

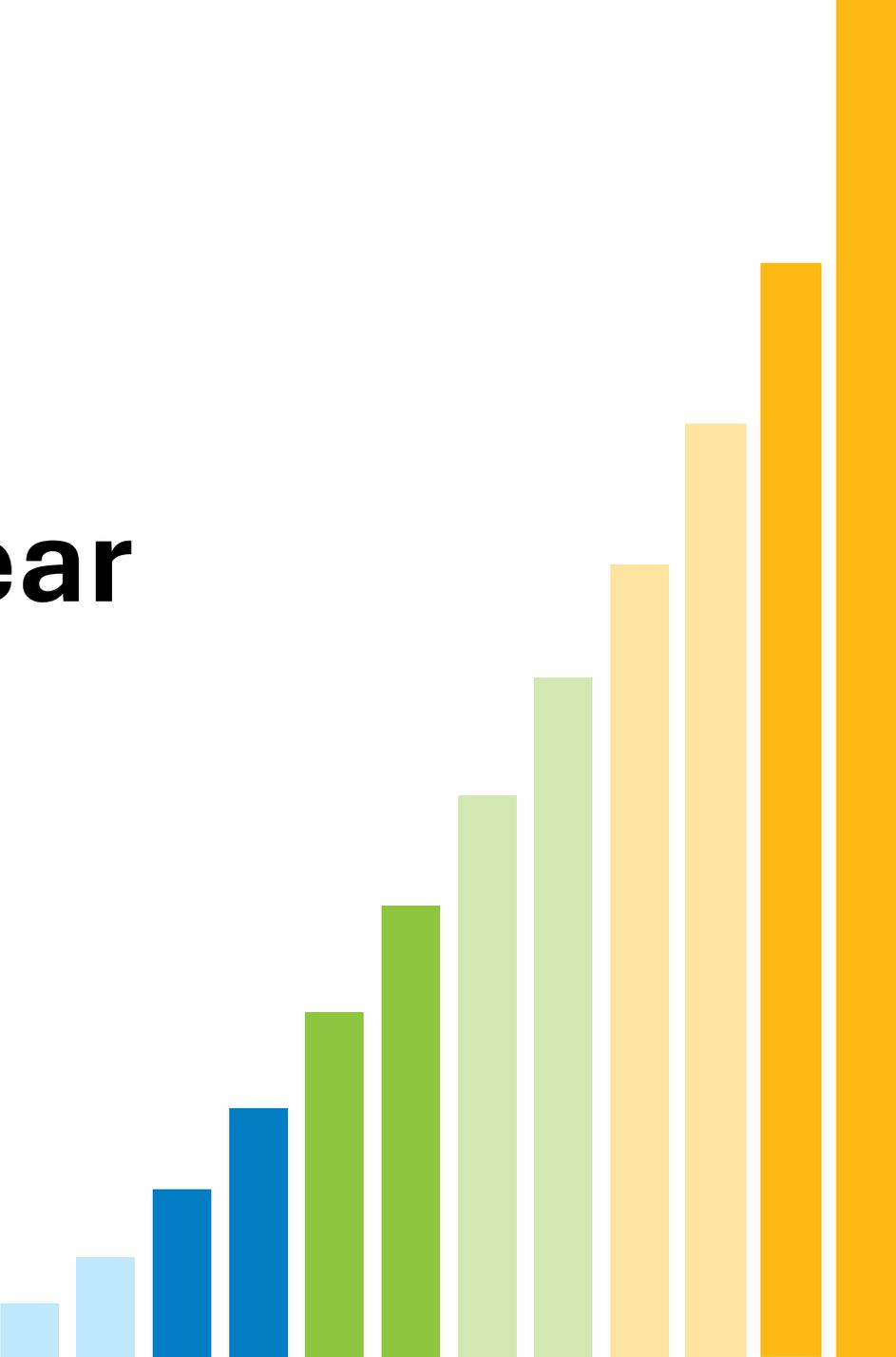
Adoption of:

- 8) SFPUC Biennial Operating Budget, FY 2026-27 & FY 2027-28
- 9) Capital Budget, FY 2026-27 & FY 2027-28
- 10) 10-Year Capital Plan, FY 2026-27 to FY 2035-36
- 11) 10-Year Financial Plan, FY 2026-27 to FY 2035-36

February 10, 2026

Item 11: Adoption of 10-Year Financial Plan

FY 2026-27 to FY 2035-36



10-Year Financial Plan Background

- Updated annually on a rolling basis, as required by the San Francisco Charter
- Plans are complex Excel-based financial models
 - Forecast revenues, expenses, and rates
 - Confirm compliance with all financial policies
 - Inputs from Capital Finance, Budget, Power Risk Management, and Water Resources Planning
- Accompanying written report details assumptions and key takeaways
- Proposed plans balance competing pressures for affordability, long-term financial sustainability, regulatory compliance, and infrastructure investment

Key Policies That Guide Financial Planning

Fund Balance Reserve Policy

- Sets minimum reserves as a percent of operating expenses
- Provides cushion of reserves for emergencies

Debt Service Coverage Policy

- Ensures sufficient revenues to pay debt service
- Meets bond indenture requirements

Affordability Policy

- Sets target bill as a percent of typical and low-income household income
- If not meeting, requires justification and plan to address
- Water/wastewater only

- Financial policies set guidelines for rate-setting and budgeting decisions
- Approved by Commission and reviewed periodically
- Support SFPUC's bond credit ratings

Expense Assumptions

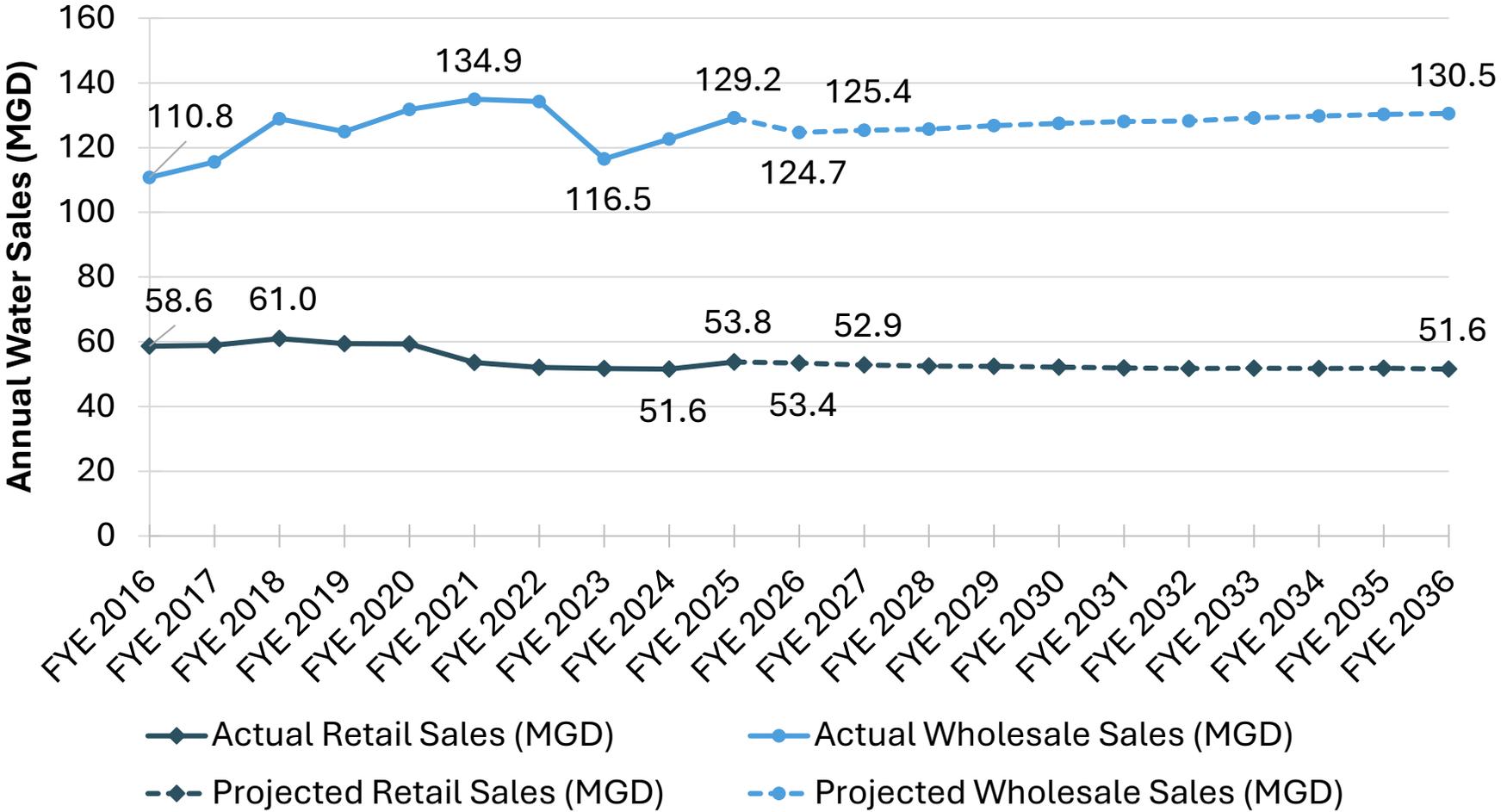
Operating Expenses

- Base of FY 2026-27 and FY 2027-28 proposed budgets
- Assume savings based on historic percent of budget spent
- Inflationary growth afterward
 - 6% on fringe benefits
 - 3% on other costs
- Power supply costs modelled based on customer demands, market prices

Capital Financing

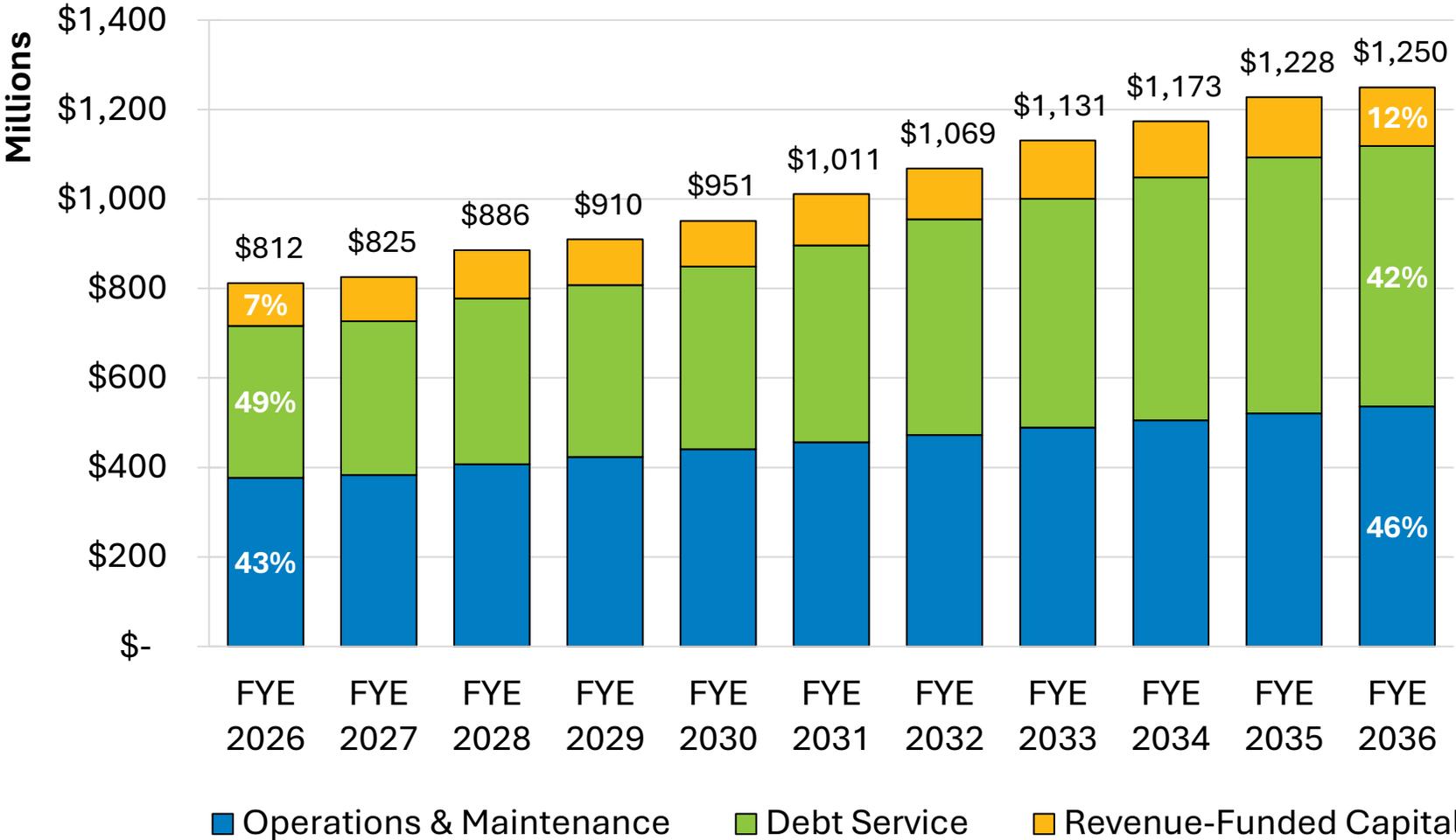
- Interim financing with commercial paper
- Revenue bonds refund commercial paper
 - 3.75-6% interest rate
 - 30-year amortization
 - Level debt service
- Federal and state low-cost loans (WIFIA and SRF) incorporated only if executed

Water & Wastewater Sales Forecasted Flat



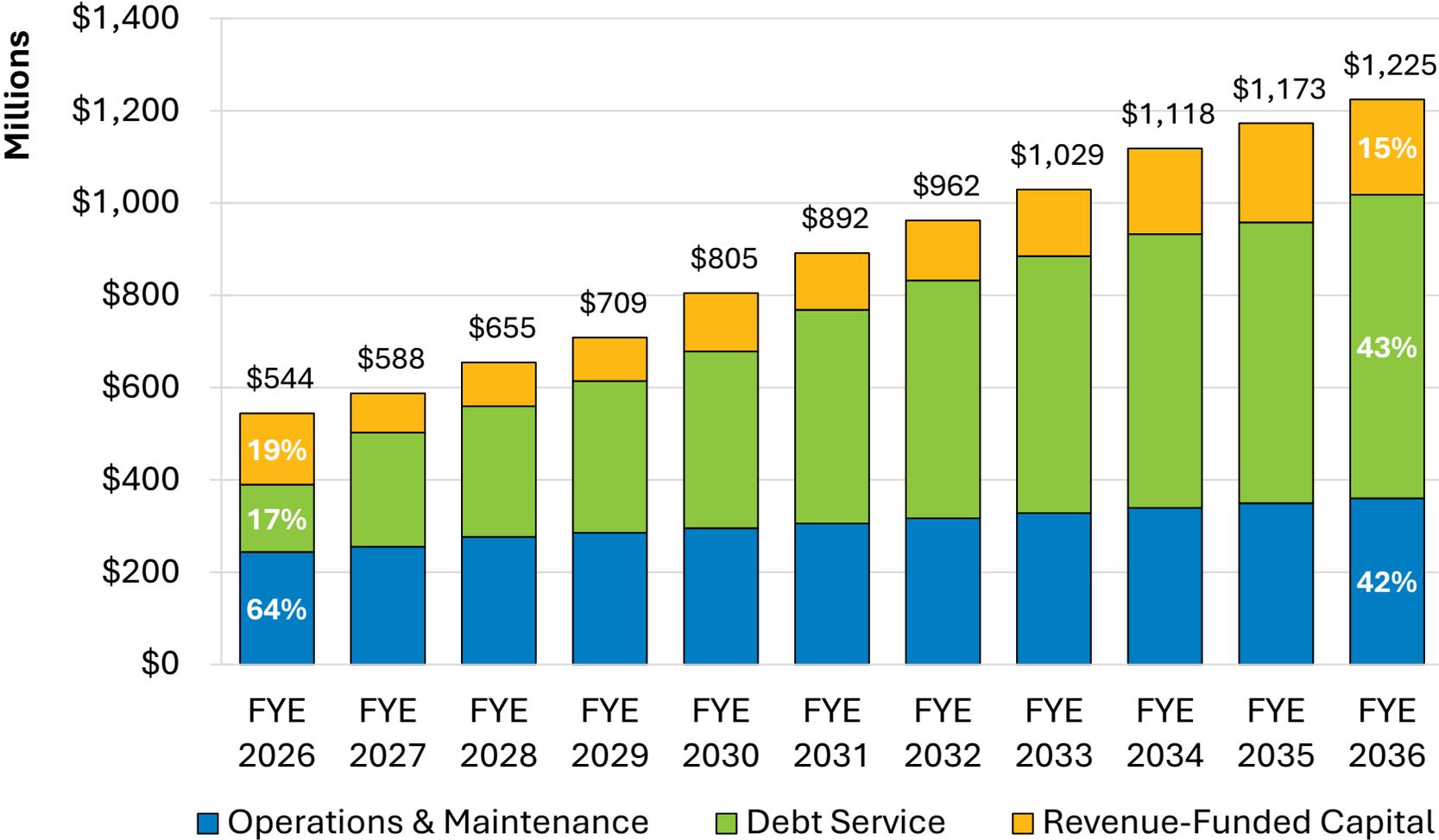
- More conservative forecast this year vs. last year’s plan – especially for wholesale
- Long-term trends from planning documents, with adjustment down
 - Price elasticity
 - Conservation
 - Job & population growth
- Wastewater volumes are based on retail water

Water Expense Summary



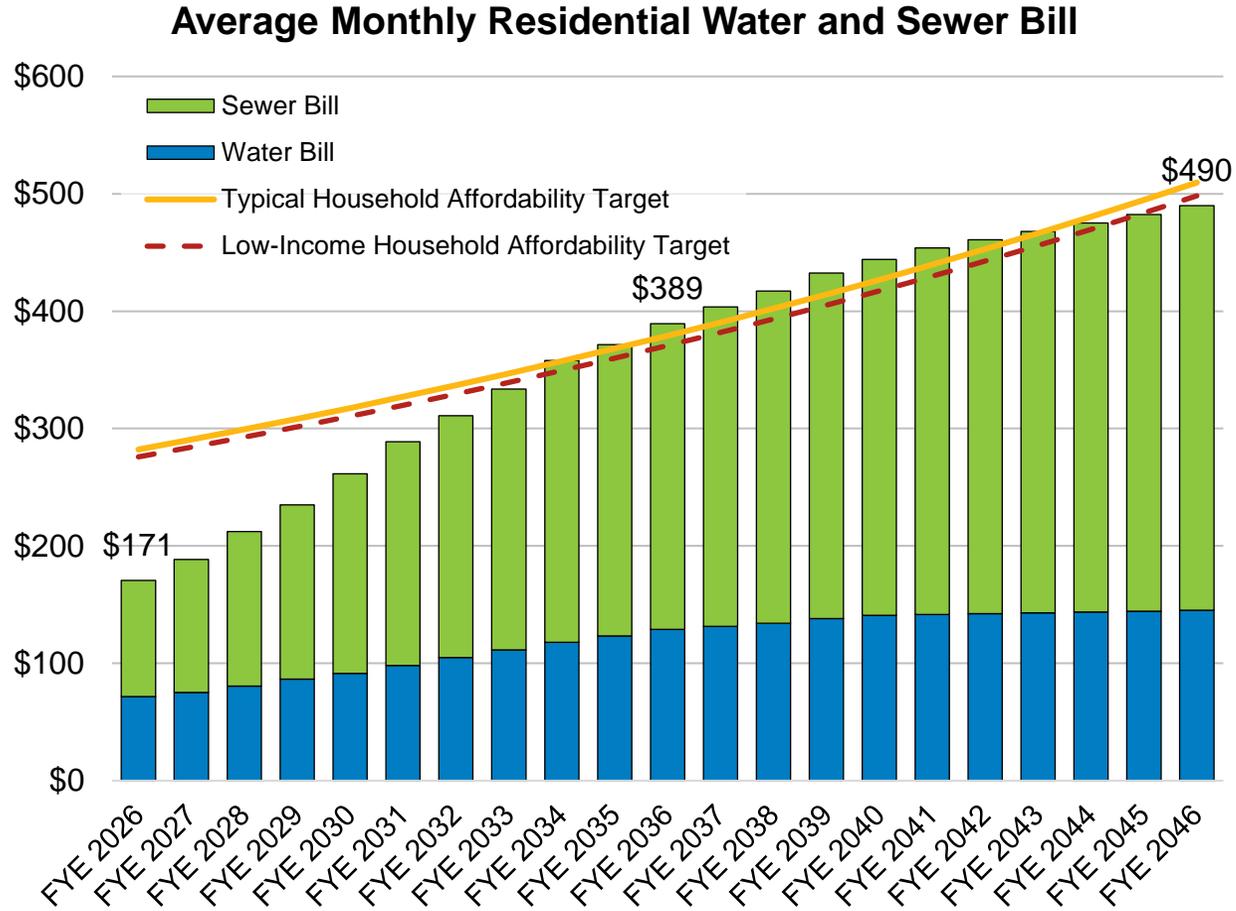
- Average annual growth: 4.4%
- Capital is the driver
- Costs of regional water system split between retail and wholesale customers

Wastewater Expenses More than Double



- Average annual growth: 8.4%
- Capital is the driver
 - Huge increase in capital costs translates into higher debt service costs
- All costs borne by San Francisco retail ratepayers

Water & Wastewater Rate Plan

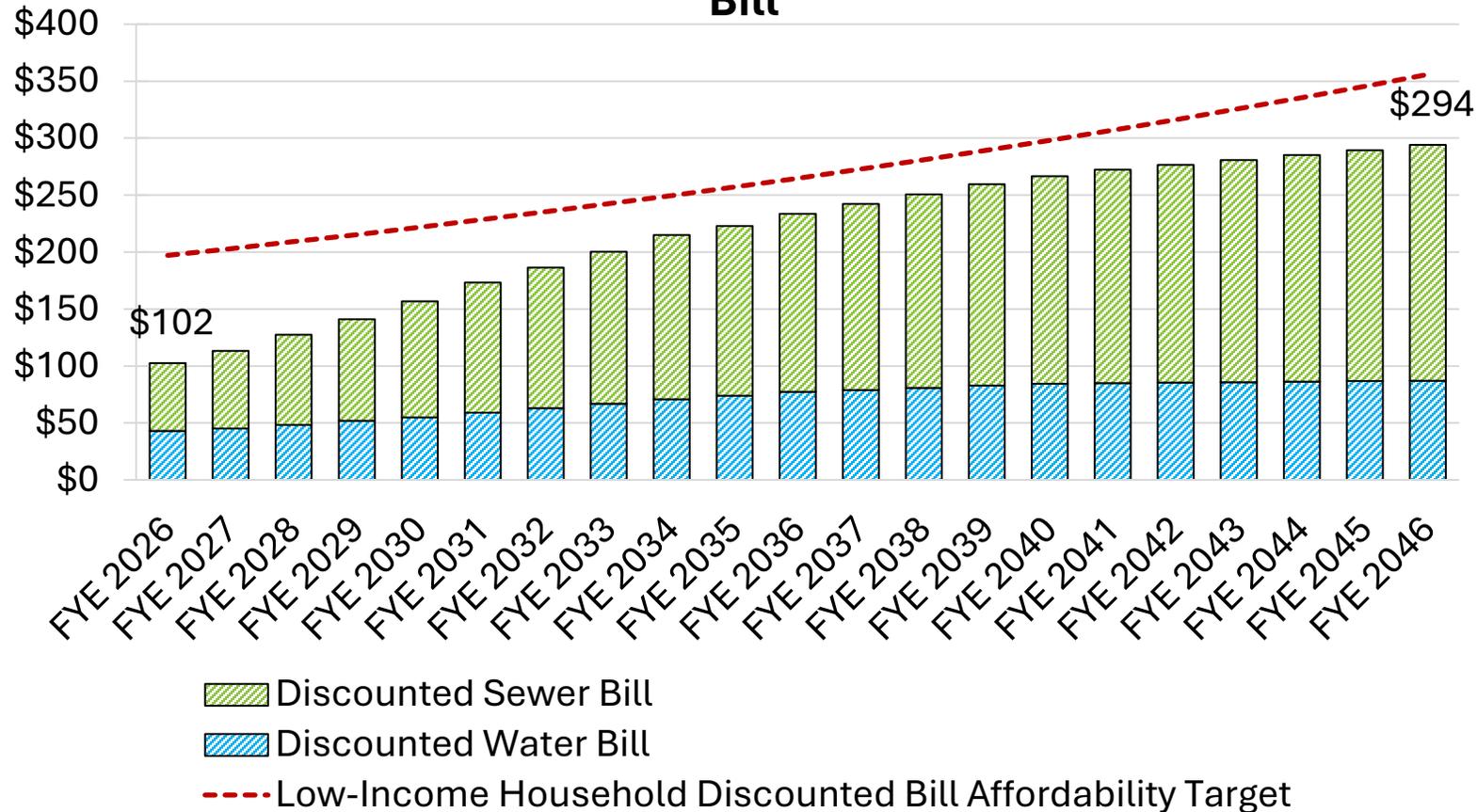


	Retail Water Rate Change	Wastewater Rate Change	Combined Bill Increase	Wholesale Water Rate Change
FYE 2027*	7.0%	15.0%	10.5%	7.6%
FYE 2028*	7.0%	14.5%	12.5%	7.2%
FYE 2029	7.5%	13.0%	10.7%	3.1%
FYE 2030	7.5%	13.0%	11.3%	2.5%
FYE 2031	7.5%	12.0%	10.4%	4.5%
FYE 2032	7.0%	8.0%	7.7%	5.5%
FYE 2033	6.0%	8.0%	7.3%	5.3%
FYE 2034	6.0%	8.0%	7.3%	3.0%
FYE 2035	4.5%	5.0%	3.7%	3.7%
FYE 2036	4.5%	5.0%	4.8%	0.5%
10-Year Avg	6.4%	10.1%	8.6%	4.3%
20-Year Avg	3.8%	6.4%	5.4%	3.8%

* Rates expected to be adopted in Spring 2026

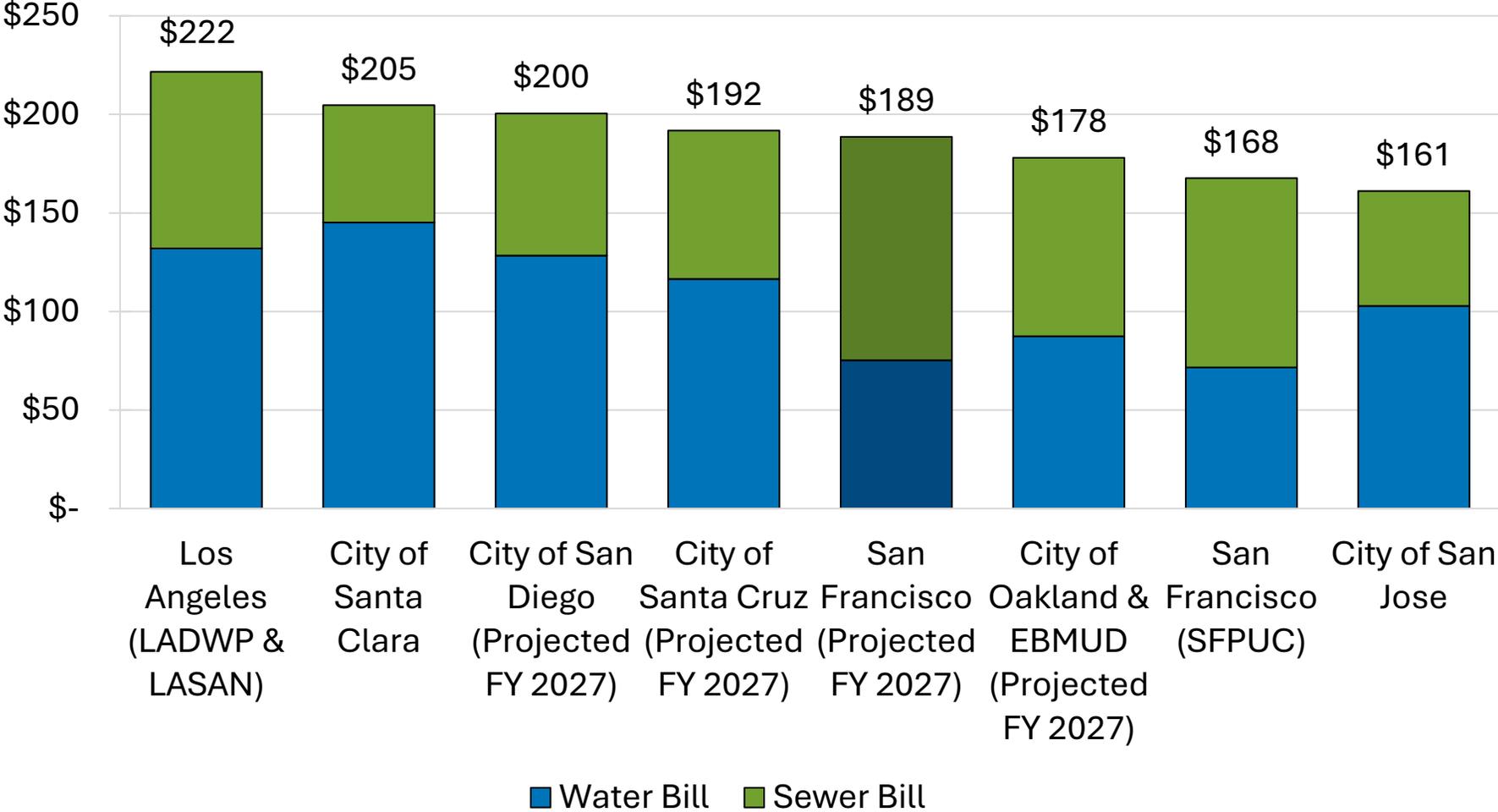
Water & Wastewater Discounted Bills

Average Monthly Discounted Residential Water and Sewer Bill



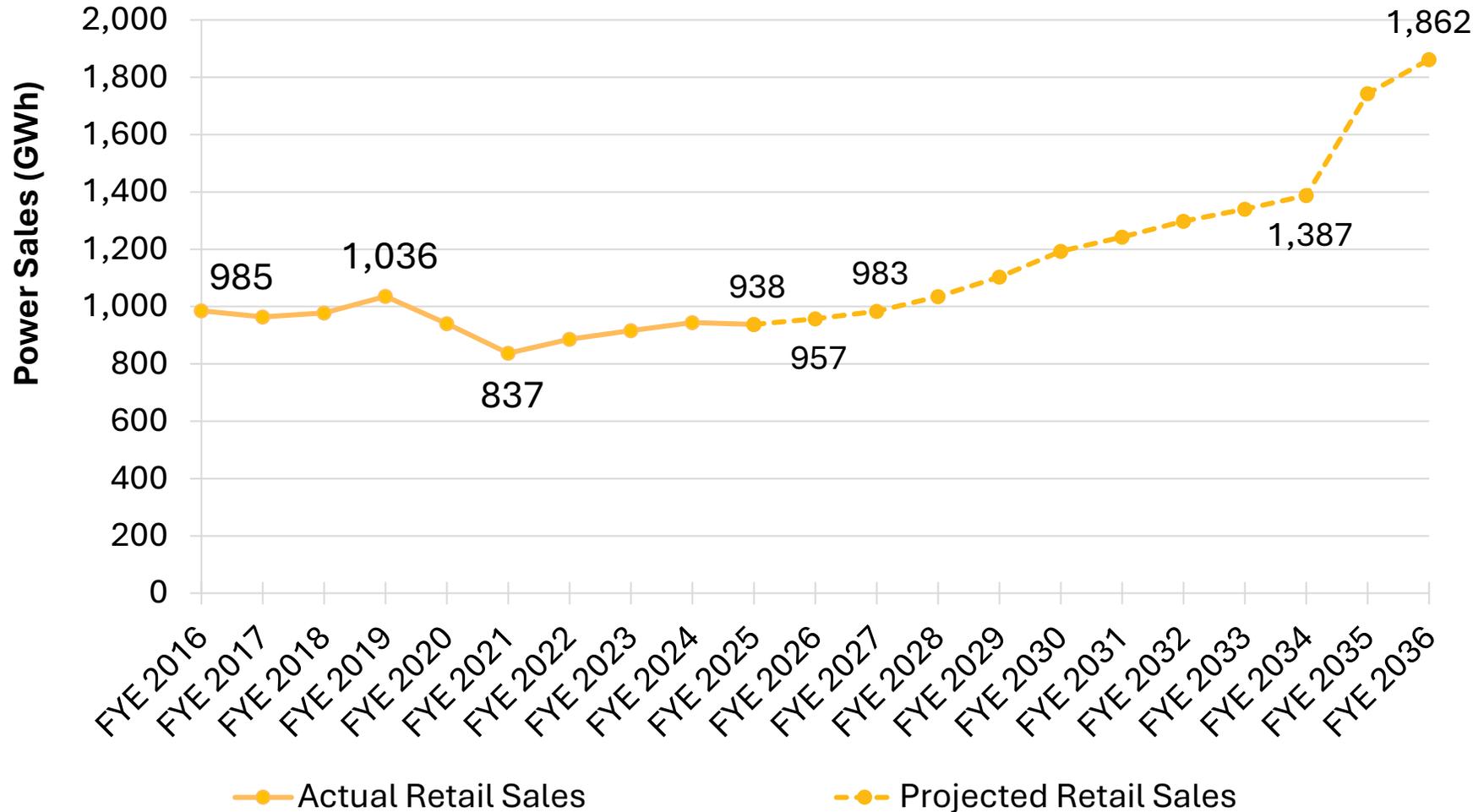
- Low income Customer Assistance Program (CAP) currently provides over 7,600 households 25-40% bill discounts
- Customers enrolled in CAP will remain under the 5% of income bill target throughout the 20-year period

Water & Wastewater Rate Increases vs. Other Utilities



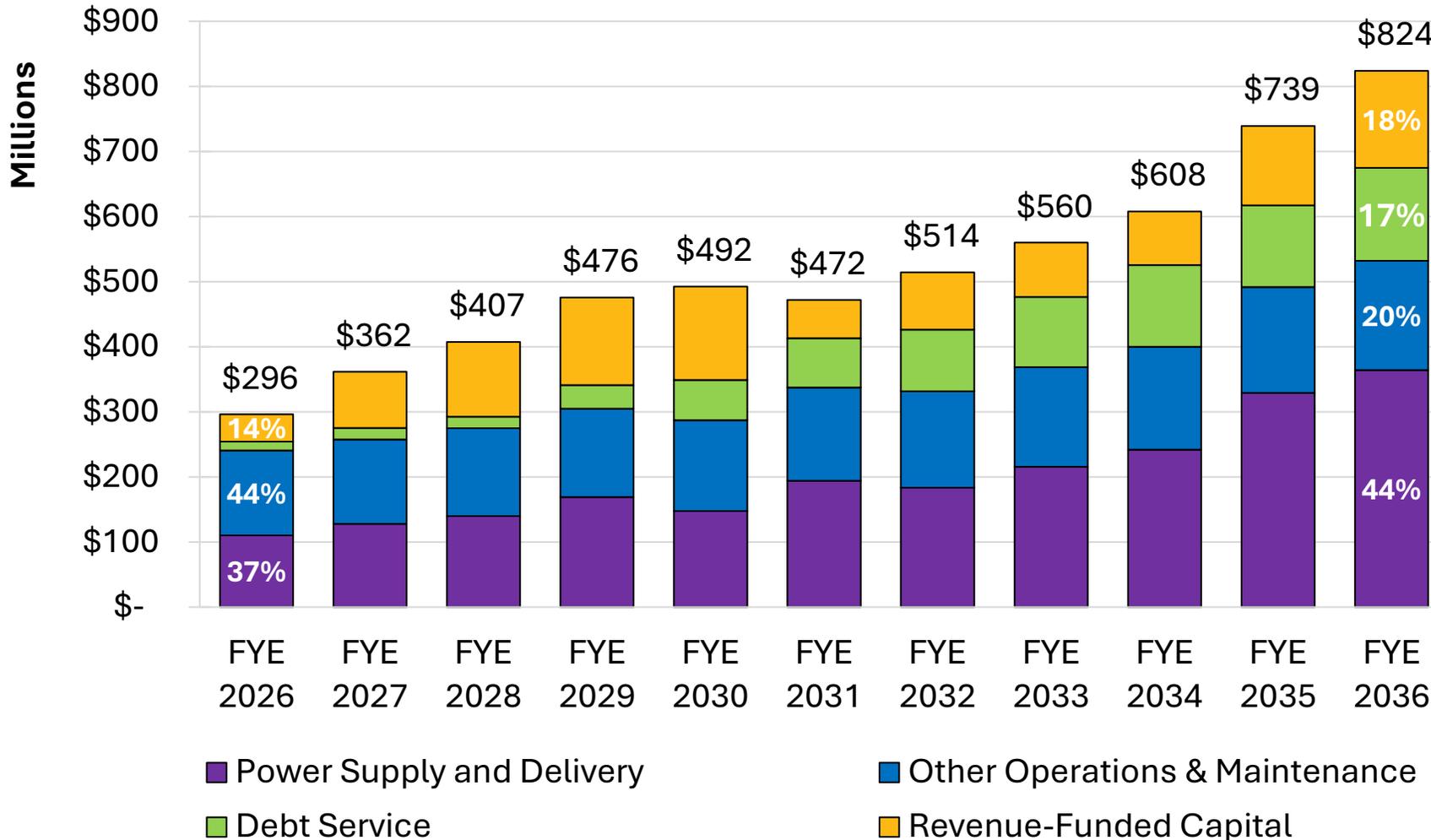
- Rate survey context: our near-term bill projections are line with peer agencies
- Few peers publish long-term rate forecasts

Hetch Hetchy Growing Customer Base



- Lower short-term power sales due to delays in redevelopment projects
- Higher long-term power sales due to large customer acquisition and electrification
- 6.9% annual growth

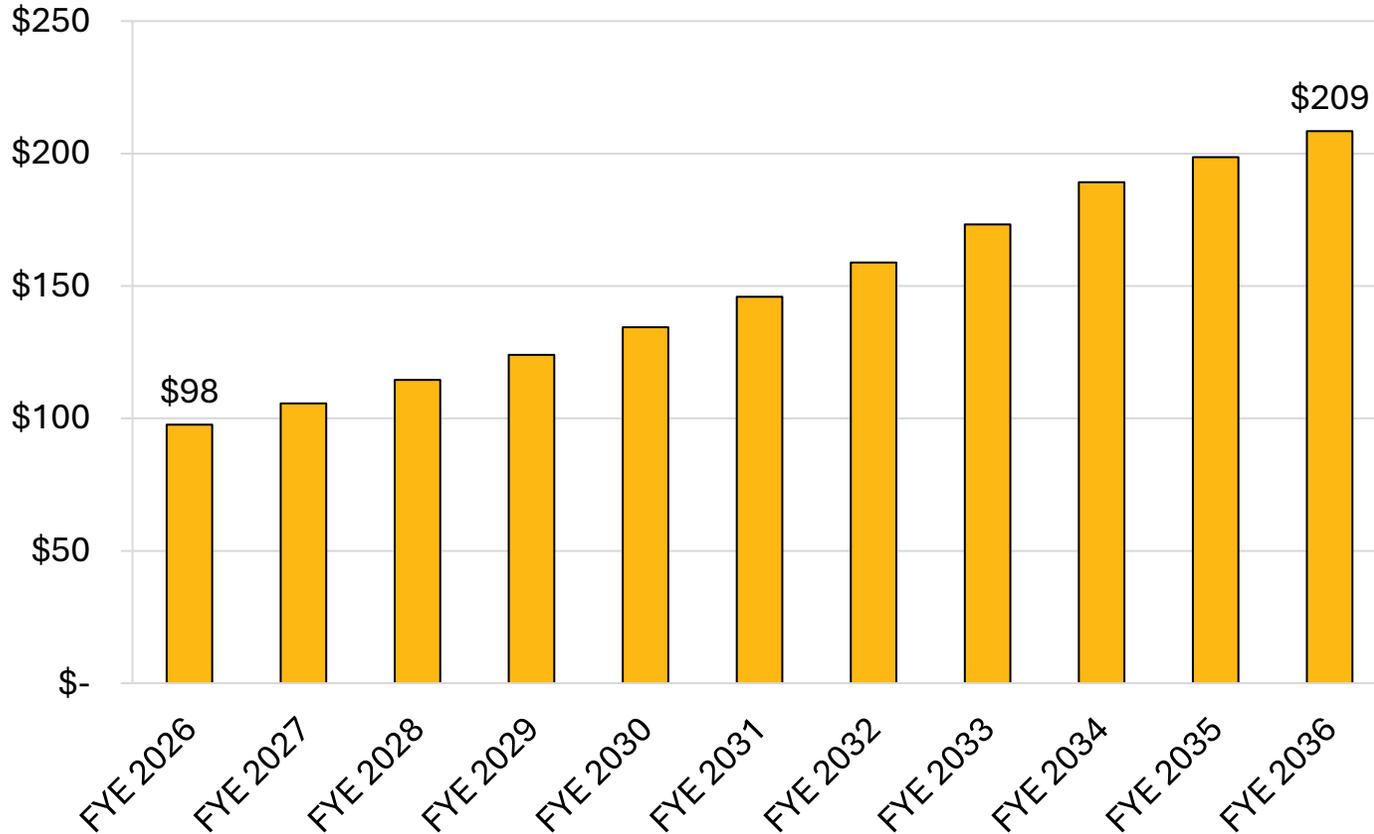
Hetch Hetchy Power Expenses



- Average annual growth: 10.8%
- FYE 2029 and FYE 2030 adjustments related to construction schedules' impacts on power generation and cost shares for new customer infrastructure
- Much of the expense growth related to capital and supply costs for new customers, and offset by additional revenues

Hetch Hetchy Power Rate Plan

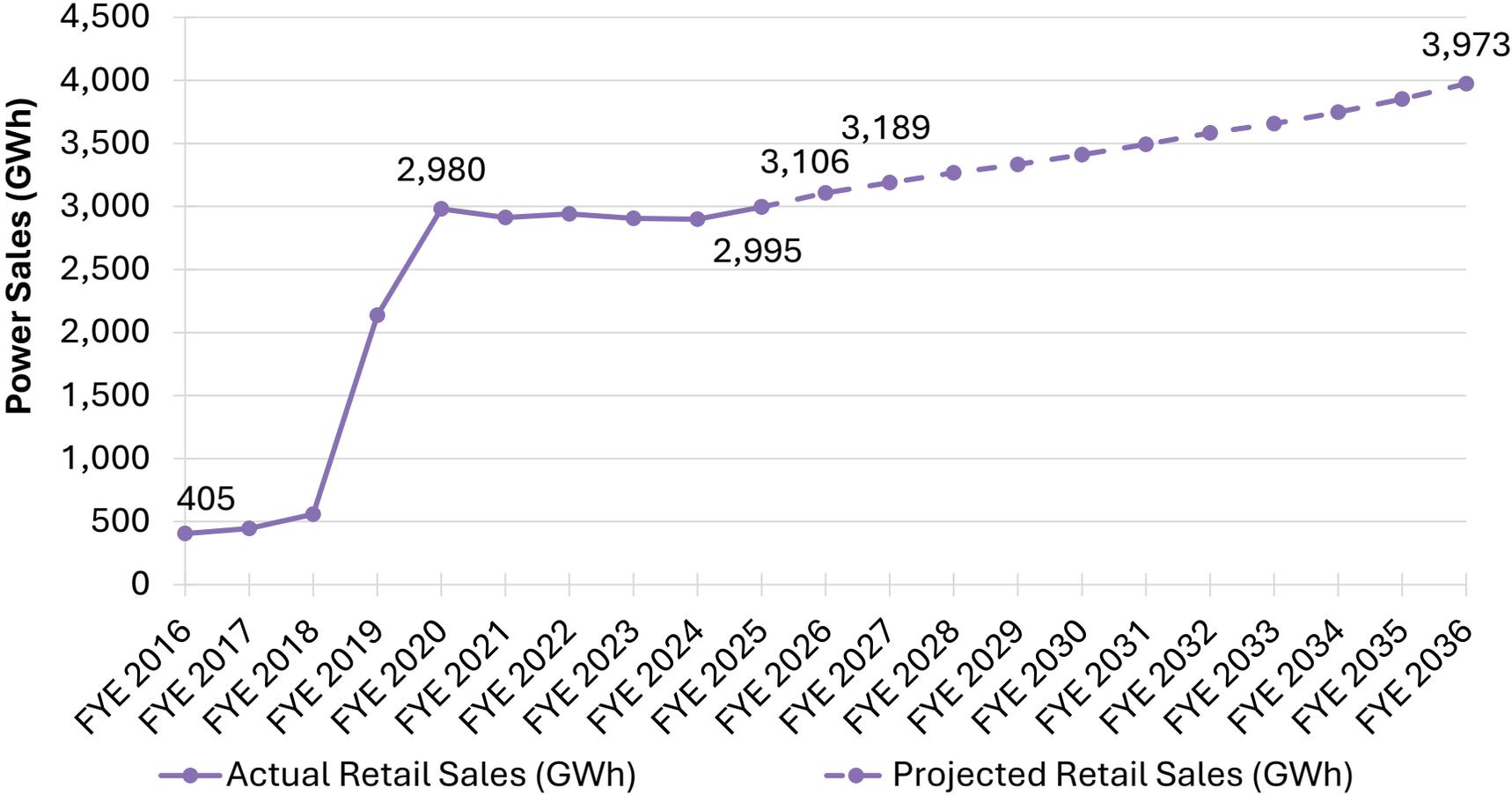
Average Monthly Residential Hetch Hetchy Power Bill



Retail Rate Increase	
FYE 2027*	7.0%
FYE 2028	7.0%
FYE 2029	6.5%
FYE 2030	6.5%
FYE 2031	6.5%
FYE 2032	6.5%
FYE 2033	6.5%
FYE 2034	6.5%
FYE 2035	2.5%
FYE 2036	2.5%
10-Year Avg	5.8%

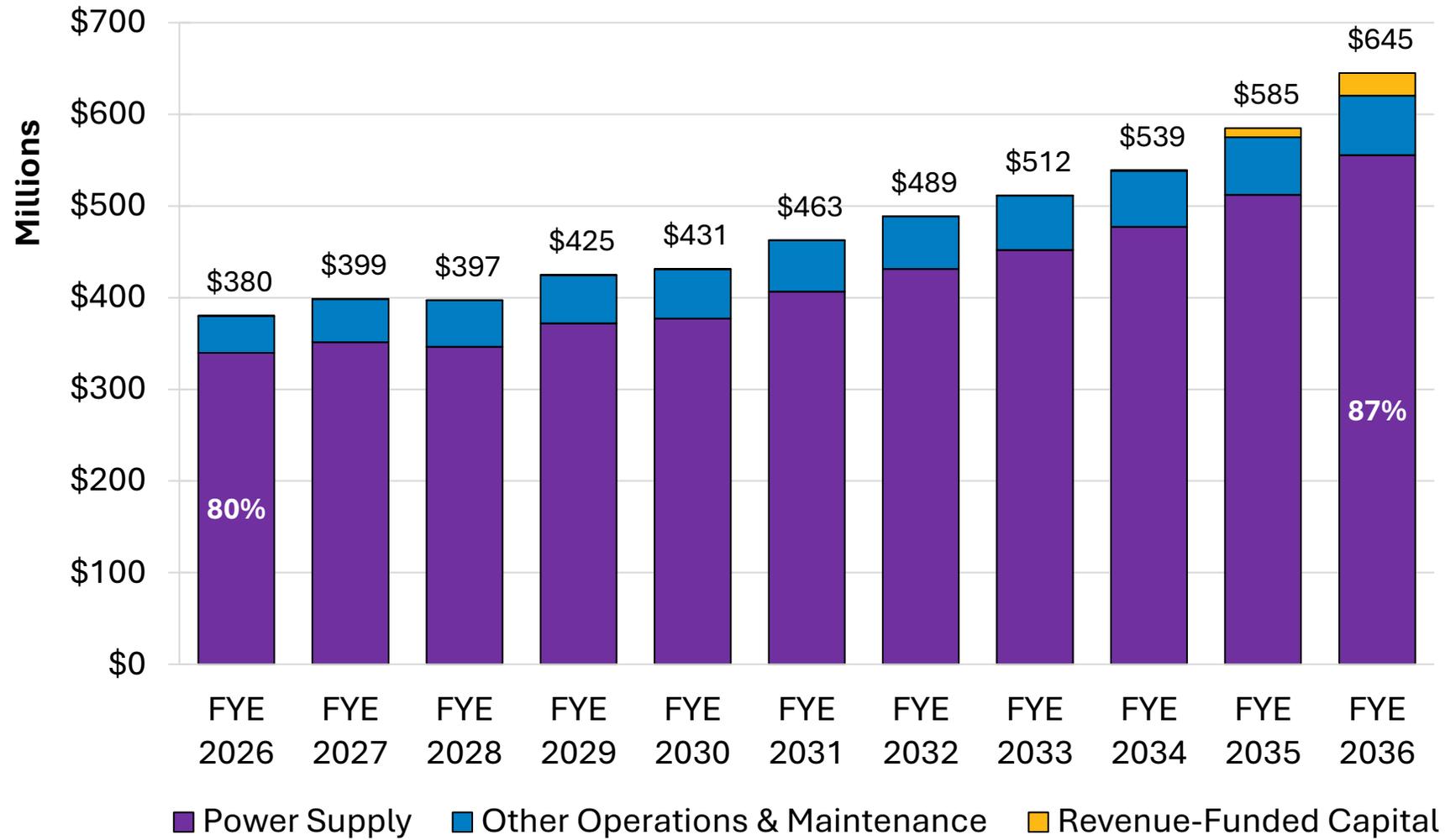
* Rates expected to be adopted in Spring 2026
 Rates shown are for retail, non-municipal customers.
 General Use rates for certain municipal depts. increase by \$0.03/kWh annually until they reach equivalent retail rate

CleanPowerSF Volumes



- Entirely new forecast methodology
- Includes growth from:
 - Population and job growth
 - Electric vehicle saturation
 - Replacement of gas appliances with electric
- 2.5% annual growth

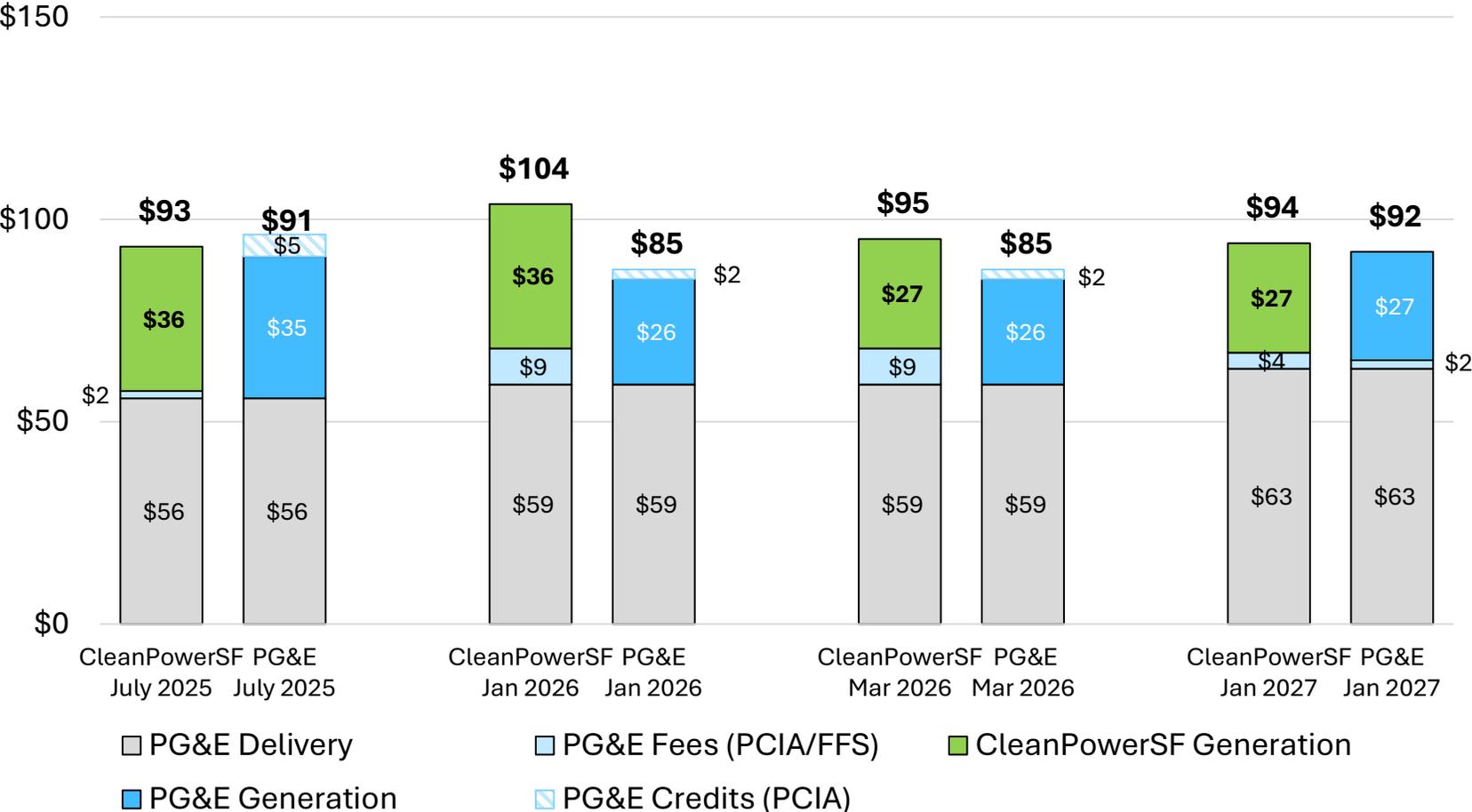
CleanPowerSF Expense



- Average annual growth: 5.4%
- Expenses driven by power supply costs and include contingencies to account for uncertainty
- Some expense growth related to increased sales assumptions

CleanPowerSF Rate Plan

CleanPowerSF vs. PG&E Average Monthly Residential Bills (E-TOU-C)



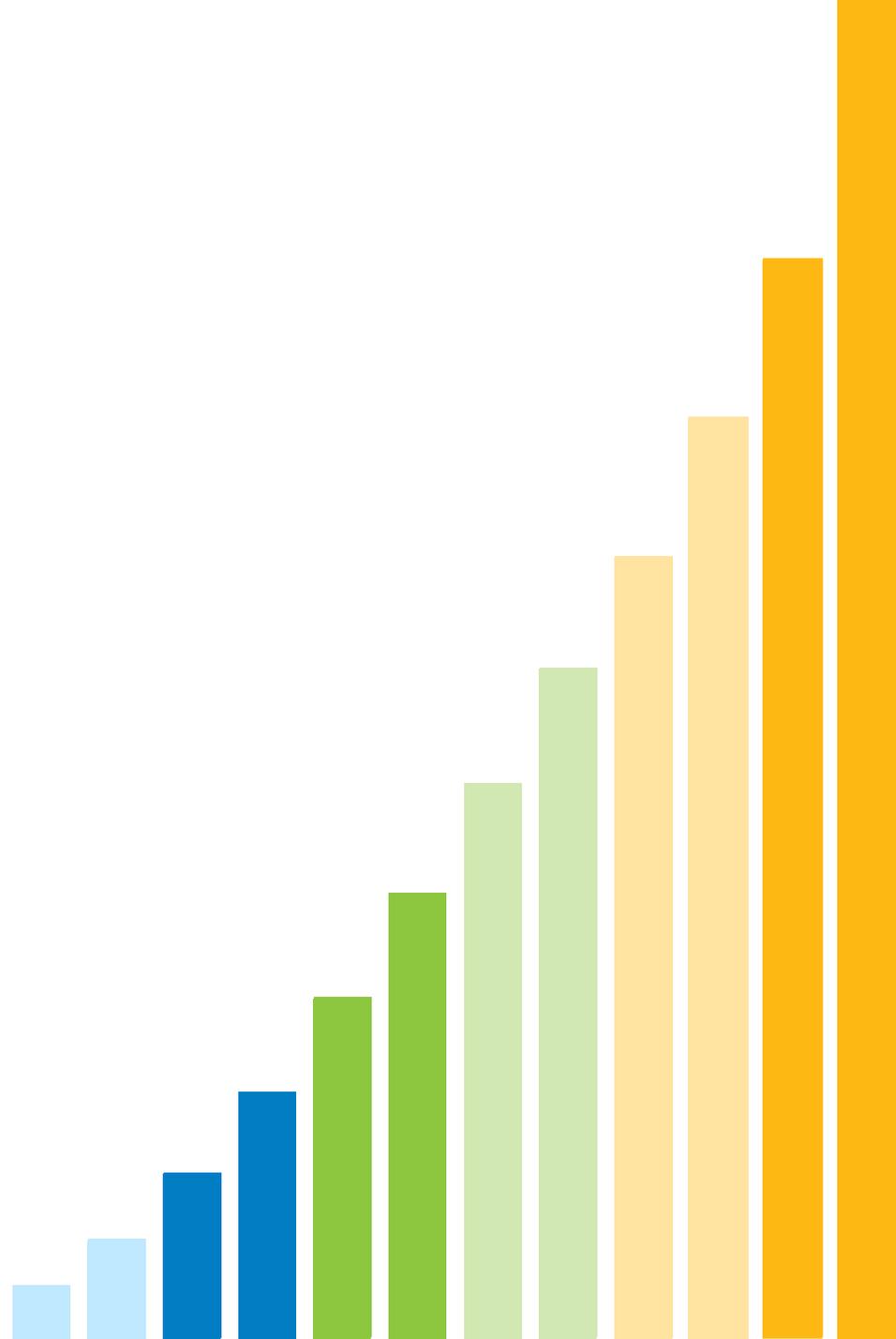
Generation Rate Increase	
FYE 2027*	-20% to -25%
FYE 2028	8.5%
FYE 2029	8.0%
FYE 2030	5.5%
FYE 2031	5.5%
FYE 2032	4.5%
FYE 2033	3.0%
FYE 2034	3.0%
FYE 2035	3.0%
FYE 2036	3.0%
10-Year Avg	1.4% to 2.1%

* Rates adopted in January 2026 and effective March 2026

Plans Meet & Exceed All Financial Policy Targets

Metric	Policy Requirements	Water	Wastewater	Hetch Hetchy Power	CleanPowerSF
Fund Balance as a % of Operating Expenses	Minimum 25% and if >68% note plan	34% – 42%	35% – 45%	36% – 93%	n/a
Days Cash on Hand (CleanPowerSF)	Minimum 150 and target 180	n/a	n/a	n/a	160 - 213
Current Debt Service Coverage	Minimum 1.10x	1.23x – 1.27x	1.26x – 1.36x	1.79x – 4.22x	n/a
Indenture Debt Service Coverage	Minimum 1.35x	1.61x – 1.70x	1.47x – 1.72x	3.30x – 16.74x	n/a
Revenue-Funded % of Capital Plan	Minimum 15-30%	Water Enterprise: 37%	24%	Hetch Hetchy Water & Power: 34%	100%
Typical Household Affordability (Water & Sewer)	Max. 3.0% of 40th percentile household income or justify	1.9% - 3.1% exceeding target FYE 2034-FYE 2043		n/a	n/a
Low-Income Household Affordability (Water & Sewer)	Max. 7.0% of 20th percentile household income or justify	4.6% - 7.4% exceeding target FYE 2034-FYE 2044		n/a	n/a

Questions?



Water Financial Plan

	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034	FYE 2035	FYE 2036
Beginning Fund Balance (\$M)	\$ 218.5	\$ 173.1	\$ 159.5	\$ 139.8	\$ 144.9	\$ 152.6	\$ 156.7	\$ 165.6	\$ 172.7	\$ 188.0	\$ 200.7
Sources (\$M)											
Retail Water Sales	358.7	380.8	405.8	435.0	466.1	499.1	534.0	566.1	599.8	627.6	654.9
Wholesale Water Sales	356.0	386.3	415.2	433.1	444.9	466.9	493.6	521.2	537.4	560.3	564.7
Other Miscellaneous Income	51.6	44.8	44.9	46.8	47.8	48.9	49.8	50.7	51.6	52.8	53.9
Total Sources	\$ 766.4	\$ 811.9	\$ 865.9	\$ 914.9	\$ 958.8	\$ 1,014.9	\$ 1,077.4	\$ 1,137.9	\$ 1,188.8	\$ 1,240.6	\$ 1,273.5
Uses (\$M)											
Operations & Maintenance	322.7	322.7	342.5	355.9	369.7	383.6	397.8	412.5	426.7	440.2	454.0
Hetchy Water Operating Transfer	54.1	60.6	64.9	67.7	70.9	72.8	74.8	76.9	78.8	80.7	82.3
Debt Service	339.3	343.9	370.7	383.9	408.3	439.7	481.9	511.2	543.0	572.1	582.2
Revenue-Funded Projects	95.6	98.2	107.6	102.3	102.1	114.8	114.1	130.2	125.0	134.8	131.2
Total Uses	\$ 811.8	\$ 825.5	\$ 885.7	\$ 909.8	\$ 951.0	\$ 1,010.9	\$ 1,068.5	\$ 1,130.8	\$ 1,173.5	\$ 1,227.9	\$ 1,249.7
Net Revenues (\$M)	\$ (45.4)	\$ (13.6)	\$ (19.8)	\$ 5.1	\$ 7.8	\$ 4.0	\$ 8.9	\$ 7.1	\$ 15.3	\$ 12.7	\$ 23.8
Ending Fund Balance (\$M)	\$ 173.1	\$ 159.5	\$ 139.8	\$ 144.9	\$ 152.6	\$ 156.7	\$ 165.6	\$ 172.7	\$ 188.0	\$ 200.7	\$ 224.5
Rate Increase - Retail	5.0%	7.0%	7.0%	7.5%	7.5%	7.5%	7.0%	6.0%	6.0%	4.5%	4.5%
Rate Increase - Wholesale	2.3%	7.9%	6.9%	3.7%	2.2%	4.5%	5.3%	5.1%	2.7%	3.8%	0.3%
Fund Balance as % of Op. Expenses	45.9%	41.6%	34.3%	34.2%	34.6%	34.3%	35.0%	35.3%	37.2%	38.5%	41.9%
Debt Service Coverage (Current)	1.11	1.23	1.23	1.27	1.27	1.27	1.26	1.27	1.26	1.26	1.27
Debt Service Coverage (Indenture)	1.63	1.70	1.62	1.65	1.65	1.63	1.61	1.61	1.61	1.62	1.66
Revenue-Funded % of Capital	37.5%										
Water Sales - Retail (MGD)	53.4	52.9	52.5	52.4	52.2	51.9	51.7	51.8	51.8	51.8	51.6
Water Sales - Wholesale (MGD)	124.7	125.4	125.7	126.8	127.5	128.1	128.3	129.2	129.7	130.3	130.5
Single Family Residential Avg. Monthly...											
Water Usage (CCF)	4.6	4.5	4.5	4.5	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Water Bill	\$72	\$75	\$80	\$87	\$91	\$98	\$105	\$111	\$118	\$123	\$129
Water/Sewer Bill	\$171	\$189	\$212	\$235	\$261	\$289	\$311	\$334	\$358	\$371	\$389
Avg. Bill as % of Typical HH Income	1.8%	1.9%	2.1%	2.3%	2.5%	2.6%	2.8%	2.9%	3.0%	3.0%	3.1%
Avg. Bill as % of Low-Income HH Income	4.3%	4.6%	5.1%	5.5%	5.9%	6.3%	6.6%	6.9%	7.2%	7.2%	7.4%
Disc. Bill as % of Low-Income HH Income	2.6%	2.8%	3.0%	3.3%	3.5%	3.8%	4.0%	4.1%	4.3%	4.3%	4.4%

Wastewater Financial Plan

	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034	FYE 2035	FYE 2036
Beginning Fund Balance (\$M)	\$ 181.3	\$ 137.6	\$ 114.2	\$ 98.6	\$ 106.1	\$ 105.9	\$ 108.8	\$ 110.1	\$ 119.0	\$ 120.0	\$ 121.2
Sources (\$M)											
Sewer Charges	472.8	538.4	613.4	690.7	778.3	867.5	936.1	1,009.9	1,090.1	1,144.4	1,199.7
Other Miscellaneous Income	27.9	26.1	25.6	25.4	26.2	26.9	27.6	28.3	29.3	29.8	30.3
Total Sources	\$ 500.7	\$ 564.5	\$ 639.0	\$ 716.1	\$ 804.5	\$ 894.5	\$ 963.7	\$ 1,038.2	\$ 1,119.3	\$ 1,174.2	\$ 1,230.0
Uses (\$M)											
Operations & Maintenance	243.5	254.8	276.2	285.4	295.2	305.7	316.7	328.2	339.3	349.6	360.2
Debt Service	146.0	247.6	283.3	329.0	383.3	462.9	515.5	556.7	593.6	608.6	658.2
Revenue-Funded Projects	154.9	85.5	95.0	94.2	126.3	123.0	130.3	144.4	185.4	214.8	206.1
Total Uses	\$ 544.4	\$ 587.9	\$ 654.5	\$ 708.6	\$ 804.7	\$ 891.5	\$ 962.5	\$ 1,029.3	\$ 1,118.3	\$ 1,173.0	\$ 1,224.5
Net Revenues (\$M)	\$ (43.7)	\$ (23.4)	\$ (15.6)	\$ 7.5	\$ (0.2)	\$ 2.9	\$ 1.2	\$ 8.9	\$ 1.0	\$ 1.2	\$ 5.5
Ending Fund Balance (\$M)	\$ 137.6	\$ 114.2	\$ 98.6	\$ 106.1	\$ 105.9	\$ 108.8	\$ 110.1	\$ 119.0	\$ 120.0	\$ 121.2	\$ 126.7
Rate Increase - Retail	9.0%	15.0%	14.5%	13.0%	13.0%	12.0%	8.0%	8.0%	8.0%	5.0%	5.0%
Fund Balance as % of Op. Expenses	56.5%	44.8%	35.7%	37.2%	35.9%	35.6%	34.8%	36.3%	35.4%	34.7%	35.2%
Debt Service Coverage (Current)	1.77	1.26	1.28	1.31	1.33	1.27	1.26	1.28	1.31	1.36	1.32
Debt Service Coverage (Indenture)	2.74	1.72	1.63	1.64	1.61	1.51	1.47	1.49	1.52	1.56	1.52
Revenue-Funded % of Capital	24.1%										
Billed Discharge Volumes (MGD)	45.1	44.5	44.1	44.0	43.8	43.5	43.3	43.4	43.3	43.3	43.1
Single Family Residential Avg. Monthly...											
Billable Volumes (CCF)	4.3	4.2	4.2	4.1	4.1	4.1	4.1	4.1	4.1	4.0	4.0
Sewer Bill	\$99	\$113	\$132	\$148	\$170	\$191	\$206	\$222	\$240	\$248	\$260
Water/Sewer Bill	\$171	\$189	\$212	\$235	\$261	\$289	\$311	\$334	\$358	\$371	\$389
Avg. Bill as % of Typical HH Income	1.8%	1.9%	2.1%	2.3%	2.5%	2.6%	2.8%	2.9%	3.0%	3.0%	3.1%
Avg. Bill as % of Low-Income HH Income	4.3%	4.6%	5.1%	5.5%	5.9%	6.3%	6.6%	6.9%	7.2%	7.2%	7.4%
Disc. Bill as % of Low-Income HH Income	2.6%	2.8%	3.0%	3.3%	3.5%	3.8%	4.0%	4.1%	4.3%	4.3%	4.4%

Hetch Hetchy Financial Plan

	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034	FYE 2035	FYE 2036
Beginning Fund Balance (\$M)	\$ 288.0	\$ 283.0	\$ 234.8	\$ 179.2	\$ 113.1	\$ 129.3	\$ 139.5	\$ 146.6	\$ 164.4	\$ 189.1	\$ 237.1
Sources (\$M)											
Retail Power Sales	216.7	240.8	274.6	314.9	367.7	412.3	461.7	509.7	562.3	708.2	774.4
Wholesale Power Sales	27.6	22.5	20.6	26.1	28.3	16.7	15.7	20.3	20.0	14.5	14.9
Gas & Steam Sales	22.8	20.4	20.8	20.8	21.1	21.1	21.8	22.4	23.1	23.8	24.5
Water Sales	2.5	2.7	2.9	3.1	3.3	3.6	3.8	4.1	4.4	4.6	4.8
Hetchy Transfer	54.1	60.6	64.9	67.7	70.9	72.8	74.8	76.9	78.8	80.7	82.3
Other Miscellaneous Income	43.0	73.0	75.5	71.6	114.3	51.7	36.4	39.4	43.3	58.3	66.8
Total Sources	\$ 366.8	\$ 419.9	\$ 459.2	\$ 504.3	\$ 605.5	\$ 578.2	\$ 614.1	\$ 672.9	\$ 731.9	\$ 890.0	\$ 967.7
Uses (\$M)											
Power Supply & Delivery Charges	110.3	127.9	139.8	169.2	147.6	194.1	183.3	215.6	242.0	328.9	364.2
Other Operations & Maintenance	205.8	203.5	206.6	207.1	212.2	218.2	225.3	232.9	240.2	247.8	255.6
Debt Service	13.6	17.7	17.7	36.0	61.9	75.6	94.9	107.7	125.6	125.6	142.8
Revenue-Funded Projects	42.2	119.1	150.7	158.3	167.8	80.1	103.5	99.0	99.3	139.8	169.4
Total Uses	\$ 371.8	\$ 468.1	\$ 514.8	\$ 570.5	\$ 589.4	\$ 567.9	\$ 607.0	\$ 655.1	\$ 707.2	\$ 842.1	\$ 932.0
Net Revenues (\$M)	\$ (5.0)	\$ (48.2)	\$ (55.6)	\$ (66.2)	\$ 16.2	\$ 10.3	\$ 7.1	\$ 17.8	\$ 24.7	\$ 47.9	\$ 35.8
Ending Fund Balance (\$M)	\$ 283.0	\$ 234.8	\$ 179.2	\$ 113.1	\$ 129.3	\$ 139.5	\$ 146.6	\$ 164.4	\$ 189.1	\$ 237.1	\$ 272.8
Rate Increase - Retail	10.0%	7.0%	7.0%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	2.5%	2.5%
Rate Increase - General Use	15.9%	13.7%	12.1%	10.8%	9.7%	8.9%	8.1%	7.5%	7.0%	6.5%	6.1%
Fund Balance as % of Power Op. Expenses	117.7%	93%	66%	36%	42%	38%	39%	40%	42%	44%	47%
Debt Service Coverage (Current)	4.35	2.64	4.22	2.74	3.47	1.82	1.92	1.87	1.79	2.29	2.24
Debt Service Coverage (Indenture)	27.03	16.74	14.81	5.92	5.58	3.67	3.47	3.40	3.30	4.18	4.15
Revenue-Funded % of Capital	33.5%										
Power Sales - Retail (GWh)	957	983	1,035	1,103	1,193	1,243	1,298	1,340	1,387	1,743	1,862
Residential Avg. Monthly...											
Electric Usage (kWh)	312	315	320	325	331	337	345	353	362	372	381
Electricity Bill	\$98	\$106	\$115	\$124	\$134	\$146	\$159	\$173	\$189	\$199	\$209
Avg. Bill as % of Typical HH Income	1.0%	1.1%	1.1%	1.2%	1.3%	1.3%	1.4%	1.5%	1.6%	1.6%	1.6%
Avg. Bill as % of Low-Income HH Income	2.5%	2.6%	2.7%	2.9%	3.0%	3.2%	3.4%	3.6%	3.8%	3.9%	3.9%
Disc. Bill as % of Low-Income HH Income	1.7%	1.8%	1.9%	2.0%	2.1%	2.2%	2.4%	2.5%	2.7%	2.7%	2.8%

CleanPowerSF Financial Plan

	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034	FYE 2035	FYE 2036
Beginning Fund Balance (\$M)	\$ 214.0	\$ 254.1	\$ 204.2	\$ 182.1	\$ 169.0	\$ 181.1	\$ 197.6	\$ 222.1	\$ 251.0	\$ 283.2	\$ 303.3
Sources (\$M)											
Retail Electricity Sales	389.3	330.7	367.2	404.5	436.8	471.9	505.8	531.7	561.6	594.1	631.4
Wholesale Power Sales	21.9	8.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Miscellaneous Income	9.2	9.6	7.9	7.2	6.7	7.2	7.8	8.7	9.7	10.8	11.6
Total Sources	\$ 420.5	\$ 348.6	\$ 375.1	\$ 411.7	\$ 443.5	\$ 479.1	\$ 513.6	\$ 540.4	\$ 571.3	\$ 604.9	\$ 643.0
Uses (\$M)											
Operations & Maintenance	379.9	398.4	397.0	424.3	431.1	462.3	488.7	511.2	538.3	575.0	620.5
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue-Funded Projects	0.5	0.1	0.1	0.6	0.3	0.3	0.3	0.3	0.8	9.8	24.5
Total Uses	\$ 380.4	\$ 398.5	\$ 397.1	\$ 424.9	\$ 431.4	\$ 462.6	\$ 489.0	\$ 511.6	\$ 539.1	\$ 584.8	\$ 645.0
Net Revenues (\$M)	\$ 40.0	\$ (49.9)	\$ (22.0)	\$ (13.2)	\$ 12.1	\$ 16.5	\$ 24.6	\$ 28.8	\$ 32.2	\$ 20.1	\$ (2.0)
Ending Fund Balance (\$M)	\$ 254.1	\$ 204.2	\$ 182.1	\$ 169.0	\$ 181.1	\$ 197.6	\$ 222.1	\$ 251.0	\$ 283.2	\$ 303.3	\$ 301.3
Generation Rate Change	0.0%	-23.1%*	8.5%	8.0%	5.5%	5.5%	4.5%	3.0%	3.0%	3.0%	3.0%
Days Cash on Hand	262	207	185	160	169	172	183	198	212	213	196
Revenue-Funded % of Capital	100.0%										
Power Sales - Retail (GWh)	3,106	3,189	3,267	3,333	3,412	3,493	3,583	3,656	3,748	3,851	3,973
Residential Avg. Monthly...											
Electric Usage (kWh)	235	238	241	243	247	251	255	259	263	269	276
Generation Bill	\$36	\$27	\$30	\$32	\$35	\$37	\$39	\$41	\$43	\$46	\$48
Total Electricity Bill	\$104	\$94	\$102	\$109	\$115	\$122	\$130	\$135	\$141	\$149	\$154
Avg. Bill as % of Typical HH Income	1.1%	1.0%	1.0%	1.1%	1.1%	1.1%	1.2%	1.2%	1.2%	1.2%	1.2%
Avg. Bill as % of Low-Income HH Income	2.6%	2.3%	2.4%	2.5%	2.6%	2.7%	2.8%	2.8%	2.8%	2.9%	2.9%