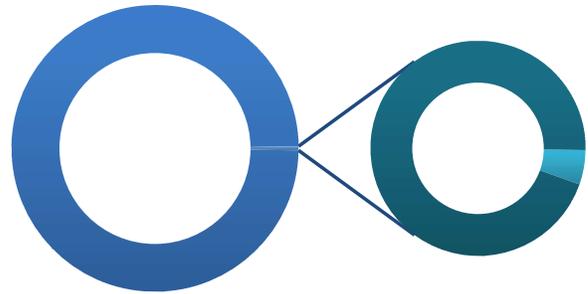
**Financial Trends**  
**CleanPowerSF**  
 Comparative Highlights of Revenues & Expenses  
 Fiscal Years Ended 2022 and 2021^  
 (Dollars in Thousands)

**2022 Revenues - \$259,366**



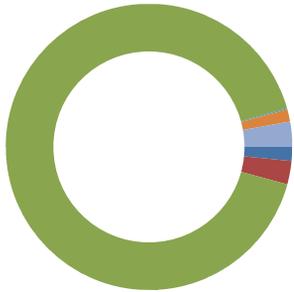
Charges for services	\$257,893	99.5%
Other	\$1,473	0.5%
Interest and investment loss	\$(1,286)	-0.5%
Federal and State grants	\$2,424	0.9%
Other non-operating revenues	\$335	0.1%

**2021 Revenues - \$208,676**



Charges for services	\$207,698	99.5%
Other	\$978	0.5%
Interest and investment income	\$51	0.0%
Other non-operating revenues	\$927	0.5%

**2022 Expenses - \$262,123**



Personnel services	\$4,167	1.6%
Contractual services	\$6,821	2.6%
Purchased power & related costs	\$239,738	91.5%
Materials and supplies	\$33	0.0%
Depreciation and amortization	\$345	0.1%
Services provided by other departments	\$3,621	1.4%
General and administrative and Other	\$7,393	2.8%
Interest Expense	\$5	0.0%

**2021 Expenses - \$212,737**



Personnel services	\$7,641	3.6%
Contractual services	\$6,678	3.1%
Purchased power & related costs	\$190,989	89.8%
Materials and supplies	\$26	0.0%
Depreciation and amortization	\$345	0.2%
Services provided by other departments	\$3,928	1.8%
General and administrative and Other	\$3,104	1.5%
Interest Expense	\$26	0.0%

^Contractual services, and Depreciation and amortization categories were restated due to the implementation of GASB Statement No. 87, *Leases*.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

**Financial Trends**  
 Department-wide - Changes in Net Position  
 Fiscal Years Ended 2013 to 2022  
 (Dollars in Thousands)

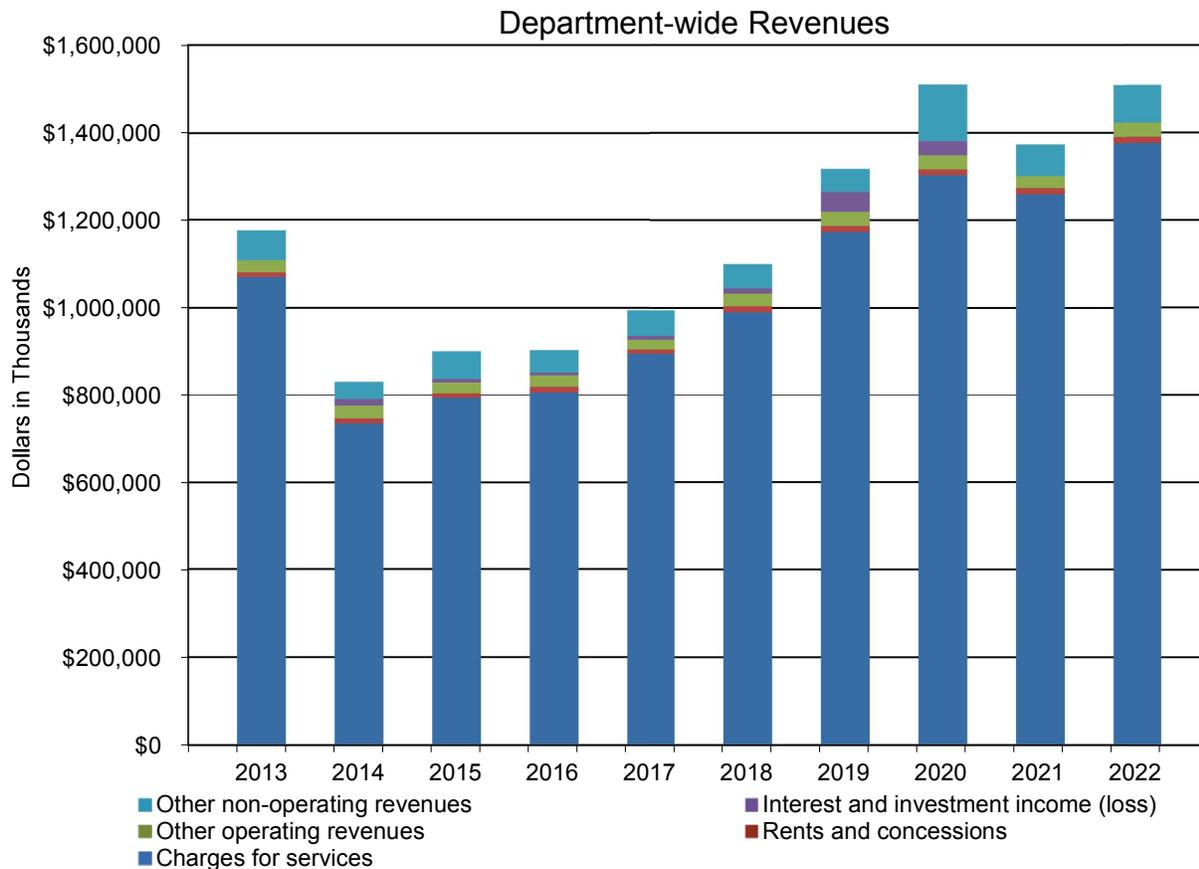
Revenues:	2013	2014	2015	2016	2017	2018	2019	2020	2021 <sup>^</sup>	2022
Charges for services	\$ 1,069,674*	733,746	792,199	807,259	895,472	989,842	1,172,573	1,303,411	1,259,466	1,375,765
Rents and concessions	10,736	11,727	13,336	13,096	9,734	13,813	13,989	13,135	14,624	14,719
Other operating revenues	27,541	28,944	24,317	25,672	22,445	29,043	32,296	32,217	27,182	31,962
<b>Subtotal operating revenues</b>	<b>1,107,951</b>	<b>774,417</b>	<b>829,852</b>	<b>846,027</b>	<b>927,651</b>	<b>1,032,698</b>	<b>1,218,858</b>	<b>1,348,763</b>	<b>1,301,272</b>	<b>1,422,446</b>
Interest and investment income (loss)	38	15,083	8,175	6,060	8,511	11,694	46,639	32,103	30	(26,202)
Other non-operating revenues	67,989	41,946	63,430	51,972	58,422	55,705	52,483	129,198	72,337	86,326
<b>Subtotal non-operating revenues</b>	<b>68,027</b>	<b>57,029</b>	<b>71,605</b>	<b>58,032</b>	<b>66,933</b>	<b>67,399</b>	<b>99,122</b>	<b>161,301</b>	<b>72,367</b>	<b>60,124</b>
<b>Total revenues</b>	<b>\$ 1,175,978</b>	<b>831,446</b>	<b>901,457</b>	<b>904,059</b>	<b>994,584</b>	<b>1,100,097</b>	<b>1,317,980</b>	<b>1,510,064</b>	<b>1,373,639</b>	<b>1,482,570</b>

(Continued)

\*Include a one-time early repayment of \$356,139 from BAWSCA for capital costs recovery.

<sup>^</sup>Rents and concessions and Interest and investment income (loss) categories were restated due to the implementation of GASB Statement No. 87, Leases.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



**Financial Trends**  
 Department-wide - Changes in Net Position  
 Fiscal Years Ended 2013 to 2022  
 (Dollars in Thousands)

Expenses:	2013	2014	2015	2016	2017	2018	2019	2020	2021 <sup>^</sup>	2022
Personnel services	\$ 249,927	252,068	220,385	227,930	365,494	271,888	248,189	275,892	291,245	201,290
Contractual services	32,082	30,133	35,216	34,915	31,563	39,408	44,832	50,821	48,299	51,851
Purchased power & related costs	20,891	26,215	20,296	26,792	43,407	64,732	170,275	223,601	233,682	297,990
Materials and supplies	26,557	26,411	24,842	26,128	23,972	28,024	25,130	26,695	25,554	31,228
Depreciation and amortization	137,252	152,742	163,525	173,978	191,997	193,457	200,712	226,194	241,810	249,757
Services provided by other departments	98,533	96,918	104,535	106,476	105,417	102,199	108,043	109,444	121,130	125,955
General and administrative and Other operating expenses	74,917	101,473	88,559	88,615	98,327	106,960	130,003	136,755	188,105	171,654
<b>Subtotal operating expenses</b>	<b>640,159</b>	<b>685,960</b>	<b>657,358</b>	<b>684,834</b>	<b>860,177</b>	<b>806,668</b>	<b>927,184</b>	<b>1,049,402</b>	<b>1,149,825</b>	<b>1,129,725</b>
Interest expenses	169,105	165,345	161,712	178,864	179,819	192,183	224,867	237,271	221,622	297,041
Amortization of premium, discount, refunding loss, and issuance costs	(5,607)	(13,908)	(10,554)	(11,950)	(15,090)	(19,188)	(23,722)	(22,627)	(16,498)	(18,105)
Non-operating expenses	5,986	5,206	7,916	4,439	4,466	4,129	3,766 <sup>^^</sup>	1,652 <sup>^^</sup>	3,582	1,938
<b>Subtotal non-operating expenses</b>	<b>169,484</b>	<b>156,643</b>	<b>159,074</b>	<b>171,353</b>	<b>169,195</b>	<b>177,124</b>	<b>204,911</b>	<b>216,296</b>	<b>208,706</b>	<b>280,874</b>
<b>Total expenses</b>	<b>809,643</b>	<b>842,603</b>	<b>816,432</b>	<b>856,187</b>	<b>1,029,372</b>	<b>983,792</b>	<b>1,132,095</b>	<b>1,265,698</b>	<b>1,358,531</b>	<b>1,410,599</b>
Change in net position before capital contributions, transfers and extraordinary item	366,335	(11,157)	85,025	47,872	(34,788)	116,305	185,885	244,366	15,108	71,971
Capital contributions	—	678 <sup>*</sup>	—	—	—	—	—	—	4,180 <sup>*</sup>	—
Transfers in (out)	64,176 <sup>#</sup>	386	52,806	17,899	(30,644)	(28,371)	1,360	(805)	17,091	13,677
Extraordinary item: Rim fire — loss	—	(6,843)	—	—	—	—	—	—	—	—
<b>Change in net position</b>	<b>430,511</b>	<b>(16,936)</b>	<b>137,831</b>	<b>65,771</b>	<b>(65,432)</b>	<b>87,934</b>	<b>187,245</b>	<b>243,561</b>	<b>36,379</b>	<b>85,648</b>
<b>Net position at beginning of year</b>										
Beginning of year, as previously reported	1,971,500	2,366,565	2,349,629	2,225,451	2,292,646	2,225,790 <sup>**</sup>	2,270,925	2,458,170	2,701,731	2,738,110
Cumulative effect of accounting change due to error	—	—	—	—	—	(6,767)	—	—	—	—
Cumulative effect of accounting change	(35,446) <sup>^</sup>	—	(262,009) <sup>~</sup>	—	—	(36,032) <sup>□</sup>	—	—	—	—
Less: CleanPowerSF beginning net position	—	—	—	—	(1,424)	—	—	—	—	—
Beginning of year as restated	1,936,054	2,366,565	2,087,620	2,225,451	2,291,222	2,182,991	2,270,925	2,458,170	2,701,731	2,738,110
<b>Net position at end of year</b>	<b>\$ 2,366,565</b>	<b>2,349,629</b>	<b>2,225,451</b>	<b>2,291,222</b>	<b>2,225,790</b>	<b>2,270,925</b>	<b>2,458,170</b>	<b>2,701,731</b>	<b>2,738,110</b>	<b>2,823,758</b>

<sup>^</sup>Fiscal year 2013 have been restated for the retrospective application of GASB Statement No. 65.

Fiscal year 2021 Contractual services, and Depreciation and amortization categories were restated due to the implementation of GASB Statement No. 87, Leases.

<sup>#</sup>Include transfer in of \$63,075 from the Department of Public Works related to the improvement of the Auxiliary Water Supply System Earthquake Safety and Emergency Response project.

<sup>\*</sup>Capital contributions of \$678 in FY 2014 was from Department of Emergency Management and \$4,180 in FY2021 was from Department of Public Works.

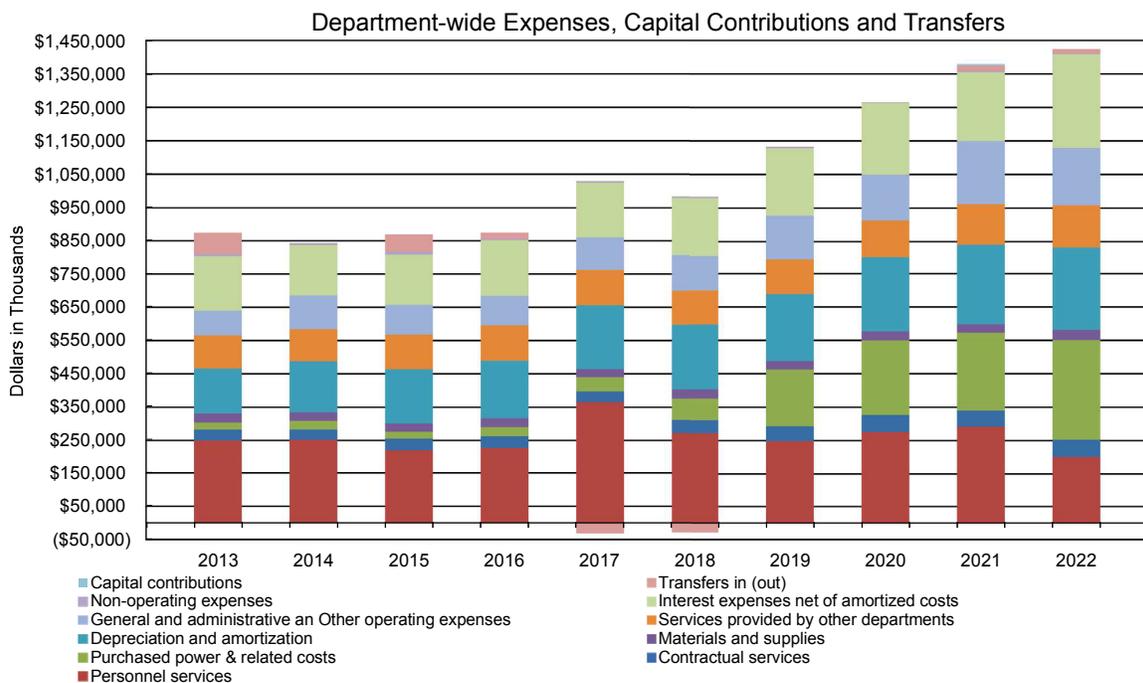
<sup>~</sup>The beginning net position for fiscal year 2015 has been restated for the retrospective application of GASB Statement No. 68.

<sup>\*\*</sup>The Wastewater Enterprise recorded certain immaterial corrections to the 2018 financial statement to eliminate the recognition of certain capital assets that are recorded by another fund. The impact of the change was to decrease beginning position as of July 2017 by \$6,767 and increase fiscal year 2018 expenses by \$28,313.

<sup>□</sup>The beginning net position for fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.

<sup>^^</sup> Non-operating expenses include net loss from sale of assets.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



## Financial Trends

### Water - Changes in Net Position Fiscal Years Ended 2013 to 2022 (Dollars in Thousands)

Revenues:	2013	2014	2015	2016	2017	2018	2019	2020	2021 <sup>^</sup>	2022
Charges for services	\$ 700,513 *	354,827	400,023	393,582	438,207	495,138	509,703	550,753	550,306	539,526
Rents and concessions	9,599	10,675	12,284	12,081	8,813	12,906	13,010	12,124	13,735	13,765
Other operating revenues	11,358	14,380	13,740	13,853	13,311	17,595	19,678	20,474	18,395	19,826
<b>Subtotal operating revenues</b>	<b>721,470</b>	<b>379,882</b>	<b>426,047</b>	<b>419,516</b>	<b>460,331</b>	<b>525,639</b>	<b>542,391</b>	<b>583,351</b>	<b>582,436</b>	<b>573,117</b>
Interest and investment income (loss)	(281)	10,907	5,789	3,595	4,331	6,448	15,650	10,517	1,374	(10,896)
Other non-operating revenues	37,921	29,197	47,314	31,253	37,405	39,064	32,399	94,734	45,874	41,871
<b>Subtotal non-operating revenues</b>	<b>37,640</b>	<b>40,104</b>	<b>53,103</b>	<b>34,848</b>	<b>41,736</b>	<b>45,512</b>	<b>48,049</b>	<b>105,251</b>	<b>47,248</b>	<b>30,975</b>
<b>Total revenues</b>	<b>\$ 759,110</b>	<b>419,986</b>	<b>479,150</b>	<b>454,364</b>	<b>502,067</b>	<b>571,151</b>	<b>590,440</b>	<b>688,602</b>	<b>629,684</b>	<b>604,092</b>

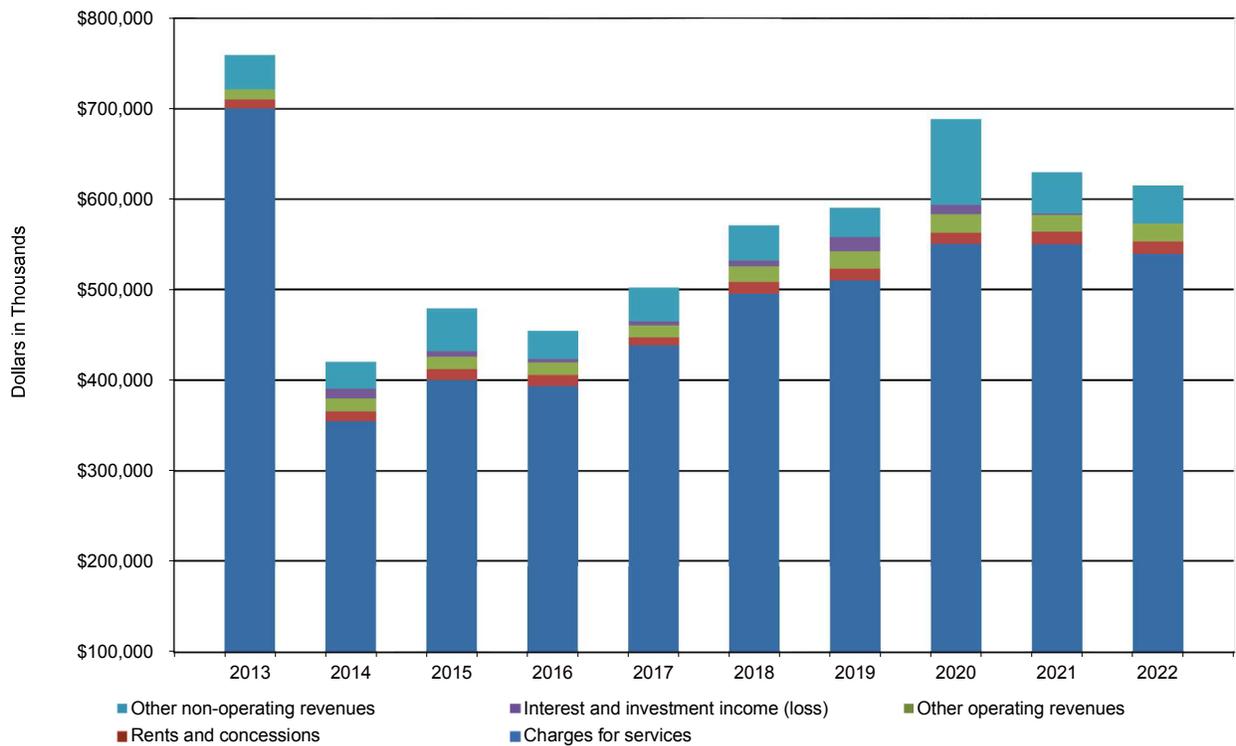
(Continued)

\*Include a one-time early repayment of \$356,139 from BAWSCA for capital costs recovery.

<sup>^</sup>Rents and concessions and Interest and investment income (loss) categories were restated due to the implementation of GASB Statement No. 87, Leases.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

### Water Revenues



**Financial Trends**  
**Water - Changes in Net Position**  
**Fiscal Years Ended 2013 to 2022**  
(Dollars in Thousands)

Expenses:	2013	2014	2015	2016	2017	2018	2019	2020	2021 <sup>^</sup>	2022
Personnel services	\$ 119,151	119,849	99,192	103,027	182,034	128,295	111,594	119,943	132,528	83,385
Contractual services	12,819	10,921	12,729	13,451	10,664	14,131	13,715	14,523	14,029	13,457
Materials and supplies	13,074	12,154	12,667	12,896	12,564	15,936	13,421	14,050	13,175	15,719
Depreciation and amortization	75,448	89,026	95,384	106,666	118,826	118,751	120,815	142,228	145,444	147,904
Services provided by other departments	57,684	54,856	60,365	60,868	59,173	56,860	59,751	61,128	70,235	73,307
General and administrative and Other operating expenses	25,563	46,749	16,613	17,878	38,566	36,174	37,798	46,245	73,371	68,014
<b>Subtotal operating expenses</b>	<b>303,739</b>	<b>333,555</b>	<b>296,950</b>	<b>314,786</b>	<b>421,827</b>	<b>370,147</b>	<b>357,094</b>	<b>398,117</b>	<b>448,782</b>	<b>401,786</b>
Interest expenses	147,741	136,645	137,106	153,258	148,075	164,001	177,998	191,246	184,678	213,668
Amortization of premium, discount, refunding loss, and issuance costs	(5,002)	(6,169)	(6,100)	(8,849)	(9,029)	(13,540)	(17,788)	(13,752)	(7,782)	(9,875)
Non-operating expenses	2,327	2,089	4,829	2,210	2,607	1,920	1,388	529	2,208	828
<b>Subtotal non-operating expenses</b>	<b>145,066</b>	<b>132,565</b>	<b>135,835</b>	<b>146,619</b>	<b>141,653</b>	<b>152,381</b>	<b>161,598</b>	<b>178,023</b>	<b>179,104</b>	<b>204,621</b>
<b>Total expenses</b>	<b>448,805</b>	<b>466,120</b>	<b>432,785</b>	<b>461,405</b>	<b>563,480</b>	<b>522,528</b>	<b>518,692</b>	<b>576,140</b>	<b>627,886</b>	<b>606,407</b>
Change in net position before capital contributions and transfers	310,305	(46,134)	46,365	(7,041)	(61,413)	48,623	71,748	112,462	1,798	(2,315)
Capital contributions *	—	310	—	—	—	—	—	—	4,180	—
Transfers in (out)	63,484 <sup>#</sup>	405	50,995	33,244	(59,988)	(30,986)	(19,134)	(13,585)	4,371	(15,631)
<b>Change in net position</b>	<b>373,789</b>	<b>(45,419)</b>	<b>97,360</b>	<b>26,203</b>	<b>(121,401)</b>	<b>17,637</b>	<b>52,614</b>	<b>98,877</b>	<b>10,349</b>	<b>(17,946)</b>
Net position at beginning of year										
Beginning of year, as previously reported	358,495	699,631	654,212	596,465	622,668	501,267	489,524	542,138	641,015	651,364
Cumulative effect of accounting change	(32,653) <sup>^</sup>	—	(155,107) <sup>~</sup>	—	—	(29,380) <sup>△</sup>	—	—	—	—
Beginning of year as restated	325,842	699,631	499,105	596,465	622,668	471,887	489,524	542,138	641,015	651,364
<b>Net Position at end of year</b>	<b>\$ 699,631</b>	<b>654,212</b>	<b>596,465</b>	<b>622,668</b>	<b>501,267</b>	<b>489,524</b>	<b>542,138</b>	<b>641,015</b>	<b>651,364</b>	<b>633,418</b>

<sup>^</sup>Fiscal year 2013 have been restated for the retrospective application of GASB Statement No. 65.

Fiscal year 2021 Contractual services, and Depreciation and amortization categories were restated due to the implementation of GASB Statement No. 87, Leases.

\*Fiscal year 2014 of \$678 in capital asset from the Department of Emergency Management and fiscal year 2021 \$4,180 from Department of Public Works.

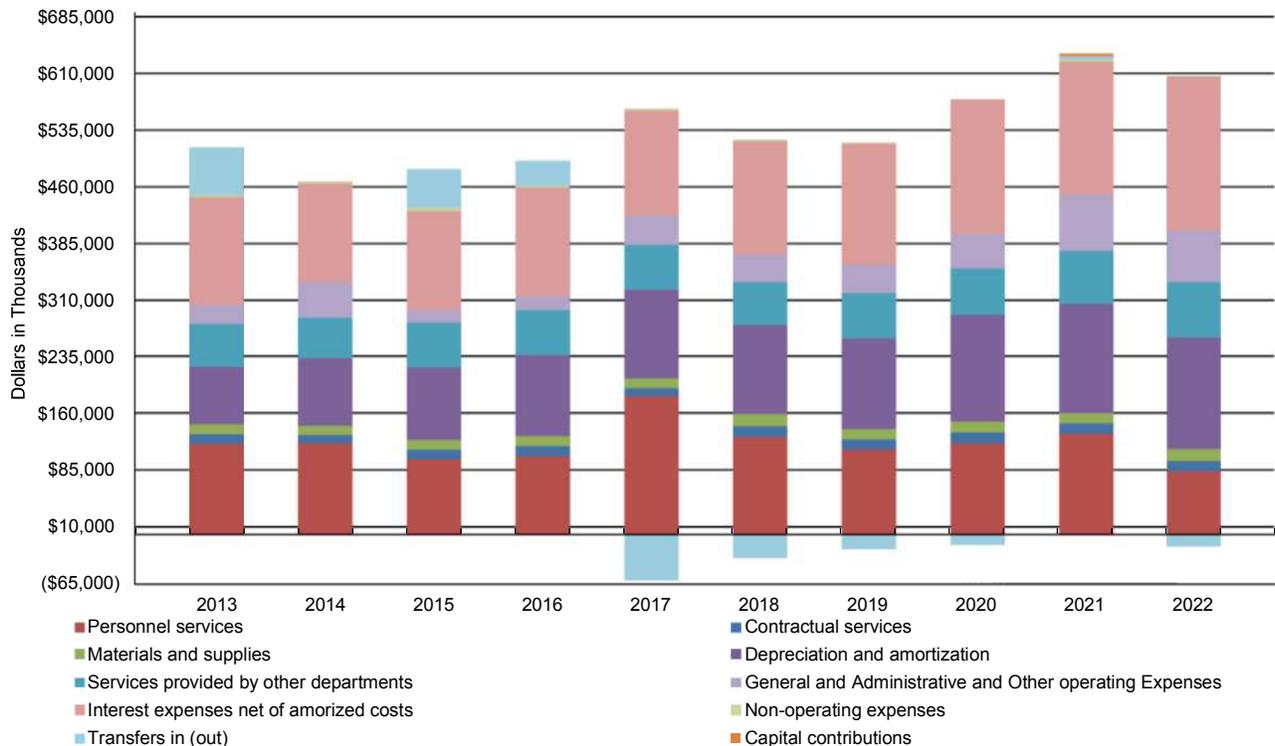
<sup>#</sup>Include transfer in of \$63,075 from the Department of Public Works related to the improvement of the AWSS Earthquake Safety and Emergency Response project.

<sup>~</sup>Fiscal year 2015 has been restated for the retrospective application of GASB Statement No. 68.

<sup>△</sup>Fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

**Water Expenses, Capital Contributions and Transfer**

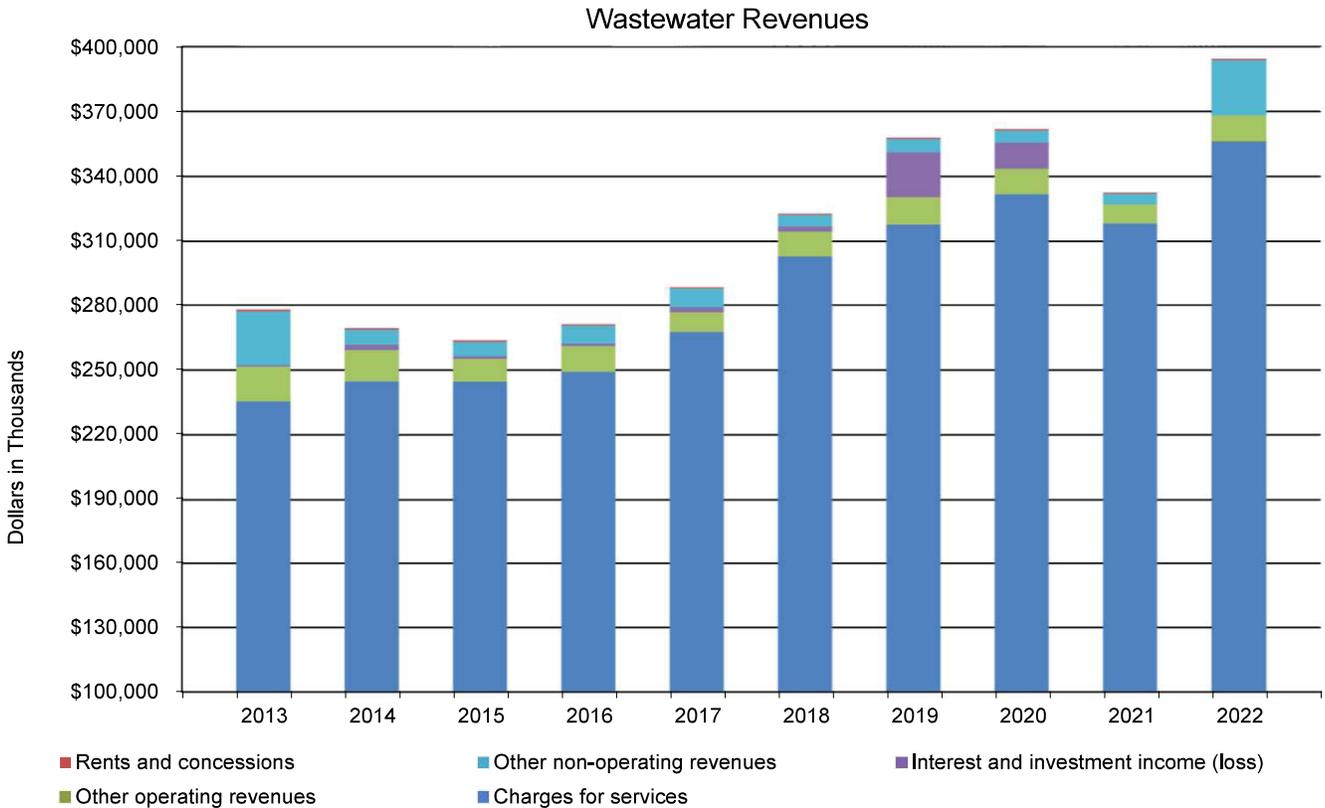


**Financial Trends**  
**Wastewater - Changes in Net Position**  
**Fiscal Years Ended 2013 to 2022**  
(Dollars in Thousands)

Revenues:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Charges for services	\$ 235,479	244,705	244,604	249,203	267,601	303,037	317,761	331,721	318,236	356,041
Rents and concessions	892	828	821	753	606	611	702	664	642	705
Other operating revenues	16,183	14,564	10,577	11,819	9,134	11,448	12,618	11,743	8,787	12,136
<b>Subtotal operating revenues</b>	<b>252,554</b>	<b>260,097</b>	<b>256,002</b>	<b>261,775</b>	<b>277,341</b>	<b>315,096</b>	<b>331,081</b>	<b>344,128</b>	<b>327,665</b>	<b>368,882</b>
Interest and investment income (loss)	524	2,400	1,207	1,185	2,327	2,317	20,701	12,137	(1,187)	(7,087)
Other non-operating revenues	24,886	6,882	6,564	8,263	8,633	5,330	6,164	5,596	4,911	25,454
<b>Subtotal non-operating revenues</b>	<b>25,410</b>	<b>9,282</b>	<b>7,771</b>	<b>9,448</b>	<b>10,960</b>	<b>7,647</b>	<b>26,865</b>	<b>17,733</b>	<b>3,724</b>	<b>18,367</b>
<b>Total revenues</b>	<b>\$ 277,964</b>	<b>269,379</b>	<b>263,773</b>	<b>271,223</b>	<b>288,301</b>	<b>322,743</b>	<b>357,946</b>	<b>361,861</b>	<b>331,389</b>	<b>387,249</b>

(Continued)

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



**Financial Trends**  
**Wastewater - Changes in Net Position**  
**Fiscal Years Ended 2013 to 2022**  
(Dollars in Thousands)

Expenses:	2013	2014	2015	2016	2017	2018	2019	2020	2021 ^	2022
Personnel services	\$ 84,155	85,114	76,396	79,088	115,288	91,977	80,693	91,013	90,449	63,456
Contractual services	13,418	14,314	13,841	15,069	13,825	16,061	19,040	19,357	16,489	19,115
Materials and supplies	10,481	10,830	9,815	10,192	8,736	9,446	9,853	8,991	9,091	11,844
Depreciation and amortization	46,347	48,402	50,254	50,799	55,441	55,591	60,033	62,967	74,343	77,575
Services provided by other departments	34,141	35,274	36,212	36,157	36,832	36,374	36,629	37,309	38,313	39,645
General and administrative and Other operating expenses	19,718	22,406	29,967	30,248	14,098	29,457	53,565	42,622	63,488	45,536
<b>Subtotal operating expenses</b>	<b>208,260</b>	<b>216,340</b>	<b>216,485</b>	<b>221,553</b>	<b>244,220</b>	<b>238,906</b>	<b>259,813</b>	<b>262,259</b>	<b>292,173</b>	<b>257,171</b>
Interest expenses	19,723	27,126	22,791	22,251	28,474	24,978	43,803	43,216	34,944	77,743
Amortization of premium, refunding loss, and issuance costs	(612)	(7,711)	(5,347)	(2,979)	(5,806)	(5,400)	(5,697)	(8,647)	(8,497)	(8,422)
Non-operating expenses	566	533	280	485	383	414	1,013^^	52	409	482
<b>Subtotal non-operating expenses</b>	<b>19,677</b>	<b>19,948</b>	<b>17,724</b>	<b>19,757</b>	<b>23,051</b>	<b>19,992</b>	<b>39,119</b>	<b>34,621</b>	<b>26,856</b>	<b>69,803</b>
<b>Total expenses</b>	<b>227,937</b>	<b>236,288</b>	<b>234,209</b>	<b>241,310</b>	<b>267,271</b>	<b>258,898</b>	<b>298,932</b>	<b>296,880</b>	<b>319,029</b>	<b>326,974</b>
Change in net position before transfers	50,027	33,091	29,564	29,913	21,030	63,845	59,014	64,981	12,360	60,275
Transfers in (out)	888	19	(232)	(16,025)	(30,707)	(26,960)	(3,996)	(1,188)	(2,748)	(161)
<b>Change in net position</b>	<b>50,915</b>	<b>33,110</b>	<b>29,332</b>	<b>13,888</b>	<b>(9,677)</b>	<b>36,885</b>	<b>55,018</b>	<b>63,793</b>	<b>9,612</b>	<b>60,114</b>
Net position at beginning of year										
Beginning of year, as previously reported	1,100,353	1,148,757	1,181,867	1,142,052	1,155,940	1,146,263	1,174,125	1,229,143	1,292,936	1,302,548
Cumulative effect of accounting change due to error	—	—	—	—	—	(6,767)*	—	—	—	—
Cumulative effect of accounting change	(2,511)^	—	(69,147)~	—	—	(2,256)△	—	—	—	—
Beginning of year as restated	1,097,842	1,148,757	1,112,720	1,142,052	1,155,940	1,137,240	1,174,125	1,229,143	1,292,936	1,302,548
<b>Net Position at end of year</b>	<b>\$ 1,148,757</b>	<b>1,181,867</b>	<b>1,142,052</b>	<b>1,155,940</b>	<b>1,146,263</b>	<b>1,174,125</b>	<b>1,229,143</b>	<b>1,292,936</b>	<b>1,302,548</b>	<b>1,362,662</b>

^Fiscal year 2013 have been restated for the retrospective application of GASB Statement No. 65.

Fiscal year 2021 Contractual services, and Depreciation and amortization categories were restated due to the implementation of GASB Statement No. 87, Leases.

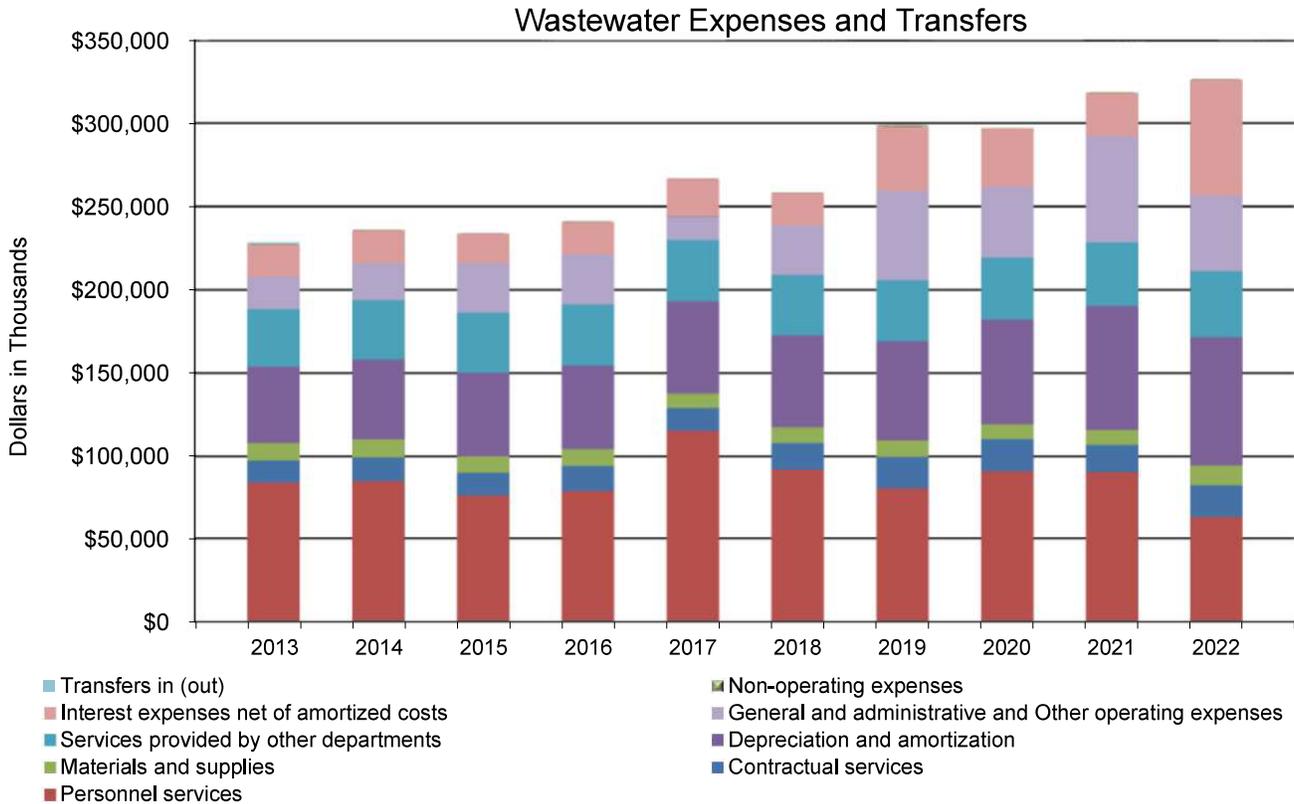
\*The Wastewater Enterprise recorded certain immaterial corrections to the 2018 financial statement to eliminate the recognition of certain capital assets that are recorded by another fund. The impact of the change was to decrease beginning position as of July 2017 by \$6,767 and increase fiscal year 2018 expenses by \$28,313.

~Fiscal year 2015 has been restated for the retrospective application of GASB Statement No. 68.

△Fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.

^^Non-operating expense includes net loss/gain from sales of assets.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

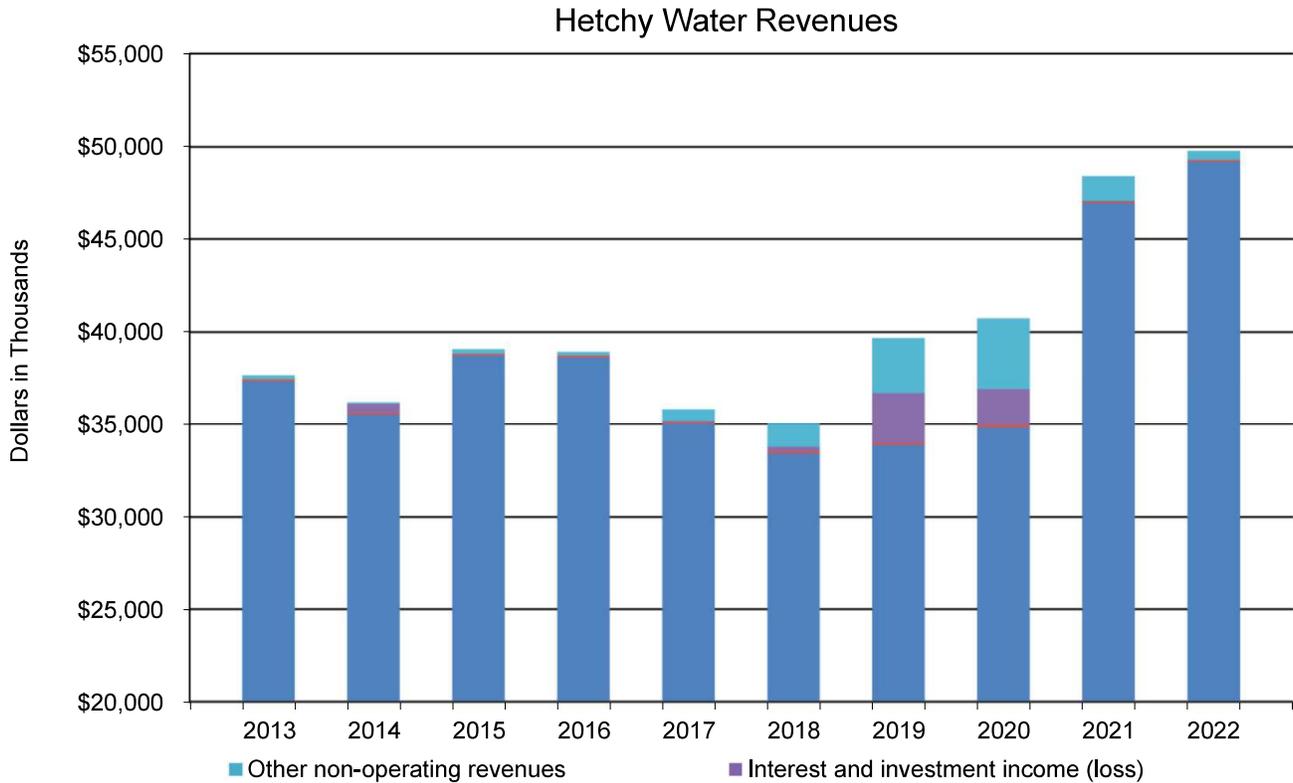


**Financial Trends**  
 Hetchy Water - Changes in Net Position  
 Fiscal Years Ended 2013 to 2022  
 (Dollars in Thousands)

Revenues:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Charges for services	\$ 37,284	35,521	38,731	38,624	35,008	33,427	33,880	34,797	46,979	49,200
Rents and concessions	110	101	104	118	142	133	125	156	111	112
<b>Subtotal operating revenues</b>	<b>37,394</b>	<b>35,622</b>	<b>38,835</b>	<b>38,742</b>	<b>35,150</b>	<b>33,560</b>	<b>34,005</b>	<b>34,953</b>	<b>47,090</b>	<b>49,312</b>
Interest and investment income (loss)	(344)	487	(74)	(38)	46	218	2,670	1,932	(232)	(2,932)
Other non-operating revenues	290	69	250	200	616	1,237	3,013	3,861	1,352	479
<b>Subtotal non-operating revenues</b>	<b>(54)</b>	<b>556</b>	<b>176</b>	<b>162</b>	<b>662</b>	<b>1,455</b>	<b>5,683</b>	<b>5,793</b>	<b>1,120</b>	<b>(2,453)</b>
<b>Total revenues</b>	<b>\$ 37,340</b>	<b>36,178</b>	<b>39,011</b>	<b>38,904</b>	<b>35,812</b>	<b>35,015</b>	<b>39,688</b>	<b>40,746</b>	<b>48,210</b>	<b>46,859</b>

(Continued)

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



**Financial Trends**  
 Hetchy Water - Changes in Net Position  
 Fiscal Years Ended 2013 to 2022  
 (Dollars in Thousands)

Expenses:	2013	2014	2015	2016	2017	2018	2019	2020	2021 ^	2022
Personnel services	\$ 13,057	13,343	11,557	12,183	21,998	14,516	13,707	16,304	19,871	15,636
Contractual services	889	835	794	902	1,017	1,524	1,205	1,642	2,398	2,854
Materials and supplies	1,331	1,352	1,321	1,191	1,161	1,101	1,133	1,337	1,272	1,362
Depreciation and amortization	4,378	4,186	4,102	3,874	4,505	5,066	5,380	5,276	6,028	6,305
Services provided by other departments	1,706	1,211	1,979	2,054	1,962	1,572	1,622	1,853	2,517	3,129
General and administrative and Other operating expenses	13,540	14,098	18,948	16,332	19,456	16,013	27,258	18,461	18,433	23,017
<b>Subtotal operating expenses</b>	<b>34,901</b>	<b>35,025</b>	<b>38,701</b>	<b>36,536</b>	<b>50,099</b>	<b>39,792</b>	<b>50,305</b>	<b>44,873</b>	<b>50,519</b>	<b>52,303</b>
Interest expenses	—	—	—	—	—	—	—	—	2	1
Non-operating expenses	68	99	313	68	68	68	—	11	63	37
<b>Total expenses</b>	<b>34,969</b>	<b>35,124</b>	<b>39,014</b>	<b>36,604</b>	<b>50,167</b>	<b>39,860</b>	<b>50,305</b>	<b>44,884</b>	<b>50,584</b>	<b>52,341</b>
Change in net position before capital contributions transfers and extraordinary item	2,371	1,054	(3)	2,300	(14,355)	(4,845)	(10,617)	(4,138)	(2,374)	(5,482)
Capital contributions	—	166*	—	—	—	—	—	—	—	—
Transfers in (out)	—	—	—	—	60,000	30,000	20,000	14,000	16,000	30,001
Extraordinary item: Rim fire — loss	—	(2,709)	—	—	—	—	—	—	—	—
<b>Change in net position</b>	<b>2,371</b>	<b>(1,489)</b>	<b>(3)</b>	<b>2,300</b>	<b>45,645</b>	<b>25,155</b>	<b>9,383</b>	<b>9,862</b>	<b>13,626</b>	<b>24,519</b>
Net position at beginning of year										
Beginning of year, as previously reported	136,522	138,893	137,404	120,411	122,711	168,356	191,790	201,173	211,035	224,661
Cumulative effect of accounting change	—	—	(16,990)#	—	—	(1,721)△	—	—	—	—
Beginning of year as restated	136,522	138,893	120,414	120,411	122,711	166,635	191,790	201,173	211,035	224,661
<b>Net position at end of year</b>	<b>\$ 138,893</b>	<b>137,404</b>	<b>120,411</b>	<b>122,711</b>	<b>168,356</b>	<b>191,790</b>	<b>201,173</b>	<b>211,035</b>	<b>224,661</b>	<b>249,180</b>

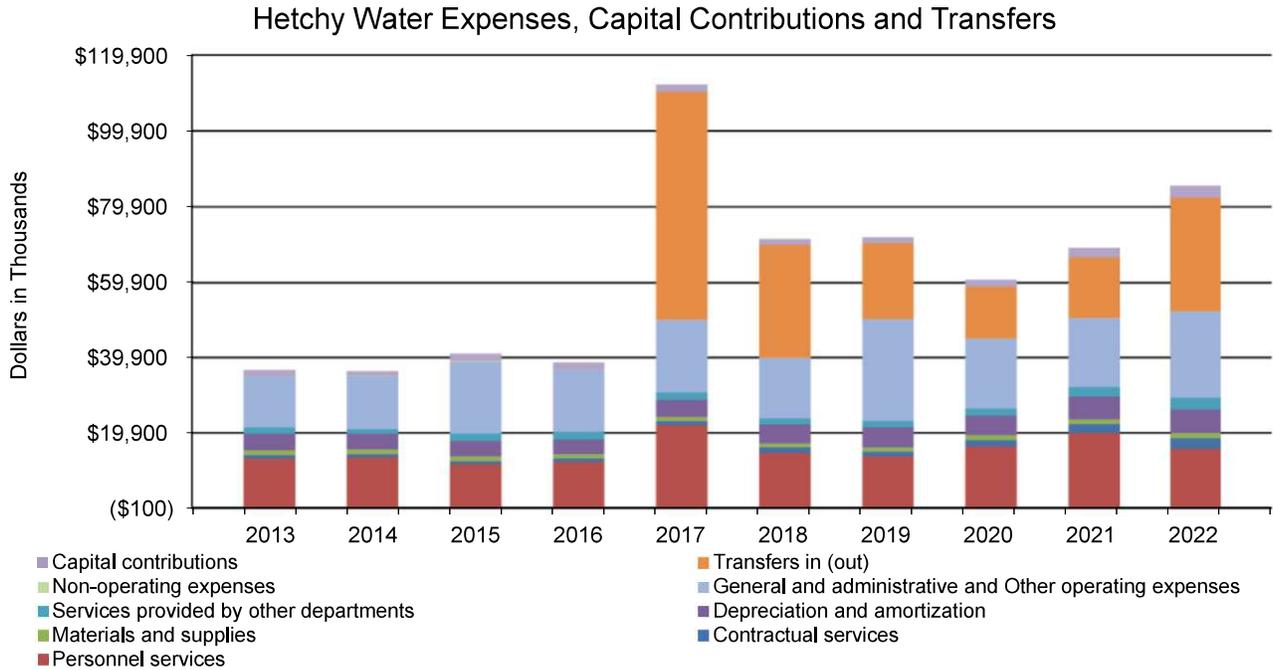
\*Include transfer of \$166 in capital asset from the Department of Emergency Management.

#The beginning net position for fiscal year 2015 has been restated for the retrospective application of GASB Statement No. 68.

△The beginning net position for fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.

^Contractual services, and Depreciation and amortization categories were restated due to the implementation of GASB Statement No. 87, Leases.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



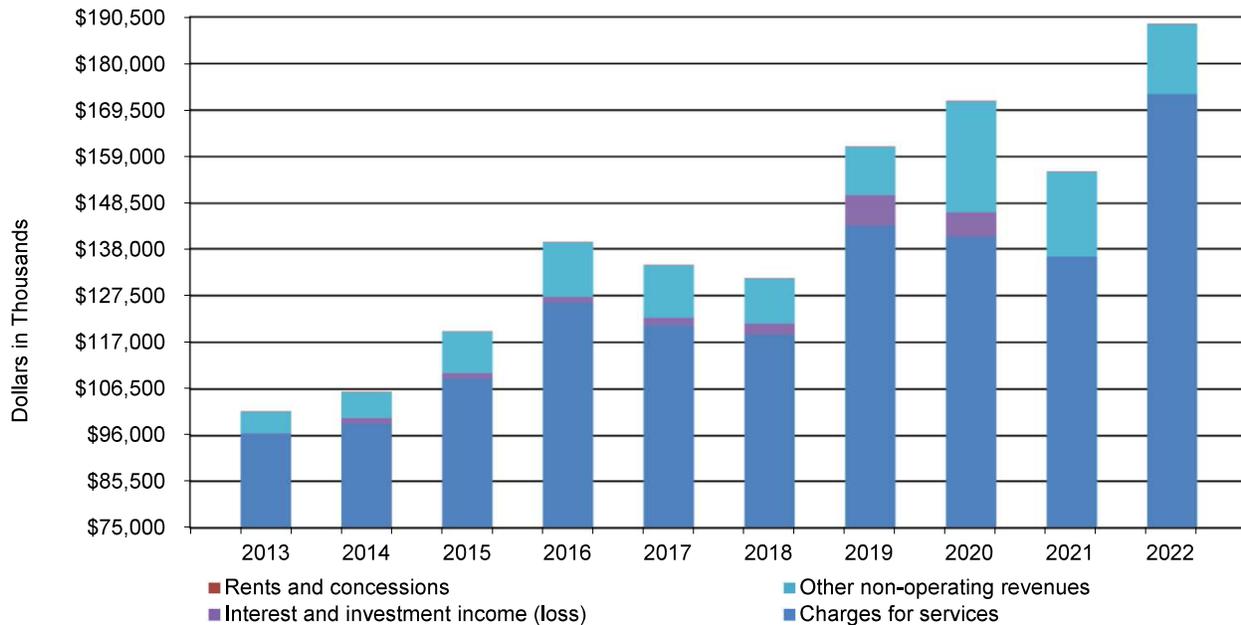
**Financial Trends**  
 Hetchy Power - Changes in Net Position  
 Fiscal Years Ended 2013 to 2022  
 (Dollars in Thousands)

Revenues:		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Charges for services	\$	96,398	98,693	108,841	125,850	120,789	118,672	143,409	140,680	136,247	173,105
Rents and concessions		135	123	127	144	173	163	152	191	136	137
<b>Subtotal operating revenues</b>		<b>96,533</b>	<b>98,816</b>	<b>108,968</b>	<b>125,994</b>	<b>120,962</b>	<b>118,835</b>	<b>143,561</b>	<b>140,871</b>	<b>136,383</b>	<b>173,242</b>
Interest and investment income (loss)		139	1,289	1,253	1,318	1,718	2,537	6,883	5,746	24	(4,001)
Other non-operating revenues		4,892	5,798	9,302	12,256	11,764	10,073	10,907	25,006	19,273	15,763
<b>Subtotal non-operating revenues</b>		<b>5,031</b>	<b>7,087</b>	<b>10,555</b>	<b>13,574</b>	<b>13,482</b>	<b>12,610</b>	<b>17,790</b>	<b>30,752</b>	<b>19,297</b>	<b>11,762</b>
<b>Total revenues</b>	\$	<b>101,564</b>	<b>105,903</b>	<b>119,523</b>	<b>139,568</b>	<b>134,444</b>	<b>131,445</b>	<b>161,351</b>	<b>171,623</b>	<b>155,680</b>	<b>185,004</b>

(Continued)

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

**Hetchy Power Revenues**



**Financial Trends**  
**Hetchy Power - Changes in Net Position**  
**Fiscal Years Ended 2013 to 2022**  
(Dollars in Thousands)

Expenses:	2013	2014	2015	2016	2017	2018	2019	2020	2021 <sup>^</sup>	2022
Personnel services	\$ 33,564	33,762	33,240	33,632	44,961	34,950	37,583	40,712	40,756	34,646
Contractual services	4,956	4,063	7,852	5,493	4,916	5,526	6,086	7,742	8,705	9,604
Purchased power & related costs	20,891	26,215	20,296	26,792	20,970	34,435	47,437	48,831	42,693	58,252
Materials and supplies	1,671	2,075	1,039	1,849	1,510	1,541	672	2,260	1,990	2,270
Depreciation and amortization	11,079	11,128	13,785	12,639	13,225	14,049	14,484	15,723	15,650	17,628
Services provided by other departments	5,002	5,577	5,979	7,397	6,716	5,848	6,833	6,426	6,137	6,253
General and administrative and Other operating expenses	16,096	18,220	23,031	24,157	24,637	23,046	9,593	26,433	29,709	27,694
<b>Subtotal operating expenses</b>	<b>93,259</b>	<b>101,040</b>	<b>105,222</b>	<b>111,959</b>	<b>116,935</b>	<b>119,395</b>	<b>122,688</b>	<b>148,127</b>	<b>145,640</b>	<b>156,347</b>
Interest expenses	1,641	1,574	1,815	3,355	3,200	3,103	2,936	2,740	1,972	5,624
Amortization of premium, discount, and issuance costs	7	(28)	893	(122)	(255)	(248)	(237)	(228)	(219)	192
Non-operating expenses	3,025	2,485	2,494	1,676	1,408	1,727	1,365	1,060	902	591
<b>Total expenses</b>	<b>97,932</b>	<b>105,071</b>	<b>110,424</b>	<b>116,868</b>	<b>121,288</b>	<b>123,977</b>	<b>126,752</b>	<b>151,699</b>	<b>148,295</b>	<b>162,754</b>
Change in net position before capital contributions transfers and extraordinary item	3,632	832	9,099	22,700	13,156	7,468	34,599	19,924	7,385	22,250
Capital contributions	—	202 <sup>#</sup>	—	—	—	—	—	—	—	—
Transfers in (out)	(196)	(38)	2,043	680	51	(425)	4,490	(32)	(532)	(532)
Extraordinary item: Rim fire — loss	—	(4,134)	—	—	—	—	—	—	—	—
<b>Change in net position</b>	<b>3,436</b>	<b>(3,138)</b>	<b>11,142</b>	<b>23,380</b>	<b>13,207</b>	<b>7,043</b>	<b>39,089</b>	<b>19,892</b>	<b>6,853</b>	<b>21,718</b>
Net position at beginning of year										
Beginning of year, as previously reported	376,130	379,284	376,146	366,523	389,903	401,686	406,626	445,715	465,607	472,460
Cumulative effect of accounting change	(282) <sup>^</sup>	—	(20,765) <sup>*</sup>	—	—	(2,103) <sup>△</sup>	—	—	—	—
Less: CleanPowerSF beginning net position	—	—	—	—	(1,424)	—	—	—	—	—
Beginning of year as restated	375,848	379,284	355,381	366,523	388,479	399,583	406,626	445,715	465,607	472,460
<b>Net position at end of year</b>	<b>\$ 379,284</b>	<b>376,146</b>	<b>366,523</b>	<b>389,903</b>	<b>401,686</b>	<b>406,626</b>	<b>445,715</b>	<b>465,607</b>	<b>472,460</b>	<b>494,178</b>

<sup>^</sup>Fiscal year 2013 have been restated for the retrospective application of GASB Statement No. 65.

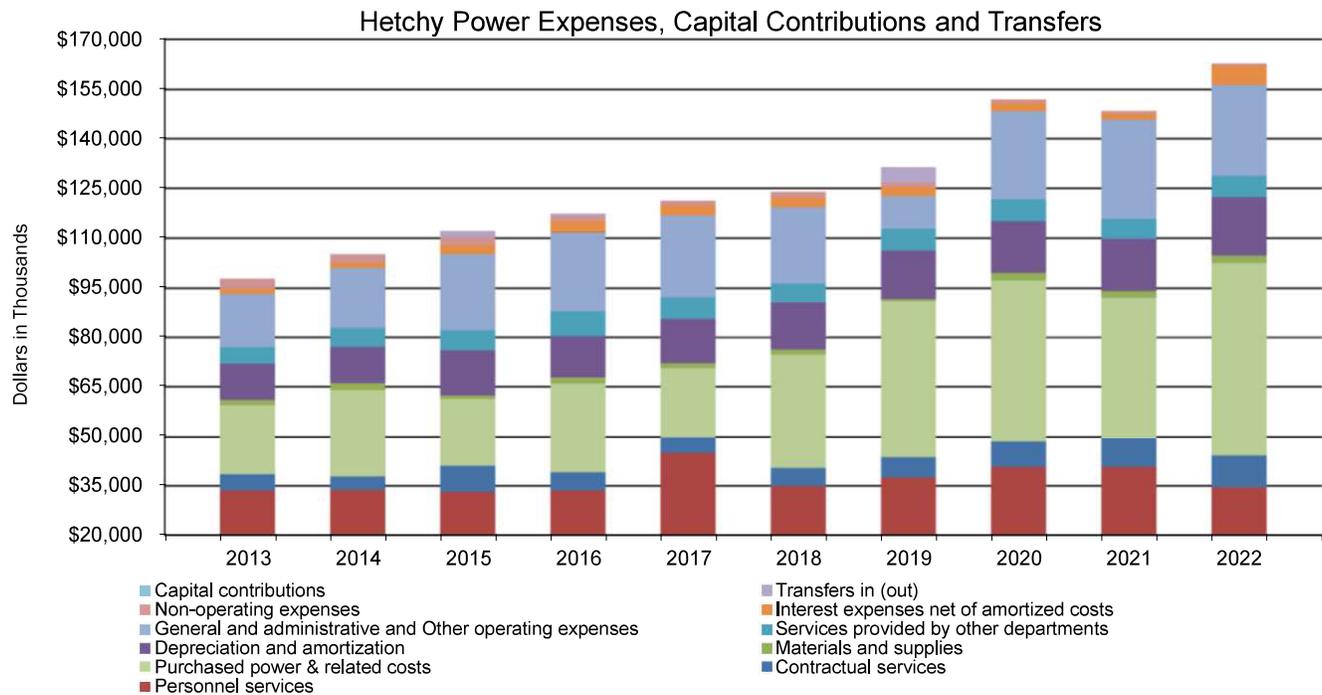
Fiscal year 2021 Contractual services, and Depreciation and amortization categories were restated due to the implementation of GASB Statement No. 87, Leases.

<sup>#</sup>Include transfer of \$202 in capital asset from the Department of Emergency Management.

<sup>\*</sup>Fiscal year 2015 has been restated for the retrospective application of GASB Statement No. 68.

<sup>△</sup>Fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



**Financial Trends**  
 CleanPowerSF - Changes in Net Position  
 Fiscal Years Ended 2013 to 2022  
 (Dollars in Thousands)

Revenues:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Charges for services	\$				33,867	39,568	167,820	245,460 <sup>#</sup>	207,698	257,893
Rents and concessions					—	—	—	—	—	—
<b>Subtotal operating revenues</b>					<b>33,867</b>	<b>39,568</b>	<b>167,820</b>	<b>245,460</b>	<b>207,698</b>	<b>257,893</b>
Interest and investment income (loss)					89	174	735	1,771	51	(1,286)
Other non-operating revenues					4	1	—	1	927	2,759
<b>Subtotal non-operating revenues</b>					<b>93</b>	<b>175</b>	<b>735</b>	<b>1,772</b>	<b>978</b>	<b>1,473</b>
<b>Total revenues</b>	\$				<b>33,960</b>	<b>39,743</b>	<b>168,555</b>	<b>247,232</b>	<b>208,676</b>	<b>259,366</b>

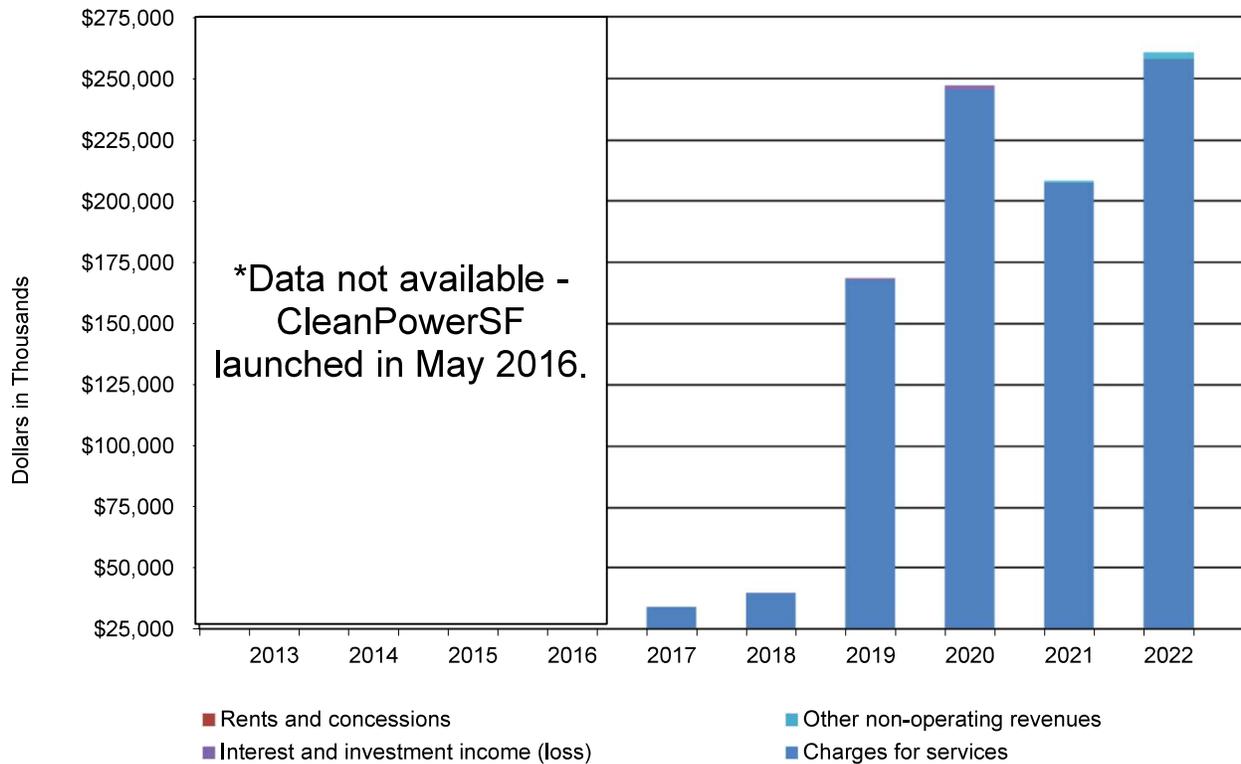
\*Data not available - CleanPowerSF launched in May 2016.

(Continued)

\*CleanPowerSF was presented as part of Hetchy Power in fiscal year 2016.  
 #Increase in charges for services is due to completion of city-wide enrollment.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

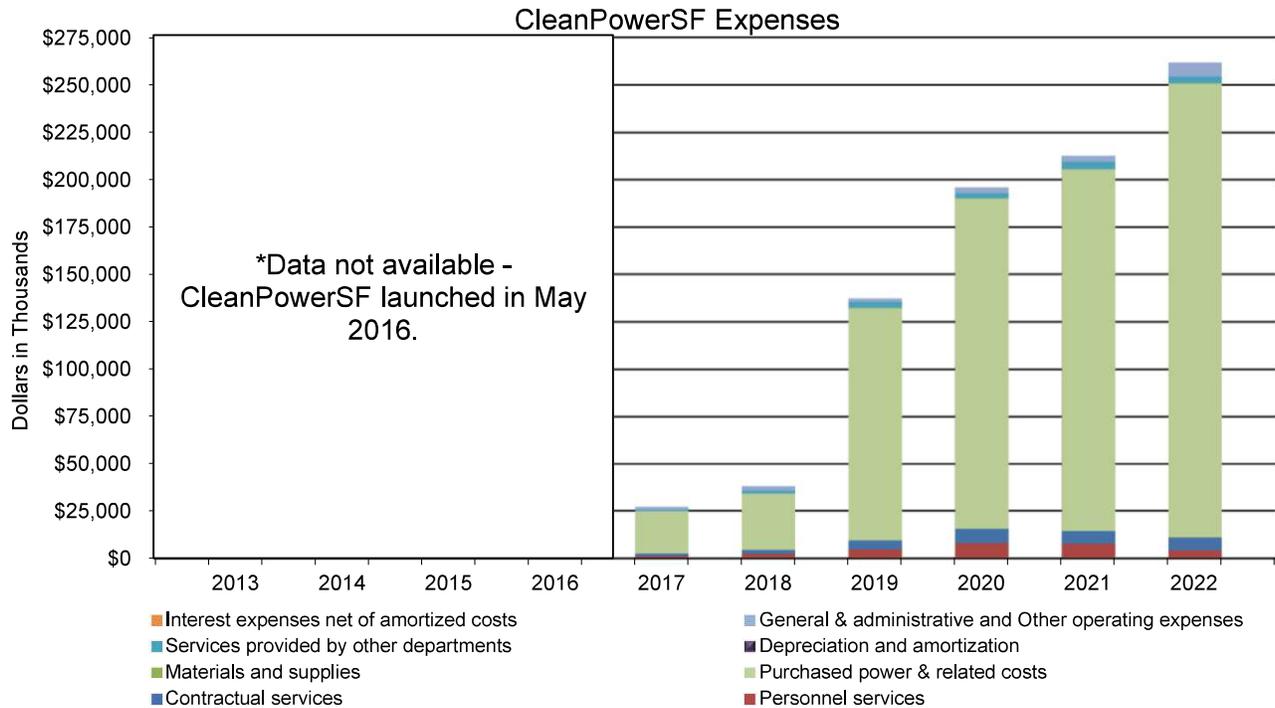
**CleanPowerSF Revenues**



**Financial Trends**  
**CleanPowerSF - Changes in Net Position**  
**Fiscal Years Ended 2013 to 2022**  
(Dollars in Thousands)

Expenses:	2013	2014	2015	2016	2017	2018	2019	2020	2021 <sup>^</sup>	2022
Personnel services	*Data not available - CleanPowerSF launched in May 2016.				1,213	2,150	4,612	7,920	7,641	4,167
Contractual services					1,141	2,166	4,786	7,557	6,678	
Purchased power & related costs					22,437	30,297	122,838	174,770 <sup>#</sup>	190,989	239,738
Materials and supplies					1	—	51	57	26	33
Depreciation and amortization					—	—	—	—	345	345
Services provided by other departments					734	1,545	3,208	2,728	3,928	3,621
General & administrative and other operating expenses					1,570	2,270	1,789	2,994	3,104	7,393
<b>Subtotal operating expenses</b>					<b>27,096</b>	<b>38,428</b>	<b>137,284</b>	<b>196,026</b>	<b>212,711</b>	<b>262,118</b>
Interest expenses					70	101	130	69	26	5
<b>Total expenses</b>					<b>27,166</b>	<b>38,529</b>	<b>137,414</b>	<b>196,095</b>	<b>212,737</b>	<b>262,123</b>
<b>Change in net position</b>	<b>6,794</b>	<b>1,214</b>	<b>31,141</b>	<b>51,137</b>	<b>(4,061)</b>	<b>(2,757)</b>				
Net position at beginning of year					1,424	8,218	8,860	40,001	91,138	87,077
Beginning of year, as previously reported					—	(572) <sup>△</sup>	—	—	—	—
Cumulative effect of accounting change					1,424	7,646	8,860	40,001	91,138	87,077
Beginning of year as restated					<b>8,218</b>	<b>8,860</b>	<b>40,001</b>	<b>91,138</b>	<b>87,077</b>	<b>84,320</b>
<b>Net position at end of year</b>					<b>8,218</b>	<b>8,860</b>	<b>40,001</b>	<b>91,138</b>	<b>87,077</b>	<b>84,320</b>

\*CleanPowerSF was presented as part of Hetchy Power in fiscal year 2016.  
<sup>△</sup>Fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.  
<sup>#</sup>Increase in purchased power and related costs is due to higher enrollment and electricity sales.  
<sup>^</sup>Contractual services, and Depreciation and amortization categories were restated due to the implementation of GASB Statement No. 87, Leases.  
Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



**Financial Trends**  
 Department-wide - Summary of Net Position by Component  
 Fiscal Years Ended 2013 to 2022  
 (Dollars in Thousands)

	2013 <sup>^</sup>	2014	2015 <sup>*</sup>	2016	2017	2018 <sup>△</sup>	2019	2020	2021 <sup>@</sup>	2022
Net investment in capital assets \$	1,762,526	1,769,815	1,859,439	2,011,814	1,979,445	2,087,816	2,147,756	2,194,130	2,271,638	2,183,518
Restricted for debt service	33,683	25,990	1,704	13,409	12,451	25,079	18,617	17,285	48,677	20,202
Restricted for capital projects	114,299	131,590	120,496	60,357	39,557	44,690	26,906	49,635	22,319	114,657
Unrestricted	456,057	422,234	243,812	205,642	194,337	113,340	264,891	440,681	395,476	505,381
<b>Total net position</b>	<b>\$ 2,366,565</b>	<b>2,349,629</b>	<b>2,225,451</b>	<b>2,291,222</b>	<b>2,225,790</b>	<b>2,270,925</b>	<b>2,458,170</b>	<b>2,701,731</b>	<b>2,738,110</b>	<b>2,823,758</b>

<sup>^</sup>Fiscal year 2013 have been restated for the retrospective application of GASB Statement No. 65.

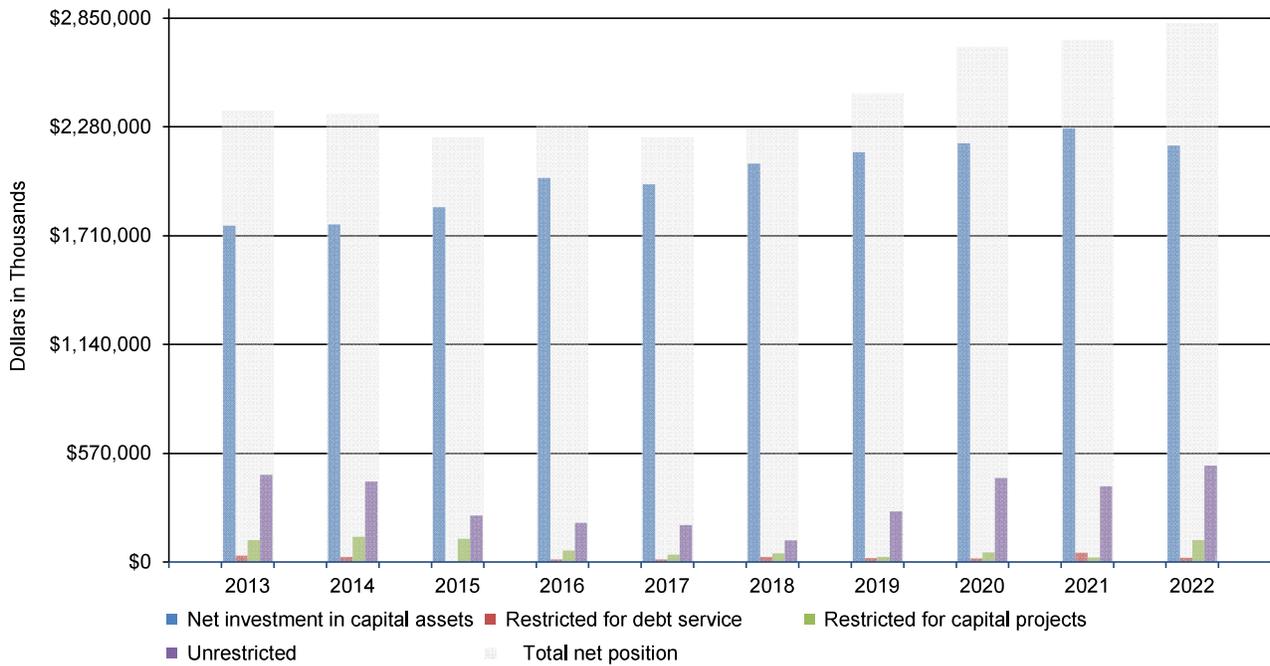
<sup>\*</sup>Fiscal year 2015 have been restated for the cumulative effect of accounting change per GASB Statement No. 68.

<sup>△</sup>Fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.

<sup>@</sup>Unrestricted restated due to the implementation of GASB Statement No. 87, Leases.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

**Department-wide Net Position by Component**



**Financial Trends**  
**Water - Summary of Net Position by Component**  
**Fiscal Years Ended 2013 to 2022**  
(Dollars in Thousands)

	2013 <sup>^</sup>	2014	2015 <sup>*</sup>	2016	2017	2018 <sup>△</sup>	2019	2020	2021 <sup>@</sup>	2022
Net investment in capital assets	\$ 364,863	366,799	425,073	543,327	495,868	504,476	563,457	527,856	517,302	537,644
Restricted for debt service	32,723	25,356	1,053	12,122	10,989	22,933	16,193	15,916	45,586	14,671
Restricted for capital projects	103,616	103,154	95,735	40,743	37,904	32,978	—	43,122	22,319	—
Unrestricted	198,429	158,903	74,604	26,476	(43,494)	(70,863)	(37,512)	54,121	66,157	81,103
<b>Total net position</b>	<b>\$ 699,631</b>	<b>654,212</b>	<b>596,465</b>	<b>622,668</b>	<b>501,267</b>	<b>489,524</b>	<b>542,138</b>	<b>641,015</b>	<b>651,364</b>	<b>633,418</b>

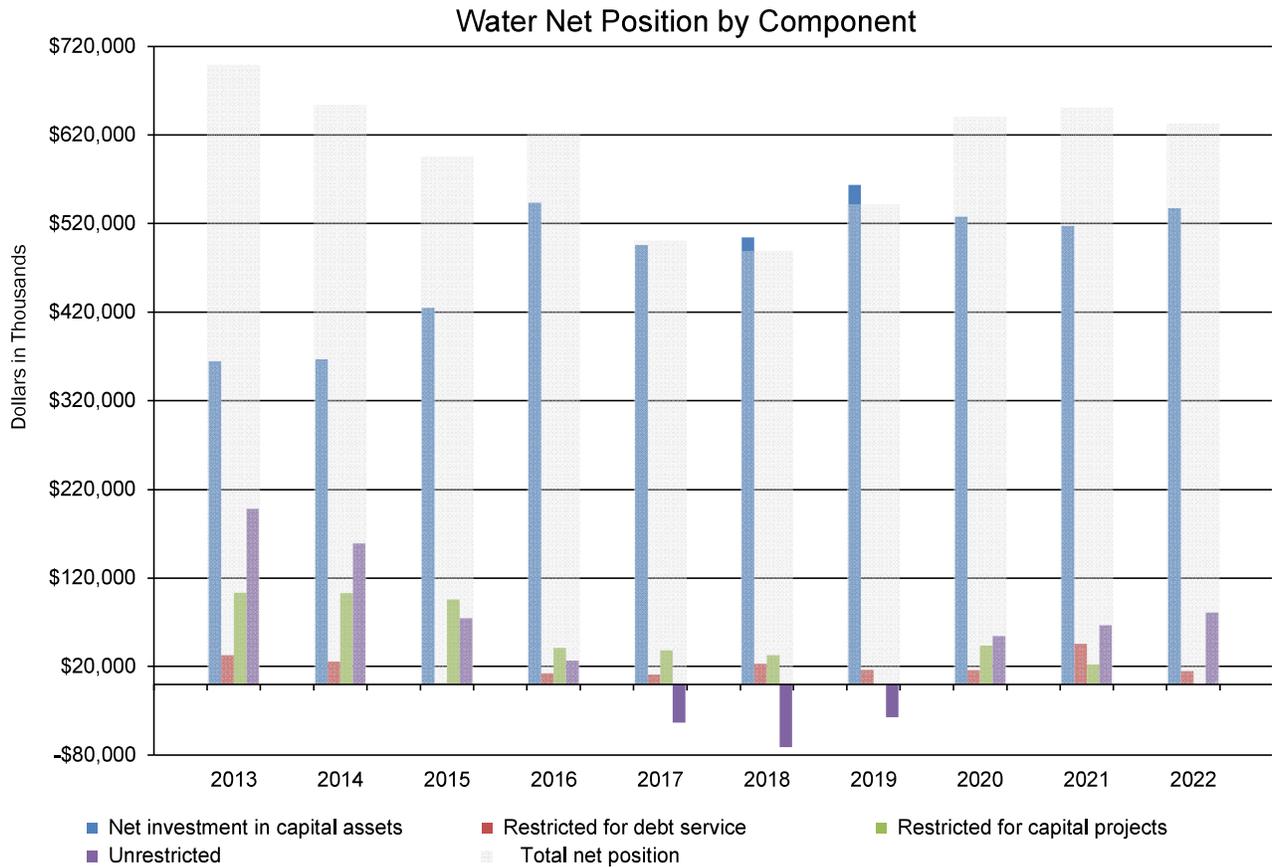
<sup>^</sup>Fiscal year 2013 have been restated for the retrospective application of GASB Statement No. 65.

<sup>\*</sup>Fiscal year 2015 have been restated for the cumulative effect of accounting change per GASB Statement No. 68.

<sup>△</sup>Fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.

<sup>@</sup>Unrestricted restated due to the implementation of GASB Statement No. 87, Leases.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



**Financial Trends**  
**Wastewater - Summary of Net Position by Component**  
**Fiscal Years Ended 2013 to 2022**  
(Dollars in Thousands)

	2013 <sup>^</sup>	2014	2015 <sup>*</sup>	2016	2017	2018 <sup>△</sup>	2019	2020	2021 <sup>@</sup>	2022
Net investment in capital assets	\$ 1,074,526	1,066,814	1,088,552	1,098,723	1,095,165	1,172,623	1,133,662	1,183,288	1,253,789	1,092,705
Restricted for debt service	960	634	349	981	977	1,312	1,279	1,227	2,992	5,391
Restricted for capital projects	2,931	22,929	20,327	18,205	1,653	—	18,505	—	—	114,657
Unrestricted	70,340	91,490	32,824	38,031	48,468	190	75,697	108,421	45,767	149,909
<b>Total net position</b>	<b>\$ 1,148,757</b>	<b>1,181,867</b>	<b>1,142,052</b>	<b>1,155,940</b>	<b>1,146,263</b>	<b>1,174,125</b>	<b>1,229,143</b>	<b>1,292,936</b>	<b>1,302,548</b>	<b>1,362,662</b>

<sup>^</sup>Fiscal year 2013 have been restated for the retrospective application of GASB Statement No. 65.

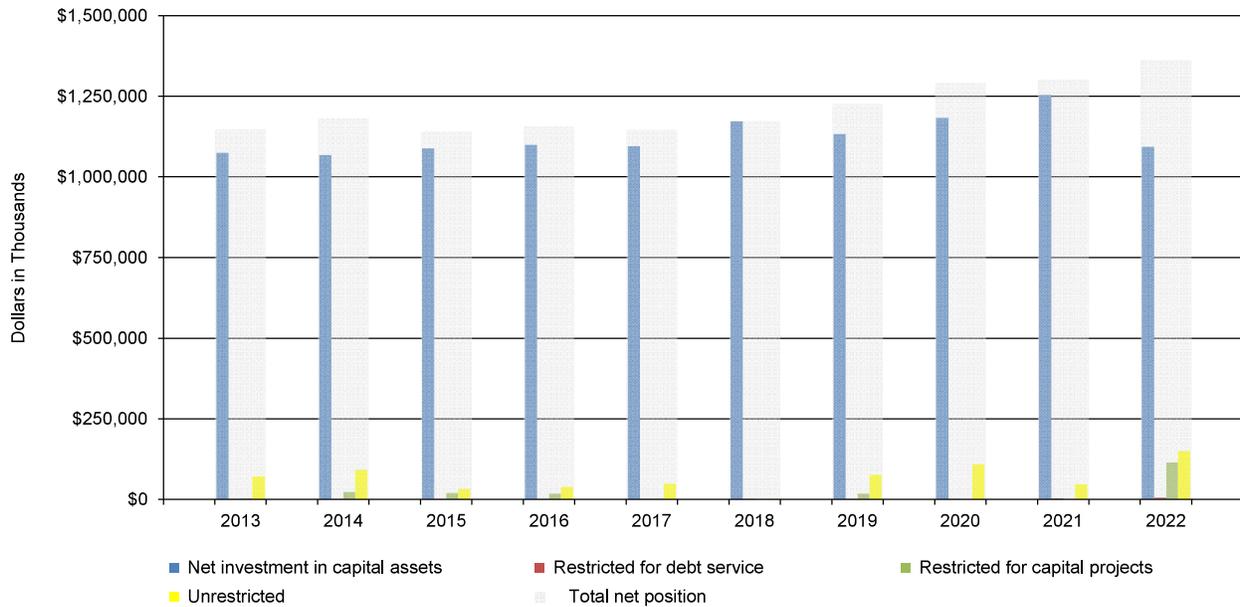
<sup>\*</sup>Fiscal year 2015 have been restated for the cumulative effect of accounting change per GASB Statement No. 68.

<sup>△</sup>Fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.

<sup>@</sup>Unrestricted restated due to the implementation of GASB Statement No. 87, Leases.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

**Wastewater Net Position by Component**



**Financial Trends**  
 Hetchy Water - Summary of Net Position by Component  
 Fiscal Years Ended 2013 to 2022  
 (Dollars in Thousands)

	2013	2014	2015 *	2016	2017	2018 <sup>△</sup>	2019	2020	2021 <sup>@</sup>	2022
Net investment in capital assets	\$ 91,228	95,186	104,330	113,867	127,731	139,799	149,103	160,782	177,481	201,007
Restricted for debt service	—	—	—	—	—	—	—	—	—	—
Restricted for capital projects	7,752	5,507	4,434	1,409	—	11,712	8,401	6,513	—	—
Unrestricted	39,913	36,711	11,647	7,435	40,625	40,279	43,669	43,740	47,180	48,173
<b>Total net position</b>	<b>\$ 138,893</b>	<b>137,404</b>	<b>120,411</b>	<b>122,711</b>	<b>168,356</b>	<b>191,790</b>	<b>201,173</b>	<b>211,035</b>	<b>224,661</b>	<b>249,180</b>

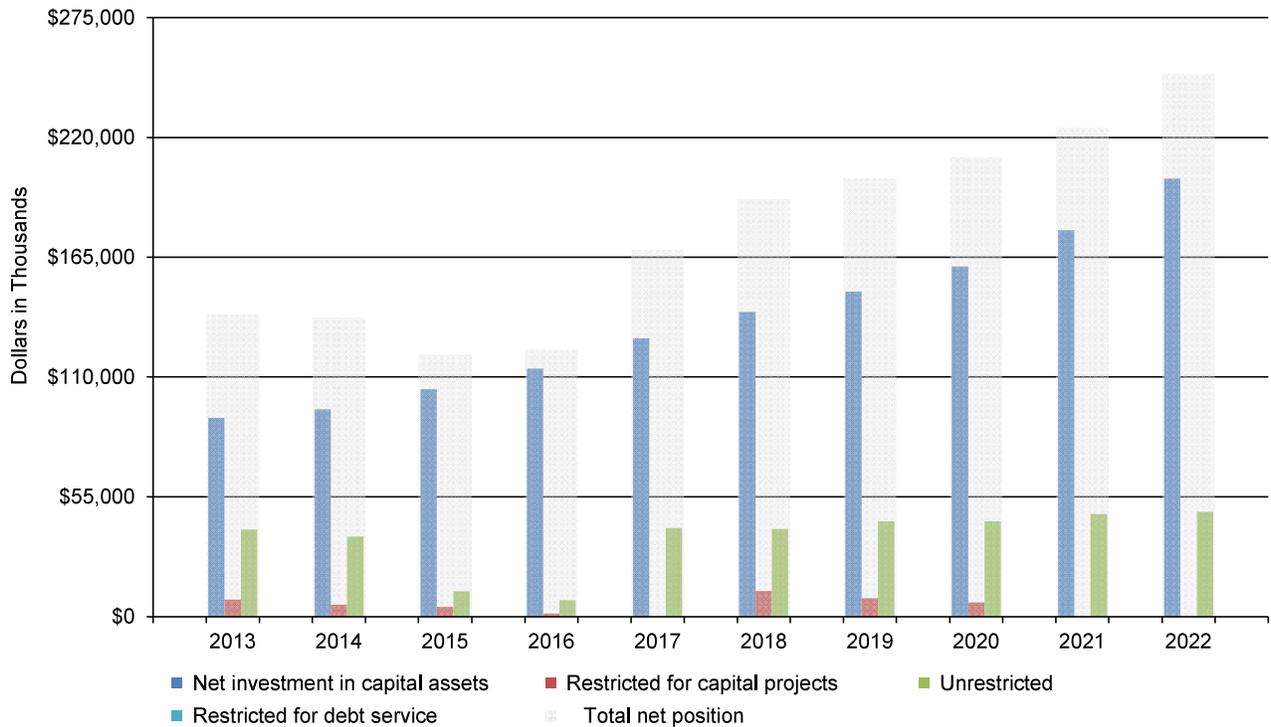
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△Fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.

@Unrestricted restated due to the implementation of GASB Statement No. 87, Leases.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

**Hetchy Water Net Position by Component**



**Financial Trends**  
 Hetchy Power - Summary of Net Position by Component  
 Fiscal Years Ended 2013 to 2022  
 (Dollars in Thousands)

	2013 <sup>^</sup>	2014	2015 <sup>*</sup>	2016	2017	2018 <sup>△</sup>	2019	2020	2021 <sup>@</sup>	2022
Net investment in capital assets	\$ 231,909	241,016	241,484	255,897	260,681	270,918	301,534	322,204	323,066	352,162
Restricted for debt service	—	—	302	306	485	834	1,145	142	99	140
Restricted for capital projects	—	—	—	—	—	—	—	—	—	—
Unrestricted	147,375	135,130	124,737	133,700	140,520	134,874	143,036	143,261	149,295	141,876
<b>Total net position</b>	<b>\$ 379,284</b>	<b>376,146</b>	<b>366,523</b>	<b>389,903</b>	<b>401,686</b>	<b>406,626</b>	<b>445,715</b>	<b>465,607</b>	<b>472,460</b>	<b>494,178</b>

<sup>^</sup>Fiscal year 2013 have been restated for the retrospective application of GASB Statement No. 65.

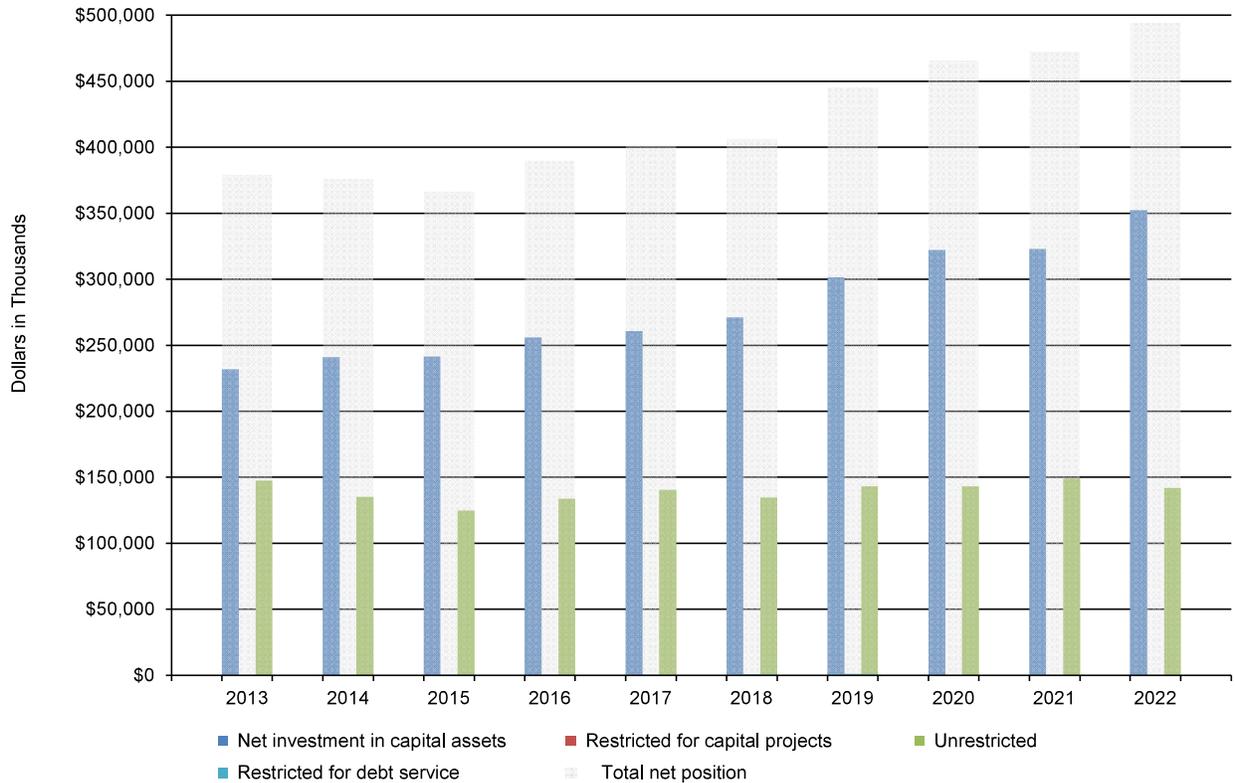
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<sup>△</sup>Fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.

<sup>@</sup>Unrestricted restated due to the implementation of GASB Statement No. 87, Leases.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

**Hetchy Power Net Position by Component**



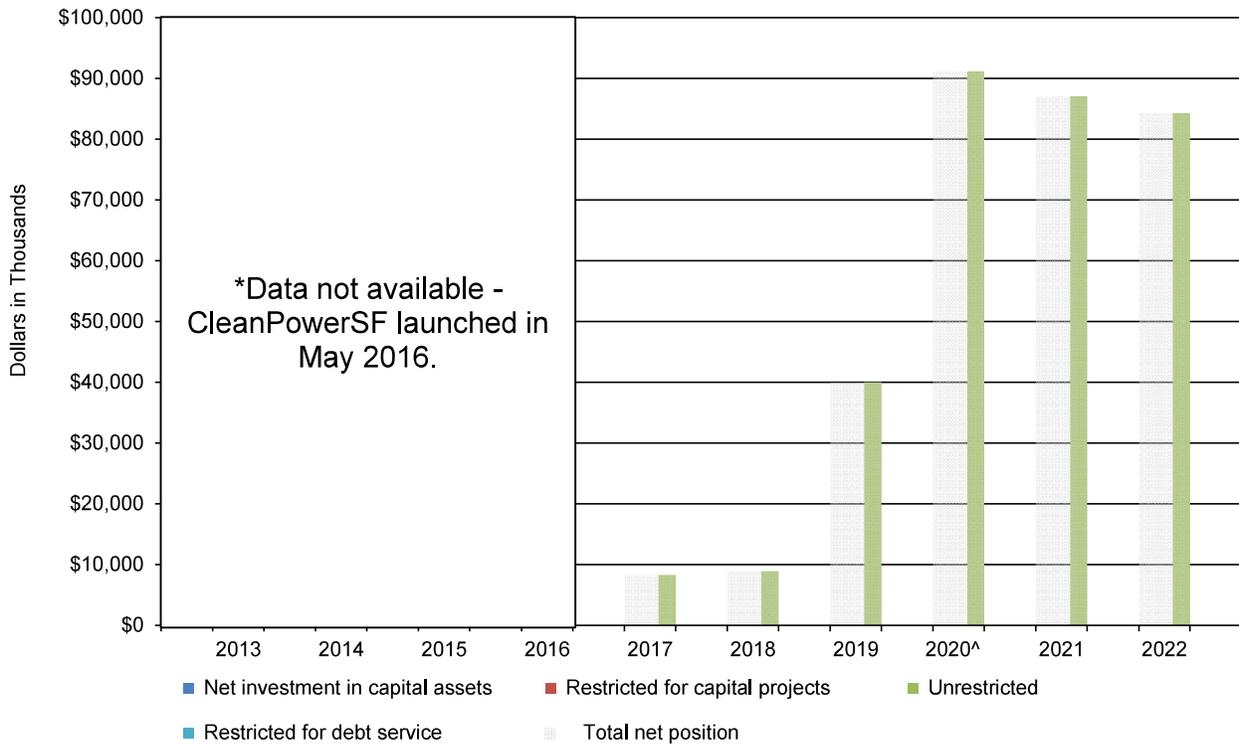
**Financial Trends**  
**CleanPowerSF - Summary of Net Position by Component**  
**Fiscal Years Ended 2017 to 2022**  
(Dollars in Thousands)

	2013	2014	2015	2016	2017	2018 <sup>△</sup>	2019	2020 <sup>^</sup>	2021 <sup>@</sup>	2022
Net investment in capital assets	\$				—	—	—	—	—	—
Restricted for debt service					—	—	—	—	—	—
Restricted for capital projects					—	—	—	—	—	—
Unrestricted					8,218	8,860	40,001	91,138	87,077	84,320
<b>Total net position</b>	<b>\$</b>				<b>8,218</b>	<b>8,860</b>	<b>40,001</b>	<b>91,138</b>	<b>87,077</b>	<b>84,320</b>

\* CleanPowerSF fiscal year 2016 two months of financial data was reported with Hetchy Power.  
<sup>△</sup>Fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.  
<sup>^</sup>Increase in fiscal year 2020 is due to completion of citywide enrollment.  
<sup>@</sup>Unrestricted restated due to the implementation of GASB Statement No. 87, Leases.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

**CleanPowerSF Net Position by Component**



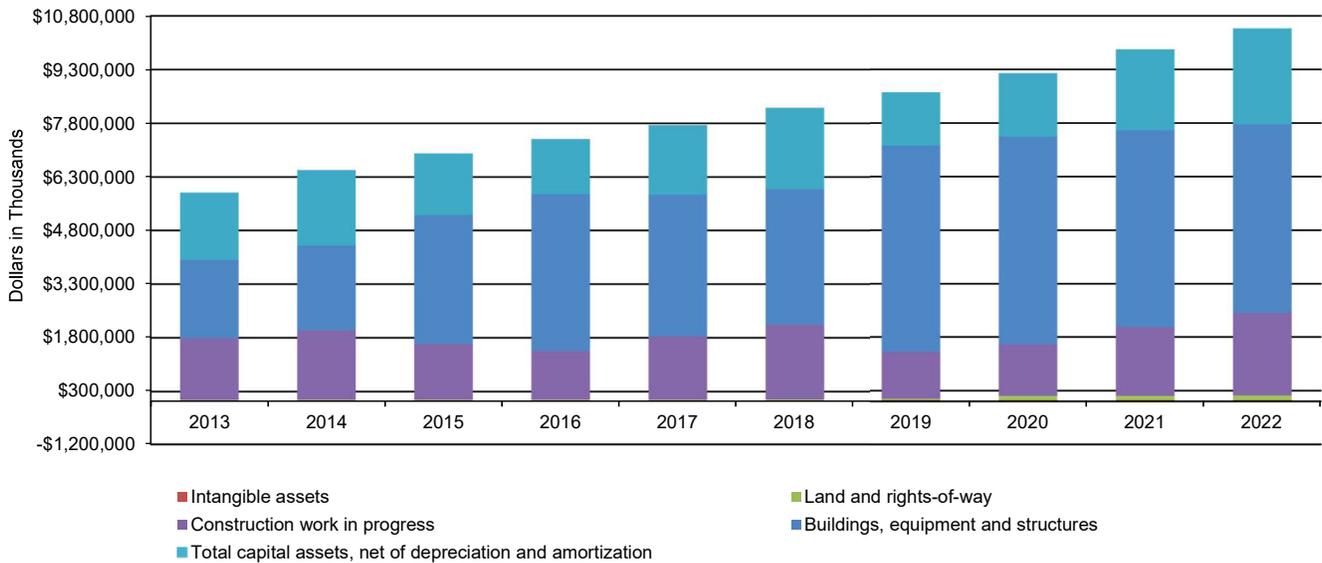
**Financial Trends**  
 Department-wide Investments in Capital Assets  
 Summary of Intangible Assets, Property, Plant and Equipment  
 Fiscal Years Ended 2013 to 2022  
 (Dollars in Thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Buildings, equipment and structures	\$ 6,238,702	6,790,353	7,800,455	8,565,038	8,736,914	9,084,980	10,483,615	10,957,712	11,369,025	11,783,944
Less accumulated depreciation	(2,266,290)	(2,413,969)	(2,572,737)	(2,742,700)	(2,930,531)	(3,120,191)	(3,316,443)	(3,538,382)	(3,773,696)	(4,016,382)
<b>Subtotal</b>	<b>3,972,412</b>	<b>4,376,384</b>	<b>5,227,718</b>	<b>5,822,338</b>	<b>5,806,383</b>	<b>5,964,789</b>	<b>7,167,172</b>	<b>7,419,330</b>	<b>7,595,329</b>	<b>7,767,562</b>
Intangible assets, net of amortization*	41,525	39,122	38,885	36,674	34,904	36,956	34,853	32,528	35,102	34,731
Land and rights-of-way	64,764	67,290	67,213	67,213	67,301	70,947	71,228	155,089	154,001	163,194
Construction work in progress	1,789,980	2,012,810	1,625,592	1,436,187	1,841,297	2,161,089	1,387,840	1,592,097	2,079,754	2,485,201
<b>Total capital assets, net of depreciation and amortization</b>	<b>\$ 5,868,681</b>	<b>6,495,606</b>	<b>6,959,408</b>	<b>7,362,412</b>	<b>7,749,885</b>	<b>8,233,781</b>	<b>8,661,093</b>	<b>9,199,044</b>	<b>9,864,186</b>	<b>10,450,688</b>

\* Include amortizable and non-amortizable intangible assets.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

**Department-wide Investments in Capital Assets**



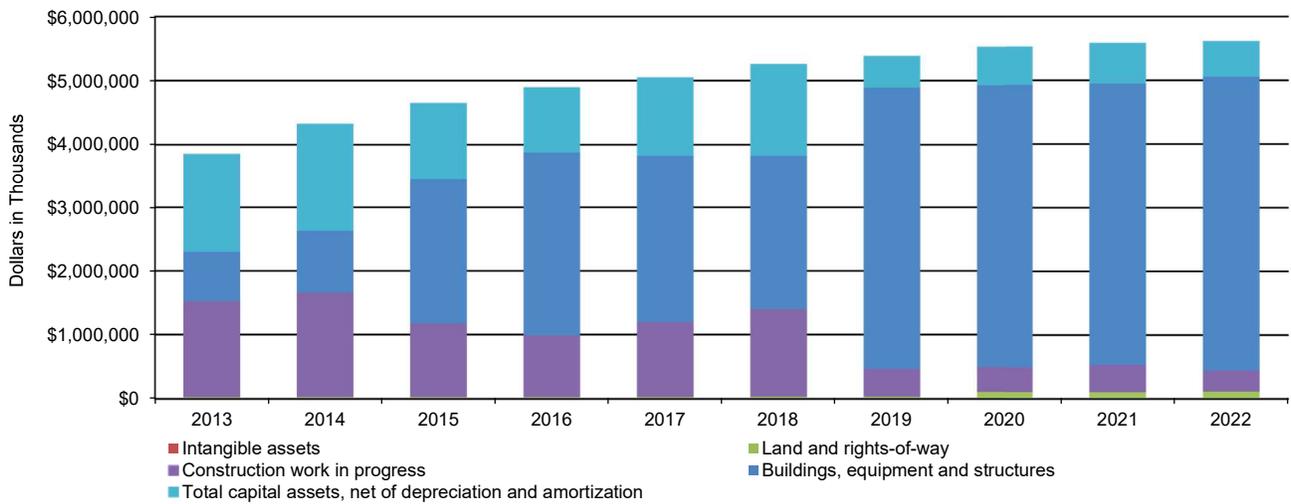
**Financial Trends**  
**Water - Investments in Capital Assets**  
**Summary of Intangible Assets, Property, Plant and Equipment**  
**Fiscal Years Ended 2013 to 2022**  
(Dollars in Thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Buildings, equipment and structures \$	3,177,874	3,594,412	4,497,411	5,036,587	5,100,680	5,217,106	6,399,688	6,577,333	6,739,364	6,993,164
Less accumulated depreciation	(876,972)	(962,863)	(1,054,987)	(1,158,520)	(1,274,504)	(1,391,274)	(1,509,481)	(1,648,895)	(1,791,178)	(1,936,417)
<b>Subtotal</b>	<b>2,300,902</b>	<b>2,631,549</b>	<b>3,442,424</b>	<b>3,878,067</b>	<b>3,826,176</b>	<b>3,825,832</b>	<b>4,890,207</b>	<b>4,928,438</b>	<b>4,948,186</b>	<b>5,056,747</b>
Intangible assets, net of amortization*	8,030	6,896	7,244	5,843	4,671	7,321	5,816	4,089	2,763	3,152
Land and rights-of-way	24,307	26,811	26,811	26,811	26,777	30,029	30,029	105,336	104,248	113,441
Construction work in progress	1,525,689	1,662,294	1,176,805	987,780	1,195,840	1,400,051	462,606	492,682	532,602	444,254
<b>Total capital assets, net of depreciation and amortization \$</b>	<b>3,858,928</b>	<b>4,327,550</b>	<b>4,653,284</b>	<b>4,898,501</b>	<b>5,053,464</b>	<b>5,263,233</b>	<b>5,388,658</b>	<b>5,530,545</b>	<b>5,587,799</b>	<b>5,617,594</b>

\* Include amortizable and non-amortizable intangible assets.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

**Water Investments in Capital Assets**



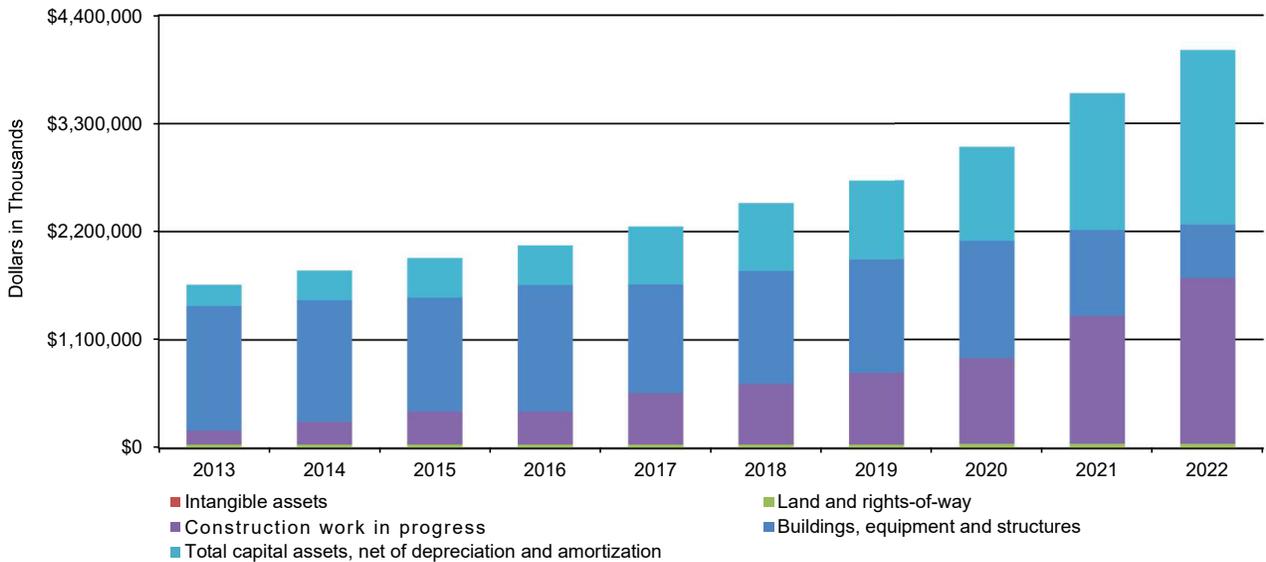
**Financial Trends**  
**Wastewater - Investments in Capital Assets**  
**Summary of Intangible Assets, Property, Plant and Equipment**  
**Fiscal Years Ended 2013 to 2022**  
(Dollars in Thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Buildings, equipment and structures	\$ 2,481,895	2,588,575	2,665,863	2,842,648	2,904,499	3,094,871	3,271,188	3,520,624	3,702,375	3,832,594
Less accumulated depreciation	(1,038,309)	(1,085,418)	(1,134,843)	(1,185,275)	(1,240,172)	(1,295,323)	(1,354,209)	(1,416,292)	(1,488,148)	(1,562,239)
<b>Subtotal</b>	<b>1,443,586</b>	<b>1,503,157</b>	<b>1,531,020</b>	<b>1,657,373</b>	<b>1,664,327</b>	<b>1,799,548</b>	<b>1,916,979</b>	<b>2,104,332</b>	<b>2,214,227</b>	<b>2,270,355</b>
Intangible assets, net of amortization*	4,809	4,023	3,921	3,594	3,457	3,320	3,183	3,046	7,407	7,107
Land and rights-of-way	35,737	35,737	35,737	35,737	35,737	35,737	36,018	44,572	44,572	44,572
Construction work in progress	176,711	262,642	362,110	362,958	548,179	652,521	765,624	910,338	1,340,644	1,724,417
<b>Total capital assets, net of depreciation and amortization</b>	<b>\$ 1,660,843</b>	<b>1,805,559</b>	<b>1,932,788</b>	<b>2,059,662</b>	<b>2,251,700</b>	<b>2,491,126</b>	<b>2,721,804</b>	<b>3,062,288</b>	<b>3,606,850</b>	<b>4,046,451</b>

\* Include amortizable and non-amortizable intangible assets.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

**Wastewater Investments in Capital Assets**



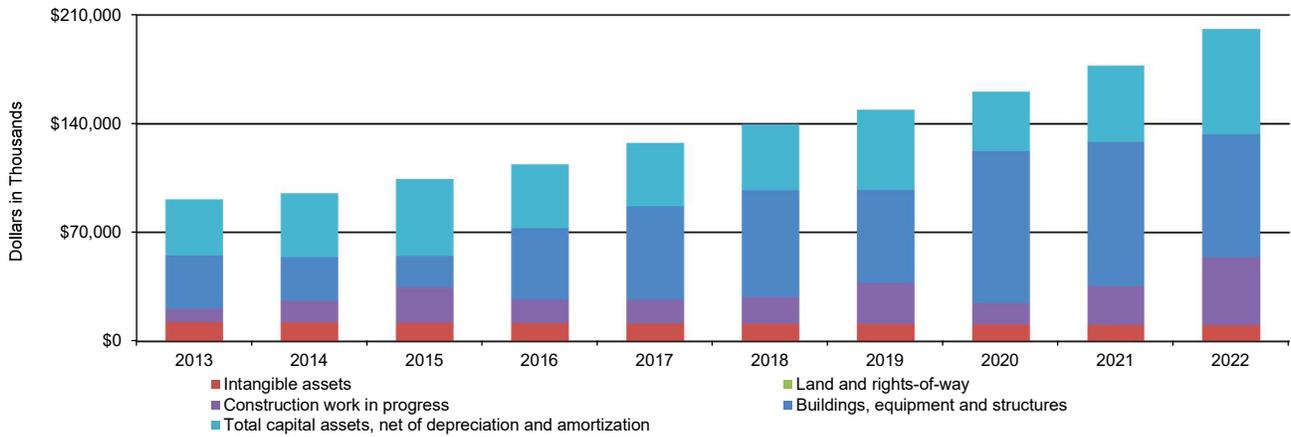
**Financial Trends**  
**Hetchy Water - Investments in Capital Assets**  
**Summary of Intangible Assets, Property, Plant and Equipment**  
**Fiscal Years Ended 2013 to 2022**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Buildings, equipment and structures	\$ 213,936	216,910	221,345	242,936	261,139	276,177	281,562	311,783	323,486	334,499
Less accumulated depreciation	(158,796)	(162,724)	(166,546)	(170,199)	(174,352)	(179,139)	(184,312)	(189,350)	(195,151)	(201,236)
<b>Subtotal</b>	<b>55,140</b>	<b>54,186</b>	<b>54,799</b>	<b>72,737</b>	<b>86,787</b>	<b>97,038</b>	<b>97,250</b>	<b>122,433</b>	<b>128,335</b>	<b>133,263</b>
Intangible assets, net of amortization*	12,239	12,032	11,825	11,618	11,410	11,203	10,996	10,789	10,581	10,374
Land and rights-of-way	3,028	3,038	3,003	3,003	3,055	3,232	3,232	3,232	3,232	3,232
Construction work in progress	20,821	25,922	34,703	26,509	26,479	28,326	37,625	24,328	35,333	54,138
<b>Total capital assets, net of depreciation and amortization</b>	<b>\$ 91,228</b>	<b>95,178</b>	<b>104,330</b>	<b>113,867</b>	<b>127,731</b>	<b>139,799</b>	<b>149,103</b>	<b>160,782</b>	<b>177,481</b>	<b>201,007</b>

\* Include amortizable and non-amortizable intangible assets.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

**Hetchy Water Investments in Capital Assets**



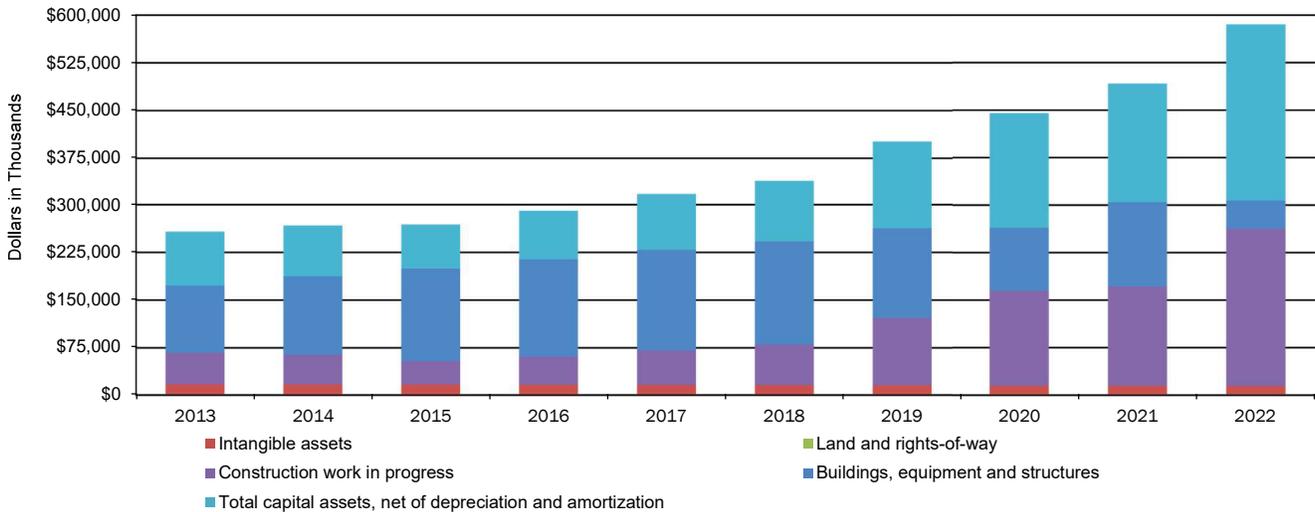
**Financial Trends**  
 Hetchy Power - Investments in Capital Assets  
 Summary of Intangible Assets, Property, Plant and Equipment  
 Fiscal Years Ended 2013 to 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Buildings, equipment and structures	\$ 364,997	390,456	415,836	442,867	470,596	496,826	531,177	547,972	603,800	623,687
Less accumulated depreciation	(192,213)	(202,964)	(216,361)	(228,706)	(241,503)	(254,455)	(268,441)	(283,845)	(299,219)	(316,490)
<b>Subtotal</b>	<b>172,784</b>	<b>187,492</b>	<b>199,475</b>	<b>214,161</b>	<b>229,093</b>	<b>242,371</b>	<b>262,736</b>	<b>264,127</b>	<b>304,581</b>	<b>307,197</b>
Intangible assets, net of amortization*	16,447	16,171	15,895	15,619	15,366	15,112	14,858	14,604	14,351	14,098
Land and rights-of-way	1,692	1,704	1,662	1,662	1,732	1,949	1,949	1,949	1,949	1,949
Construction work in progress	66,759	61,952	51,974	58,940	70,799	80,191	121,985	164,749	171,175	262,392
<b>Total capital assets, net of depreciation and amortization</b>	<b>\$ 257,682</b>	<b>267,319</b>	<b>269,006</b>	<b>290,382</b>	<b>316,990</b>	<b>339,623</b>	<b>401,528</b>	<b>445,429</b>	<b>492,056</b>	<b>585,636</b>

\* Include amortizable and non-amortizable intangible assets.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

**Hetchy Power Investments in Capital Assets**





## Statistical Section

### **Revenue Capacity**

Water Rates History

Wastewater Rates History

Hetchy Power Electric Rates History

CleanPowerSF Electric Rates History

Net Revenue and Debt Service Coverage

**Revenue Capacity**  
**Water Rate History**  
 Fiscal Years Ended 2013 to 2022

**Rates Per Hundred Cubic Feet**

Fiscal Years Ended June 30	Retail									Wholesale	
	Single-Family			Multiple-Family			Non-Residential			Volume Charge (\$/ccf)	% Increase/ (Decrease)
	Service Charge (\$) <sup>1</sup>	Volume Charge (\$/ccf) (0-3 ccf)	Volume Charge (\$/ccf) (over 3 ccf)	% Increase/ (Decrease) <sup>4</sup>	Volume Charge (\$/ccf) (0-3 ccf)	Volume Charge (\$/ccf) (over 3 ccf)	% Increase/ (Decrease) <sup>4</sup>	Volume Charge (\$/ccf)	% Increase/ (Decrease)		
2013	7.90	3.90	5.20	12.5	4.20	5.50	13.0	5.10	12.8	2.93	11.4
2014	8.40	4.20	5.50	6.5	4.50	5.90	6.9	5.40	5.9	2.45	(16.4)

Fiscal Years Ended June 30	Retail									Wholesale	
	Single-Family			Multiple-Family			Non-Residential			Volume Charge (\$/ccf)	% Increase/ (Decrease)
	Service Charge (\$) <sup>1</sup>	Volume Charge (\$/ccf) (0-4 ccf)	Volume Charge (\$/ccf) (over 4 ccf)	% Increase/ (Decrease) <sup>4</sup>	Volume Charge (\$/ccf) (0-3 ccf)	Volume Charge (\$/ccf) (over 3 ccf)	% Increase/ (Decrease) <sup>4</sup>	Volume Charge (\$/ccf)	% Increase/ (Decrease)		
2015 <sup>2,3</sup>	8.81	4.86	6.52	10.1	4.98	6.67	9.4	5.79	7.2	2.93	19.6
2016	9.87	5.45	7.31	12.1	5.58	7.48	12.1	6.49	12.1	3.75	28.0
2017	10.86	6.00	8.05	10.1	6.14	8.23	10.0	7.14	10.0	4.10	9.3
2018	11.63	6.42	8.62	7.0	6.57	8.81	7.0	7.64	7.0	4.10	0.0
2019 <sup>5</sup>	12.30	7.10	9.10	8.0	7.22	9.26	7.6	8.43	10.3	4.10	0.0
2020 <sup>5</sup>	13.28	7.85	9.61	8.5	7.94	9.73	8.4	9.14	8.4	4.10	0.0
2021 <sup>5</sup>	14.19	8.68	10.15	8.3	8.73	10.23	8.1	9.81	7.3	4.10	0.0
2022 <sup>5</sup>	15.17	9.60	10.71	8.4	9.60	10.76	8.1	10.55	7.5	4.10	0.0

<sup>1</sup>Monthly service charge for 5/8" meter. Larger meter sizes charged at different rates.

<sup>2</sup>Rates approved on May 13, 2014.

<sup>3</sup>Effective July 1, 2015, the Single-Family Residential Tier 1 changed from 0-3 ccf to 0-4 ccf.

<sup>4</sup>The percentage increase/(decrease) is based on an average monthly bill of 6 ccf for Single-Family and 4 ccf for Multiple-Family.

<sup>5</sup>Rates approved on May 8, 2018.

Source: San Francisco Public Utilities Commission Annual Disclosure Reports and Rate Schedules.

**Revenue Capacity**  
**Wastewater Rate History**  
Fiscal Years Ended 2013 to 2022

**Rates Per Hundred Cubic Feet**

Fiscal Years Ended June 30	Single-Family			Multiple-Family			Non-Residential			
	Volume Charge (\$/ccf) (0-3 ccf)	Volume Charge (\$/ccf) (over 3 ccf)	% Increase/ (Decrease) <sup>3</sup>	Volume Charge (\$/ccf) (0-3 ccf)	Volume Charge (\$/ccf) (over 3 ccf)	% Increase/ (Decrease) <sup>3</sup>	Volume Charge (\$/ccf)	Chemical Oxygen Demand Charge (\$/lb)	Suspended Solids Charge (\$/lb)	Oil and Grease Charge (\$/lb)
2013	7.52	10.03	5.1	7.86	10.49	5.0	6.55	0.22	0.88	1.10
2014	7.90	10.53	5.0	8.25	11.01	5.0	6.62	0.22	0.89	1.11

Fiscal Years Ended June 30	Single-Family			Multiple-Family			Non-Residential			
	Volume Charge (\$/ccf) (0-4 ccf)	Volume Charge (\$/ccf) (over 4 ccf)	% Increase/ (Decrease) <sup>3</sup>	Volume Charge (\$/ccf) (0-3 ccf)	Volume Charge (\$/ccf) (over 3 ccf)	% Increase/ (Decrease) <sup>3</sup>	Volume Charge (\$/ccf)	Chemical Oxygen Demand Charge (\$/lb)	Suspended Solids Charge (\$/lb)	Oil and Grease Charge (\$/lb)
2015 <sup>1,2</sup>	9.06	11.23	6.1	9.24	11.48	10.0	6.15	0.44	0.83	0.87
2016	9.82	11.34	6.9	9.95	11.51	5.8	6.45	0.46	0.87	0.91
2017	10.84	11.66	9.0	10.91	11.75	7.9	6.90	0.49	0.93	0.97
2018 <sup>4</sup>	12.40	12.40	12.2	12.40	12.40	11.8	7.66	0.55	1.03	1.08

Fiscal Years Ended June 30	Single-Family			Multiple-Family		Volume Charge (\$/ccf)	Non-Residential		
	Service Charge (\$) <sup>5</sup>	Volume Charge (\$/ccf)	% Increase/ (Decrease) <sup>3</sup>	Volume Charge (\$/ccf)	% Increase/ (Decrease) <sup>3</sup>		Chemical Oxygen Demand Charge (\$/lb)	Suspended Solids Charge (\$/lb)	Oil and Grease Charge (\$/lb)
2019 <sup>6</sup>	0.98	13.06	4.5	13.06	3.5	7.84	0.52	1.30	1.33
2020 <sup>6</sup>	2.19	13.88	6.6	13.88	5.3	8.29	0.56	1.41	1.42
2021 <sup>6</sup>	3.60	14.89	9.1	14.89	7.4	8.86	0.60	1.53	1.54
2022 <sup>6</sup>	5.21	15.97	8.9	15.97	9.5	9.46	0.65	1.65	1.66

<sup>1</sup>Effective July 1, 2015, the Single-Family Residential Tier 1 rate structure changed from 0-3 ccf to 0-4 ccf.

<sup>2</sup>Four years of rates were approved on May 13, 2014.

<sup>3</sup>The percentage increase/(decrease) is based on an average monthly bill of 5.4 ccf for Single-Family (based on a 90% flow factor) and 3.8 ccf for Multiple-Family (based on a 95% flow factor).

<sup>4</sup>Effective July 1, 2017, no tiers for wastewater volumetric charges for single-family and multi-family residential wastewater.

<sup>5</sup>Effective July 1, 2018, all wastewater customers pay a monthly service charge per account.

<sup>6</sup>Rates approved on May 22, 2018.

Source: San Francisco Public Utilities Commission Annual Disclosure Reports and Rate Schedules.

**Revenue Capacity**  
**Hetchy Power Electric Rate History**  
**Fiscal Years Ended 2013 to 2022**

Rates Per Kilowatt Hour	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Residential<sup>a</sup></b>										
Residential Services - Multi-family	\$ 0.18590	0.20052	0.20526	0.21784	0.23073	0.22894	0.23298	0.26429	0.28308	0.33772
Residential - Public Power										
Tier 1	0.10931	0.11200	0.11451	0.11705	0.13391	0.14198	0.14610	0.14868	0.15537	0.17781
Tier 2	0.12427	0.12733	0.13018	0.13306	0.15222	0.16139	0.16607	0.16900	0.17661	0.20211
Tier 3	0.25440	0.26065	0.26649	0.27238	0.31160	0.33037	0.33995	0.34595	0.36153	0.41372
<b>Commercial</b>										
Small General Service	0.18531	0.19717	0.21152	0.22560	0.23020	0.23786	0.24931	0.26884	0.27749	0.32523
Medium General Demand-Metered Service	0.15876	0.17573	0.18503	0.19667	0.20346	0.21265	0.21889	0.23721	0.24167	0.30162
Medium General Demand-Metered TOU <sup>**</sup> Service	0.12833	0.13953	0.14761	0.15049	0.15893	0.16176	0.16709	0.18735	0.18959	0.23972
<b>Industrial</b>										
Service to Customers with equal to or greater than Demand of 1,000 Kilowatts or More - Secondary Voltage	0.13170	0.14434	0.15216	0.15969	0.16868	0.17553	0.18279	0.19804	0.19537	0.23230
Service to Customers with equal to or greater than Demand of 1,000 Kilowatts or More - Primary Voltage	0.11990	0.13169	0.13908	0.14498	0.15229	0.15874	0.16466	0.17774	0.17627	0.22023
Service to Customers with equal to or greater than Demand of 1,000 Kilowatts or More - Transmission Voltage	0.09431	0.10383	0.10608	0.10743	0.11719	0.12501	0.12786	0.14240	0.13414	0.18171
<b>General Fund City Departments<sup>#</sup></b>	0.04250	0.04750	0.05750	0.06750	0.07250	0.07750	0.07377	0.07877	0.08877	0.09877
<b>Streetlights</b>	0.13085	0.13840	0.15045	0.15712	0.15874	0.16451	0.17354	0.18693	0.18754	0.23439
<b>Traffic Signals<sup>^</sup></b>	0.14111	0.14762	0.15866	0.17187	0.18018	0.18432	0.18945	0.20194	0.19768	0.20413

\*Residential rates include master-metered multi-family services (EM) and multi-family services (ES). Tiers for Residential Public Power vary between Winter and Summer months.

\*\*TOU stands for time-of-use.

#Prior to fiscal year 2019, the General Fund rate shown was one of six rates being charged to customers. In fiscal year 2019, the six rates were consolidated into one, which was set to a ½ cent per kWh increase from the weighted average of the six prior rates. The decrease in fiscal year 2019 is a function of the change in what this line item represents – rates did not decrease.

The rates shown for each year are average rates per kWh charged in the months including June for residential, commercial, and industrial rates. Rates are subject to change at any time.

Source: San Francisco Public Utilities Commission Rates Schedules and Fees and PG&E electric rates schedules.

**Revenue Capacity**  
**CleanPowerSF Electric Rate History**  
**Fiscal Years Ended 2016 to 2022**

	2013	2014	2015	2016 <sup>A</sup>	2017	2018	2019	2020	2021 <sup>#</sup>	2022
<b>Rates per Kilowatt-hour</b>										
<b>Residential</b>										
E-1 (Green)	\$			0.07267	0.07267	0.06836	0.07163	0.08235	0.06918	N/A
E-1 (SuperGreen)				0.09267	0.09267	0.08836	0.08663	0.09235	0.07918	N/A
E-6 (Green)				0.06719	0.06693	0.05868	0.06612	0.08197	0.06935	N/A
E-6 (SuperGreen)				0.08719	0.08693	0.07868	0.08112	0.09197	0.07935	N/A
E-TOUA (Green)				N/A	0.06801	0.06283	0.06548	0.07702	N/A	N/A
E-TOUA (SuperGreen)				N/A	0.08801	0.08283	0.08048	0.08702	N/A	N/A
E-TOUB (Green)				N/A	0.06819	0.06285	0.06460	0.07598	0.06223	N/A
E-TOUB (SuperGreen)				N/A	0.08819	0.08285	0.07960	0.08598	0.07223	N/A
E-TOUC* (Green)				N/A	N/A	N/A	0.07010	0.07913	0.06449	N/A
E-TOUC* (SuperGreen)				N/A	N/A	N/A	0.08510	0.08913	0.07449	N/A
EVA (Green)				0.05837	0.05822	0.05350	0.05358	0.06526	N/A	N/A
EVA (SuperGreen)				0.07837	0.07822	0.07350	0.06858	0.07526	N/A	N/A
EVB (Green)				N/A	0.04747	0.04263	0.03889	0.04692	0.06154	N/A
EVB (SuperGreen)				N/A	0.06747	0.06263	0.05389	0.05692	0.07154	N/A
Green										0.09112
SuperGreen										0.10112
<b>Non-Residential</b>										
Small Commercial Green										0.08833
Small Commercial SuperGreen										0.09333
Medium Commercial Green										0.09415
Medium Commercial SuperGreen										0.09915
Large Commercial Green										0.08003
Large Commercial SuperGreen										0.08503
Industrial Green										0.07752
Industrial SuperGreen										0.08252
Streetlights Green										0.07434
Streetlights SuperGreen										0.07934
Outdoor Lighting Green										0.07999
Outdoor Lighting SuperGreen										0.08499
Agriculture Green										0.06277
Agriculture SuperGreen										0.06777
<b>Commercial</b>										
A-1 (Green)				0.07772	0.07740	0.07447	0.07919	0.08011	0.06498	N/A
A-1 (SuperGreen)				0.09772	0.09740	0.08847	0.08919	0.08761	0.07248	N/A
A-1X (Green)				0.07770	0.07751	0.07509	0.07954	0.08184	0.06600	N/A
A-1X (SuperGreen)				0.09770	0.09751	0.08909	0.08954	0.08934	0.07359	N/A
A-6 (Green)				0.08883	0.08820	0.08631	0.09491	0.10079	0.09359	N/A
A-6 (SuperGreen)				0.10883	0.10820	0.10031	0.10491	0.10829	0.10109	N/A
A-10S (Non Time of Use - Green)				0.07940	0.07940	0.07674	0.08355	0.08252	0.06828	N/A
A-10S (Non Time of Use - SuperGreen)				0.09940	0.09940	0.09074	0.08855	0.08752	0.07328	N/A
A-10SX (Time of Use - Green)				0.07899	0.07813	0.07579	0.08322	0.08185	0.06671	N/A
A-10SX (Time of Use - SuperGreen)				0.09899	0.09813	0.08979	0.08822	0.08685	0.07171	N/A
E-19S (Green)				0.07925	0.07853	0.07658	0.08336	0.08010	0.06392	N/A
E-19S (SuperGreen)				0.09925	0.09853	0.09058	0.08836	0.08510	0.06892	N/A
E-19SV (Green)				0.07368	0.07304	0.07104	0.07670	0.07387	0.06150	N/A
E-19SV (SuperGreen)				0.09368	0.09304	0.08504	0.08170	0.07887	0.06650	N/A
E-20P (Green)				0.07005	0.06895	0.06729	0.07300	0.06958	N/A	N/A
E-20P (SuperGreen)				0.09005	0.08895	0.08129	0.08300	0.07708	N/A	N/A
E-20S (Green)				0.07502	0.07395	0.07167	0.07774	0.07434	0.06282	N/A
E-20S (SuperGreen)				0.09502	0.09395	0.08567	0.08774	0.08184	0.07032	N/A

Data not available -  
CleanPowerSF  
launched in May  
2016.

\*\*New rate classification starting fiscal year 2022

The rates shown for each year are the average rates per kWh calculated by the SFPUC and PG&E in its Joint Rate Comparisons prepared in fiscal years 2016 to 2021. Each average rate is calculated using the energy consumption (and if applicable, demand) of a typical customer on that rate schedule in San Francisco and the rates in place during each reported fiscal year.

\*Rate E-TOUC was a new rate beginning fiscal year 2019, and therefore was not included in the Joint Rate Comparison. The same methodology to calculate average rate was applied.

#Fiscal year 2021, Rates E-TOU-A and EVA are closed as of January 2021. Rate E-20P was not included due to lack of data to provided average rate.

\*\*N/A due to new rate classification for fiscal year 2022.

May exclude new rates due to insufficient data for average rate calculation.

Source: San Francisco Public Utilities Commission and PG&E Joint Rate Comparisons. Starting fiscal year 2022, SFPUC CleanPowerSF Management Report.

**Revenue Capacity**  
**Water - Net Revenue and Debt Service Coverage**  
**Fiscal Years Ended 2013 to 2022**  
(Dollars in Thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021 #	2022
Operating, other and investment revenue	\$ 721,189	390,789	431,836	423,111	464,662	532,087	558,041	593,868	581,141	565,317
Less operating, other and maintenance expenses	(303,739)	(333,555)	(296,950)	(314,786)	(421,827)	(370,147)	(357,094)	(398,117)	(448,690)	(401,634)
Adjustment to investing activities <sup>1</sup>	258	(2,438)	732	635	111	(1,245)	(4,821)	(516)	3,846	13,050
Depreciation and non-cash expenses	78,323	95,355	98,192	107,268	121,375	119,624	122,248	148,294	150,257	151,114
Changes in working capital	52,193	46,088	(37,175)	(11,062)	63,520	31,060	(11,073)	(20,763)	24,707	(42,906)
Appropriated fund balance	—	—	—	23,994	10,747	1,452	4,318	17,181	27,785	21,977
Net revenue <sup>4</sup>	548,224	196,239	196,635	229,160	238,588	312,831	311,619	339,947	339,046	306,918
Other available funds <sup>2</sup>	26,744	287,522	248,390	162,733	155,852	186,752	221,362	241,931	128,692	103,506
Funds available for revenue debt service	\$ 574,968	483,761	445,025	391,893	394,440	499,583	532,981	581,878	467,738	410,424
Revenue debt service <sup>3</sup>	\$ 248,530	141,325	192,312	219,195	207,812	233,959	261,638	269,210	248,427	279,352
<b>Revenue debt service coverage</b>	<b>2.31</b>	<b>3.42</b>	<b>2.31</b>	<b>1.79</b>	<b>1.90</b>	<b>2.14</b>	<b>2.04</b>	<b>2.16</b>	<b>1.88</b>	<b>1.47</b>

<sup>1</sup>Adjustment of investing activities and non-operating revenues to a cash basis.

<sup>2</sup>As per the Indenture, in addition to current year cash flow, the coverage calculation permits the inclusion of all funds except for Trust and Agency Fund not budgeted to be spent in such months and legally available to pay debt service.

<sup>3</sup>Revenue debt service is calculated net of capitalized interest and federal interest subsidy the Commission is scheduled to receive during the 12-month period ending June 30 for any series of bonds.

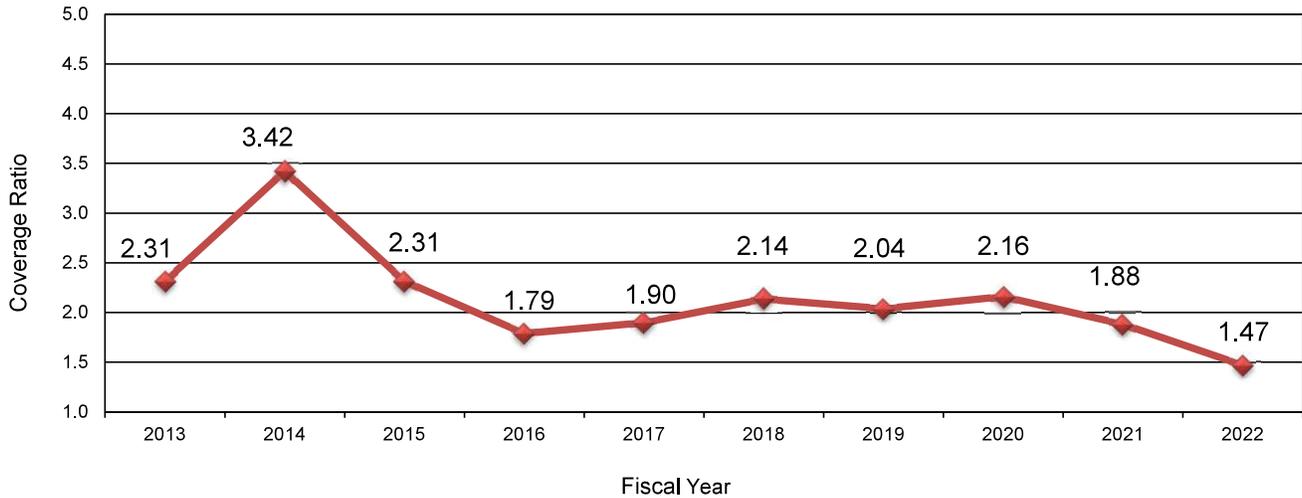
<sup>4</sup>Net revenues beginning fiscal years 2016 includes appropriated available funds.

Starting in fiscal year 2022, certain types of non operating revenue is included in net revenue.

#Starting fiscal year 2021, Treasure Island revenue and expenses are excluded from debt service coverage.

Source: San Francisco Public Utilities Commission Annual Disclosure Reports.

**Water Revenue Debt Service Coverage**



**Revenue Capacity**  
**Wastewater - Net Revenue and Debt Service Coverage**  
**Fiscal Years Ended 2013 to 2022**  
(Dollars in Thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021 #	2022
Operating, other and investment revenue	\$ 253,078	262,497	257,209	262,960	279,668	317,413	351,782	356,265	325,008	360,756
Less operating, other and maintenance expenses	(208,260)	(216,340)	(216,485)	(221,553)	(244,220)	(238,906)	(259,813)	(262,259)	(290,737)	(255,010)
Adjustment to investing activities <sup>1</sup>	337	(601)	127	(12)	251	(489)	(8,047)	2,950	4,356	8,422
Depreciation and non-cash expenses	52,108	50,717	51,773	56,285	57,998	60,072	68,568	68,603	78,368	77,806
Changes in working capital	(13,795)	12,908	3,923	2,404	26,292	18,336	(2,125)	523	(8,596)	(36,470)
State revolving fund loan payments <sup>3</sup>	(9,421)	— <sup>^</sup>	—	—	—	—	—	—	—	—
Net revenue <sup>4</sup>	74,047	109,181	96,547	100,084	119,989	156,426	150,365	166,082	108,399	155,504
Other available funds <sup>2</sup>	80,094	109,807	134,413	139,847	131,554	153,596	103,281	215,722	197,778	155,331
Funds available for revenue debt service	\$ 154,141	218,988	230,960	239,931	251,543	310,022	253,646	381,804	306,177	310,835
Revenue debt service <sup>5</sup>	\$ 37,921	48,932	48,878	60,022	48,769 <sup>*</sup>	47,003	60,347	62,797	82,066	86,619
<b>Revenue debt service coverage</b>	<b>4.06</b>	<b>4.48</b>	<b>4.73</b>	<b>4.00</b>	<b>5.16</b>	<b>6.60</b>	<b>4.20</b>	<b>6.08</b>	<b>3.73</b>	<b>3.59</b>

<sup>1</sup>Adjustment of investing activities and non-operating revenues to a cash basis.

<sup>2</sup>As per the Indenture, in addition to current year cash flow, the coverage calculation permits the inclusion of all funds except for Trust and Agency Fund not budgeted to be spent in such 12 months and legally available to pay debt service.

<sup>3</sup>State revolving fund loan for Sewer System Improvement projects (starting fiscal year 2019) have the same seniority as revenue bonds.

<sup>4</sup>Starting in fiscal year 2022, certain types of non operating revenue is included in net revenue.

<sup>5</sup>In January 2013, 2013 Series A refunded the remaining portion of the outstanding state revolving fund loans.

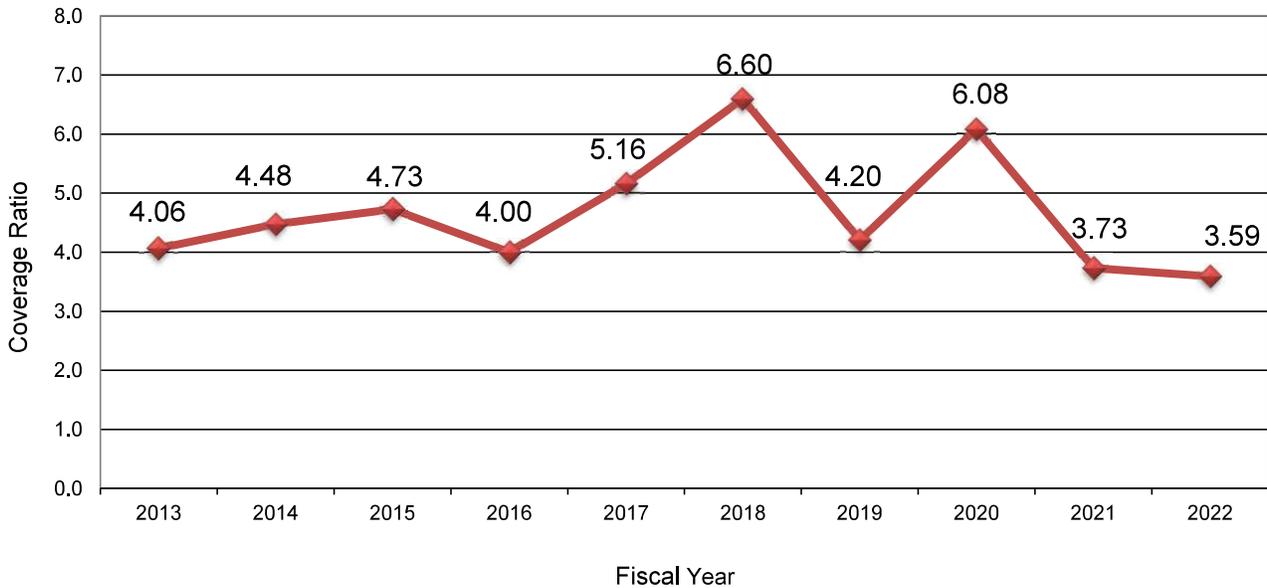
<sup>\*</sup>Effective fiscal year 2013, revenue debt service is calculated net of capitalized interest.

<sup>\*\*</sup>In fiscal year 2018 Wastewater financial statements, fiscal year 2017 revenue debt service is presented gross of capitalized interest, \$60,407.

<sup>#</sup>Starting fiscal year 2021, Treasure Island revenue and expenses are excluded from debt service coverage.

Source: San Francisco Public Utilities Commission Annual Disclosure Reports.

### Wastewater Revenue Debt Service Coverage



**Revenue Capacity**  
Hetchy Power - Net Revenue and Debt Service Coverage  
Fiscal Years Ended 2015 to 2022  
(Dollars in Thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021 #	2022
Operating, other and investment revenue	\$		117,704	122,954	122,187	122,251	152,873	151,835	142,696	176,896
Less operating, other and maintenance expenses			(105,222)	(110,012)	(116,935)	(119,395)	(122,688)	(148,127)	(139,566)	(142,716)
Adjustment to investing activities*			(8)	11	29	419	(2,606)	101	1,902	3,297
Depreciation and non-cash expenses			17,654	15,331	14,208	14,131	14,604	27,470	23,037	18,351
Changes in working capital			7,037	(9,214)	11,740	13,281	(2,386)	3,243	(18,641)	(2,702)
Low Carbon Fuel Standard revenue			—	—	—	—	—	6,920	1,181	1,184
Net revenue <sup>1</sup>			37,165	19,070	31,229	30,687	39,798	41,442	10,609	54,310
Other available funds <sup>△</sup>			14,031	13,974	32,199	36,525	31,215	39,119	23,569	44,315
Funds available for revenue debt service	\$		51,196	33,044	63,428	67,212	71,013	80,561	34,178	98,625
Revenue debt service**	\$		N/A	N/A	N/A	2,570	2,569	2,568	2,567	2,565
<b>Revenue debt service coverage</b>			<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>26.15</b>	<b>27.64</b>	<b>31.37</b>	<b>13.31</b>	<b>38.45</b>

Not Applicable (N/A) debt service for CREBs, QECBs and NCREBs, is subordinate in lien pursuant to Power's Master Trust Indenture dated May 1, 2015.

<sup>1</sup>Certain types of non operating revenue is included in net revenue.

\*Adjustment of investing activities and non-operating revenues to a cash basis.

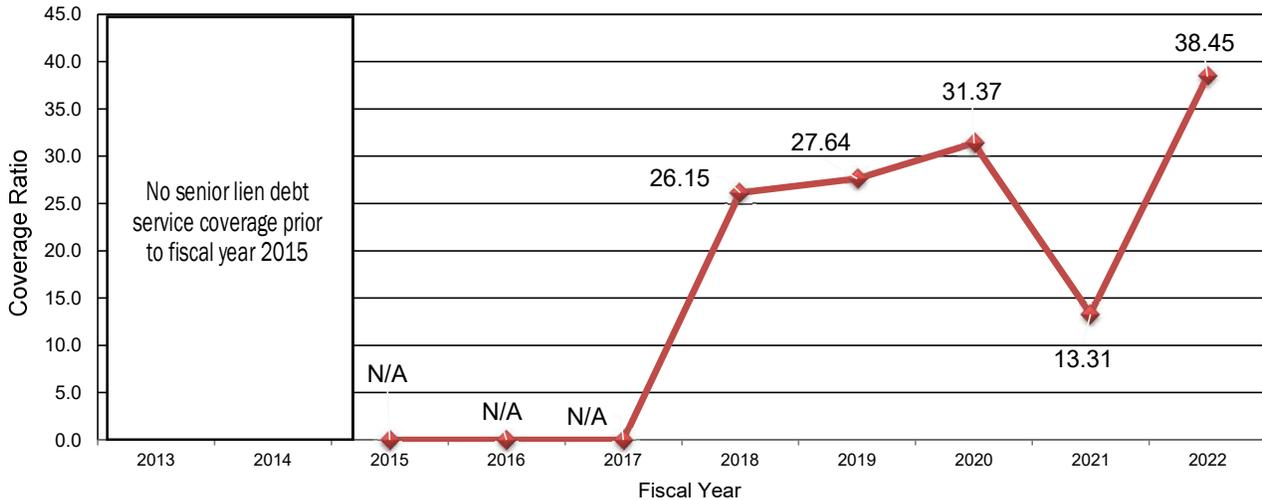
\*\*Series 2015 AB power revenue bonds senior lien debt service is capitalized through fiscal year 2018. So there is no basis for calculating debt service coverage from fiscal years 2015 to 2017.

<sup>△</sup>Starting fiscal year 2019, other available funds are calculated based on percentage of unrestricted net position due to implementation of new financial system, PeopleSoft. Fiscal year 2018 and prior, fund equity was determined by financial activities in the general ledger fund equity account, however it is no longer available in PeopleSoft.

#Starting fiscal year 2021, Treasure Island revenue and expenses are excluded from debt service coverage.

Source: San Francisco Public Utilities Commission Annual Disclosure Reports.

**Hetchy Power Revenue Debt Service Coverage**





## Statistical Section

### Debt Capacity

Debt Ratings

Summary of Debt Outstanding

History of Outstanding Debt by Type

Department-wide – Future Principal and Interest Payments for Debt Issues

Water – Future Principal and Interest Payments for Debt Issues

Wastewater – Future Principal and Interest Payments for Debt Issues

Hetchy Power – Future Principal and Interest Payments for Debt Issues

**Debt Capacity**  
Debt Ratings  
As of June 30, 2022

Debt by Type	Ratings by	
	Moody's Investors Service	Standard & Poor's
<b>Water</b>		
Revenue bonds	Aa2	AA-
Commercial paper - \$500 million tax-exempt/taxable		
\$200 million Sumitomo Mitsui Letter of Credit	P-1	A-1
\$100 million Barclays PLC Letter of Credit	P-1	A-1
\$100 million Sumitomo Mitsui Letter of Credit	P-1	A-1
\$100 million US Bank Revolving Credit Agreement	N/A	N/A
Certificates of participation - SFPUC Headquarters Project*	Aa1	AA+
<b>Wastewater</b>		
Revenue bonds	Aa2	AA
Commercial paper - \$750 million tax-exempt		
\$200 million State Street Liquidity Facility	P-1	A-1+
\$150 million Bank of America Letter of Credit	P-1	A-1
\$150 million Sumitomo Mitsui Letter of Credit	P-1	A-1
\$100 million Sumitomo Mitsui Letter of Credit	P-1	A-1
\$75 million Toronto Dominion Bank Liquidity Facility	P-1	A-1+
\$75 million US Bank Revolving Credit Agreement	N/A	N/A
Certificates of participation - SFPUC Headquarters Project*	Aa1	AA+
<b>Hetchy Power</b>		
Revenue bonds**	N/A	AA
Commercial paper - \$250 million tax-exempt		
\$125 million Bank of America Letter of Credit***	N/A	A-1
\$125 million Sumitomo Mitsui Letter of Credit△	N/A	A-1
Certificates of participation - SFPUC Headquarters Project*	Aa1	AA+

\*Bonds issued by CCSF and reflects General Fund COP credit rating at issuance.

\*\*Hetchy Power revenue bonds are rated AA- by Fitch.

\*\*\*Power letter of credit is rated F1+ by Fitch.

△Power letter of credit is rated F1 by Fitch.

CleanPowerSF did not have any debt outstanding as of June 30, 2022 but had a credit rating of A2 from Moody's investor service.

Source: Rating agency reports.

Water, Wastewater, Hetchy Power, and CleanPowerSF  
Credit Ratings  
Fiscal Years Ended 2013 to 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Moody's Investors Service										
Water	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa2	Aa2	Aa2
Wastewater	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa2	Aa2	Aa2
CleanPowerSF	First rating from Moody's assigned on December 9, 2020.							A2	A2	
Standard & Poor's										
Water	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-
Wastewater	AA-	AA-	AA-	AA						
Hetchy Power	Zero debt prior to fiscal year 2015		A+	A+	A+	A+	AA	AA	AA	AA
Fitch Ratings										
Hetchy Power	Zero debt prior to fiscal year 2015		AA-							

**Debt Capacity**  
 Water - Summary of Debt Outstanding (Exclude Commercial Paper)  
 As of June 30, 2022  
 (Dollars in Thousands)

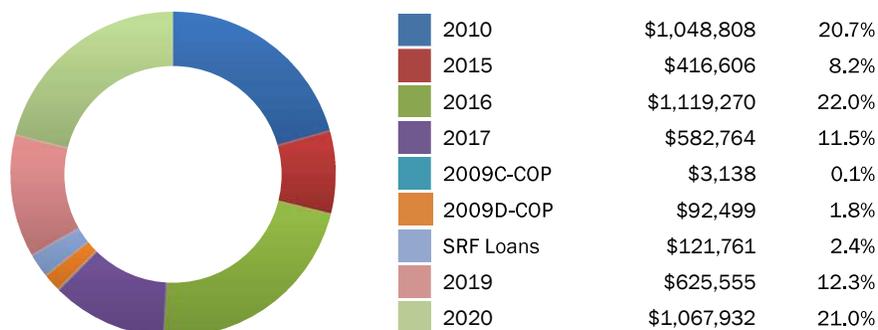
**Revenue Bonds and Certificates of Participation**

<b>Revenue bonds</b>	<b>Amount</b>	<b>Use of proceeds</b>
2010 Series B (Build America Bonds)	\$ 349,170	Water System Improvement Program
2010 Series E (Build America Bonds)	345,233	Water System Improvement Program
2010 Series G (Build America Bonds)	354,405	Water System Improvement Program
2015 Series A	416,606	Refunded remainder of 2006A Bonds and partial refunding of 2009A Bonds
2016 Series A	812,324	Refunded portion of 2009A, 2009B and 2010F Bonds
2016 Series B	75,840	Refunded remainder of 2006B and 2006C Bonds and portion of 2010A
2016 Series C	231,106	Refund all of outstanding taxable commercial paper notes.
2017 Series A	30,074	Water System Improvement Program
2017 Series B	36,691	Non Water System Improvement Program (Non-WSIP)
2017 Series C	17,549	Hetchy Water Improvements
2017 Series D	401,218	Refund 2011A and 2012A Bonds
2017 Series E	55,465	Refund 2011C, 2011D and 2012C1 Bonds
2017 Series F	9,807	Refund 2011B Bonds
2017 Series G	31,960	Refund 2011A Bonds
2019 Series A	591,320	Refunding Federal Taxable WSIP
2019 Series B	16,385	Refunding Federal Taxable Hetch Hetchy
2019 Series B	17,850	Refunding Federal Taxable Local Water Main
2020 Series A	190,672	Water System Improvement Program (Green Bonds)
2020 Series B	74,310	Regional Water
2020 Series C	100,176	Local Water
2020 Series D	52,204	Hetch Hetchy Water
2020 Series E	335,535	Refunding Federal Taxable WSIP
2020 Series F	135,455	Refunding Federal Taxable Non-WSIP
2020 Series G	114,765	Refunding Federal Taxable Local Water
2020 Series H	64,815	Refunding Federal Taxable Hetch Hetchy Water
<b>Total revenue bonds</b>	<b>4,860,935</b>	
<b>State of California revolving fund loans</b>	<b>121,761</b>	
<b>Certificates of participation (COPs)</b>		
2009 Series C	3,138	525 Golden Gate Avenue Headquarters Building
2009 Series D (Build America Bonds)	92,499	525 Golden Gate Avenue Headquarters Building
<b>Total certificates of participation (COPs)</b>	<b>95,637</b>	
<b>Total Water debt outstanding</b>	<b>\$ 5,078,333</b>	

Amount shown above are inclusive of unamortized bond premium and discount.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

**Water Debt Composition**



## Debt Capacity

Wastewater - Summary of Debt Outstanding (Exclude Commercial Paper)

As of June 30, 2022

(Dollars in Thousands)

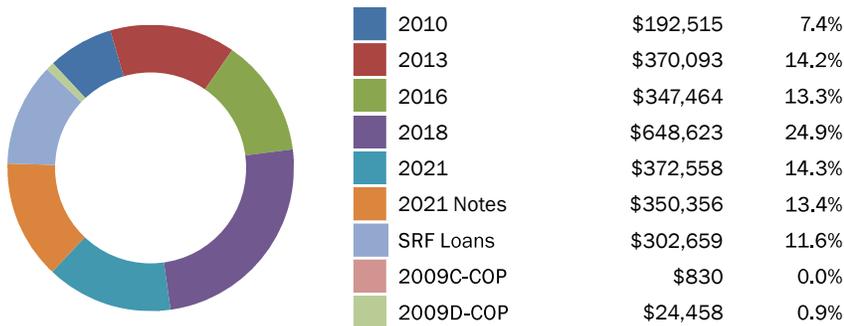
### Revenue Bonds, Notes, Loans and Certificates of Participation

<b>Revenue bonds/notes</b>	<b>Amount</b>	<b>Use of proceeds</b>
2010 Series B (Build America Bonds)	\$ 192,515	Clean Water Capital Improvement Programs
2013 Series A	15,789	Refunded the remaining portion of the 2003 Series A bonds
2013 Series B	354,304	Sewer System Improvement Program
2016 Series A	271,053	Sewer System Improvement Program
2016 Series B	76,411	Sewer System Improvement Program
2018 Series A	256,016	Sewer System Improvement Program
2018 Series B	213,462	Sewer System Improvement Program
2018 Series C	179,145	Sewer System Improvement Program
2021 Series A	324,013	Sewer System Improvement Program
2021 Series B	48,545	Sewer System Improvement Program
2021 Series A Notes	220,121	Sewer System Improvement Program
2021 Series B Notes	130,235	Sewer System Improvement Program
<b>Total revenue bonds/notes</b>	<b><u>2,281,609</u></b>	
<b>State of California revolving fund loans</b>	<b>302,659</b>	Sewer System Improvement Program
<b>Certificates of participation (COPs)</b>		
2009 Series C	830	525 Golden Gate Avenue Headquarters Building
2009 Series D (Build America Bonds)	24,458	525 Golden Gate Avenue Headquarters Building
<b>Total certificates of participation (COPs)</b>	<b><u>25,288</u></b>	
<b>Total Wastewater debt outstanding</b>	<b><u>\$ 2,609,556</u></b>	

Amount shown above are inclusive of unamortized bond premium and discount.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

### Wastewater Debt Composition



## Debt Capacity

Hetchy Power - Summary of Debt Outstanding (Exclude Commercial Paper)

As of June 30, 2022

(Dollars in Thousands)

### Bonds and Certificates of Participation

<b>Revenue Bonds</b>	<b><u>Amount</u></b>	<b><u>Use of proceeds</u></b>
2015 Series A (Green)	\$ 35,144	Hetch Hetchy facilities
2015 Series B	3,849	Hetch Hetchy facilities
2021 Series A	90,213	Refinance portion costs of Hetchy Power projects
2021 Series B	<u>60,090</u>	Refinance portion costs of Hetchy Power projects
<b>Total revenue bonds</b>	<b>189,296</b>	
<b>Other Bonds</b>		
Clean Renewable Energy Bonds (CREBs)	415	Solar energy equipment on city facilities
Qualified Energy Conservation Bonds (QECBs)	3,138	525 Golden Gate Avenue green energy
2015 New Clean Renewable Energy Bonds (NCREBs)	<u>1,637</u>	City facilities renewable energy
<b>Total other bonds</b>	<b>5,190</b>	
<b>Certificates of participation (COPs)</b>		
2009 Series C	427	525 Golden Gate Avenue Headquarters Building
2009 Series D (Build America Bonds)	<u>12,593</u>	525 Golden Gate Avenue Headquarters Building
<b>Total certificates of participation (COPs)</b>	<b>13,020</b>	
<b>Total Hetchy Power debt outstanding</b>	<b><u>\$ 207,506</u></b>	

Amount shown above are inclusive of unamortized bond premium and discount.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

### Hetchy Power Debt Composition



## Debt Capacity

History of Outstanding Debt by Type - Principal Only (Exclude Commercial Paper)

Fiscal Years Ended 2013 to 2022

(Dollars in Thousands)

### Department-wide

Fiscal Year Ended	Bonds	Revenue Notes	Capital Appreciation Bonds*	State Revolving Fund Loans	Certificates of Participation^	Total
2013	\$ 5,194,820	\$ —	\$ 4,767	\$ —	\$ 167,219	\$ 5,366,806
2014	5,123,609	—	5,107	—	163,934	5,292,650
2015	5,106,187	—	5,471	—	160,615	5,272,273
2016	5,389,447	—	5,860	—	157,207	5,552,514
2017	5,657,792	—	6,278	—	153,673	5,817,743
2018	5,983,428	—	6,725	22,607	150,008	6,162,768
2019	6,513,703	—	2,029	88,032	146,207	6,749,971
2020	6,366,836	—	—	161,820	142,265	6,670,921
2021	6,631,009	—	—	215,966	138,180	6,985,155
2022	6,986,674	350,356	—	424,420	133,945	7,895,395

### Water

Fiscal Year Ended	Revenue Bonds^	State Revolving Fund Loans	Capital Appreciation Bonds*	Certificates of Participation^	Total	Service Area by Population	Debt per Capita (in thousands)	Number of Customer Accounts	Debt per Customer Account (in thousands)
2013	\$ 4,351,610	\$ —	\$ 4,767	\$ 119,395	\$ 4,475,772	2,550,368	\$ 1.75	173,744	\$ 25.76
2014	4,322,713	—	5,107	117,049	4,444,869	2,595,166	1.71	173,970	25.55
2015	4,298,827	—	5,471	114,680	4,418,978	2,635,893	1.68	174,111	25.38
2016	4,257,454	—	5,860	112,246	4,375,560	2,657,633	1.65	174,083	25.13
2017	4,554,967	—	6,278	109,722	4,670,967	2,680,705	1.74	174,349	26.79
2018	4,909,041	—	6,725	107,106	5,022,872	2,705,107	1.86	175,054	28.69
2019	4,808,548	—	2,029	104,392	4,914,969	2,710,848	1.81	175,803	27.96
2020 *	4,695,295	73,271	—	101,578	4,870,144	2,722,925	1.79	176,379	27.61
2021 *	4,994,775	107,407	—	98,662	5,200,844	2,658,140	1.96	176,246	29.51
2022 **	4,860,935	121,761	—	95,637	5,078,333	2,637,555	1.93	177,072	28.68

### Wastewater

Fiscal Year Ended	Revenue Bonds^	Revenue Notes	State Revolving Fund Loans	Certificates of Participation^	Total	Service Area by Population	Debt per Capita (in thousands)	Number of Customer Accounts	Debt per Customer Account (in thousands)
2013	\$ 824,821	\$ —	\$ —	\$ 31,570	\$ 856,391	841,138	\$ 1.02	163,445	\$ 5.24
2014	783,801	—	—	30,950	814,751	852,469	0.96	163,537	4.98
2015	747,185	—	—	30,323	777,508	862,004	0.90	163,686	4.75
2016	1,071,883	—	—	29,680	1,101,563	876,103	1.26	163,587	6.73
2017	1,044,925	—	—	29,013	1,073,938	879,166	1.22	163,738	6.56
2018	1,019,146	—	22,607	28,321	1,073,938	880,696	1.22	163,976	6.55
2019	1,652,609	—	88,032	27,603	1,768,244	881,549	2.01	173,956	10.16
2020 *	1,621,733	—	88,549	26,859	1,737,141	870,014	2.00	174,516	9.95
2021 *	1,589,922	—	108,559	26,087	1,724,568	815,201	2.12	174,356	9.89
2022 **	1,931,253	350,356	302,659	25,288	2,609,556	804,534	3.24	175,171	14.90

### Hetchy Power

Fiscal Year Ended	Bonds^	Certificates of Participation^	Total	Number of Customer Accounts	Debt per Customer Account (in thousands)
2013	\$ 18,389	\$ 16,254	\$ 34,643	2,257	\$ 15.35
2014	17,095	15,935	33,030	2,271	14.54
2015	60,175	15,612	75,787	2,305	32.88
2016	60,110	15,281	75,391	2,627	28.70
2017	57,900	14,938	75,391	3,068	24.57
2018	55,241	14,581	72,838	3,547	20.54
2019	52,546	14,212	66,758	3,747	17.82
2020	49,808	13,828	63,636	4,077	15.61
2021	46,312	13,431	59,743	5,385	11.09
2022	194,486	13,020	207,506	5,110	40.61

\*No annual payments for Series 1991A Capital Appreciation Bonds.

\*\*2022 population was estimated by multiplying 2021 population by the 2020 and 2021 population growth rate.

\*\*\*Updated from last year's ACFR with newly available data

^Bonds, Notes, and Certificates of Participation are inclusive of bond premiums and discounts.

Source: San Francisco Public Utilities Commission Water Sewer System and Power Enterprise Billing System, Customer To Meter Billing System, Customer Care and Billing System, Audited Financial Statements, Office of the Controller, City and County of San Francisco and BAWSCA.org.

## Debt Capacity

Department-wide - Future Principal and Interest and Fee Payments for Debt Issues\*  
(Exclude Commercial Paper)  
(Dollars in Thousands)

Payments Due for FY Ended	Water			Wastewater			Power			SFPUC Total		
	Total Principal	Total Interest	Total Principal & Interest Payments	Total Principal	Total Interest	Total Principal & Interest Payments	Total Principal	Total Interest	Total Principal & Interest Payments	Total Principal	Total Interest	Total Principal & Interest Payments
2023	\$ 131,692	186,995	318,687	37,652	78,419	116,071	2,397	7,468	9,865	171,741	272,882	444,623
2024	141,904	181,754	323,658	40,961	78,741	119,702	2,035	7,408	9,443	184,900	267,903	452,803
2025	147,464	176,129	323,593	42,914	79,330	122,244	4,062	7,296	11,358	194,440	262,755	457,195
2026	159,088	169,962	329,050	263,121	76,414	339,535	4,231	7,128	11,359	426,440	253,504	679,944
2027	164,979	163,173	328,152	179,295	74,543	253,838	4,399	6,955	11,354	348,673	244,671	593,344
2028	170,663	156,003	326,666	52,293	71,779	124,072	4,284	6,763	11,047	227,240	234,545	461,785
2029	178,221	148,447	326,668	54,504	69,558	124,062	4,184	6,566	10,750	236,909	224,571	461,480
2030	186,990	140,463	327,453	56,824	67,224	124,048	4,380	6,363	10,743	248,194	214,050	462,244
2031	193,781	132,595	326,376	59,263	64,773	124,036	4,592	6,156	10,748	257,636	203,524	461,160
2032	202,850	124,944	327,794	61,822	62,200	124,022	4,794	5,941	10,735	269,466	193,085	462,551
2033	205,791	116,636	322,427	64,504	59,500	124,004	4,929	5,721	10,650	275,224	181,857	457,081
2034	215,933	107,597	323,530	67,246	56,752	123,998	5,063	5,507	10,570	288,242	169,856	458,098
2035	223,957	98,137	322,094	70,027	53,953	123,980	5,287	5,281	10,568	299,271	157,371	456,642
2036	239,674	88,618	328,292	72,937	51,034	123,971	5,526	5,049	10,575	318,137	144,701	462,838
2037	252,241	78,967	331,208	75,983	47,972	123,955	5,778	4,805	10,583	334,002	131,744	465,746
2038	232,135	69,780	301,915	79,088	44,848	123,936	6,031	4,550	10,581	317,254	119,178	436,432
2039	240,756	61,273	302,029	82,259	41,655	123,913	6,300	4,283	10,583	329,315	107,211	436,526
2040	249,228	52,568	301,796	85,498	38,400	123,897	6,575	4,005	10,580	341,301	94,973	436,274
2041	206,900	44,534	251,434	88,808	35,070	123,878	6,866	3,713	10,579	302,574	83,317	385,891
2042	161,479	38,252	199,731	92,260	31,605	123,864	7,166	3,411	10,577	260,905	73,268	334,172
2043	113,564	33,545	147,109	93,975	28,029	122,004	6,500	3,115	9,615	214,039	64,688	278,727
2044	117,692	29,404	147,096	86,290	24,457	110,747	6,790	2,827	9,617	210,772	56,688	267,460
2045	81,090	25,696	106,786	89,853	20,891	110,745	7,090	2,527	9,617	178,033	49,114	227,147
2046	84,843	22,411	107,254	93,529	17,222	110,752	7,405	2,212	9,617	185,777	41,845	227,622
2047	88,763	18,978	107,741	97,356	13,888	110,745	7,720	1,898	9,618	193,839	34,264	228,103
2048	92,877	15,373	108,250	80,217	9,956	90,173	8,035	1,583	9,618	181,129	26,912	208,041
2049	99,252	11,385	110,637	81,204	6,946	88,150	8,360	1,255	9,615	188,816	19,586	208,402
2050	104,183	7,015	111,198	46,053	4,618	50,671	8,705	914	9,619	158,941	12,547	171,488
2051	109,364	2,426	111,790	46,000	2,962	48,962	9,060	558	9,618	164,424	5,946	170,370
2052	4,680	47	4,727	47,427	1,270	48,697	9,430	189	9,619	61,537	1,506	63,043
2053	—	—	—	8,457	353	8,810	—	—	—	8,457	353	8,810
2054	—	—	—	7,555	241	7,796	—	—	—	7,555	241	7,796
2055	—	—	—	5,110	144	5,254	—	—	—	5,110	144	5,254
2056	—	—	—	5,182	73	5,255	—	—	—	5,182	73	5,255
<b>Total</b>	<b>\$ 4,802,034</b>	<b>2,503,103</b>	<b>7,305,137</b>	<b>2,415,468</b>	<b>1,314,320</b>	<b>3,729,788</b>	<b>177,974</b>	<b>131,448</b>	<b>309,422</b>	<b>7,395,476</b>	<b>3,948,871</b>	<b>11,344,347</b>

May not total due to rounding.

\*Principal and interest (net of federal interest subsidy) includes bonds, COPs, and state revolving fund loans and excludes premium and discounts.

Source: San Francisco Public Utilities Commission Official Statements.

**Debt Capacity**  
 Water - Future Principal and Interest Payments for Debt Issues  
 (Exclude Commercial Paper)  
 (Dollars in Thousands)

<b>Principal Payments</b>										
Payments Due for FY Ended	State Revolving Fund Loans	COPs Series 2009C	COPs Series 2009D	2010B	2010E	2010G	2015A	2016A	2016B	2016C
2023	\$ 3,283	3,124	—	12,780	12,745	—	16,045	32,790	12,530	5,955
2024	3,542	—	3,267	13,245	13,165	—	28,070	23,590	13,175	6,105
2025	3,577	—	3,402	13,725	13,610	—	29,485	24,800	13,720	6,275
2026	3,613	—	3,545	14,225	14,080	—	30,990	26,050	7,715	6,455
2027	3,649	—	3,695	14,765	14,585	—	20,945	38,150	8,015	6,645
2028	3,686	—	3,852	15,355	15,125	—	20,530	46,305	3,815	6,850
2029	3,723	—	4,013	15,965	15,715	—	21,580	48,655	3,990	7,075
2030	3,760	—	4,180	16,600	16,340	—	22,685	51,135	4,180	7,310
2031	3,797	—	4,359	17,260	16,990	—	23,810	53,460	4,370	7,565
2032	3,835	—	4,545	17,945	17,665	11,060	25,000	34,135	—	7,835
2033	3,874	—	4,737	18,660	18,365	11,575	26,280	35,875	—	8,120
2034	3,912	—	4,941	19,405	19,095	12,110	27,490	37,710	—	8,435
2035	3,952	—	5,155	20,175	19,855	12,665	28,610	39,670	—	8,760
2036	3,991	—	5,373	20,980	20,645	13,255	29,765	41,745	—	9,110
2037	4,031	—	5,605	21,810	21,470	13,865	31,135	43,670	—	9,475
2038	4,071	—	5,844	22,680	22,320	14,505	—	45,455	—	9,860
2039	4,112	—	6,094	23,580	23,210	15,175	—	47,305	—	10,265
2040	4,153	—	6,355	24,520	24,130	15,880	—	49,235	—	10,685
2041	4,195	—	6,625	25,495	25,090	16,610	—	—	—	11,125
2042	4,237	—	6,912	—	—	17,380	—	—	—	11,585
2043	4,279	—	—	—	—	18,180	—	—	—	12,070
2044	4,322	—	—	—	—	19,025	—	—	—	12,590
2045	4,365	—	—	—	—	19,900	—	—	—	13,125
2046	4,408	—	—	—	—	20,820	—	—	—	13,685
2047	4,453	—	—	—	—	21,785	—	—	—	14,270
2048	4,497	—	—	—	—	22,790	—	—	—	—
2049	4,542	—	—	—	—	23,845	—	—	—	—
2050	4,588	—	—	—	—	24,945	—	—	—	—
2051	4,634	—	—	—	—	26,100	—	—	—	—
2052	4,680	—	—	—	—	—	—	—	—	—
2053	—	—	—	—	—	—	—	—	—	—
2054	—	—	—	—	—	—	—	—	—	—
2055	—	—	—	—	—	—	—	—	—	—
2056	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ 121,761</b>	<b>3,124</b>	<b>92,499</b>	<b>349,170</b>	<b>344,200</b>	<b>351,470</b>	<b>382,420</b>	<b>719,735</b>	<b>71,510</b>	<b>231,230</b>

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

**Debt Capacity**  
 Water - Future Principal and Interest Payments for Debt Issues  
 (Exclude Commercial Paper)  
 (Dollars in Thousands)

<b>Principal Payments</b>										
<b>Payments Due for FY Ended</b>	<b>2017A</b>	<b>2017B</b>	<b>2017C</b>	<b>2017D</b>	<b>2017E</b>	<b>2017F</b>	<b>2017G</b>	<b>2019A</b>	<b>2019B</b>	<b>2019C</b>
2023	\$ 2,325	2,835	1,355	1,455	765	700	13,070	3,495	70	75
2024	2,445	2,985	1,425	1,270	795	735	13,665	3,565	70	80
2025	2,570	3,135	1,500	10,230	835	770	5,225	3,640	75	80
2026	2,705	3,295	1,575	20,515	7,425	875	—	3,720	75	80
2027	2,840	3,465	1,660	21,540	7,830	920	—	3,805	80	85
2028	2,990	3,645	1,745	22,615	6,630	965	—	3,900	80	90
2029	3,140	3,830	1,830	23,740	7,080	1,020	—	4,000	85	90
2030	3,300	4,025	1,925	24,935	8,555	855	—	4,105	85	95
2031	—	—	—	26,140	7,960	905	—	4,215	90	95
2032	—	—	—	14,980	1,015	960	—	31,095	90	100
2033	—	—	—	46,855	—	—	—	4,055	1,340	1,465
2034	—	—	—	59,875	—	—	—	4,180	1,385	1,510
2035	—	—	—	61,540	—	—	—	4,310	1,425	1,550
2036	—	—	—	11,105	—	—	—	63,930	1,470	1,600
2037	4,685	5,715	2,735	—	—	—	—	80,670	1,525	1,660
2038	—	—	—	—	—	—	—	86,145	1,575	1,720
2039	—	—	—	—	—	—	—	38,500	1,630	1,775
2040	—	—	—	—	—	—	—	39,650	1,690	1,835
2041	—	—	—	—	—	—	—	40,970	1,745	1,900
2042	—	—	—	—	—	—	—	42,370	1,800	1,965
2043	—	—	—	—	—	—	—	59,450	—	—
2044	—	—	—	—	—	—	—	61,550	—	—
2045	—	—	—	—	—	—	—	—	—	—
2046	—	—	—	—	—	—	—	—	—	—
2047	—	—	—	—	—	—	—	—	—	—
2048	—	—	—	—	—	—	—	—	—	—
2049	—	—	—	—	—	—	—	—	—	—
2050	—	—	—	—	—	—	—	—	—	—
2051	—	—	—	—	—	—	—	—	—	—
2052	—	—	—	—	—	—	—	—	—	—
2053	—	—	—	—	—	—	—	—	—	—
2054	—	—	—	—	—	—	—	—	—	—
2055	—	—	—	—	—	—	—	—	—	—
2056	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ 27,000</b>	<b>32,930</b>	<b>15,750</b>	<b>346,795</b>	<b>48,890</b>	<b>8,705</b>	<b>31,960</b>	<b>591,320</b>	<b>16,385</b>	<b>17,850</b>

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

**Debt Capacity**  
 Water - Future Principal and Interest Payments for Debt Issues  
 (Exclude Commercial Paper)  
 (Dollars in Thousands)

<b>Principal Payments</b>									
Payments Due for FY Ended	2020A	2020B	2020C	2020D	2020E	2020F	2020G	2020H	Total Principal Payments
2023	\$ —	—	—	—	500	—	5,795	—	131,692
2024	—	—	—	—	1,530	1,430	7,065	685	141,904
2025	—	—	—	—	1,575	1,440	7,105	690	147,464
2026	—	—	—	—	1,620	1,450	8,385	695	159,088
2027	—	—	—	—	1,665	1,465	8,475	700	164,979
2028	—	—	—	—	1,715	1,485	8,575	710	170,663
2029	—	—	—	—	1,765	1,505	8,700	720	178,221
2030	—	—	—	—	1,815	1,530	8,840	735	186,990
2031	—	—	—	—	5,300	5,720	9,005	2,740	193,781
2032	—	—	—	—	5,450	5,830	18,520	2,790	202,850
2033	—	—	—	—	5,605	5,955	10,180	2,850	205,791
2034	—	—	—	—	5,770	6,090	1,110	2,915	215,933
2035	—	—	—	—	5,930	6,235	1,140	2,985	223,957
2036	—	—	—	—	6,100	6,385	1,165	3,055	239,674
2037	—	—	—	—	1,645	910	1,200	435	252,241
2038	—	—	—	—	6,560	6,875	1,235	3,290	232,135
2039	—	—	—	—	57,375	7,075	1,275	3,385	240,756
2040	—	—	—	—	59,020	7,280	1,315	3,480	249,228
2041	—	—	—	—	60,715	7,490	1,355	3,585	206,900
2042	—	—	—	—	62,450	7,700	1,395	3,685	161,479
2043	—	—	—	—	6,405	7,940	1,440	3,800	113,564
2044	—	—	—	—	6,600	8,195	1,490	3,920	117,692
2045	10,730	4,300	5,950	3,425	6,795	8,455	—	4,045	81,090
2046	11,445	4,590	6,340	3,660	7,000	8,725	—	4,170	84,843
2047	12,195	4,895	6,760	3,895	7,205	9,000	—	4,305	88,763
2048	19,525	7,840	10,825	6,240	7,425	9,290	—	4,445	92,877
2049	30,970	12,520	17,360	10,015	—	—	—	—	99,252
2050	32,160	13,240	18,550	10,700	—	—	—	—	104,183
2051	33,870	13,945	19,550	11,265	—	—	—	—	109,364
2052	—	—	—	—	—	—	—	—	4,680
2053	—	—	—	—	—	—	—	—	—
2054	—	—	—	—	—	—	—	—	—
2055	—	—	—	—	—	—	—	—	—
2056	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ 150,895</b>	<b>61,330</b>	<b>\$ 85,335</b>	<b>49,200</b>	<b>335,535</b>	<b>135,455</b>	<b>114,765</b>	<b>64,815</b>	<b>4,802,034</b>

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

**Debt Capacity**  
 Water - Future Principal and Interest Payments for Debt Issues  
 (Exclude Commercial Paper)  
 (Dollars in Thousands)

<b>Interest Payments</b>										
Payments Due for FY Ended	State Revolving Fund Loans	COPs Series 2009C	COPs 2009D Before Subsidy	2010B Before Subsidy	2010E Before Subsidy	2010G Before Subsidy	2015A	2016A	2016B	2016C
2023	\$ 1,142	78	5,968	20,329	19,748	24,427	17,708	32,776	2,723	8,614
2024	1,185	—	5,864	19,613	19,104	24,427	16,643	31,366	2,099	8,463
2025	1,149	—	5,652	18,871	18,417	24,427	15,223	30,157	1,569	8,298
2026	1,114	—	5,431	18,102	17,691	24,427	13,721	28,885	1,209	8,118
2027	1,077	—	5,201	17,269	16,917	24,427	12,421	27,280	894	7,925
2028	1,041	—	4,960	16,365	16,084	24,427	11,385	25,169	639	7,719
2029	1,004	—	4,710	15,426	15,182	24,427	10,332	22,795	464	7,498
2030	967	—	4,450	14,448	14,219	24,428	9,225	20,300	279	7,260
2031	929	—	4,176	13,433	13,219	24,428	8,097	17,952	87	7,007
2032	892	—	3,887	12,376	12,180	24,043	6,915	16,030	—	6,738
2033	853	—	3,585	11,278	11,099	23,256	5,632	14,280	—	6,448
2034	814	—	3,272	10,136	9,976	22,433	4,425	12,440	—	6,138
2035	775	—	2,944	8,950	8,809	21,572	3,303	10,506	—	5,809
2036	736	—	2,603	7,714	7,593	20,672	2,145	8,470	—	5,463
2037	696	—	2,247	6,430	6,329	19,729	778	6,554	—	5,098
2038	655	—	1,875	5,096	5,015	18,743	—	4,771	—	4,712
2039	615	—	1,488	3,708	3,650	17,712	—	2,916	—	4,306
2040	574	—	1,084	2,265	2,229	16,633	—	985	—	3,883
2041	532	—	664	765	753	15,504	—	—	—	3,443
2042	490	—	224	—	—	14,323	—	—	—	2,985
2043	448	—	—	—	—	13,087	—	—	—	2,499
2044	405	—	—	—	—	11,794	—	—	—	1,983
2045	362	—	—	—	—	10,441	—	—	—	1,445
2046	318	—	—	—	—	9,026	—	—	—	884
2047	273	—	—	—	—	7,546	—	—	—	299
2048	229	—	—	—	—	5,997	—	—	—	—
2049	184	—	—	—	—	4,376	—	—	—	—
2050	139	—	—	—	—	2,681	—	—	—	—
2051	93	—	—	—	—	907	—	—	—	—
2052	47	—	—	—	—	—	—	—	—	—
2053	—	—	—	—	—	—	—	—	—	—
2054	—	—	—	—	—	—	—	—	—	—
2055	—	—	—	—	—	—	—	—	—	—
2056	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ 19,738</b>	<b>78</b>	<b>70,285</b>	<b>222,574</b>	<b>218,214</b>	<b>500,320</b>	<b>137,953</b>	<b>313,632</b>	<b>9,963</b>	<b>133,033</b>

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

**Debt Capacity**  
 Water - Future Principal and Interest Payments for Debt Issues  
 (Exclude Commercial Paper)  
 (Dollars in Thousands)

<b>Interest Payments</b>										
Payments Due for FY Ended	2017A	2017B	2017C	2017D	2017E	2017F	2017G	2019A	2019B	2019C
2023	\$ 1,292	1,576	754	17,199	2,376	418	706	19,328	558	608
2024	1,173	1,430	684	17,131	2,337	382	343	19,258	556	605
2025	1,047	1,277	611	16,843	2,296	344	76	19,185	553	603
2026	915	1,116	534	16,074	2,090	303	—	19,105	551	600
2027	777	947	453	15,023	1,709	258	—	19,018	549	598
2028	631	770	368	13,919	1,347	211	—	18,924	546	595
2029	478	583	279	12,760	1,004	162	—	18,825	543	592
2030	317	386	185	11,543	613	115	—	18,722	541	589
2031	234	285	136	10,307	220	71	—	18,611	538	586
2032	234	286	137	9,331	20	24	—	18,119	535	583
2033	234	286	137	7,797	—	—	—	17,623	513	558
2034	234	286	137	5,129	—	—	—	17,499	470	511
2035	234	286	137	2,094	—	—	—	17,367	425	463
2036	234	286	137	278	—	—	—	16,244	377	411
2037	118	142	67	—	—	—	—	13,856	324	353
2038	—	—	—	—	—	—	—	11,101	270	294
2039	—	—	—	—	—	—	—	9,042	213	232
2040	—	—	—	—	—	—	—	7,752	155	168
2041	—	—	—	—	—	—	—	6,385	94	103
2042	—	—	—	—	—	—	—	4,938	32	35
2043	—	—	—	—	—	—	—	3,170	—	—
2044	—	—	—	—	—	—	—	1,069	—	—
2045	—	—	—	—	—	—	—	—	—	—
2046	—	—	—	—	—	—	—	—	—	—
2047	—	—	—	—	—	—	—	—	—	—
2048	—	—	—	—	—	—	—	—	—	—
2049	—	—	—	—	—	—	—	—	—	—
2050	—	—	—	—	—	—	—	—	—	—
2051	—	—	—	—	—	—	—	—	—	—
2052	—	—	—	—	—	—	—	—	—	—
2053	—	—	—	—	—	—	—	—	—	—
2054	—	—	—	—	—	—	—	—	—	—
2055	—	—	—	—	—	—	—	—	—	—
2056	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ 8,152</b>	<b>9,942</b>	<b>4,756</b>	<b>155,429</b>	<b>14,011</b>	<b>2,288</b>	<b>1,125</b>	<b>315,141</b>	<b>8,343</b>	<b>9,088</b>

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

**Debt Capacity**  
Water - Future Principal and Interest Payments for Debt Issues  
(Exclude Commercial Paper)  
(Dollars in Thousands)

<b>Interest Payments</b>												
Payments Due for FY Ended		2020A	2020B	2020C	2020D	2020E	2020F	2020G	2020H	Federal Interest Subsidy	Total Interest Payments Net of Subsidy	Total Principal & Interest Payments
2023	\$	7,294	3,067	3,413	1,476	9,522	3,598	1,837	1,721	(23,260)	186,995	318,687
2024		7,295	3,067	3,413	1,476	9,493	3,594	1,809	1,720	(22,776)	181,754	323,658
2025		7,295	3,067	3,413	1,477	9,449	3,586	1,765	1,715	(22,235)	176,129	323,593
2026		7,295	3,067	3,413	1,476	9,404	3,575	1,704	1,710	(21,668)	169,962	329,050
2027		7,295	3,067	3,414	1,476	9,357	3,559	1,621	1,703	(21,061)	163,173	328,152
2028		7,295	3,067	3,414	1,476	9,310	3,541	1,515	1,694	(20,409)	156,003	326,666
2029		7,295	3,067	3,414	1,476	9,261	3,519	1,387	1,684	(19,719)	148,447	326,668
2030		7,295	3,067	3,414	1,476	9,210	3,494	1,241	1,672	(18,993)	140,463	327,453
2031		7,295	3,067	3,414	1,476	9,109	3,429	1,084	1,641	(18,237)	132,595	326,376
2032		7,294	3,066	3,413	1,476	8,958	3,320	820	1,589	(17,324)	124,944	327,794
2033		7,294	3,066	3,413	1,476	8,801	3,197	524	1,530	(16,245)	116,636	322,427
2034		7,295	3,066	3,413	1,476	8,641	3,062	400	1,465	(15,122)	107,597	323,530
2035		7,295	3,067	3,413	1,476	8,476	2,918	374	1,396	(13,953)	98,137	322,094
2036		7,295	3,067	3,413	1,476	8,306	2,764	346	1,322	(12,734)	88,618	328,292
2037		7,295	3,067	3,413	1,476	8,196	2,672	313	1,278	(11,464)	78,967	331,208
2038		7,295	3,066	3,413	1,476	8,080	2,561	275	1,225	(10,143)	69,780	301,915
2039		7,295	3,066	3,413	1,476	7,177	2,363	236	1,130	(8,765)	61,273	302,029
2040		7,295	3,066	3,413	1,476	5,533	2,159	196	1,033	(7,331)	52,568	301,796
2041		7,295	3,066	3,413	1,476	3,842	1,949	155	932	(5,837)	44,534	251,434
2042		7,295	3,066	3,413	1,476	2,102	1,733	112	829	(4,801)	38,252	199,731
2043		7,295	3,067	3,413	1,476	1,126	1,498	68	717	(4,319)	33,545	147,109
2044		7,295	3,067	3,413	1,476	934	1,244	23	595	(3,893)	29,404	147,096
2045		7,026	2,959	3,294	1,425	737	983	—	470	(3,446)	25,696	106,786
2046		6,471	2,737	3,049	1,318	534	712	—	341	(2,979)	22,411	107,254
2047		5,893	2,500	2,787	1,205	325	434	—	207	(2,491)	18,978	107,741
2048		5,131	2,181	2,435	1,053	109	146	—	70	(1,979)	15,373	108,250
2049		3,917	1,672	1,871	809	—	—	—	—	(1,444)	11,385	110,637
2050		2,400	1,028	1,153	498	—	—	—	—	(885)	7,015	111,198
2051		814	349	391	169	—	—	—	—	(299)	2,426	111,790
2052		—	—	—	—	—	—	—	—	—	47	4,727
2053		—	—	—	—	—	—	—	—	—	—	—
2054		—	—	—	—	—	—	—	—	—	—	—
2055		—	—	—	—	—	—	—	—	—	—	—
2056		—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$</b>	<b>192,139</b>	<b>80,889</b>	<b>90,071</b>	<b>38,950</b>	<b>165,992</b>	<b>65,610</b>	<b>17,805</b>	<b>31,389</b>	<b>(333,811)</b>	<b>2,503,103</b>	<b>7,305,137</b>

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

**Debt Capacity**  
Wastewater - Future Principal and Interest Payments for Debt Issues  
(Exclude Commercial Paper)  
(Dollars in Thousands)

<b>Principal Payments</b>								
Payments Due for FY Ended	State Revolving Fund Loans	COPs Series 2009C	COPs Series 2009D	2010B	2013A	2013B	2016A	2016B
2023	\$ 2,481	826	—	7,280	13,090	—	—	—
2024	3,192	—	864	7,505	575	8,835	5,475	1,545
2025	5,079	—	900	7,745	610	9,280	5,760	1,625
2026	5,154	—	937	8,000	1,260	9,130	6,055	1,705
2027	8,693	—	977	8,270	—	10,915	6,365	1,795
2028	8,820	—	1,018	8,560	—	11,475	6,690	1,885
2029	8,948	—	1,061	8,860	—	12,065	7,035	1,980
2030	9,078	—	1,106	9,180	—	12,680	7,395	2,085
2031	9,211	—	1,152	9,520	—	13,330	7,775	2,190
2032	9,345	—	1,202	9,875	—	14,015	8,170	2,305
2033	9,481	—	1,253	10,250	—	14,735	8,590	2,420
2034	9,619	—	1,307	10,640	—	15,415	9,030	2,545
2035	9,759	—	1,363	11,045	—	16,045	9,495	2,675
2036	9,902	—	1,420	11,470	—	16,695	9,980	2,815
2037	10,046	—	1,482	11,910	—	17,375	10,495	2,960
2038	10,193	—	1,545	12,365	—	18,090	10,975	3,095
2039	10,342	—	1,612	12,845	—	18,820	11,425	3,220
2040	10,493	—	1,680	13,340	—	19,590	11,890	3,350
2041	10,646	—	1,752	13,855	—	20,390	12,375	3,490
2042	10,802	—	1,828	—	—	35,625	12,880	3,630
2043	10,960	—	—	—	—	37,080	13,405	3,780
2044	11,120	—	—	—	—	—	13,955	3,935
2045	11,283	—	—	—	—	—	14,520	4,095
2046	11,449	—	—	—	—	—	15,115	4,260
2047	11,616	—	—	—	—	—	15,730	4,435
2048	11,787	—	—	—	—	—	—	—
2049	9,934	—	—	—	—	—	—	—
2050	10,073	—	—	—	—	—	—	—
2051	8,500	—	—	—	—	—	—	—
2052	8,347	—	—	—	—	—	—	—
2053	8,457	—	—	—	—	—	—	—
2054	7,555	—	—	—	—	—	—	—
2055	5,110	—	—	—	—	—	—	—
2056	5,182	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ 302,659</b>	<b>826</b>	<b>24,458</b>	<b>192,515</b>	<b>15,535</b>	<b>331,585</b>	<b>240,580</b>	<b>67,820</b>

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

**Debt Capacity**  
Wastewater - Future Principal and Interest and Fee Payments for Debt Issues  
(Exclude Commercial Paper)  
(Dollars in Thousands)

<b>Principal Payments</b>								
Payments Due for FY Ended	2018A	2018B	2018C	2021A	2021B	2021A Notes	2021B Notes	Total Principal Payments
2023	\$ 7,715	6,260	—	—	—	—	—	37,652
2024	7,160	5,810	—	—	—	—	—	40,961
2025	6,580	5,335	—	—	—	—	—	42,914
2026	6,915	5,610	—	—	—	218,355	—	263,121
2027	7,270	5,900	—	—	—	—	129,110	179,295
2028	7,645	6,200	—	—	—	—	—	52,293
2029	8,035	6,520	—	—	—	—	—	54,504
2030	8,445	6,855	—	—	—	—	—	56,824
2031	8,880	7,205	—	—	—	—	—	59,263
2032	9,335	7,575	—	—	—	—	—	61,822
2033	9,815	7,960	—	—	—	—	—	64,504
2034	10,315	8,375	—	—	—	—	—	67,246
2035	10,845	8,800	—	—	—	—	—	70,027
2036	11,400	9,255	—	—	—	—	—	72,937
2037	11,985	9,730	—	—	—	—	—	75,983
2038	12,600	10,225	—	—	—	—	—	79,088
2039	13,245	10,750	—	—	—	—	—	82,259
2040	13,880	11,275	—	—	—	—	—	85,498
2041	14,510	11,790	—	—	—	—	—	88,808
2042	15,170	12,325	—	—	—	—	—	92,260
2043	15,860	12,890	—	—	—	—	—	93,975
2044	11,445	9,305	9,285	23,905	3,340	—	—	86,290
2045	—	—	31,310	25,130	3,515	—	—	89,853
2046	—	—	32,590	26,420	3,695	—	—	93,529
2047	—	—	33,915	27,775	3,885	—	—	97,356
2048	—	—	35,300	29,050	4,080	—	—	80,217
2049	—	—	36,745	30,235	4,290	—	—	81,204
2050	—	—	—	31,470	4,510	—	—	46,053
2051	—	—	—	32,755	4,745	—	—	46,000
2052	—	—	—	34,095	4,985	—	—	47,427
2053	—	—	—	—	—	—	—	8,457
2054	—	—	—	—	—	—	—	7,555
2055	—	—	—	—	—	—	—	5,110
2056	—	—	—	—	—	—	—	5,182
<b>Total</b>	<b>\$ 229,050</b>	<b>185,950</b>	<b>179,145</b>	<b>260,835</b>	<b>37,045</b>	<b>218,355</b>	<b>129,110</b>	<b>2,415,468</b>

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

**Debt Capacity**  
Wastewater - Future Principal and Interest and Fee Payments for Debt Issues  
(Exclude Commercial Paper)  
(Dollars in Thousands)

<b>Interest Payments</b>									
Payments Due for FY Ended	State Revolving Fund Loans *	COPs Series 2009C	COPs 2009D Before Subsidy	2010B Before Subsidy	2013A	2013B	2016A	2016B	2018A
2023	\$ 1,524	21	1,578	10,516	405	14,428	10,646	3,001	10,551
2024	1,824	—	1,551	10,169	89	14,207	10,509	2,962	10,179
2025	2,481	—	1,494	9,801	63	13,754	10,228	2,883	9,836
2026	2,406	—	1,436	9,409	25	13,294	9,963	2,809	9,498
2027	4,121	—	1,375	8,992	—	12,793	9,683	2,729	9,144
2028	3,995	—	1,312	8,550	—	12,233	9,356	2,637	8,771
2029	3,867	—	1,245	8,084	—	11,645	9,013	2,541	8,379
2030	3,736	—	1,177	7,592	—	11,026	8,652	2,439	7,967
2031	3,604	—	1,104	7,073	—	10,376	8,273	2,333	7,534
2032	3,470	—	1,027	6,523	—	9,692	7,875	2,220	7,078
2033	3,334	—	948	5,945	—	8,973	7,455	2,101	6,599
2034	3,196	—	865	5,344	—	8,297	7,015	1,977	6,096
2035	3,055	—	778	4,720	—	7,667	6,552	1,847	5,567
2036	2,913	—	689	4,073	—	7,013	6,066	1,710	5,011
2037	2,769	—	594	3,397	—	6,331	5,553	1,565	4,426
2038	2,622	—	496	2,690	—	5,622	5,071	1,430	3,812
2039	2,473	—	393	1,957	—	4,884	4,623	1,303	3,166
2040	2,322	—	287	1,194	—	4,116	4,157	1,172	2,557
2041	2,168	—	175	403	—	3,316	3,672	1,035	1,989
2042	2,013	—	59	—	—	2,196	3,167	893	1,396
2043	1,855	—	—	—	—	741	2,641	745	775
2044	1,694	—	—	—	—	—	2,094	590	228
2045	1,531	—	—	—	—	—	1,524	429	—
2046	1,366	—	—	—	—	—	932	264	—
2047	1,198	—	—	—	—	—	314	88	—
2048	1,028	—	—	—	—	—	—	—	—
2049	855	—	—	—	—	—	—	—	—
2050	716	—	—	—	—	—	—	—	—
2051	575	—	—	—	—	—	—	—	—
2052	463	—	—	—	—	—	—	—	—
2053	353	—	—	—	—	—	—	—	—
2054	242	—	—	—	—	—	—	—	—
2055	144	—	—	—	—	—	—	—	—
2056	73	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ 69,987</b>	<b>21</b>	<b>18,584</b>	<b>116,432</b>	<b>582</b>	<b>182,604</b>	<b>155,034</b>	<b>43,704</b>	<b>130,559</b>

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

**Debt Capacity**  
Wastewater - Future Principal and Interest and Fee Payments for Debt Issues  
(Exclude Commercial Paper)  
(Dollars in Thousands)

<b>Interest Payments</b>									
Payments Due for FY Ended	2018B	2018C	2021A	2021B	2021A Notes	2021B Notes	Federal Interest Subsidy	Total Interest Payments Net of Subsidy	Total Principal & Interest Payments
2023	\$ 9,142	3,808	11,466	1,852	2,183	1,291	(3,992)	78,419	116,071
2024	8,839	5,486	11,466	1,852	2,184	1,291	(3,868)	78,741	119,702
2025	8,560	7,166	11,466	1,852	2,183	1,291	(3,728)	79,330	122,244
2026	8,287	7,166	11,466	1,853	1,091	1,290	(3,579)	76,414	339,535
2027	7,999	7,165	11,466	1,852	—	646	(3,422)	74,543	253,838
2028	7,697	7,165	11,466	1,852	—	—	(3,255)	71,779	124,072
2029	7,379	7,166	11,466	1,852	—	—	(3,079)	69,558	124,062
2030	7,044	7,166	11,466	1,853	—	—	(2,894)	67,224	124,048
2031	6,692	7,165	11,466	1,852	—	—	(2,698)	64,773	124,036
2032	6,323	7,166	11,466	1,852	—	—	(2,492)	62,200	124,022
2033	5,935	7,166	11,466	1,853	—	—	(2,275)	59,500	124,004
2034	5,527	7,166	11,466	1,853	—	—	(2,050)	56,752	123,998
2035	5,097	7,165	11,466	1,853	—	—	(1,814)	53,953	123,980
2036	4,646	7,166	11,466	1,853	—	—	(1,572)	51,034	123,971
2037	4,171	7,166	11,465	1,852	—	—	(1,317)	47,972	123,955
2038	3,672	7,166	11,466	1,852	—	—	(1,051)	44,848	123,936
2039	3,148	7,166	11,465	1,852	—	—	(776)	41,655	123,913
2040	2,597	7,166	11,466	1,853	—	—	(488)	38,400	123,897
2041	2,020	7,166	11,465	1,852	—	—	(192)	35,070	123,878
2042	1,418	7,165	11,466	1,852	—	—	(20)	31,605	123,864
2043	788	7,166	11,465	1,853	—	—	—	28,029	122,004
2044	233	6,980	10,868	1,769	—	—	—	24,457	110,747
2045	—	6,168	9,642	1,597	—	—	—	20,891	110,745
2046	—	4,890	8,353	1,417	—	—	—	17,222	110,752
2047	—	3,560	6,999	1,228	—	—	—	13,388	110,745
2048	—	2,176	5,723	1,029	—	—	—	9,956	90,173
2049	—	734	4,538	819	—	—	—	6,946	88,150
2050	—	—	3,303	599	—	—	—	4,618	50,671
2051	—	—	2,019	368	—	—	—	2,962	48,962
2052	—	—	682	125	—	—	—	1,270	48,697
2053	—	—	—	—	—	—	—	353	8,810
2054	—	—	—	—	—	—	—	241	7,796
2055	—	—	—	—	—	—	—	144	5,254
2056	—	—	—	—	—	—	—	73	5,255
<b>Total</b>	<b>\$ 117,213</b>	<b>169,953</b>	<b>292,909</b>	<b>47,851</b>	<b>7,641</b>	<b>5,809</b>	<b>(44,562)</b>	<b>1,314,320</b>	<b>3,729,788</b>

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

**Debt Capacity**  
 Power - Future Principal and Interest Payments for Debt Issues  
 (Exclude Commercial Paper)  
 (Dollars in Thousands)

<b>Principal Payments</b>										
Payments Due for FY Ended	Clean Renewable Energy Bonds 2008*	COPs Series 2009C	COPs Series 2009D	Qualified Energy Conservation Bonds 2011	2015A	2015B	New Clean Renewable Energy Bonds 2015	2021A	2021B	Total Principal Payments
2023	\$ 421	425	—	555	—	850	146	—	—	2,397
2024	—	—	445	562	—	880	148	—	—	2,035
2025	—	—	463	569	—	910	150	1,385	585	4,062
2026	—	—	483	576	—	945	152	1,455	620	4,231
2027	—	—	503	582	830	150	154	1,530	650	4,399
2028	—	—	524	294	1,020	—	156	1,605	685	4,284
2029	—	—	546	—	1,075	—	158	1,690	715	4,184
2030	—	—	569	—	1,125	—	161	1,775	750	4,380
2031	—	—	594	—	1,185	—	163	1,860	790	4,592
2032	—	—	619	—	1,240	—	165	1,945	825	4,794
2033	—	—	645	—	1,305	—	84	2,035	860	4,929
2034	—	—	673	—	1,370	—	—	2,115	905	5,063
2035	—	—	702	—	1,435	—	—	2,200	950	5,287
2036	—	—	731	—	1,510	—	—	2,290	995	5,526
2037	—	—	763	—	1,585	—	—	2,385	1,045	5,778
2038	—	—	796	—	1,665	—	—	2,480	1,090	6,031
2039	—	—	830	—	1,745	—	—	2,585	1,140	6,300
2040	—	—	865	—	1,835	—	—	2,690	1,185	6,575
2041	—	—	901	—	1,925	—	—	2,800	1,240	6,866
2042	—	—	941	—	2,020	—	—	2,915	1,290	7,166
2043	—	—	—	—	2,125	—	—	3,030	1,345	6,500
2044	—	—	—	—	2,230	—	—	3,155	1,405	6,790
2045	—	—	—	—	2,340	—	—	3,285	1,465	7,090
2046	—	—	—	—	2,460	—	—	3,420	1,525	7,405
2047	—	—	—	—	—	—	—	3,560	4,160	7,720
2048	—	—	—	—	—	—	—	3,705	4,330	8,035
2049	—	—	—	—	—	—	—	3,855	4,505	8,360
2050	—	—	—	—	—	—	—	4,010	4,695	8,705
2051	—	—	—	—	—	—	—	4,175	4,885	9,060
2052	—	—	—	—	—	—	—	4,345	5,085	9,430
2053	—	—	—	—	—	—	—	—	—	—
2054	—	—	—	—	—	—	—	—	—	—
2055	—	—	—	—	—	—	—	—	—	—
2056	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ 421</b>	<b>425</b>	<b>12,593</b>	<b>3,138</b>	<b>32,025</b>	<b>3,735</b>	<b>1,637</b>	<b>74,280</b>	<b>49,720</b>	<b>177,974</b>

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

**Debt Capacity**  
**Power - Future Principal and Interest Payments for Debt Issues**  
 (Exclude Commercial Paper)  
 (Dollars in Thousands)

<b>Interest Payments</b>												
Payments Due for FY Ended	COPs Series 2009C	COPs 2009D Before Subsidy	QECBs 2011 Before Subsidy	2015A	2015B	NCREBs 2015 Before Subsidy	2021A	2021B	Federal Interest Subsidy	Total Interest Payments Net of Subsidy	Total Principal & Interest Payments	
2023	\$ 10	812	142	1,593	124	74	3,085	2,045	(417)	7,468	9,865	
2024	—	798	116	1,593	93	67	3,085	2,045	(389)	7,408	9,443	
2025	—	769	89	1,593	62	60	3,050	2,030	(357)	7,296	11,358	
2026	—	739	62	1,593	25	53	2,979	2,000	(323)	7,128	11,359	
2027	—	709	35	1,576	3	47	2,905	1,969	(289)	6,955	11,354	
2028	—	675	7	1,534	—	39	2,826	1,935	(253)	6,763	11,047	
2029	—	641	—	1,482	—	32	2,744	1,900	(233)	6,566	10,750	
2030	—	606	—	1,427	—	25	2,657	1,864	(216)	6,363	10,743	
2031	—	568	—	1,369	—	17	2,576	1,825	(199)	6,156	10,748	
2032	—	530	—	1,309	—	9	2,491	1,784	(182)	5,941	10,735	
2033	—	488	—	1,245	—	2	2,401	1,747	(162)	5,721	10,650	
2034	—	446	—	1,178	—	—	2,318	1,712	(147)	5,507	10,570	
2035	—	400	—	1,108	—	—	2,231	1,674	(132)	5,281	10,568	
2036	—	354	—	1,034	—	—	2,142	1,636	(117)	5,049	10,575	
2037	—	307	—	957	—	—	2,048	1,594	(101)	4,805	10,583	
2038	—	255	—	876	—	—	1,951	1,552	(84)	4,550	10,581	
2039	—	203	—	790	—	—	1,850	1,507	(67)	4,283	10,583	
2040	—	148	—	701	—	—	1,744	1,461	(49)	4,005	10,580	
2041	—	90	—	607	—	—	1,634	1,412	(30)	3,713	10,579	
2042	—	31	—	508	—	—	1,519	1,363	(10)	3,411	10,577	
2043	—	—	—	405	—	—	1,401	1,309	—	3,115	9,615	
2044	—	—	—	296	—	—	1,277	1,254	—	2,827	9,617	
2045	—	—	—	181	—	—	1,149	1,197	—	2,527	9,617	
2046	—	—	—	61	—	—	1,014	1,137	—	2,212	9,617	
2047	—	—	—	—	—	—	875	1,023	—	1,898	9,618	
2048	—	—	—	—	—	—	730	853	—	1,583	9,618	
2049	—	—	—	—	—	—	578	677	—	1,255	9,615	
2050	—	—	—	—	—	—	421	493	—	914	9,619	
2051	—	—	—	—	—	—	257	301	—	558	9,618	
2052	—	—	—	—	—	—	87	102	—	189	9,619	
2053	—	—	—	—	—	—	—	—	—	—	—	
2054	—	—	—	—	—	—	—	—	—	—	—	
2055	—	—	—	—	—	—	—	—	—	—	—	
2056	—	—	—	—	—	—	—	—	—	—	—	
<b>Total</b>	<b>\$ 10</b>	<b>9,569</b>	<b>451</b>	<b>25,016</b>	<b>307</b>	<b>425</b>	<b>56,025</b>	<b>43,401</b>	<b>(3,756)</b>	<b>131,448</b>	<b>309,422</b>	

May not total due to rounding.  
 \*No interest payments are required.

Source: San Francisco Public Utilities Commission Official Statements.



# Statistical Section

## Demographic and Economic Information

City and County of San Francisco Economic and General Information

Summary of Accounts by Type of Customer

Water Accounts and Billings

Historical Water Sales in Hundred Cubic Feet

Historical Water Sales in Millions of Gallons per Day

Historical Water Sales in Millions of Gallons

Wholesale Water Customers

Accounts and Billings by Type of Customer

Historical Hetchy Water Sales

Historical Hetchy Power Electric Sales

Historical CleanPowerSF Electric Sales

## City and County of San Francisco Economic and General Information

The following provides general economic and demographic information about the City and County of San Francisco (the “City”).

### San Francisco Area

The corporate limits of the City encompass over 93 square miles, of which approximately 49 square miles are land, with the balance consisting of tidelands and a portion of the San Francisco Bay. The City is located on a peninsula bounded by the Pacific Ocean to the west, the Bay to the east, the entrance to the Bay and the Golden Gate Bridge to the north and San Mateo County to the south.

### San Francisco Economy

San Francisco benefits from a highly skilled, educated, and professional labor force. Key industries include high tech, tourism, real estate, banking and finance, retailing, apparel design and manufacturing. Emerging industries include multimedia and bioscience. The City is the economic center of the nine counties contiguous to the Bay: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties (the “Bay Area”). The economy of the Bay Area includes a wide range of industries, supplying local needs as well as the needs of national and international markets. Major business sectors in the Bay Area include retail and entertainment, conventions and tourism, service businesses, banking, professional and financial services, corporate headquarters, international and wholesale trade, technology, multimedia and advertising, biotechnology, and higher education.

As of June 30, 2022, employment have slowly increased by 44,000 or 8.6%, from 510,410 to 554,400 employed, according to California Employment Development Department. The Pandemic did not seem to have an effect on housing for the Bay Area. San Francisco homes continue to rise with median home prices increased by \$120,000 from 2021 to 2022 with house prices average to \$2 million. Personal income per capita for 2022 is \$170,483, and a typical home costs approximately 12 times the typical income, one of the highest home price-to-income ratio in the nation.

### San Francisco Population and Income

The City had a population estimated at 804,534 as of fiscal year 2022. The table reflects the population and per capita personal income of the City, as estimated based on the U.S. Census Bureau.

CITY AND COUNTY OF SAN FRANCISCO Population and Income - Fiscal Years 2018-2022		
Fiscal Year	Population <sup>1</sup>	Per Capita Personal Income <sup>2</sup>
2018	880,696	131,083
2019	881,549	133,442
2020	870,014	144,250
2021	815,201	166,980
2022	804,534	170,483

<sup>1</sup> 2022 population was estimated by multiplying the estimated 2020 population by the 2020 to 2021 population growth rate. Fiscal year 2020 and 2021 has been updated from last year's ACFR with newly available data.

<sup>2</sup>Per capita personal income for 2021 was estimated by dividing the estimated personal income for 2021 by the reported population in 2021. Fiscal years 2020 and 2021 are updated from last year's ACFR with newly available data. FY2022 was estimated by multiplying the latest quarterly State income by 1,000 and dividing by the estimated 2022 population.

Source: Office of the Controller, City and County of San Francisco

### San Francisco Conventions and Tourism

Conventions are coming back to San Francisco. According to the San Francisco Travel Association (the “Travel Association”), a non-profit membership organization, 34 events are confirmed for Moscone Center with expected 308,700 attendees. San Francisco International Airport projects there will be over 40 million passengers in 2022. Hotel occupancy is also expected to be 58.6% in 2022, an increase of 67% compared to 2021. While San Francisco tourism is still slightly down from 2019, it is expected to reach back 2019 levels by 2025.

### San Francisco Employment

According to the California Employment Development Department, the State and City have achieved comparable employment data to pre-pandemic. The unemployment rate for the City has decreased to 2.2% from 5.9% in June 2021 and the State's unadjusted unemployment rate also decreased to 4.0% for 2022 from 8.2% in June 2021. This is a significant improvement for the City with labor force increased by 4.5% and unemployment decreased by over 60%.

Tables below summarize information on the civilian labor, employment, and unemployment in the City; and employment by industry from calendar years 2017 to 2021.

CITY AND COUNTY OF SAN FRANCISCO Civilian Labor Force, Employment, and Unemployment <sup>1</sup> June 2021 and 2022 <sup>2</sup>					
Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate
June 2022	San Francisco	566,900	554,400	12,600	2.2%
	State	19,116,400	18,347,800	768,600	4.0%
June 2021	San Francisco	542,300	510,400	31,900	5.9%
	State	18,920,200	17,367,400	1,552,800	8.2%

<sup>1</sup>Labor force data reflects the March 2021 benchmark and Census 2021 population controls at the state level. June 2021 data is updated from last year's ACFR with newly available data.

<sup>2</sup>Data not seasonally adjusted.

Source: California Employment Development Department, Labor Market Information Division.

CITY AND COUNTY OF SAN FRANCISCO Estimated Average Annual Employment by Sector - Calendar Years 2017-2021 <sup>1</sup>					
	2017	2018	2019	2020	2021
Total Farm	200	200	400	200	200
Total Nonfarm	719,300	735,000	762,500	696,300	693,800
Professional & Business Services	194,700	195,400	203,100	200,900	198,500
Leisure & Hospitality	96,900	98,500	101,800	59,100	57,500
Government	96,600	98,200	98,800	98,200	99,400
Educational & Health Services	89,000	90,300	94,100	91,500	93,600
Trade, Transportation & Utilities	81,000	82,600	84,300	73,200	70,900
Financial Activities	56,300	59,900	62,000	60,300	60,500
Information	43,000	46,100	52,500	54,600	57,000
Manufacturing & Construction	34,300	36,400	37,900	36,600	33,900
Other Services	27,700	27,800	28,400	22,100	22,700
<b>Total All Industries</b>	<b>719,500</b>	<b>735,200</b>	<b>762,900</b>	<b>696,500</b>	<b>694,000</b>

<sup>1</sup>Data reflects the March 2021 benchmark and 2020 is updated with newly available data.

Source: California Employment Development Department, Labor Market Information Division.

The table below lists 25 major employers in San Francisco County, as reported by the San Francisco Business Times.

CITY AND COUNTY OF SAN FRANCISCO Major Employers	
Employer Name	Industry
<b>More than 10,000 Employees</b>	
City and County of San Francisco	City Government
Salesforce	Customer Relationship Management Software
San Francisco Unified School District (SFUSD)	Public Education
University of California, San Francisco	Health Sciences University and Medical Center
<b>5,000 - 9,999 Employees</b>	
Sutter Health	Health Care System
Uber Technologies Inc.	Ride-Sharing Service
Wells Fargo Bank	Financial Services
<b>1,000 - 4,999 Employees</b>	
Accenture	Professional Services and Technology Consulting
Adobe Inc.	Digital medial and marketing
Airbnb Inc.	Online Vacation Rental Services
Allied Universal	Security Systems, Guarding Services
Cisco Systems Inc.	Technology, Networking, Security and Digital
CommonSpirit Health	Health Care System
Cruise	Develops all electric, self-driving vehicles
Deloitte	Accounting, Audit, Tax, Advisory, Consulting
DoorDash Inc.	On-demand logistics platform for local commerce
EY	Accounting, Audit, Tax, Advisory, Consulting
First Republic Bank	Financial Services
Kaiser Permanente	Health Care System
LinkedIn Corp	Online Professional Network
Safeway Northern California Division	Grocery stores
Square Inc.	Financial and Merchant Services, Mobile payments
Twitter Inc.	Social Media
United Airlines	Airline Carrier
University of San Francisco	University Education

Source: Calendar year 2021 San Francisco Business Times and City and County of San Francisco.

## San Francisco Taxable Sales

The following table provides information on taxable sales for the City for calendar years 2017 through 2021. Total retail sales increased in 2021 by approximately \$1.6 billion compared to 2020.

CITY AND COUNTY OF SAN FRANCISCO Taxable Sales - Calendar Years 2017-2021 <sup>1</sup> (\$ in Thousands)					
	2017	2018	2019	2020	2021
Building Material/Garden Equipment/Supplies	\$ 605,711	681,369	718,692	642,104	685,895
Clothing and Clothing Accessories Stores	2,056,070	2,046,414	2,029,312	1,163,031	1,587,968
Food and Beverage Stores	863,215	856,217	861,757	746,455	722,410
Food Services and Drinking Places	4,743,633	4,844,464	5,046,263	2,081,728	2,953,373
Gasoline Stations	490,255	583,480	548,509	304,977	432,768
General Merchandise Stores	814,324	790,845	755,350	560,059	667,930
Home Furnishings and Appliance Stores	916,777	1,018,006	1,034,213	768,022	919,239
Motor Vehicle and Parts Dealers	628,666	674,008	601,929	593,476	625,719
Other Retail Stores <sup>2</sup>	2,373,545	2,535,667	2,671,219	2,690,590	2,508,494
<b>Retails Stores Total</b>	<b>\$ 13,492,196</b>	<b>14,030,470</b>	<b>14,267,244</b>	<b>9,550,442</b>	<b>11,103,796</b>
All Other Outlets not listed above	5,981,674	6,312,252	6,689,891	4,839,281	5,503,320
<b>Total All Outlets</b>	<b>\$ 19,473,870</b>	<b>20,342,722</b>	<b>20,957,135</b>	<b>14,389,723</b>	<b>16,607,116</b>

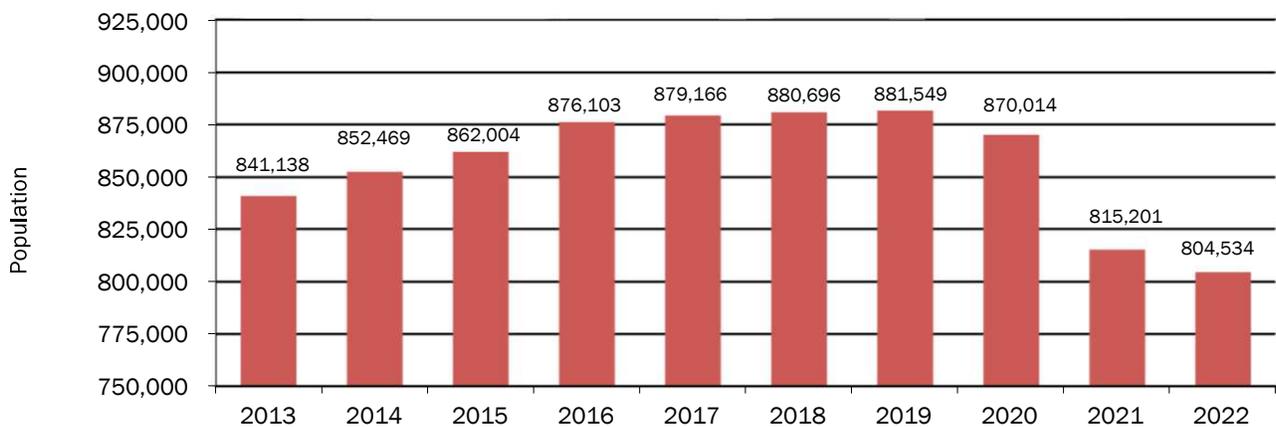
<sup>1</sup>Most recent annual data available and may not total due to rounding.

<sup>2</sup>Other Retail Stores include Health and Personal Care Stores, Sporting Goods, Hobby Book, and Music stores, Miscellaneous Store Retailers, and Non-store Retailers.

Source: California Department of Tax and Fee Administration.

**Demographic and Economic Information**  
 San Francisco Population and Income  
 Fiscal Years Ended 2013 to 2022

Year	Population <sup>1</sup>	Personal Income (In Thousands) <sup>2</sup>	Per Capita Personal income <sup>2</sup>
2013	841,138	\$ 72,858,445	\$ 86,619
2014	852,469	77,233,279	90,600
2015	862,004	89,533,450	103,867
2016	876,103	96,161,308	109,760
2017	879,166	106,006,635	120,576
2018	880,696	115,444,581	131,083
2019	881,549	117,635,944	133,442
2020	870,014	125,499,720	144,250
2021	815,201	136,122,330	166,980 <sup>5</sup>
2022	804,534 <sup>3</sup>	137,159,159 <sup>4</sup>	170,483 <sup>5</sup>



<sup>1</sup>Data from US Census Bureau. Fiscal year 2020 and 2021 has been updated from last year's Annual Comprehensive Financial Report with newly available data.

<sup>2</sup>Data from US Bureau of Economic Analysis. Fiscal years 2019, 2020 and 2021 are updated from last year's ACFR with newly available data.

<sup>3</sup>2022 population was calculated by multiplying the estimated 2020 population by the 2020 to 2021 population growth rate.

<sup>4</sup>Personal income was estimated by assuming that its percentage of state personal income in fiscal years 2020 and 2021 remained at the 2020 level of 4.54 percent.

<sup>5</sup>Per capita personal income for 2021 was estimated by dividing the estimated personal income for 2021 by the reported population in 2021. 2022 was estimated by multiplying the latest quarterly State income by 1,000 and dividing by the estimated 2022 population.

Source: Office of the Controller, City and County of San Francisco.

**Demographic & Economic Information**  
San Francisco City and County Principal Employers

Employer	2021 <sup>1</sup>			2012 <sup>2</sup>		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
City and County of San Francisco	35,802	1	6.4 %	25,458	1	5.3 %
University of California, San Francisco	29,500	2	5.3	22,664	2	4.7
Salesforce	10,603	3	1.9	4,000	9	0.8
San Francisco Unified School District	10,322	4	1.8	8,189	5	1.7
Sutter Health	6,100	5	1.1	—	—	—
Wells Fargo Bank	5,899	6	1.1	8,300	4	1.7
Uber Technologies Inc.	5,500	7	1.0	—	—	—
Allied Universal	4,095	8	0.7	—	—	—
Kaiser Permanente	3,921	9	0.7	3,581	10	0.8
First Republic Bank	3,042	10	0.5	—	—	—
Pacific Gas & Electric Corporation	—	—	—	4,415	7	0.9
California Pacific Medical Center	—	—	—	8,559	3	1.8
Gap, Inc.	—	—	—	6,000	6	1.3
State of California	—	—	—	4,184	8	0.9
<b>Total</b>	<b>114,784</b>		<b>20.5 %</b>	<b>95,350</b>		<b>19.9 %</b>
<b>Total City Employment<sup>3</sup></b>			<b>561,308</b>			<b>477,650</b>

<sup>1</sup>The latest data as of calendar year 2020 is presented from City and County of San Francisco data provided by Office of Controller's Payroll and Personnel Services Division. The University of California, SF data is from the Data Source Corporate Personnel Data Warehouse. All other data is obtained from the San Francisco Business Times Book of Lists.

<sup>2</sup>Percentages have been restated based on updated employment information, and as a result, may differ from amounts reported in the fiscal year 2011-12 Annual Comprehensive Financial Report from the City and County of San Francisco.

<sup>3</sup>Data is from State of California Employee Development Department.

Source: Office of the Controller, City and County of San Francisco.

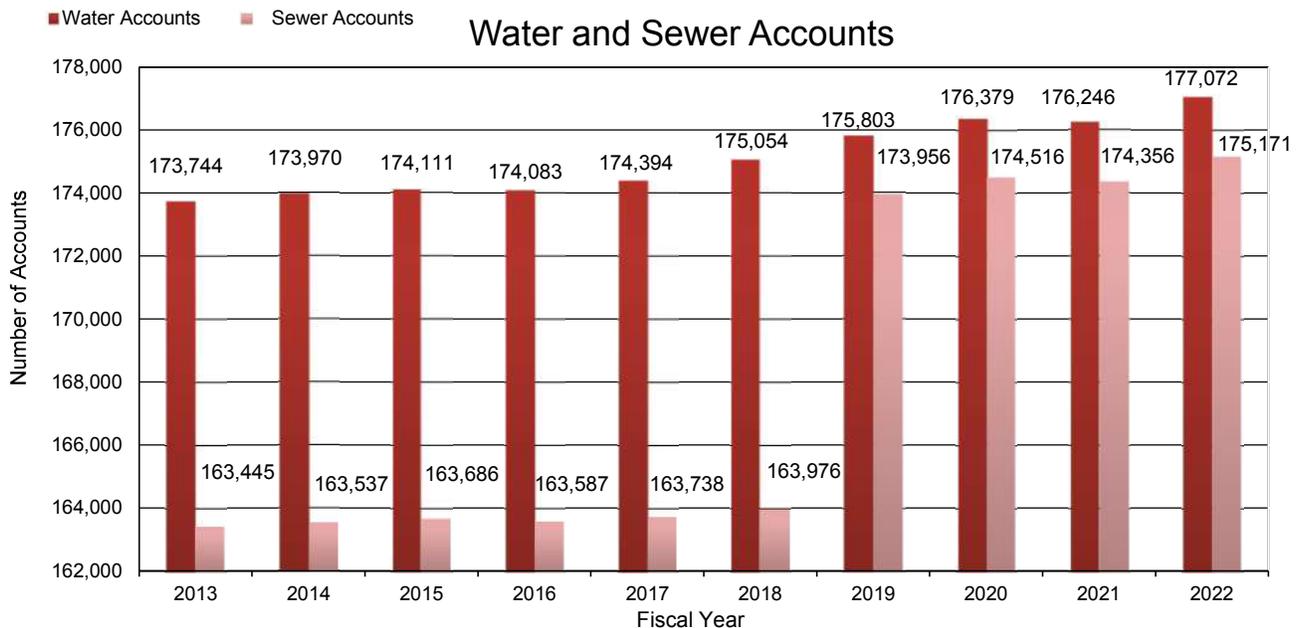
**Demographic & Economic Information**  
 Summary of Water and Sewer Accounts by Type of Customer  
 Fiscal Years Ended 2013 to 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Water Account Types</b>										
<b>Retail - San Francisco</b>										
Multi-Family Residential	41,121	41,165	41,279	41,369	41,594	42,101	42,482	42,849	43,360	43,693
Single-Family Residential	110,062	110,144	110,140	110,050	110,118	110,153	110,413	110,584	110,113	110,485
Commercial	20,270	20,354	20,384	20,320	20,344	20,429	20,512	20,509	20,306	20,399
Industrial	83	82	81	81	80	80	81	77	75	72
Municipal	1,826	1,843	1,849	1,885	1,882	1,915	1,939	1,985	2,019	2,049
<b>Subtotal</b>	<b>173,362</b>	<b>173,588</b>	<b>173,733</b>	<b>173,705</b>	<b>174,018</b>	<b>174,678</b>	<b>175,427</b>	<b>176,004</b>	<b>175,873</b>	<b>176,698</b>
<b>Retail - Other</b>										
Commercial	89	88	85	85	83	86	87	87	86	87
Municipal	1	1	1	1	1	1	1	1	1	1
Other	3	3	3	3	3	3	2	2	2	2
Residential	208	212	211	211	211	208	208	207	206	206
<b>Subtotal</b>	<b>301</b>	<b>304</b>	<b>300</b>	<b>300</b>	<b>298</b>	<b>298</b>	<b>298</b>	<b>297</b>	<b>295</b>	<b>296</b>
<b>Wholesale</b>										
Private utilities	21	21	22	22	22	22	22	22	22	22
Public utilities	60	57	56	56	56	56	56	56	56	56
<b>Subtotal</b>	<b>81</b>	<b>78</b>								
<b>Total water accounts</b>	<b>173,744</b>	<b>173,970</b>	<b>174,111</b>	<b>174,083</b>	<b>174,394</b>	<b>175,054</b>	<b>175,803</b>	<b>176,379</b>	<b>176,246</b>	<b>177,072</b>
<b>Sewer Account Types</b>										
<b>Retail &amp; Resale</b>										
Multi-Family Residential	36,301	36,248	36,313	36,293	36,323	36,326	36,387	36,467	36,528	36,595
Single-Family Residential	111,007	111,125	111,173	111,137	111,268	111,385	111,681	111,869	111,398	111,786
Commercial <sup>2</sup>	15,400	15,430	15,460	15,411	15,388	15,494	24,465	24,721	24,941	25,278
Municipal <sup>2</sup>	729	725	731	738	751	763	1,109	1,150	1,182	1,208
Suburban (Watershed Keepers)	8	9	9	8	8	8	8	7	7	7
Unmetered Properties <sup>1</sup>	No data prior to fiscal year 2019						306	302	300	297
<b>Total sewer accounts</b>	<b>163,445</b>	<b>163,537</b>	<b>163,686</b>	<b>163,587</b>	<b>163,738</b>	<b>163,976</b>	<b>173,956</b>	<b>174,516</b>	<b>174,356</b>	<b>175,171</b>

<sup>1</sup>Beginning in fiscal year 2019, Unmetered Properties accounts are included.

<sup>2</sup>Large increase in commercial sewer accounts in fiscal year 2019 is due to new requirements that all water accounts for fire-fighting purposes have a corresponding sewer account. Fiscal year 2019 sewer accounts were updated between Commercial and Municipal.

Source: San Francisco Public Utilities Commission Water Sewer System and Customer Care and Billing System as of June 30, 2021 and Rate Schedules.



## Demographic & Economic Information

### Summary of Hetchy Water, Hetchy Power and CleanPowerSF Accounts by Type of Customer Fiscal Years Ended 2013 to 2022

#### Hetchy Water Accounts

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Upcountry Water Sales	7	7	7	6	5	5	5	5	5	5

Source: San Francisco Public Utilities Commission Customer Care and Billing System.

#### Hetchy Power

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Electric Meters</b>										
City Agencies	1,449	1,470	1,480	1,494	1,491	1,511	1,499	1,512	1,489	1,522
Non-City Agencies*	766	758	783	1,090	1,536	1,996	2,209	2,526	3,858	3,551
Moccasin/City of Riverbank	40	41	40	41	39	38	37	37	36	35
Modesto/Turlock Irrigation District	2	2	2	2	2	2	2	2	2	2
<b>Total accounts</b>	<b>2,257</b>	<b>2,271</b>	<b>2,305</b>	<b>2,627</b>	<b>3,068</b>	<b>3,547</b>	<b>3,747</b>	<b>4,077</b>	<b>5,385</b>	<b>5,110</b>
<b>Gas and Steam Meters</b>										
Nature Gas (City Agencies)	346	351	352	359	351	355	352	352	352	355
Steam (City Agencies)	12	12	12	12	12	12	12	12	12	12
<b>Total accounts</b>	<b>358</b>	<b>363</b>	<b>364</b>	<b>371</b>	<b>363</b>	<b>367</b>	<b>364</b>	<b>364</b>	<b>364</b>	<b>367</b>

\* Non-City Agencies include electric retail and municipal customers such as Moscone tenants, Exploratorium, and Yerba Buena Gardens. Increases from fiscal years 2016 to 2021 are new accounts in various Redevelopment Projects and the Distributed Antenna System.

Source: San Francisco Public Utilities Commission Power Enterprise Billing System and starting fiscal year 2021, Customer To Meter Billing System.

#### CleanPowerSF

Account	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Residential				364	69,492	74,160	343,807 ^	351,219 ^	352,835	351,350
Commercial										
Small Commercial Service				6,256	6,169	6,422	27,750	27,368	27,044	25,852
Medium Commercial Service				541	504	688	2,428	2,381	2,272	2,006
Large Commercial Service				299	314	336	1,812	1,887	1,859	1,827
Agricultural				—	3	7	25	25	25	22
Street and Outdoor Lighting				—	—	—	306	299	297	298
Commercial Subtotal				7,096	6,990	7,453	32,321	31,960	31,497	30,005
<b>Total accounts</b>				<b>7,460</b>	<b>76,482</b>	<b>81,613</b>	<b>376,128</b>	<b>383,179</b>	<b>384,332</b>	<b>381,355</b>

^Increase is from completion of citywide enrollment.

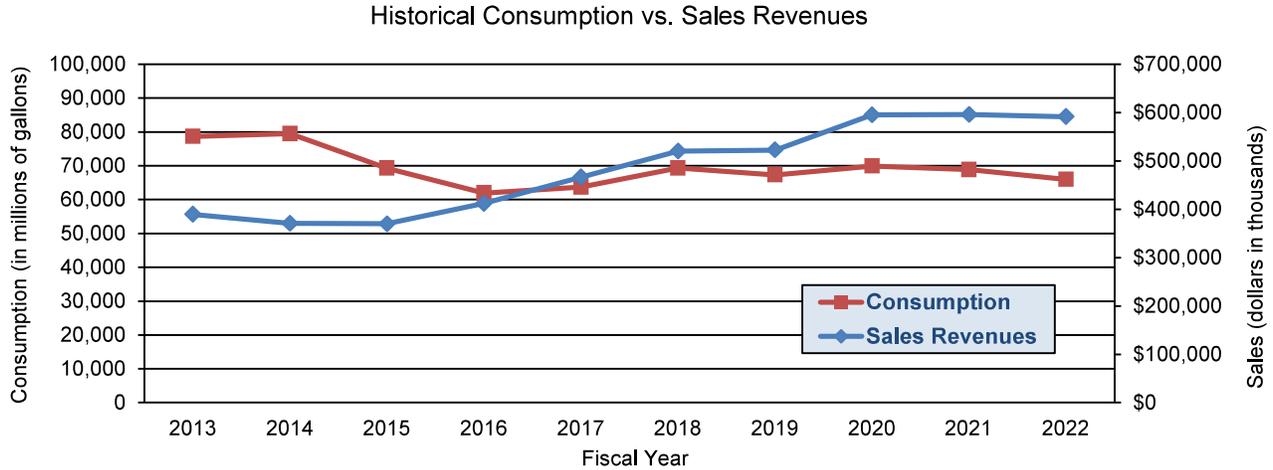
Source: Calpine's customer snapshot reports. Calpine obtains the data from PG&E.

**Demographic & Economic Information**  
 Water Accounts and Billings  
 Fiscal Years Ended 2013 to 2022  
 (Dollars in Thousands)

Fiscal Year	Number of Consumer Accounts	Water Consumed (CCF)*	Water Consumed (MG)**	Service Charges Billed (\$)	Water Charges Billed (\$)	Total Amount Billed (\$)
2013	173,744	105,166,558	78,665	29,168	360,354	389,522
2014	173,970	106,183,899	79,425	31,849	339,139	370,988
2015	174,111	92,624,944	69,284	33,561	336,182	369,743
2016	174,083	82,783,466	61,923	37,125	375,020	412,145
2017	174,394	85,169,254	63,706	40,650	425,629	466,279
2018	175,054	92,689,320	69,331	43,748	476,385	520,133
2019	175,803	89,997,393	67,319	44,104	478,448	522,552
2020	176,379	93,495,127	69,934	47,310	548,199	595,509
2021	176,246	91,994,566	68,812	50,391	545,521	595,912
2022	177,072	88,243,491	66,005	53,820	537,588	591,408

\*Hundred cubic feet = 748 gallons  
 \*\*Millions of gallons

Source: Summary of Annual Water Sales reports, San Francisco Public Utilities Commission Water Sewer System and Customer Care and Billing System.



**Demographic & Economic Information**  
**Historical Water Sales in Hundred Cubic Feet**  
**Fiscal Years Ended 2013 to 2022**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2022 % of Total
<b>Retail Customers</b>											
Multi-Family Residential	11,857,405	11,790,707	10,923,723	10,511,291	10,730,224	11,088,325	11,001,321	11,377,523	11,091,058	10,652,590	12.1%
Single-Family Residential	7,848,355	8,124,179	7,056,525	6,674,624	6,765,508	6,954,084	6,766,191	7,051,008	7,101,350	6,413,178	7.3%
Commercial <sup>1</sup>	9,369,923	9,249,884	8,881,095	8,486,990	8,286,580	8,539,377	8,145,347	7,391,713	5,152,409	5,761,374	6.5%
Industrial	91,641	96,073	100,995	94,178	92,846	86,555	84,142	73,296	43,251	47,821	0.1%
Municipal <sup>3,4,6</sup>	1,764,467	1,818,869	1,351,523	1,252,031	1,519,354	1,582,906	1,592,205	1,652,984	1,387,438	1,388,349	1.6%
Suburban Retail <sup>3</sup>	2,082,763	2,090,360	1,860,949	1,556,586	1,397,568	1,524,511	1,426,850	1,474,800	1,368,225	1,329,569	1.5%
<b>Retail water sales</b>	<b>33,014,554</b>	<b>33,170,072</b>	<b>30,174,810</b>	<b>28,575,700</b>	<b>28,792,081</b>	<b>29,775,757</b>	<b>29,016,056</b>	<b>29,021,324</b>	<b>26,143,730</b>	<b>25,592,881</b>	<b>29.0%</b>
<b>Wholesale Customers</b>											
California Water Service <sup>2</sup>	16,104,269	16,478,539	14,177,253	11,442,469	11,853,307	13,437,872	12,823,623	14,158,729	14,422,994	14,163,074	16.0%
Hayward Municipal Water	7,552,956	7,402,067	6,634,616	5,979,616	6,281,522	7,101,954	6,821,848	6,929,989	7,098,350	6,854,523	7.8%
City of Palo Alto	5,528,554	5,520,468	4,671,433	4,006,084	4,382,560	4,859,576	4,600,987	4,757,199	4,785,384	4,709,184	5.3%
Alameda County Water District	4,423,129	5,837,509	3,885,891	2,924,129	3,039,722	3,875,669	3,745,166	3,788,287	4,638,801	4,575,609	5.2%
City of Sunnyvale	4,653,481	4,169,463	3,801,695	3,816,230	3,966,024	4,615,487	4,281,432	4,602,280	4,745,166	4,336,157	4.9%
City of Redwood City	4,541,338	4,457,196	3,909,265	3,484,888	3,764,419	4,109,993	3,945,340	4,269,768	4,180,327	3,862,674	4.4%
City of Mountain View	4,436,942	4,405,542	3,715,499	3,285,167	3,374,726	3,679,915	3,551,507	3,706,595	3,857,685	3,600,525	4.1%
City of Milpitas	3,137,125	3,244,023	2,556,289	2,199,649	2,361,244	2,544,956	2,504,392	2,956,102	2,618,214	2,332,408	2.6%
City of San Jose	2,197,501	2,263,880	2,189,406	1,990,436	2,017,559	2,198,147	2,104,452	2,065,632	2,052,823	1,975,039	2.2%
Estero Municipal Improvement District	1,977,026	1,983,373	1,942,828	1,755,953	1,869,684	2,064,667	1,966,799	2,115,607	2,101,149	1,887,409	2.1%
All Other Wholesale Customers <sup>2</sup>	17,599,683	17,251,767	14,965,959	13,323,145	13,466,407	14,425,326	14,635,791	15,123,615	15,349,943	14,354,008	16.3%
<b>Wholesale water sales</b>	<b>72,152,004</b>	<b>73,013,827</b>	<b>62,450,134</b>	<b>54,207,766</b>	<b>56,377,174</b>	<b>62,913,563</b>	<b>60,981,337</b>	<b>64,473,803</b>	<b>65,850,836</b>	<b>62,650,610</b>	<b>71.0%</b>
<b>Total water sales</b>	<b>105,166,558</b>	<b>106,183,899</b>	<b>92,624,944</b>	<b>82,783,466</b>	<b>85,169,254</b>	<b>92,689,320</b>	<b>89,997,393</b>	<b>93,495,127</b>	<b>91,994,566</b>	<b>88,243,491</b>	<b>100.0%</b>
<b>% Change from prior year</b>	<b>1.6%</b>	<b>1.0%</b>	<b>-12.8%</b>	<b>-10.6%</b>	<b>2.9%</b>	<b>8.8%</b>	<b>-2.9%</b>	<b>3.9%</b>	<b>-1.6%</b>	<b>-4.1%</b>	
<b>Number of accounts</b>	<b>173,744</b>	<b>173,970</b>	<b>174,111</b>	<b>174,083</b>	<b>174,394</b>	<b>175,054</b>	<b>175,803</b>	<b>176,379</b>	<b>176,246</b>	<b>177,072</b>	
Retail	173,663	173,892	174,033	174,005	174,316	174,976	175,725	176,301	176,168	176,994	
Wholesale	81	78	78	78	78	78	78	78	78	78	

<sup>1</sup>Includes Docks and Ships under Commercial.

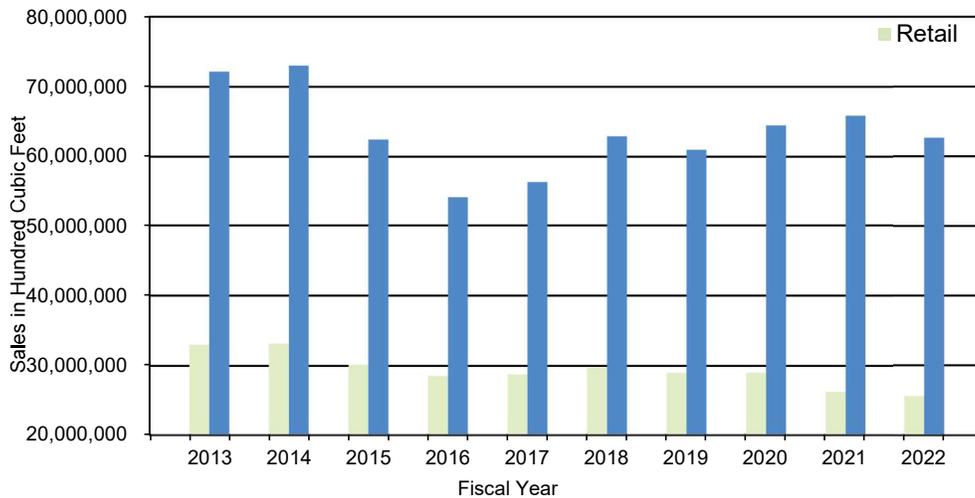
<sup>2</sup>From fiscal year 2016 onward, California Water Service Company, Daly City, and San Bruno are participating in the conjunctive use groundwater program. These customers receive a bill credit for regional water system usage in-lieu of groundwater pumping. Totals reported in this table exclude water credited under the conjunctive use program.

<sup>3</sup>Master-metered Treasure Island water sales were included under Commercial from fiscal year 2011 and 2012 and under Suburban Retail from fiscal year 2013 to fiscal year 2016. Beginning in fiscal year 2017, they have been classified under Municipal. Current Treasure Island usage represents purchases by the Treasure Island Development Authority and various commercial, residential, and governmental leasees. As new development is completed on Treasure Island, customers will open individual accounts under the appropriate commercial or residential line items, and the master-metered amount will be reduced accordingly.

<sup>4</sup>Beginning in fiscal year 2017, recycled water sales to Harding Park are included under Municipal.

Source: Rate Schedules, Summary of Annual Water Sales reports, San Francisco Public Utilities Commission Customer Care and Billing System.

### Historical Water Sales Volumes



**Demographic & Economic Information**  
 Historical Water Sales in Millions of Gallons per Day  
 Fiscal Years Ended 2013 to 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2022 % of Total
<b>Retail Customers</b>											
Multi-Family Residential	24.3	24.2	22.4	21.5	22.0	22.7	22.5	23.3	22.7	21.9	12.1%
Single-Family Residential	16.1	16.6	14.5	13.6	13.9	14.3	13.9	14.4	14.6	13.1	7.3%
Commercial <sup>1</sup>	19.2	19.0	18.2	17.3	17.0	17.5	16.7	15.1	10.6	11.8	6.5%
Industrial	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1%
Municipal <sup>3,4,6</sup>	3.6	3.7	2.8	2.6	3.1	3.2	3.3	3.4	2.8	2.8	1.5%
Suburban Retail <sup>3</sup>	4.3	4.3	3.8	3.2	2.9	3.1	2.9	3.0	2.8	2.7	1.5%
<b>Retail water sales</b>	<b>67.7</b>	<b>68.0</b>	<b>61.9</b>	<b>58.4</b>	<b>59.1</b>	<b>61.1</b>	<b>59.5</b>	<b>59.3</b>	<b>53.6</b>	<b>52.4</b>	<b>29.0%</b>
<b>Wholesale Customers</b>											
California Water Service <sup>2</sup>	33.0	33.8	29.1	23.4	24.3	27.5	26.3	29.0	29.6	29.0	16.0%
Hayward Municipal Water	15.5	15.2	13.6	12.2	12.9	14.6	14.0	14.2	14.5	14.0	7.7%
City of Palo Alto	11.3	11.3	9.6	8.2	9.0	10.0	9.4	9.7	9.8	9.6	5.3%
Alameda County Water District	9.1	12.0	8.0	6.0	6.2	7.9	7.7	7.7	9.5	9.4	5.2%
City of Sunnyvale	9.5	8.5	7.8	7.8	8.1	9.5	8.8	9.4	9.7	8.9	4.9%
City of Redwood City	9.3	9.1	8.0	7.1	7.7	8.4	8.1	8.8	8.6	7.9	4.4%
City of Mountain View	9.1	9.0	7.6	6.7	6.9	7.5	7.3	7.6	7.9	7.4	4.1%
City of Milpitas	6.4	6.6	5.2	4.5	4.8	5.2	5.1	6.1	5.4	4.8	2.6%
City of San Jose	4.5	4.6	4.5	4.1	4.1	4.5	4.3	4.2	4.2	4.1	2.2%
Estero Municipal Improvement District	4.1	4.1	4.0	3.6	3.8	4.2	4.0	4.3	4.3	3.9	2.1%
All Other Wholesale Customers <sup>2</sup>	36.1	35.4	30.7	27.3	27.6	29.6	30.0	31.0	31.5	29.5	16.3%
<b>Wholesale water sales</b>	<b>147.9</b>	<b>149.7</b>	<b>128.0</b>	<b>110.8</b>	<b>115.5</b>	<b>128.9</b>	<b>125.0</b>	<b>131.6</b>	<b>135.0</b>	<b>128.4</b>	<b>71.0%</b>
<b>Total water sales</b>	<b>215.6</b>	<b>217.7</b>	<b>189.9</b>	<b>169.2</b>	<b>174.6</b>	<b>190.0</b>	<b>184.5</b>	<b>190.9</b>	<b>188.6</b>	<b>180.8</b>	<b>100.0%</b>
<b>% Change from prior year</b>	<b>1.6%</b>	<b>1.0%</b>	<b>-12.8%</b>	<b>-10.6%</b>	<b>2.9%</b>	<b>8.8%</b>	<b>-2.9%</b>	<b>3.9%</b>	<b>-1.6%</b>	<b>-4.1%</b>	
<b>Number of accounts</b>	<b>173,744</b>	<b>173,970</b>	<b>174,111</b>	<b>174,083</b>	<b>174,394</b>	<b>175,054</b>	<b>175,803</b>	<b>176,379</b>	<b>176,246</b>	<b>177,072</b>	
Retail	173,663	173,892	174,033	174,005	174,316	174,976	175,725	176,301	176,168	176,994	
Wholesale	81	78	78	78	78	78	78	78	78	78	

<sup>1</sup>Includes Docks and Ships under Commercial.

<sup>2</sup>From fiscal year 2016 onward, California Water Service Company, Daly City, and San Bruno are participating in the conjunctive use groundwater program. These customers receive a bill credit for regional water system usage in-lieu of groundwater pumping. Totals reported in this table exclude water credited under the conjunctive use program

<sup>3</sup>Master-metered Treasure Island water sales were included under Commercial from fiscal year 2011 and 2012 and under Suburban Retail from fiscal year 2013 to fiscal year 2016. Beginning in fiscal year 2017, they have been classified under Municipal. Current Treasure Island usage represents purchases by the Treasure Island Development Authority and various commercial, residential, and governmental leasees. As new development is completed on Treasure Island, customers will open individual accounts under the appropriate commercial or residential line items, and the master-metered amount will be reduced accordingly.

<sup>4</sup>Beginning in fiscal year 2017, recycled water sales to Harding Park are included under Municipal.

Source: Rate Schedules, Summary of Annual Water Sales reports, San Francisco Public Utilities Commission Customer Care and Billing System.

**Demographic & Economic Information**  
**Historical Water Sales in Millions of Gallons**  
**Fiscal Years Ended 2013 to 2022**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2022 % of Total
<b>Retail Customers</b>											
Multi-Family Residential	8,869	8,819	8,171	7,862	8,026	8,294	8,229	8,510	8,296	7,968	12.1%
Single-Family Residential	5,871	6,077	5,278	4,993	5,061	5,202	5,061	5,274	5,312	4,797	7.3%
Commercial <sup>1</sup>	7,009	6,919	6,643	6,348	6,198	6,387	6,093	5,529	3,854	4,310	6.5%
Industrial	69	72	76	70	69	65	63	55	32	36	0.1%
Municipal <sup>3,4,6</sup>	1,320	1,361	1,011	937	1,136	1,184	1,191	1,236	1,038	1,038	1.6%
Suburban Retail <sup>3</sup>	1,558	1,564	1,392	1,164	1,045	1,140	1,067	1,103	1,023	995	1.5%
<b>Retail water sales</b>	<b>24,695</b>	<b>24,811</b>	<b>22,571</b>	<b>21,375</b>	<b>21,536</b>	<b>22,272</b>	<b>21,704</b>	<b>21,708</b>	<b>19,555</b>	<b>19,143</b>	<b>29.0%</b>
<b>Wholesale Customers</b>											
California Water Service <sup>2</sup>	12,046	12,326	10,605	8,559	8,866	10,052	9,592	10,591	10,788	10,594	16.0%
Hayward Municipal Water	5,650	5,537	4,963	4,473	4,699	5,312	5,103	5,184	5,310	5,127	7.8%
City of Palo Alto	4,135	4,129	3,494	2,997	3,278	3,635	3,442	3,558	3,579	3,522	5.3%
Alameda County Water District	3,309	4,366	2,907	2,187	2,274	2,899	2,801	2,834	3,470	3,423	5.2%
City of Sunnyvale	3,481	3,119	2,844	2,855	2,967	3,452	3,203	3,443	3,549	3,243	4.9%
City of Redwood City	3,397	3,334	2,924	2,607	2,816	3,074	2,951	3,194	3,127	2,889	4.4%
City of Mountain View	3,319	3,295	2,779	2,457	2,524	2,753	2,657	2,773	2,886	2,693	4.1%
City of Milpitas	2,347	2,427	1,912	1,645	1,766	1,904	1,873	2,211	1,958	1,745	2.6%
City of San Jose	1,644	1,693	1,638	1,489	1,509	1,644	1,574	1,545	1,536	1,477	2.2%
Estero Municipal Improvement District	1,479	1,484	1,453	1,313	1,399	1,544	1,471	1,582	1,572	1,412	2.1%
All Other Wholesale Customers <sup>2</sup>	13,165	12,904	11,195	9,966	10,073	10,790	10,948	11,312	11,482	10,737	16.3%
<b>Wholesale water sales</b>	<b>53,970</b>	<b>54,614</b>	<b>46,713</b>	<b>40,548</b>	<b>42,170</b>	<b>47,059</b>	<b>45,615</b>	<b>48,226</b>	<b>49,257</b>	<b>46,862</b>	<b>71.0%</b>
<b>Total water sales</b>	<b>78,665</b>	<b>79,425</b>	<b>69,284</b>	<b>61,923</b>	<b>63,706</b>	<b>69,331</b>	<b>67,319</b>	<b>69,934</b>	<b>68,812</b>	<b>66,005</b>	<b>100.0%</b>
<b>% Change from prior year</b>	<b>1.6%</b>	<b>1.0%</b>	<b>-12.8%</b>	<b>-10.6%</b>	<b>2.9%</b>	<b>8.8%</b>	<b>-2.9%</b>	<b>3.9%</b>	<b>-1.6%</b>	<b>-4.1%</b>	
<b>Number of accounts</b>											
Retail	173,663	173,970	174,111	174,083	176,379	175,054	175,803	176,379	176,246	177,072	
Wholesale	81	78	78	78	78	78	78	78	78	78	

<sup>1</sup>Includes Docks and Ships under Commercial.

<sup>2</sup>From fiscal year 2016 onward, California Water Service Company, Daly City, and San Bruno are participating in the conjunctive use groundwater program. These customers receive a bill credit for regional water system usage in-lieu of groundwater pumping. Totals reported in this table exclude water credited under the conjunctive use program

<sup>3</sup>Master-metered Treasure Island water sales were included under Commercial from fiscal year 2011 and 2012 and under Suburban Retail from fiscal year 2013 to fiscal year 2016. Beginning in fiscal year 2017, they have been classified under Municipal. Current Treasure Island usage represents purchases by the Treasure Island Development Authority and various commercial, residential, and governmental leasees. As new development is completed on Treasure Island, customers will open individual accounts under the appropriate commercial or residential line items, and the master-metered amount will be reduced accordingly.

<sup>4</sup>Beginning in fiscal year 2017, recycled water sales to Harding Park are included under Municipal.

Source: Rate Schedules, Summary of Annual Water Sales reports, San Francisco Public Utilities Commission Customer Care and Billing System.

**Wholesale Water Customers  
Map of Bay Area Water Supply and Conservation Agency (BAWSCA) Members**



**Agency Name:**

- |  |                                       |
|--|---------------------------------------|
| 1. Alameda County Water District                           | 13. Mid-Peninsula Water District      |
| 2. City of Brisbane  | 14. City of Millbrae                  |
| 3. City of Burlingame                                      | 15. City of Milpitas                  |
| 4a. California Water Service Company - Bear Gulch          | 16. City of Mountain View             |
| 4b. California Water Service Company - Mid-Peninsula       | 17. North Coast County Water District |
| 4c. California Water Service Company - South San Francisco | 18. City of Palo Alto                 |
| 5. Coastside County Water District                         | 19. Purissima Hills Water District    |
| 6. City of Daly City                                       | 20. City of Redwood City              |
| 7. City of East Palo Alto                                  | 21. City of San Bruno                 |
| 8. Estero Municipal Improvement District                   | 22. City of San Jose                  |
| 9. Guadalupe Valley Municipal Improvement District         | 23. City of Santa Clara               |
| 10. City of Hayward  | 24. Stanford University               |
| 11. Town of Hillsborough                                   | 25. City of Sunnyvale                 |
| 12. City of Menlo Park                                     | 26. Westborough Water District        |

\*Cordilleras Mutual Water is a SFPUC Wholesale Customer but not a member of BAWSCA.  
Source: Bay Area Water Supply and Conservation Agency (BAWSCA), San Mateo County General Plan.

**Demographic & Economic Information**  
**Water Accounts & Billings by Type of Customer**  
**Fiscal Years Ended 2013 to 2022**  
(Dollars in Thousands)

<b>Customer Type</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Multiple-Family Residential</b>										
Number of accounts	41,121	41,165	41,279	41,369	41,594	42,101	42,482	42,849	43,360	43,693
Billings	\$ 61,681	65,880	68,517	74,055	83,180	91,994	97,879	109,461	115,888	121,922
<b>Single-Family Residential</b>										
Number of accounts	110,062	110,144	110,140	110,050	110,118	110,153	110,413	110,584	110,113	110,485
Billings	\$ 46,361	51,586	50,670	54,209	60,424	66,304	69,840	78,329	85,094	84,328
<b>Commercial<sup>1</sup></b>										
Number of accounts	20,270	20,354	20,384	20,320	20,344	20,429	20,512	20,509	20,306	20,399
Billings	\$ 53,710	56,522	58,416	63,080	67,748	74,720	76,950	76,586	59,883	71,480
<b>Industrial</b>										
Number of accounts	83	82	81	81	80	80	81	77	75	72
Billings	\$ 511	568	644	677	736	738	796	765	528	612
<b>Municipal<sup>2</sup></b>										
Number of accounts	1,826	1,843	1,849	1,885	1,882	1,916	1,939	1,985	2,019	2,049
Billings	\$ 8,663	9,455	8,719	9,274	11,999	13,147	14,253	15,901	14,541	16,224
<b>Suburban Retail</b>										
Number of accounts	301	304	300	300	298	297	298	297	295	296
Billings	\$ 7,525	8,023	8,122	7,845	8,836	10,466	10,313	11,127	11,113	11,668
<b>Wholesale</b>										
Number of accounts	81	78	78	78	78	78	78	78	78	78
Billings	\$ 211,071	178,954	174,655	203,005	233,356	262,764	252,521	303,340	308,865	285,174
<b>Total</b>										
Number of accounts	173,744	173,970	174,111	174,083	174,394	175,054	175,803	176,379	176,246	177,072
Billings	\$ 389,522	370,988	369,743	412,145	466,279	520,133	522,552	595,509	595,912	591,408
<b>Percentage of Revenue</b>										
Residential	27.7%	31.7%	32.2%	31.1%	30.8%	30.4%	32.1%	31.5%	33.7%	34.9%
Non-residential <sup>3</sup>	18.1%	20.1%	20.5%	19.6%	19.2%	19.0%	19.6%	17.5%	14.4%	16.9%
Wholesale	54.2%	48.2%	47.3%	49.3%	50.0%	50.6%	48.3%	51.0%	51.9%	48.2%
<b>Total Percentage of Revenue</b>	<b>100.0%</b>									

<sup>1</sup>Includes Docks and Ships and Builders and Contractors under Commercial.

<sup>2</sup>Beginning in fiscal year 2017, Treasure Island and Harding Park recycled water revenues are included in Municipal.

<sup>3</sup>All Suburban Retail usage is included in the Non-Residential line item for purposes of calculating the percentage of revenue from each customer type. However, Suburban Retail usage includes some residential usage.

Source: San Francisco Public Utilities Commission Water Sewer System and Customer Care and Billing System.

**Demographic & Economic Information**  
**Wastewater Accounts, Billings & Discharge by Type of Customer**  
**Fiscal Years Ended 2013 to 2022**  
(Dollars in Thousands)

<b>Customer Type</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Multiple-Family Residential</b>										
Number of accounts	36,301	36,248	36,313	36,293	36,323	36,326	36,387	36,467	36,528	36,595
Hundred cubic feet	11,034,590	10,979,262	10,199,389	9,854,965	9,996,526	10,282,601	10,222,770	10,536,087	10,262,890	9,909,343
Millions of gallons per day	22.6	22.5	20.9	20.1	20.2	21.1	20.9	21.5	21.0	20.3
Billings	\$ 95,607	99,603	100,178	101,730	110,829	126,789	133,454	146,548	153,611	161,553
<b>Single-Family Residential</b>										
Number of accounts	111,007	111,125	111,173	111,137	111,268	111,385	111,681	111,869	111,398	111,786
Hundred cubic feet	6,975,869	7,220,346	6,296,323	5,993,115	6,058,304	6,228,159	6,067,155	6,324,480	6,369,781	5,753,733
Millions of gallons per day	14.3	14.8	12.9	12.2	12.3	12.8	12.4	13.0	13.1	11.8
Billings	\$ 58,683	64,377	61,048	61,177	66,661	76,534	79,971	89,688	95,297	96,687
<b>Commercial <sup>2</sup></b>										
Number of accounts	15,400	15,430	15,460	15,411	15,388	15,494	24,465	24,721	24,941	25,278
Hundred cubic feet	7,816,146	7,931,611	7,594,556	7,366,932	7,171,298	7,230,465	6,978,016	6,246,081	4,154,011	4,818,146
Millions of gallons per day	16.0	16.3	15.6	15.1	15.1	14.8	14.3	12.8	8.5	9.9
Billings	\$ 74,978	76,740	76,042	77,387	80,968	89,803	91,069	86,650 <sup>^</sup>	61,071	78,207
<b>Municipal <sup>1,2</sup></b>										
Number of accounts	729	725	731	738	751	763	1,109	1,150	1,182	1,208
Hundred cubic feet	701,162	657,708	570,386	588,044	578,015	589,621	585,833	545,917	420,610	476,957
Millions of gallons per day	1.4	1.3	1.2	1.2	1.2	1.2	1.2	1.1	0.9	1.0
Billings	\$ 6,520	6,205	5,534	5,965	7,586	7,163	9,002	8,885	7,605	8,829
<b>Suburban Retail (Watershed Keepers)</b>										
Number of accounts	8	9	9	8	8	8	8	7	7	7
Hundred cubic feet	298	303	259	200	221	321	217	216	203	62
Millions of gallons per day	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Billings	\$ 2	3	2	2	2	4	3	3	3	2
<b>Unmetered Properties*</b>										
Number of accounts	No data prior to fiscal year 2019						306	302	300	297
Hundred cubic feet							N/A	N/A	N/A	N/A
Millions of gallons per day							N/A	N/A	N/A	N/A
Billings							\$ 82	112	117	118
<b>Total</b>										
<b>Number of accounts</b>	163,445	163,537	163,686	163,587	163,738	163,976	173,956	174,516	174,356	175,171
<b>Hundred cubic feet</b>	26,528,064	26,789,230	24,660,912	23,803,256	23,804,362	24,331,167	23,853,991	23,652,781	21,207,495	20,958,241
<b>Millions of gallons per day</b>	54.4	54.9	50.5	48.6	48.8	49.9	48.8	48.4	43.5	43.0
<b>Billings</b>	\$ 235,790	246,927	242,804	246,261	266,046	300,293	313,581	331,886	317,704	345,396
<b>Percentage of Revenue</b>										
<b>Residential</b>	65.4%	66.4%	66.4%	66.2%	66.7%	67.7%	68.1%	71.2%	78.3%	74.8%
<b>Non-residential</b>	34.6%	33.6%	33.6%	33.8%	33.3%	32.3%	31.9%	28.8%	21.7%	25.2%
<b>Total Percentage of Revenue</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

<sup>1</sup>Beginning in fiscal year 2017, Treasure Island revenues are included under Municipal.

<sup>2</sup>Large increase in commercial sewer accounts in fiscal year 2019 is due to new requirements that all water accounts for fire-fighting purposes have a corresponding sewer account. Fiscal year 2019 sewer accounts were updated between Commercial and Municipal.

\*Beginning in fiscal year 2019, Unmetered Properties accounts are included.

<sup>^</sup>Billing amount has been updated.

Source: San Francisco Public Utilities Commission Customer Care and Billing System.

**Demographic & Economic Information**  
**Historical Hetchy Water Sales**  
**Fiscal Years Ended 2013 to 2022**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Sales*</b>										
Groveland Community Services District	\$ 157,635	151,969	121,840	163,525	168,757	168,377	147,448	160,626	188,208	155,032
Lawrence Livermore	2,035,808	2,037,396	1,787,240	1,836,447	211,771	630,097	132,893	36,863	2,627,028	3,214,043
State of California	7,415	7,875	8,960	9,429	11,430	13,625	13,392	13,139	11,135	12,422
Other Residential Customers	11,581	15,165	13,391	14,368	15,680	14,726	7,943	1,425	3,469	3,979
Water Assessment	35,071,901	33,309,058	36,800,000	36,600,000	34,600,000	32,600,000	33,578,000	34,585,000	44,149,000	45,815,000
<b>Total sales</b>	<b>\$ 37,284,340</b>	<b>35,521,463</b>	<b>38,731,431</b>	<b>38,623,769</b>	<b>35,007,638</b>	<b>33,426,825</b>	<b>33,879,676</b>	<b>34,797,053</b>	<b>46,978,839</b>	<b>49,200,476</b>
<b>Consumption (hundred cubic feet)**</b>										
Groveland Community Services District	210,561	200,328	156,801	161,249	154,319	166,624	143,437	158,037	188,595	151,839
Lawrence Livermore	398,026	376,662	307,606	282,531	28,389	81,029	14,267	2,543	266,323	298,585
State of California	3,466	3,026	1,174	1,230	1,302	1,459	1,346	1,235	960	996
Other Residential Customers	2,209	2,749	2,248	2,152	2,085	1,803	1,986	2,454	2,258	2,105
<b>Total consumption</b>	<b>614,261</b>	<b>582,764</b>	<b>467,829</b>	<b>447,162</b>	<b>186,095</b>	<b>250,915</b>	<b>161,036</b>	<b>164,269</b>	<b>458,136</b>	<b>453,525</b>

Note: May not total due to rounding.

**Source**

\* City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

\*\* San Francisco Public Utilities Commission Customer Care and Billing System. Fiscal year 2015 and prior was Moccasin meter readings.

**Historical Consumption vs. Sales Revenues**



**Demographic & Economic Information**  
**Historical Hetchy Power Electric Sales**  
**Fiscal Years Ended 2013 to 2022**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Sales (Megawatt hours)</b>										
General Fund Rate Subsidized <sup>~</sup>	365,234	367,904	359,519	373,114	366,880	375,327	366,867	348,157	303,588	331,968
Enterprise Rate <sup>~</sup>	484,628	493,254	487,869	495,272	484,070	471,554	477,477	452,951	404,810	422,200
Wholesale market power sales <sup>¶</sup>	131,200	2,400	—	9,520	29,050	15,900	—	84,574	110,043	—
Modesto/Turlock Irrigation Districts <sup>◊</sup>	227,544	103,489	115,026	377,981	152,321	46,651	—	—	—	—
Non-city Agencies <sup>*</sup>	116,996	117,289	101,605	99,568	95,297	112,157	146,527	133,805	128,945	132,250
Moccasin/City of Riverbank	7,808	9,206	25,472	30,451	9,114	9,650	8,235	7,220	7,672	20,939
<b>Total sales</b>	<b>1,333,410</b>	<b>1,093,642</b>	<b>1,089,491</b>	<b>1,386,906</b>	<b>1,136,732</b>	<b>1,031,239</b>	<b>999,106</b>	<b>1,026,707</b>	<b>956,058</b>	<b>907,357</b>
Purchases <sup>**</sup>	38,702	76,905	45,465	113,154	808	188,052	157,227	58,477	6,598	6,505
Generation <sup>~</sup>	1,312,446	1,032,589	988,649	1,532,068	1,726,072	1,302,461	1,212,348	1,287,848	973,802	1,221,772
<b>Total purchases/generation</b>	<b>1,351,148</b>	<b>1,109,494</b>	<b>1,034,114</b>	<b>1,645,222</b>	<b>1,726,880</b>	<b>1,490,513</b>	<b>1,369,575</b>	<b>1,346,325</b>	<b>980,400</b>	<b>1,228,277</b>
Banked/(Withdrawal) <sup>△</sup>	6,707	17,102	78,391	—	—	—	—	—	—	—
<b>Sales (Dollars in thousands) <sup>***</sup></b>										
General Fund Rate Subsidized <sup>~</sup>	\$ 13,330	15,006	18,125	22,151	23,668	26,591	28,766	28,990	28,095	34,154
Enterprise Rate <sup>~</sup>	52,955	60,766	65,022	65,897	67,627	67,598	73,224	74,895	68,696	81,707
Wholesale market power sales <sup>¶</sup>	5,143	127	—	157	755	688	—	2,780	468	—
Modesto/Turlock Irrigation Districts <sup>◊</sup>	6,538	3,431	4,488	13,634	7,700	2,612	—	—	—	—
Non-city Agencies <sup>*</sup>	14,815	16,305	14,628	15,610	16,350	19,359	23,258	22,255	22,902	24,753
Moccasin/City of Riverbank	486	607	1,100	1,095	550	577	539	625	887	2,377
<b>Total sales</b>	<b>\$ 93,267</b>	<b>96,242</b>	<b>103,363</b>	<b>118,544</b>	<b>116,650</b>	<b>117,425</b>	<b>125,787</b>	<b>129,545</b>	<b>121,048</b>	<b>142,991</b>
Purchases <sup>**</sup>	\$ 2,494	4,408	2,045	5,546	1,859	8,671	11,832	7,381	6,271	6,430
<b>Number of meters</b>										
Electric	2,257	2,271	2,305	2,627	3,068	3,547	3,747	4,077	5,385	5,110

\*Non-city Agencies include electric retail and municipal customers such as Moscone tenants, Exploratorium, and Yerba Buena Gardens.

\*\*Purchases include Western Systems Power Pool (WSPP), Spot Market with Modesto Irrigation District, Sunset Reservoir Photovoltaic generation. Decrease in fiscal year 2017 was due to no purchases with WSPP.

\*\*\*Sales in dollars do not include utility and surcharge taxes.

~Includes cogeneration and all in-city solar generation. Generation is generic for all electricity production/output. Cogeneration is specific to the combustion turbines at the Southeast treatment plant.

~~The breakdown for City Agencies is grouped per budget schedule.

@Starting fiscal year 2021, 3rd party sale for attributes is added but is not part of the Total average sale per KWh.

#No sales in fiscal years 2015 and 2019 due to no excess power for sale. WSPP includes only energy sales.

△Closure of the energy bank with PG&E in fiscal year 2015.

◊Purchase agreement ended in December 2017.

Source: San Francisco Public Utilities Commission Power Enterprise Billing System and starting fiscal year 2021, Customer To Meter Billing System.

**Demographic & Economic Information**  
**Historical CleanPowerSF Electric Sales**  
**Fiscal Years Ended 2016 to 2022**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Power Sales (Megawatt hours)*</b>										
Residential				163	148,220	233,515	433,541	1,236,988 <sup>^</sup>	1,295,948	1,217,861
Commercial										
Small Commercial Service				14,985	111,618	116,296	484,704	463,977	398,230	411,281
Medium Commercial Service				14,129	92,718	88,924	417,703	402,651	331,389	362,464
Large Commercial Service				12,999	93,968	118,327	797,052	870,886	853,230	869,320
Agricultural				—	42	1,293	6,043	6,004	7,453	8,835
Street and Outdoor Lighting				—	—	38	1,452	1,515	1,477	1,467
Commercial Subtotal				42,113	298,346	324,878	1,706,954	1,745,033	1,591,779	1,653,367
<b>Total Power Sales</b>				<b>42,276</b>	<b>446,566</b>	<b>558,393</b>	<b>2,140,495</b>	<b>2,982,021</b>	<b>2,887,727</b>	<b>2,871,228</b>
<b>Sales (Dollars in thousands)*</b>										
Residential	\$			14	10,782	15,993	30,787	102,434 <sup>^</sup>	98,172	109,135
Commercial										
Small Commercial Service				1,226	8,649	8,716	38,830	38,314	29,289	36,411
Medium Commercial Service				1,386	7,278	6,809	34,254	33,505	24,516	33,369
Large Commercial Service				1,109	6,860	8,611	62,595	67,963	58,170	74,068
Agricultural				—	3	59	329	326	366	581
Street and Outdoor Lighting				—	—	3	113	105	91	111
Commercial Subtotal				3,721	22,790	24,198	136,121	140,213	112,432	144,540
<b>Total Sales</b>	\$			<b>3,735</b>	<b>33,572</b>	<b>40,191</b>	<b>166,908</b>	<b>242,647</b>	<b>210,604</b>	<b>253,675</b>
<b>Average Sale (in Dollars per Kilowatt hour)</b>										
Residential	\$			0.08334	0.07274	0.06849	0.07101	0.08281	0.07575	0.08961
Commercial										
Small Commercial Service				0.08181	0.07749	0.07495	0.08011	0.08258	0.07355	0.08853
Medium Commercial Service				0.09812	0.07850	0.07657	0.08201	0.08321	0.07398	0.09206
Large Commercial Service				0.08530	0.07300	0.07277	0.07853	0.07804	0.06818	0.08520
Agricultural				—	—	0.04563	0.05444	0.05430	0.04911	0.06576
Street and Outdoor Lighting				—	—	—	0.07782	0.06931	0.06161	0.07566
Commercial Subtotal				0.08836	0.07639	0.07448	0.07974	0.08035	0.07063	0.08742
<b>Total Average Sales</b>	\$			<b>0.08834</b>	<b>0.07518</b>	<b>0.07198</b>	<b>0.07798</b>	<b>0.08137</b>	<b>0.07293</b>	<b>0.08835</b>

<sup>^</sup>Large increase in residential is due to completion of citywide enrollment.

\*\*Starting FY2020, the sales dollar data is based on audited financial statements.

Source: \*CleanPowerSF Management Reports.



# Statistical Section

## **Operating Information**

Budgeted Full-Time Equivalent (FTEs) Employees by Division

Operating and Capacity Indicators

Capacity Charge Revenues and Expenses

Major Water Wholesale, Retail and Sewer Customer Accounts  
by Revenue

Major Electric Retail and Wholesale Customer Accounts by Revenue

Performance Measures

**Operating Information**  
 Budgeted Full-Time Equivalent (FTEs) Employees by Division  
 Fiscal Years Ended 2013 to 2022

Enterprises and Bureaus	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Water Enterprise</b>										
City Distribution & Water Administration	260	259	260	268	276	291	304	307	300	314
Natural Resources	81	81	82	82	84	85	86	87	89	91
Water Quality	76	76	76	81	82	83	85	85	85	86
Water Resources	25	25	24	24	23	23	23	23	22	23
Water Supply & Treatment	236	236	229	229	232	232	229	229	231	239
<b>Total Water</b>	<b>678</b>	<b>677</b>	<b>671</b>	<b>684</b>	<b>697</b>	<b>714</b>	<b>727</b>	<b>731</b>	<b>727</b>	<b>753</b>
<b>Wastewater Enterprise</b>										
Administration	12	12	11	14	12	12	12	13	12	18
Source Control* & Wastewater Labs	66	66	66	66	65	66	59	60	59	58
Environmental Engineering	50	51	53	53	54	54	58	58	59	60
Maintenance	146	147	141	141	137	138	135	135	141	149
Bayside Operations	117	117	114	115	114	114	111	113	112	112
Planning & Regulation	43	43	47	47	46	47	46	46	32	33
Sewer Collection Operations	51	51	51	51	51	51	59	59	63	65
<b>Total Wastewater</b>	<b>485</b>	<b>487</b>	<b>483</b>	<b>487</b>	<b>479</b>	<b>482</b>	<b>480</b>	<b>484</b>	<b>478</b>	<b>495</b>
<b>Hetch Hetchy Water and Power Enterprise</b>										
<b>Hetchy Water</b>										
Water Project Operations	195	195	201	207	203	206	211	216	217	218
<b>Hetchy Power**</b>										
Energy Services	30	30	30	30	29	30	27	28	—	—
Long Range Planning & Light, Heat, and Power	53	53	51	51	52	52	54	54	109	111
Power Administration	23	23	23	23	20	21	21	21	—	—
<b>Subtotal Hetchy Power</b>	<b>106</b>	<b>106</b>	<b>104</b>	<b>104</b>	<b>101</b>	<b>103</b>	<b>102</b>	<b>103</b>	<b>109</b>	<b>111</b>
<b>Total Hetch Hetchy Water and Power</b>	<b>301</b>	<b>301</b>	<b>305</b>	<b>311</b>	<b>304</b>	<b>309</b>	<b>313</b>	<b>319</b>	<b>326</b>	<b>329</b>
<b>CleanPowerSF</b>										
Administration	Data not available - CleanPowerSF launched in May 2016.				9	11	13	19	26	36
<b>Total CleanPowerSF</b>					<b>9</b>	<b>11</b>	<b>13</b>	<b>19</b>	<b>26</b>	<b>36</b>
<b>Bureaus</b>										
Business Services Admin, AIC <sup>#</sup> , and Financial Services	70	70	71	71	73	73	73	73	72	74
Customer Services	106	106	106	106	103	103	104	104	103	103
Communications	22	22	22	22	22	22	21	21	21	21
General Manager and Others <sup>^</sup>	13	13	11	11	12	13	18	19	21	28
Strategic Planning, Real Estate Services, and Community Benefits	17	18	18	18	18	18	17	17	22	23
Human Resource Services	57	57	58	59	58	58	58	58	62	69
Information Technology Services	74	74	78	78	78	78	78	78	79	81
Infrastructure	369	368	384	389	385	385	380	376	377	374
<b>Total Bureaus</b>	<b>728</b>	<b>728</b>	<b>748</b>	<b>754</b>	<b>749</b>	<b>750</b>	<b>749</b>	<b>746</b>	<b>757</b>	<b>773</b>
<b>Total SFPUC annually budgeted positions</b>	<b>2,192</b>	<b>2,193</b>	<b>2,207</b>	<b>2,236</b>	<b>2,238</b>	<b>2,266</b>	<b>2,282</b>	<b>2,299</b>	<b>2,314</b>	<b>2,386</b>
<b>Annual Salary Ordinance Positions (AAO) ~</b>	<b>2,404</b>	<b>2,404</b>	<b>2,430</b>	<b>2,456</b>	<b>2,473</b>	<b>2,493</b>	<b>2,542</b>	<b>2,557</b>	<b>2,599</b>	<b>2,657</b>

\*Fiscal year 2014 and prior is known as BERM, acronym for Bureau of Environmental Regulation Management.

\*\*Beginning fiscal year 2021, Hetchy Power positions are reported under Long Range Planning and Light, Heat, and Power.

<sup>#</sup>AIC is acronym for Assurance and Internal Controls. Effective Feb 2019, AIC was realigned to two teams: 1. Audit and Compliance and 2. Strategy, Innovation and Change.

<sup>^</sup>FTEs were added for Security in fiscal year 2011 and Enterprise Workforce Planning in fiscal year 2017.

~AAO includes temporary positions and attrition.

Source: Annual Salary Ordinance.

**Operating Information**  
Water Operating & Capacity Indicators  
Fiscal Years Ended 2013 to 2022

<b>Water</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Water mains (miles) <sup>^^</sup>	1,240	1,240	1,240	1,718 <sup>^</sup>	1,717 <sup>^</sup>	1,718	1,719	1,719	1,719	1,719
Water main breaks repaired	113	116	97	136	102	133	168	142	161	191
New service installations	350	1,144	837	710	1,162	733	628	610	543	428
Meter installed and replaced	994	1,030	1,360	1,395	2,209	1,888	1,699	1,817	1,835	718
Responses to fire alarms	37	28	22	20	20	24	13	12	16	14
<b>Production and Consumption (millions of gallons)<sup>#</sup></b>										
Water production	79,935	80,582	69,553	64,454	68,995	73,330	71,272	75,034	73,767	68,271
Average daily production	219	221	191	176	189	201	195	205	202	187
Maximum daily production	302	300	255	242	283	272	275	277	274	237
Water consumption	78,665	79,425	69,284	61,932	63,706	69,331	67,319	69,934	68,812	66,005
Average daily consumption	215.6	217.7	189.9	169.2	174.6	190.0	184.5	190.9	188.6	180.8
<b>Watershed area (acres)</b>										
Alameda	37,314	37,314	37,314	37,314	37,314	37,314	37,314	38,306	38,306	38,944
Peninsula	22,854	22,854	22,854	22,854	22,854	22,854	22,854	22,854	22,854	22,854
<b>Total</b>	<b>60,168</b>	<b>60,168</b>	<b>60,168</b>	<b>60,168</b>	<b>60,168</b>	<b>60,168</b>	<b>60,168</b>	<b>61,160</b>	<b>61,160</b>	<b>61,798</b>
<b>Reservoir storage (millions of gallons)<sup>**</sup></b>										
Calaveras <sup>@</sup>	6,337	5,488	6,491	8,774	11,986	8,220	13,026	20,390	19,170	19,533
Crystal Springs	17,191	16,707	17,380	17,103	17,385	16,192	17,015	16,940	16,711	16,251
Pilarcitos	864	815	767	783	872	773	838	849	622	776
San Andreas	5,622	5,603	5,626	5,786	5,935	5,587	5,483	5,381	5,123	5,113
San Antonio	13,456	13,579	14,433	14,927	14,576	13,263	14,835	14,434	14,917	14,587
<b>Total</b>	<b>43,470</b>	<b>42,192</b>	<b>44,697</b>	<b>47,373</b>	<b>50,754</b>	<b>44,035</b>	<b>51,197</b>	<b>57,994</b>	<b>56,543</b>	<b>56,260</b>
<b>Treatment plant average capacity (millions of gallons)</b>										
Harry Tracy	26.0	21.2	29.3	35.9	45.3	33.2	38.0	34.7	31.7	29.9
Sunol Valley <sup>***</sup>	22.3	10.0	16.9	27.0	39.6	16.5	26.1	11.1	6.9	22.6
<b>Total</b>	<b>48.3</b>	<b>31.2</b>	<b>46.2</b>	<b>62.9</b>	<b>84.9</b>	<b>49.7</b>	<b>64.1</b>	<b>45.8</b>	<b>38.6</b>	<b>52.5</b>

\*The increase in fiscal year 2012 included approximately 3.5 miles of pipe that was installed as part of the Mission Bay development project.

\*\*In addition to these regional reservoirs, San Francisco Public Utilities Commission has In-city system storage capacity of 413 million gallons (value revised based on current reservoir storage operation limits).

\*\*\*The decrease in fiscal years 2014, 2018, 2020 and 2021 was due to a reduction in treating local reservoir water (Calaveras and San Antonio) in favor of increasing use of Hetchy Water which was not filtered at the plant. Increasing Hetchy Water use reduced treatment costs and conserved local supplies.

<sup>^</sup>The increase in fiscal year 2016 included the suburban mains of 245.9 miles, upcountry mains of 229.5 miles and an increase of approximately 2.8 miles of pipe that was installed as part of the Mission Bay, Candlestick Point and Hunter's View project. The decrease in fiscal year 2017 is mainly related to Pilarcitos Aqueduct.

<sup>^^</sup>Starting fiscal year 2016, water mains (miles) include suburban.

<sup>@</sup>The Increase of water in the reservoir storage started in fiscal year 2019 due to the completion of the new Calaveras dam.

<sup>#</sup>Consumption data updated from fiscal years 2012 to 2014 and 2020.

Source: Water Monthly Operating Report, Hetch Hetchy Capital Outlays Summary, Treatment Plant Influent Flow and Sewer Service Charge Calculation Reports.

**Operating Information**  
**Wastewater, Hetchy Water and Hetchy Power Operating & Capacity Indicators**  
**Fiscal Years Ended 2013 to 2022**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Wastewater</b>										
Collection System pipes (miles) <sup>@</sup>	Data not available FY2019 and prior							1,123	1,125	1,131
Sanitary sewers (miles) <sup>@</sup>	993	993	993	993	993	993	993	N/A	N/A	N/A
Transport/storage sewers (miles) <sup>@</sup>	24	17	17	17	17	17	17	N/A	N/A	N/A
Sewer breaks repaired	927	861	1,663	1,520	1,481	912	819	810	531	920
Inspection performed (miles)	135	90	156	80	93	135	215	191	61	56
Sewer replaced (miles)	20.6	12.8	14.9	19.5	13.6	11.0	11.4	15.2	8.9	3.8
Responses to customer calls	7,124	8,697	16,190	10,863	8,260	8,410	7,885	8,510	6,779	6,929
<b>Treatment plant/ facilities average daily flow (millions of gallons per day)</b>										
Oceanside plant	16.5	15.4	15.6	16.0	18.4	15.3	16.5	14.5	13.9	13.9
North Point plant	4.8	3.1	4.7	7.1	11.8	2.7	4.2	1.1	0.9	2.4
Southeast plant	67.0	66.4	64.4	65.4	74.7	61.9	70.2	56.1	48.7	52.2
Yerba Buena & Treasure Island	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.3	0.3	0.3
<b>Total</b>	<b>88.6</b>	<b>85.2</b>	<b>85.0</b>	<b>88.8</b>	<b>105.2</b>	<b>80.2</b>	<b>91.3</b>	<b>72.1</b>	<b>63.8</b>	<b>68.8</b>
<b>Hetchy Water</b>										
<b>Watershed area (square miles)</b>										
Hetch Hetchy	459	459	459	459	459	459	459	459	459	459
Lake Eleanor	79	79	79	79	79	79	79	79	79	79
Lake Lloyd (Cherry)	114	114	114	114	114	114	114	114	114	114
<b>Total</b>	<b>652</b>	<b>652</b>	<b>652</b>	<b>652</b>	<b>652</b>	<b>652</b>	<b>652</b>	<b>652</b>	<b>652</b>	<b>652</b>
<b>Reservoir storage (millions of gallons)<sup>*</sup></b>										
Hetch Hetchy	117,359	114,354	110,745	117,424	111,755	117,231	113,020	116,653	101,808	115,948
Lake Eleanor	7,671	7,731	7,731	8,677	7,610	8,186	8,677	8,398	8,429	8,614
Lake Lloyd (Cherry)	85,358	72,627	64,025	88,478	77,951 <sup>△</sup>	83,067	87,829	86,332	82,150	85,989
<b>Total</b>	<b>210,388</b>	<b>194,712</b>	<b>182,501</b>	<b>214,579</b>	<b>197,316</b>	<b>208,484</b>	<b>209,526</b>	<b>211,383</b>	<b>192,387</b>	<b>210,551</b>
<b>Hetchy Power</b>										
<b>Hydroelectric generation (megawatt hours)</b>										
Holm	533,719	382,689	436,499	654,952	919,492	431,659	508,060	538,201	339,180	535,177
Kirkwood	440,950	318,379	283,922	528,724	482,996	510,888	401,779	422,278	328,410	390,066
Moccasin	327,054	320,577	255,778	338,005	319,691	356,004	295,766	325,194	304,325	294,705
Moccasin Low-Head #	2,775	22	—	1,359	—	—	—	—	—	—
<b>Total</b>	<b>1,304,498</b>	<b>1,021,667**</b>	<b>976,199**</b>	<b>1,523,040<sup>^</sup></b>	<b>1,722,179<sup>^</sup></b>	<b>1,298,551**</b>	<b>1,205,605</b>	<b>1,285,673</b>	<b>971,915</b>	<b>1,219,948</b>

@Starting FY2020, sanitary sewers and Transport/storage sewers is Included in the Collection System pipes category, which includes combined storm and sanitary collection system pipes, sewer mains, transport/storage boxes, other storage structures, and tunnels.

\*In addition to these regional reservoirs, San Francisco Public Utilities Commission has In-City System Storage Capacity of 413 million gallons (value revised based on current reservoir storage operation limits).

△The decrease in fiscal year 2017 was mainly due to repair work at Lake Lloyd.

\*\*The decrease in fiscal years 2014, 2015 and 2018 was mainly due to the dry year condition which resulted in less water available for hydroelectric generation.

#Moccasin Low-Head was out of service in fiscal years 2015, 2017- 2022.

^The increase in fiscal years 2016 and 2017 was due to higher precipitation and lower water bank.

Source: Wastewater Monthly Operating Report, Hetch Hetchy Capital Outlays Summary, Treatment Plant Influent Flow, and Sewer Service Charge Calculation Reports.

**Operating Information**  
Water and Wastewater Capacity Charge Revenues & Expenses  
Fiscal Year Ended 2021 to 2022  
(Dollars in Thousands)

	<b>2021</b> <sup>*</sup>	<b>2022</b>	<b>Percent of Total Project Annual Spending</b>	<b>2023 Expense Budget</b>
<b>Water</b>				
<b>Beginning Balance</b>	\$ 6,584	7,236		
<b>Revenues</b>	<b>1,315</b>	<b>2,045</b>		
Capacity Charges	1,326	2,163		
Interest Earnings <sup>^</sup>	(11)	(118)		
<b>Expenses</b>	<b>663</b>	<b>262</b>		
Local Water Conveyance/Distribution	274	—	0.0%	—
Pipeline Replacement	389	262	0.5%	3,134
SF Controller Oversight	—	—	0.0%	4
<b>Ending Balance</b>	\$ 7,236	9,019		
<b>Wastewater</b>				
<b>Beginning Balance</b>	\$ 13,713	15,785		
<b>Revenues</b>	<b>3,703</b>	<b>5,856</b>		
Capacity Charges	3,710	6,280		
Interest Earnings <sup>^</sup>	(7)	(424)		
<b>Expenses</b>	<b>1,631</b>	<b>529</b>		
Collection System Renewal & Replacement	1,631	529	1.9%	12,010
Treatment Facilities Renewal & Replacement	—	—	0.0%	21
SF Controller Oversight	—	—	0.0%	12
<b>Ending Balance</b>	\$ 15,785	21,112		

Data provided meets Government Code, Section 66013, <https://leginfo.legislature.ca.gov>.

\*Fiscal year 2021 is first year of presentation.

<sup>^</sup>Negative interest earnings due to unrealized loss reported per GASB 31.

Source: San Francisco Public Utilities Commission Water Sewer System.

**Operating Information**  
Major Water and Sewer Customer Accounts by Revenue  
Fiscal Years Ended 2013 to 2022  
(Dollars in Thousands)

Customer Type	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Water Wholesale Customers</b>										
California Water Service Company	\$ 47,655	47,436	46,911	48,792	57,541	63,489	60,859	66,944	67,781	64,447
Hayward Municipal Water System	21,475	21,193	21,475	21,475	28,613	32,316	31,103	31,518	32,130	30,880
City of Palo Alto	16,389	15,855	15,743	16,946	19,975	21,985	21,134	21,773	21,705	21,323
Alameda County Water District	13,274	16,141	13,213	13,847	14,366	16,947	16,849	17,609	21,089	20,509
City of Sunnyvale	13,767	12,201	12,885	15,600	17,810	21,265	19,800	21,029	21,460	19,768
City of Redwood City	13,488	12,847	13,151	14,661	17,169	18,781	18,190	19,408	18,948	17,758
City of Mountain View	13,059	12,691	12,407	13,750	15,340	16,791	16,248	16,790	17,415	16,358
City of Milpitas	9,267	9,311	8,612	9,389	10,722	11,509	11,494	13,284	11,897	10,997
ESD/San Jose Municipal Water System	6,494	6,512	7,185	8,222	9,307	10,182	9,652	9,576	9,410	8,940
Estero Municipal Improvement District	N/A	5,709	6,384	7,216	9,307	9,475	9,015	9,576	9,470	8,630
<b>Water Retail Customers</b>										
San Francisco International Airport	2,938	3,046	3,095	3,220	3,907	4,452	4,880	4,748	3,685	4,420
Lawrence Livermore National Laboratory	N/A	N/A	N/A	1,836	211	631	133	N/A	2,636	3,214
Recreation & Parks Department	N/A	N/A	878	578	1,393	1,397	1,353	2,679	2,481	2,927
Parkmerced Investors Properties, LLC	1,082	1,311	1,393	1,449	1,678	1,840	2,088	2,372	1,878	2,615 *
University of California, San Francisco	1,318	1,364	1,100	1,435	1,534	1,689	1,694	2,185	2,304	2,529
NASA Shared Services Center (NSSC)	1,548	1,551	1,484	1,347	1,741	2,514	2,243	2,481	2,924	2,399
Golden Gate National Cemetery	N/A	N/A	649	839	836	946	900	1,320	1,557	1,663
Public Health Department	624	628	672	808	1,040	1,168	1,157	1,318	1,223	1,261
The Presidio	N/A	376	505	272	367	756	566	1,273	1,840	991
Menlo Country Club	N/A	N/A	639	785	785	833	786	951	1,012	859
<b>Sewer Retail Customers</b>										
Parkmerced Investors Properties, LLC	1,921	2,281	2,326	2,248	2,493	2,790	3,098	3,477	2,779	3,878 *
University of California, San Francisco	2,120	2,078	1,882	2,266	2,068	2,360	2,414	2,852	3,068	3,378
Public Health Department	941	897	647	1,041	1,334	1,547	1,461	1,635	1,513	1,091
1169 Market	701	671	607	579	640	743	694	614	651	894
Recreation & Parks Department	N/A	566	308	332	391	431	418	482	574	893
San Francisco State University	N/A	601	601	618	648	860	810	803	496	804
Bayside Village	N/A	315	325	477	461	525	569	641	701	795
NRG Energy Center San Francisco	819	779	782	874	926	970	1,043	889	653	632
The Stonestown Properties	N/A	N/A	N/A	N/A	N/A	595	722	761	831	617
1231 Market Street Owner LP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	298	523	593

N/A - No sales in the fiscal year or data not available

Highlighted data were not part of major customers for the fiscal year.

\* Parkmerced Investor Properties, LLC included a prior year billing adjustment.

Source: San Francisco Public Utilities Commission Water Sewer System, and Customer Care and Billing System.

**Operating Information**  
Major Electric Retail and Wholesale Customer Accounts by Revenue  
Fiscal Years Ended 2013 to 2022  
(Dollars in Thousands)

Customer Type	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Retail Customers</b>										
San Francisco International Airport	\$ 33,244	39,199	41,614	42,687	43,070	43,434	44,574	46,248	41,626	51,110
SFPUC - Wastewater Enterprise	8,180	8,861	9,748	9,847	10,397	9,979	10,687	10,531	10,522	10,898
SFPUC - Water Enterprise	8,009	8,582	8,640	7,954	8,950	8,592	9,369	9,831	10,130	10,796
Municipal Transportation Agency	4,805	5,403	6,466	7,631	8,193	8,594	8,249	7,758	6,353	9,607
Administrative Services Agency	2,508	3,025	4,386	5,419	5,442	5,743	9,739	9,919	8,707	9,356
Department of Public Health	983	1,319	1,878	2,842	3,125	3,470	4,837	5,228	5,723	6,358
Port of San Francisco	1,369	1,563	1,971	1,941	1,983	2,294	2,236	2,061	1,639	3,156
San Francisco Unified School District	1,444	1,588	1,864	2,214	2,285	2,394	2,252	2,193	1,929	3,068
San Francisco Public Library**	N/A	703	773	860	887	1,340	1,679	1,682	1,601	1,909
City-owned Parking Garages	1,689	1,780	1,876	1,910	1,924	1,960	1,857	1,524	1,368	1,618
<b>Wholesale Customers</b>										
CleanPowerSF	Data not available - CleanPowerSF launched in May 2016.			367	1,893	3,501	3,026	339	2,456	1,589
Western Systems Power Pool #	5,143	127 *	N/A	50	237	668	N/A	2,780	1	—
Modesto Irrigation District	2,283	1,879 *	2,666	6,345	8,003	2,422	N/A	N/A	N/A	N/A
Turlock Irrigation District	5,100	3,263 *	3,331	8,615	387	N/A	N/A	N/A	N/A	N/A

\* Reflects reduced power generation and power available for sale.

\*\* Updated to reflect latest data.

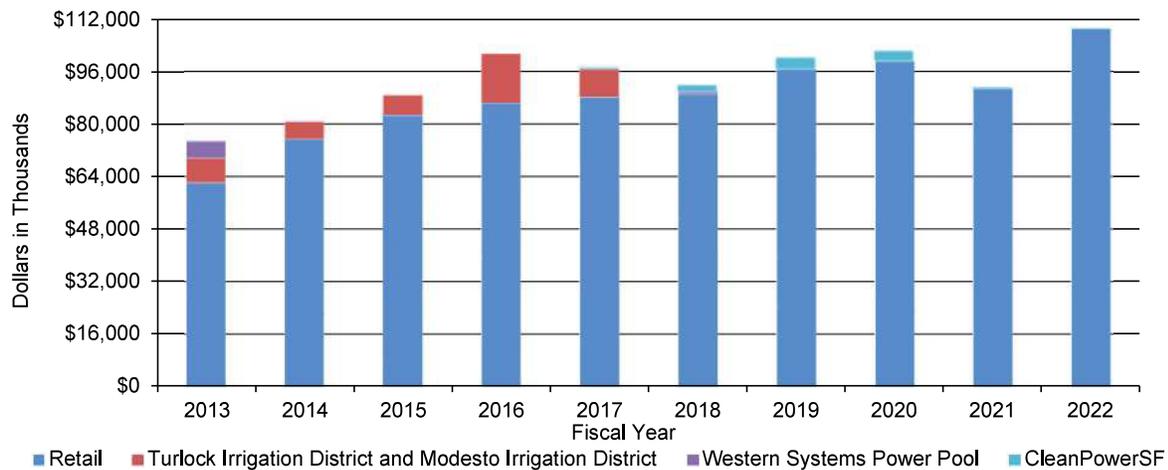
# Excludes sales to CleanPowerSF and CAISO.

N/A - No sales in the fiscal year or data not available.

Highlighted data were not part of major customers.

Source: San Francisco Public Utilities Commission Power Enterprise Billing System and starting fiscal year 2021, Customer To Meter Billing System.

## Electric Retail and Wholesale Revenue



**Operating Information**  
Performance Measures  
Fiscal Year 2022

	Target	Projection	Actual
<b>1. Reliable Service and Assets</b>			
Number of dry weather main sewer overflows per 100 miles of main sewer	<2.6	1	1.2
Percent of in-city service connections without water for more than 4 hours due to an unplanned outage	0.10%	0.05%	0.00%
Percent of streetlight outages complying with 48-hour SFPUC response goal; complex streetlights evaluated	100.0%	100.0%	100.0%
System renewal and replacement rates for in-City water distribution mains	11.5 miles	7.5 miles	4.2 miles
System renewal and replacement rates for Wastewater pipelines	15miles/year 1.6%	13.5 miles	13 miles
<b>2. Organizational Excellence</b>			
Number of employees over the maximum permissible overtime threshold (25% of straight time)	0.0	2.0	16.0
<b>3. Effective Workforce</b>			
Number of promotions	168	175	229
Time to hire (days)	233	269	289
<b>4. Financial Sustainability</b>			
Average residential Power bill as a percent of median income in San Francisco	0.69%	0.76%	0.72%
Average residential Wastewater bill as a percent of median income in San Francisco	0.85%	0.84%	0.84%
Average residential Water bill as a percent of median income in San Francisco	0.70%	0.69%	0.69%
Operating cost coverage (total operational revenues/total operating costs) for Power	0.97	1.03	1.20
Operating cost coverage (total operational revenues/total operating costs) for Wastewater	1.91	1.79	1.87
Operating cost coverage (total operational revenues/total operating costs) for Water	1.91	1.84	1.91
Power debt service coverage - Indentured Coverage	1.35x	N/A	38.45
Wastewater debt service coverage - Indentured Coverage	1.35x	N/A	3.59
Water debt service coverage - Indentured Coverage	1.35x	N/A	1.47
<b>5. Stakeholder and Community Interest</b>			
Number of adults and children who have participated in transformative engagement through SFPUC sponsored education programs	4,600	3,000	2,533
Percent of eligible customers enrolled in California Alternate Rates for Energy (CARE) for CleanPowerSF Customers	80.0%	85.0%	81.0%
Percent of Eligible electric customers receiving low-income discount rate	90.0%	85.0%	46.0%
Percent of eligible households enrolled in Community Assistance Program (CAP)	4.84%	8.98%	9.93%
Percent of retail customers rating the SFPUC as "good" or better on a customer survey	90.0%	89.0%	89.0%
<b>6. Environmental Stewardship</b>			
Average water used by San Francisco residential customers (Gallons Per Capita Per Day - gpcd)	50.0	40.7	43.1
Gallons of stormwater removed annually from the combined sewer system by green infrastructure	107 million gallons	242 million gallons	240 million gallons
Percent of biogas going to beneficial uses - Oceanside Plant	75.0%	0.0%	0.0%
Percent of biogas going to beneficial uses - Southeast Plant	55.0%	47.0%	44.0%
Percent of CleanPowerSF customer account retention rate	90.0%	95.5%	96.0%
Percent of water supplied by alternative sources to system as a whole	3.40%	3.90%	3.60%

Source: Agency Strategic Plan

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## Project Team Acknowledgements

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Assistant General Manager, Business Services

Incumbent  
Deputy Chief Financial Officer

### **Charles Perl**

Deputy Chief Financial Officer

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Ben Rosenfield, Controller  
Todd L. Rydstrom, Deputy Controller



San Francisco Public Utilities Commission  
An Enterprise Department of the City and  
County of San Francisco, California

## Our mission

To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.

Cover photos: Southeast Wastewater Treatment Plant: Biosolids Digester Facilities Project

Back photo: San Francisco Aquatic Park, Southeast Wastewater Treatment Plant: Flowers at the plant

Photos by: Robin Scheswohl and Sabrina Wong

Communications Division

Date of Publication: February 2023

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