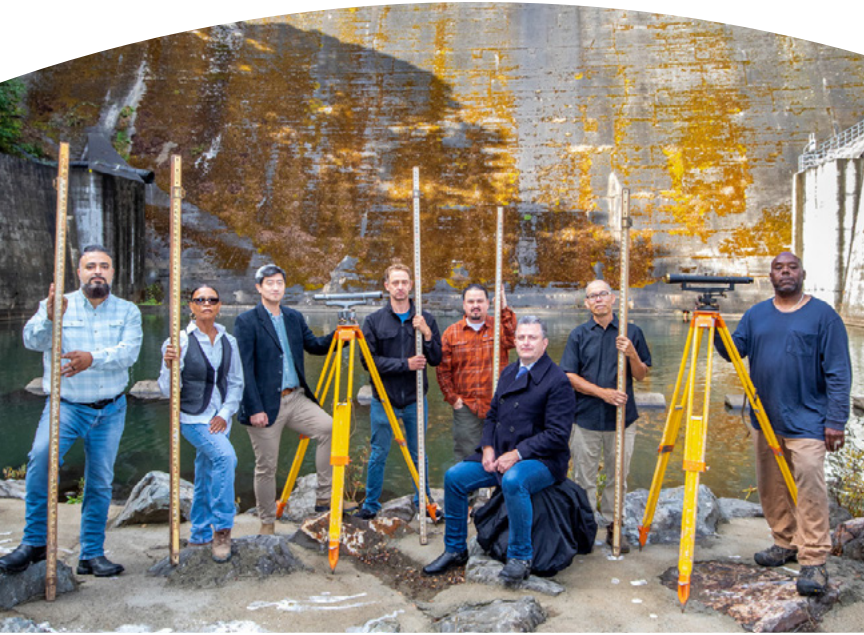




San Francisco
Water Power Sewer

Services of the San Francisco Public Utilities Commission



Organizational Excellence

Popular Annual Financial Report
For Fiscal Year Ended June 30, 2025

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

San Francisco Public Utilities Commission

(AS OF DATE OF PUBLICATION)

Joshua Arce, PRESIDENT
Avni Jamdar, COMMISSIONER

Stephen E. Leveroni, VICE PRESIDENT
Kate H. Stacy, COMMISSIONER

Meghan Thurlow, COMMISSIONER

Water

We are the third largest municipal utility in California, serving 2.7 million residential, commercial, and industrial customers in the Bay Area. Approximately one-third of our delivered water goes to retail customers in San Francisco, while wholesale deliveries to 27 suburban agencies in Alameda, Santa Clara, and San Mateo counties comprise the other two-thirds.

Power

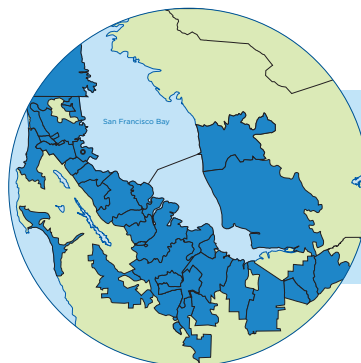
For 100 years, we have been generating greenhouse gas-free hydropower as our city's full-service, publicly owned electric utility. In 2016, we launched CleanPowerSF, a community choice aggregation program, to introduce even more renewable energy from sources like wind and solar to the electric grid. Collectively, the two systems meet more than 70 percent of the electricity demand in San Francisco.

Sewer

We operate and maintain the City's water pollution control plants, pumping stations, and collection system to protect public health and the environment. We maintain 1,900 miles of sewer mains and laterals and 27 pump stations that collect sewage and stormwater, moving the wastewater to the three treatment plants for treatment and discharge to the San Francisco Bay and Pacific Ocean.

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**Bay Area Reliance on
Hetch Hetchy Regional
Water System**

Message from our General Manager

Dear Customers and Interested Parties,



On behalf of the San Francisco Public Utilities Commission (SFPUC), I am pleased to present our Popular Annual Financial Report for Fiscal Year 2024-2025. This report covers the first year of our two-year operating and capital budget cycle, which was adopted by the SFPUC Commission, the Mayor, and the San Francisco Board of Supervisors.

In addition to the two-year budget, we also develop a 10-year financial plan and a 10-year capital plan to guide our long-term investments. These tools balance today's priorities with future demands, and ensure our investments remain sustainable over time.

At the SFPUC, planning and budgeting are guided by three priorities: keeping services affordable, managing resources responsibly, and investing where it matters most.

Affordability

While for-profit utilities were raising electricity rates, the SFPUC kept electricity rates unchanged for 98% of our customers. Commissioners decided to not change rates for more than 380,000 CleanPowerSF customers for the fiscal year that began July 1, 2025. The SFPUC approved a 10% rate increase for 6,300 Hetch Hetchy Power customers to reflect the true cost of providing electricity. Even with that adjustment, Hetch Hetchy Power customers continue to pay the lowest electricity rates in San Francisco.

The SFPUC is also an industry leader, creating an Affordability Policy to guide rate setting. The policy established metrics to gauge the impact of budget increases on future rates. Our targets are for water and sewer bills to account for less than 3% of a typical customer's income.

Additionally, San Francisco won a victory for ratepayers at the U.S. Supreme Court. The case, where thousands of cities and counties stood with San Francisco through friend-of-the-court briefs, was about preventing water pollution before it happens. It requires the Environmental Protection Agency to follow the Clean Water Act by setting clear permit limits for discharges of treated wastewater. It holds utilities responsible for their discharges, instead of penalizing them for factors outside of their control. The legal victory protected ratepayers from potentially massive bill increases.

Responsible Management

Responsible management is about earning trust through results. This year, the skill of our workforce earned recognition across the agency.

These honors included the Government Finance Officers Association's Awards, the U.S. Conference of Mayors' Climate Protection Award for CleanPowerSF, the National Association of Clean Water Agencies' Clean Water Advocate Award for our leadership in San Francisco v. EPA, and the Institute for Sustainable Infrastructure's Envision Platinum Award for the Treasure Island Water Resource Recovery Facility.

One of our leaders was also honored with the San Francisco Bay Area Planning and Urban Research Association's Good Government Award.

Investing Where it Matters Most

We're focused on investments that will make a lasting difference. This year, with our partners on the Tuolumne River, we completed a 10-acre habitat restoration project as a precursor to the Healthy Rivers and Landscapes Program, improving salmon and trout habitat and demonstrating how stewardship and science-based collaboration deliver results.

We also signed a 40-year agreement with the San Francisco Unified School District to help campuses manage stormwater, reduce flood risk, and expand outdoor opportunities for students citywide.

Our work is only as strong as the people behind it. At the SFPUC, we prioritize investing in an effective, first-rate workforce that keeps essential services reliable every day.

With the continued dedication of our Commissioners and staff, we are ensuring that our services remain affordable, responsibly managed, and focused on what matters most for San Francisco's future.

Thank you.


Dennis J. Herrera,
SFPUC General Manager

Investing in People Who Keep Water Flowing

Our water supply begins more than 160 miles away in the Sierra Nevada, carried by tunnels, pipelines, and reservoirs built and maintained by generations of skilled workers. Their expertise safeguards one of the nation's most reliable water systems, delivering clean drinking water every day to 2.7 million Bay Area residents.

Hetch Hetchy and Mountain Tunnel: Where Our Workforce Legacy Began

An effective workforce has been the foundation of our water system for more than 100 years. Completed in 1925, the 19-mile Mountain Tunnel still carries about 85 percent of San Francisco's water from Hetch Hetchy Reservoir through the Sierra Nevada. Seven miles of the tunnel are through granite, and the other 12 miles of the tunnel are lined with concrete. After decades of use, the tunnel required repairs to maintain its concrete lining to prevent water escaping through cracks. Over time, escaping water could affect the tunnel's structure and lead to partial or larger collapses. That could block the main supply of drinking water that serves four Bay Area counties. To protect this critical infrastructure, our skilled crews began a multi-year rehabilitation project in 2021.

As with our regular maintenance schedule, the work can only be done during the winter months, when water use is lower and Bay Area reservoirs can supply all customers while Mountain Tunnel is briefly shut down. In the winter of 2024-2025, crews achieved the longest shutdown in our history – 100 days – to complete major repairs. Even with the tunnel offline, water service to 2.7 million customers remained uninterrupted thanks to teamwork, careful planning and clear communication across our divisions.

During the shutdowns, crews reinforced the tunnel walls to prevent leaks and extend the life of the tunnel. They also installed large valves, giving operators improved control over the speed and pressure of water moving through the tunnel. Earlier, workers had built new entryways to ensure crews and modern equipment could quickly access the tunnel for future maintenance.

The work, led by our dedicated Hetch Hetchy Water and Power operations, maintenance, and asset management staff, safeguards the pathway that carries Hetch Hetchy water from the Kirkwood Powerhouse to Priest Reservoir. By strengthening this essential connection, we are ensuring the continued reliability of San Francisco and the Bay Area's regional water system for generations to come.

Pulgas Water Temple: A Living Landmark of Stewardship

On May 8, 2025, the Pulgas Water Temple in Redwood City, a celebrated monument to San Francisco's regional water system, received the American Water Works Association's Water Landmark Award – the most prestigious designation for historic water infrastructure in North America. With this honor, Pulgas joined the ranks of water heritage sites such as the Hoover Dam and the Chicago Water Tower.



Left: The American Water Works Association awarded the Pulgas Water Temple the AWWA Water Landmark Award for 2025, Left to right: San Mateo County Supervisor Ray Mueller, SFPUC General Manager Dennis Herrera, AWWA California-Nevada Executive Director Sue Mosburg, and SFPUC Commissioner Kate Stacy, Right: Mountain Tunnel Improvement Project, Photos by: Robin Scheswohl

The temple was built in 1938 to commemorate the arrival of Hetch Hetchy water to the San Francisco Bay Area, a milestone that provided a reliable supply of clean drinking water and helped shape the region's growth. While it remains a beloved historic site, Pulgas is also a reminder of the effective workforce that safeguards our water resources today.

Surrounding the water temple, more than 23,000 acres of watershed lands have been preserved since the mid-1800s to protect high-quality drinking water for San Francisco and the Peninsula. SFPUC employees manage and protect these lands, which are home to 800 species of plants and trees, 165 species of birds, and 50 species of mammals and are a protected area within the UNESCO Golden Gate Biosphere. The Pulgas Water Temple remains one of our most visible landmarks, drawing visitors and national recognition. It celebrates not only the bold vision that built our water system but also the ongoing dedication of our workforce to protect natural resources and deliver clean water reliably into the future.

New Water Division Campus: Enhancing Response and Resiliency

Construction is underway on a new nine-acre climate-smart San Francisco Water Division campus that will give our San Francisco-based workforce the tools and facilities they need to protect the city's water future. The modern, seismically safe campus is designed to help crews respond quickly to emergencies, maintain a resilient system, and continue delivering reliable, affordable water service, even after a disaster.

The new facilities at 2000 Marin Street in the Bayview neighborhood will replace outdated offices on Newcomb Avenue, where water division staff have been located since 1963. Once complete, the facility will centralize operations and provide a safe home base so we can more efficiently manage and operate San Francisco's 1,250 miles of water distribution pipelines, 12 in-city reservoirs, and eight water tanks. Most importantly, the campus will strengthen our crews' ability to respond during an emergency and help keep the water flowing to homes, businesses, and fire hydrants.

The People Behind San Francisco's Power

Our workforce has driven the City's transition to clean, reliable electricity through CleanPowerSF and Hetch Hetchy Power. The vision and commitment of SFPUC employees have accelerated the growth of San Francisco's clean energy system, expanding clean energy choices, reducing emissions, and advancing the City's climate goals.

CleanPowerSF: Team Effort, National Recognition

In 2025, San Francisco's CleanPowerSF program earned recognition on both the local and national stage for delivering clean, affordable electricity and helping the City meet its climate goals.

Michael Hyams, Deputy Assistant General Manager, received the Good Government Award from SPUR, the Bay Area's respected nonprofit civic planning and research organization. Hyams was honored for his leadership helping to launch CleanPowerSF in 2016 with just over 7,400 accounts. It now provides renewable and greenhouse gas-free electricity to more than 380,000 customer accounts across San Francisco.

This progress honors not only strong leadership but also the dedicated team that built CleanPowerSF from the ground up. What started with a handful of employees has grown into dozens of skilled staff who manage power contracts, customer programs, and financial operations. Together, their work has helped cut greenhouse gas emissions from electricity by 98% compared to 1990 levels. In 2023 alone, CleanPowerSF customers saved more than \$50 million compared to PG&E rates, while also reaching the milestone of delivering 100% renewable electricity two years ahead of schedule.

In June 2025, the U.S. Conference of Mayors awarded San Francisco its top national Climate Protection Award, recognizing CleanPowerSF as a model of how local action can reduce emissions, save money, and expand access to clean energy.

P.O.W.E.R. Day: Strengthening an Effective Workforce

In 2025, the Power Enterprise launched its first P.O.W.E.R. Day (Power of Workforce Engagement and Recognition Day), an initiative designed to strengthen employee engagement and celebrate staff contributions. The day-long program brought together more than 160 employees from CleanPowerSF and Hetch Hetchy Power for workshops, peer-led sessions, and an awards ceremony. Attendees reported a 95% satisfaction rate and emphasized the value of recognition and cross-team collaboration.

P.O.W.E.R. Day reinforced that the success of the Power Enterprise comes from its people. Our employees have expanded our Hetch Hetchy and CleanPowerSF service to over 386,000 customer accounts, reached 100% renewable electricity two years ahead of schedule, cut emissions by 98%, and helped CleanPowerSF and Hetch Hetchy Power customers save a combined \$170 million in 2023 on electric bills compared to PG&E. These are remarkable milestones for a public power utility, and they were made possible by the dedication and expertise of our staff.



Top: SFPUC Power Enterprise staff gather for P.O.W.E.R. Day, Bottom: SFPUC Power Enterprise staff educate and support customers at informational events, Photos by: Robin Scheswohl and SFPUC Power Enterprise

P.O.W.E.R. Day underscores the SFPUC’s commitment to an effective workforce through investment in employee morale, recognition, and professional development. This serves our customers who depend on our employees for clean, reliable, and affordable electricity in San Francisco.

Hetch Hetchy Power: Building Trust, One Conversation at a Time

As a not-for-profit utility provider, the SFPUC has a special relationship to affordable housing. Many of these developments in San Francisco are energized by Hetch Hetchy Power.

For new customers, it may be their first time paying an electricity bill. Perhaps they had a social worker managing their bills previously or were formerly unhoused – there are many reasons why customers may not be familiar with reading and paying an electricity bill.

Because of these challenges, the SFPUC’s Power Enterprise makes a concerted effort to educate and support customers on their electricity bills. The SFPUC coordinates in-person, informational “town halls” for new affordable housing properties, where we discuss Hetch Hetchy Power, discount programs, energy-saving tips, and answer residents’ questions.

For customers falling behind on their bills, the SFPUC provides additional support. During spring of 2025, the SFPUC Power team held informal chats with coffee, tea, and donuts at four affordable housing properties in the Mission District, the Tenderloin, Treasure Island, and Sunnydale. Positioned in the apartment lobby, team members provided personalized support to customers, reviewing their bills, and talking through their questions. In total, the SFPUC had one-on-one conversations with 64 customers, enrolled 12 customers in the Customer Assistance Program, and signed up 20 customers for payment plans.

This new outreach underscores the importance of meeting customers where they are. The SFPUC Power team had many meaningful and productive conversations with customers as they came and went from the building where they live. It also demonstrated the strengths of an effective workforce—staff who bring strong communication skills, cultural awareness, and leadership to connect with a diverse customer base. As the City paves the way for more affordable housing, the SFPUC is ready to power those buildings and empower our customers in these properties.

Investing in the Systems and Workforce That Serve San Francisco

SFPUC engineers, operators, and maintenance crews ensure toilets can keep flushing and sewage treatment systems running, protecting public health and the environment. They're also strengthening an essential service that will serve San Francisco for years to come.

Clear Standards, Strong Protections

Protecting public health and water quality depends on clear, enforceable rules. That was the issue at the center of *City and County of San Francisco v. Environmental Protection Agency*, a case heard before the U.S. Supreme Court and decided in March 2025. The case addressed how EPA issues wastewater discharge permits under the Clean Water Act.

EPA had taken a sweeping approach that could have held San Francisco and cities and counties across the country responsible not only for their own treated discharges, but also for discharges and pollutants outside their control that reach the same body of water – like a river, bay, or ocean – coming from someone else. San Francisco argued that the Clean Water Act requires a clearer interpretation: permits with specific, enforceable standards for discharges. Without those clear standards, San Francisco faced the prospect of billions of dollars in infrastructure upgrades with negligible environmental benefits, leading to steep bill increases and putting thousands of households at risk of poverty.

The court agreed with San Francisco, instructing EPA to follow the Clean Water Act and issue clear water discharge permits that prevent pollution before it occurs.

The decision was possible thanks to the close partnership with the San Francisco City Attorney's Office and the support of thousands of cities and counties across the country who stood with us through associations that filed supporting briefs. San Francisco's leadership was recognized by the National Association of Clean Water Agencies, which bestowed its 2025 Clean Water Advocate Award on the SFPUC.

The successful outcome in this case highlights the strength of our skilled and dedicated staff. Working with partners across the city, county, and country, we ensure that San Francisco's sewer system continues to protect public health, support the growth of our communities, and serve residents reliably every day.

Turning Workforce Skills into Climate Solutions

The SFPUC entered a 40-year partnership with the San Francisco Unified School District to bring more green infrastructure projects to campuses across the city. This agreement creates a faster, more reliable process for approving and building projects that benefit both students and the environment. Schools gain greener, safer facilities, while the SFPUC improves stormwater management using rain gardens, permeable pavement, and vegetated areas that allow rain to soak into the ground and reduce the risk of flooding.



Left: Example of open-cut construction, Right: Everett Middle School playground renovation with green infrastructure elements, Photos by: Sabrina Wong and Robin Scheswohl

Construction began on a new play and learning space at San Francisco's Everett Middle School. The new playground features four rain gardens, a rainwater harvesting system, a permeable turf field, and a new track. Everett's transformation will capture up to 1 million gallons of rainwater each year, easing pressure on San Francisco's sewer system during heavy storms.

Through the SFPUC's Green Infrastructure Grant Program, the SFPUC has awarded \$26.5 million to 26 projects, including 10 in partnership with SFUSD. Together, these projects will capture more than 16 million gallons of stormwater each year – enough to fill 24 Olympic-sized swimming pools – keeping the City on track to reach its goal of diverting 1 billion gallons of stormwater annually by 2050.

This work is led by the SFPUC's dedicated green infrastructure team who fund and review projects, collaborate with schools and community partners, and support residents in adopting sustainable practices. Their expertise is helping deliver greener campuses, stronger stormwater management, and new opportunities for students to learn about climate resilience.

Building Skills, Building Careers

For more than three decades, the Wastewater Enterprise has built a strong internship program that gives college students hands-on experience in real-

world engineering. Each year up to six student interns join the Engineering Division and contribute directly to operations. Their work ranges from sampling wastewater and testing odors to mapping the sewer system for future maintenance.

These opportunities are more than temporary jobs. Many of the SFPUC's engineers and managers started as agency interns. The program has become a proven pathway for building an effective workforce, developing the technical skills, leadership qualities, and problem-solving experience needed to operate San Francisco's combined sewer system, which treats both wastewater and stormwater.

In 2025, the Engineering Division strengthened this pipeline by partnering with the East Bay Municipal Utility District and the University of California Berkeley's water and wastewater systems program. SFPUC staff joined a classroom panel to share their experiences and promote public agency careers. This outreach brought in highly qualified candidates and inspired students to see wastewater as a field where they can make a difference.

The SFPUC hired three UC Berkeley interns in 2025. The program continues to provide a reliable source of future talent, supporting the Wastewater Enterprise's efforts to ensure that it has the people it needs to protect public health and the environment.

Investing in People and Purpose

Across the agency, the SFPUC invests in people and partnerships that strengthen essential services. From restoring rivers and building award-winning facilities to supporting customers and educating future problem-solvers, our workforce turns public investment into public benefit.

Restoring Salmon Habitat on the Tuolumne River

In June of 2024, the SFPUC partnered with the Modesto and Turlock Irrigation Districts to restore salmon and trout habitat on the Tuolumne River upstream of Old La Grange Bridge in Stanislaus County. Over four months, crews improved the river channel, added new floodplain, and returned clean gravel, removed during the Gold Rush, to the river, creating shallow, fast flowing areas where salmon lay their eggs.

The \$7.8 million project, which included a \$2.3 million investment from the SFPUC, was completed under budget. The project is a precursor to what the river partners are proposing as part of the Healthy Rivers and Landscapes Program, reflecting long-standing stewardship and science-based management of the Tuolumne River.

In summer of 2025, 1,200 adult spring-run Chinook salmon returned to the lower Tuolumne River, where they found cold, clean water and restored riverbed conditions ideal for preparing to spawn in the fall.

This achievement highlights the power of collaboration as a core workforce skill – bringing together the SFPUC, the Modesto and Turlock Irrigation Districts, federal and state agencies, local indigenous tribes,

and specialized consultants. Together, the partnership turned years of river science into practical restoration that supports fish and communities alike.

Staff Commitment Keeps Water and Sewer Bills Affordable

The SFPUC partnered with community organizations to bring multilingual bill assistance directly to hard-to-reach customers. At three in-person application drives, more than 200 people, including many seniors and members of immigrant communities, received support enrolling in the SFPUC's Customer Assistance Program. This program provides discounts of up to 40% on water and sewer bills for households with very low incomes.

At each event, residents received one-on-one help and materials in their preferred language. SFPUC staff collected more than 100 completed applications on-site and provided others with the information they needed to apply from home.

Events in San Francisco's Bayview, Mission, and Chinatown neighborhoods were organized with community partners like the Bayview-Hunters Point YMCA, San Francisco Latino Task Force, and APA Family Support Services. Staff from the SFPUC's Communications, Community Benefits, and Customer Service teams ran the events, using their community knowledge and language skills to connect with residents.



Left: SFPUC employees participating in the Expanded Employee Mentorship Program, Right: Treasure Island Water Resource Recovery Facility, Photos by: Racial Equity, Diversity, and Inclusion Team and Robin Scheswohl

Four more events are scheduled for fiscal year 2025-26, extending support to include electric bill discount programs. By being present in neighborhoods across San Francisco, the SFPUC is helping ensure more people can get the support they need to keep essential services affordable.

1. **Excellence in Government Finance:** The SFPUC's Business Services Team earned the prestigious Government Finance Officers Associations 2024 Award for Excellence in Government Finance for its Capital Planning Improvement Initiative, a five-year effort to strengthen financial sustainability and rate affordability.
2. **Tracking Wildfire Risk:** The SFPUC became the first publicly owned utility in California to use a Fire Potential Index, an AI-driven fire weather forecasting tool. Our Hetch Hetchy team combines this technology with vegetation management and power line inspections to reduce fire wildfire risk and protect both power lines and communities.
3. **Expanded Employee Mentorship Program:** Now in its third year, the program matched 178 employees across every bureau and enterprise. Mentors

and mentees built skills, shared knowledge, and created lasting professional connections, with 84% of participants reporting a positive impact on their growth and development.

4. **Award-Winning Infrastructure:** As San Francisco's Treasure Island continues its transition from a former U.S. Naval Base into a neighborhood for 20,000 residents, the SFPUC's new Water Resource Recovery Facility will keep the community thriving. In April of 2025, the facility earned the Envision Platinum Award, the highest recognition from the Institute for Sustainable Infrastructure, placing it among only a handful of wastewater treatment plants in the nation to achieve this honor.
5. **Empowering Future Problem Solvers:** Through our Project Learning Grants, the SFPUC supports community-based organizations like the Chinese Youth Council where students learned where our water comes from and how a changing climate affects their neighborhoods. Through these grants, the SFPUC is not only sparking civic pride and resilience but also building the foundation for an effective workforce ready to protect San Francisco's essential services into the future.

Keeping Our Water Rates Affordable

Single-Family Residential FY 2024-25

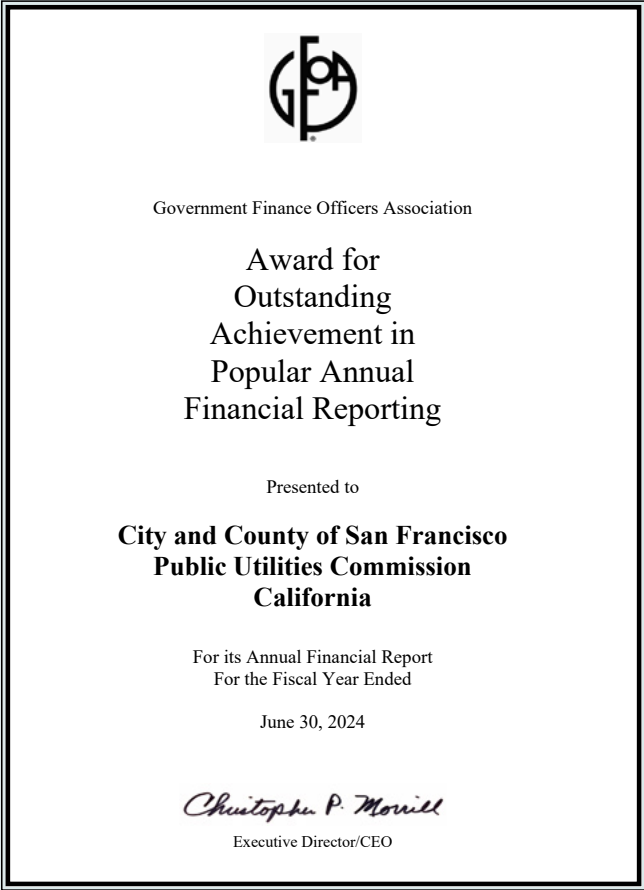
Average Monthly Usage (ccf)	4.80
Average Monthly Bill.	\$160.75
Cost per Person per Day	\$2.39
Total Cost per Gallon	\$0.045
Total Combined Bill as % of San Francisco Median Household Income	1.76%
Total Combined Bill as % of San Francisco Low Income Household	4.20%

Calculation is based on the average monthly water usage
Average Water/Sewer Bill as % of Typical Household (40th Percentile) Income
Average Water/Sewer Bill as % of Low-Income Household (20th Percentile) Income

Financial Performance

Since 2010, this report has won the prestigious “Award for Outstanding Achievement in Popular Annual Financial Reporting” from the Government Finance Officers Association.

This award recognizes our commitment to increase public awareness by providing an overview of our financial condition. The financial information for this report is drawn from the audited financial statements in the **SFPUC’s Fiscal Year 2024 Annual Comprehensive Financial Report (ACFR)**, using the full accrual basis of accounting and providing complete financial information and disclosures in conformance with generally accepted accounting principles (GAAP). PAFR is not audited and is presented on a non-GAAP basis as note disclosures have been excluded in the report. Our ACFR, which provides complete financial information and disclosures in conformance with GAAP, is available online at www.sfpuc.gov/about-us/reports.



The **Comparative Consolidated Net Position** provide information about the nature and amount of resources and obligations at a specific point in time. SFPUC continued to reflect a strong and healthy financial condition over the last several fiscal years. Investments in capital assets constituted 63% of our net position and represented the amount by which the carrying value of capital assets exceeds capital-related debt, which comprises the outstanding balances of bonds, commercial paper, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. For FY2025, SFPUC net position increased by 7% or \$211 million as compared to FY2024, mainly due to increase in unrestricted net position.

There are five components in the Statement of Net Position, which is intended to present what the entity owns (assets), owes (liabilities) and its residual or net position.

1. Assets are resources with present service capacity that the government presently owns or controls.
2. Deferred outflow of resources is a consumption of net assets by the government that is applicable to a future reporting period—for example, amortization of refunding loss to future periods.
3. Liabilities are present obligations to sacrifice resources that the government has little or no discretion to avoid, such as debts owed, and represent claims against assets.
4. Deferred inflow of resources is an acquisition of net assets by the government that is applicable to a future reporting period—for example, amortization of net difference in pension projected verses actual earnings.
5. Net position is the residual of all elements presented in a Statement of Net Position, i.e., Total assets plus deferred outflows minus total liabilities minus deferred inflows. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or worsening.

The **Comparative Revenues and Expenses** reflected continued revenue growth. SFPUC strives to achieve strong financial performance and effectively controls its operating costs to not exceed revenues.

Total revenues, transfers in and contributions increased by \$78 million when compared to prior year. This is mainly due to higher charges for services for our customers.

Total expenses and transfers out decreased by \$18 million, as compared to prior year. This was primarily due to lower judgment and claims expenses based on analyses performed by the City Attorney's Office and Controller's Office.

Definitions

- **Capital Assets:** Include depreciable, amortizable, non-amortizable and non-depreciable facilities and buildings, improvement, machinery and equipment, intangible assets, land, rights-of-way, right-to-use lease and subscription assets, as well as construction work in progress, net of depreciation and amortization.
- **Current and Other Assets:** Assets easily converted to cash or consumed within one year: cash, investments, receivables, and prepaid expenses.
- **Long-term Debt Outstanding:** Payments due on debt that are more than 12 months in the future.
- **Current Liabilities:** Payments due on obligations owed by SFPUC within the next 12 months.
- **Net Position:** Net difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources.
- **Change in Net Position:** The total of net income (loss), net of transfers, contributions, and cumulative effect of accounting change.
- **Depreciation and Amortization Expense:** Depreciation spreads out the cost of a tangible asset over its useful life, and amortization is the deduction of intangible assets over a specified time period; typically the life of an asset.
- **Income (Loss):** The difference between total revenues less total expenses.
- **Non-operating Revenues and Expenses:** Revenues and expenses that are incidental to SFPUC's main purpose and derived from activities not directly related to SFPUC's operations such as license fees and penalties, interest earnings and costs associated with debt.
- **Operating Expenses:** Expenses incurred in the provision of water, sewer, and power services.
- **Operating Revenues:** Revenues for the sale of water, sewer, and power services to customers, services, inspections, and programs provided by SFPUC.
- **Transfers in:** Funds recovered from other city departments to support various programs and projects.
- **Transfers out:** Funds provided to other city departments to support various programs and projects.

A Closer Look at the Numbers

SFPUC 2025 By the Numbers

Miles	1,725 miles of water mains, 1,139 miles of collection system pipes
Millions of gallons (MG)	275,823 MG water reservoir storage, 70,363 MG water production, 66,444 MG water consumption
Millions of gallons per day (MGD)	183 MGD water consumption, 73.5 MGD sewer treatment
San Francisco Population	835,987
San Francisco Personal Income per Capita	\$176,317
SFPUC Website	sfpuc.gov

SFPUC Assets (DOLLARS IN MILLIONS)

Fiscal Year	FY2025	FY2024	FY2023	2025-24 \$ Change	2024-23 \$ Change
Cash & Investments	\$2,262	\$1,583	\$1,448	\$679	\$135
Charges for Services Receivables (net of allowance for doubtful accounts)	\$188	\$196	\$159	\$(8)	\$37
Capital Assets^	\$13,336	\$12,262	\$11,207	\$1,074	\$1,055
Others	\$199	\$301	\$200	\$(102)	\$101
Total Assets	\$15,985	\$14,342	\$13,014	\$1,643	\$1,328

Fiscal year 2025, SFPUC assets increased by \$1,643 million or 11%, mainly due to \$1,074 million additional construction and capital improvements, and \$679 million in cash and investments.

Fiscal year 2024, SFPUC assets increased by \$1,328 million or 10%, mainly due to \$1,055 million additional construction and capital improvements, and \$135 million in cash and investments.

SFPUC Liabilities (DOLLARS IN MILLIONS)

Fiscal Year	FY2025	Restated FY2024 [#]	FY2023	2025-24 \$ Change	2024-23 \$ Change
Certificates of Participation	\$120	\$125	\$129	\$(5)	\$(4)
Commercial Papers	\$189	\$622	\$488	\$(433)	\$134
Bonds	\$9,251	\$7,968	\$7,639	\$1,283	\$329
Notes	—	—	\$350	—	\$(350)
State Revolving Fund Loans	\$667	\$578	\$482	\$89	\$96
Water Infrastructure Finance and Innovation Act loans	\$1,395	\$922	\$122	\$473	\$800
Others	\$1,225	\$1,212	\$951	\$13	\$261
Total Liabilities	\$12,847	\$11,427	\$10,161	\$1,420	\$1,266

[#]Fiscal year 2024, restated due to implementation of GASB Statement No. 101, *Compensated Absences*.

Fiscal year 2025, SFPUC liabilities increased by \$1,420 million or 12%. The increases included \$1,407 million in outstanding debts due to bonds, WIFIA loans and State loans issuances, and \$13 million mainly due to increase in pension and wholesale balancing account..

Fiscal year 2024, SFPUC liabilities increased by \$1,266 million or 12%. The increases included \$1,005 million in outstanding debts due to bonds, WIFIA loans and State loans issuances, and \$261 million mainly due to judgement and calims expenses based on actuarial estimates.

Financials at a Glance

SFPUC By the Numbers (DOLLARS IN MILLIONS, UNLESS OTHERWISE STATED)

	Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC
S&P Global Bond Rating.....	AA-	AA	N/A	AA	N/A	N/A
Moody's Investors Service.....	Aa2	Aa2	N/A	N/A	A2	N/A
Fitch.....	N/A	N/A	N/A	AA-	N/A	N/A
Current Ratio	1.67 times	2.21 times	12.3 times	1.24 times	7.34 times	2.06 times
Debt Ratio	90.0%	81.9%	13.2%	53.7%	16.2%	80.4%
Debt Service Coverage	2.17	3.64	N/A	23.78	N/A	N/A
Average Borrowing Rate ¹	3.55%	3.62%	N/A	3.61%	N/A	N/A
Total Assets ²	\$6,858.0	\$7,298.4	\$378.3	\$1,196.2	\$292.4	\$15,985.2
Deferred Outflows of Resources.....	\$208.8	\$56.1	\$15.4	\$18.8	\$3.9	\$303.0
Total Liabilities ²	\$6,170.9	\$5,974.8	\$50.0	\$642.5	\$47.3	\$12,847.4
Deferred Inflows of Resources.....	\$113.2	\$24.8	\$3.7	\$4.5	\$2.4	\$148.6
Net Position	\$782.7	\$1,354.9	\$340.0	\$568.0	\$246.6	\$3,292.2
Number of Customer Accounts.....	179,591	181,682	5	8,461	388,317	758,056
Capital Budget.....	\$456.0	\$892.5	\$152.8	\$52.0	\$0.6	\$1,553.9
Adopted Annual Operating Budget. ...	\$738.5	\$474.8	\$108.4	\$237.2	\$464.1	\$2,023.0

The SFPUC's high credit ratings helps to reduce high borrowing costs.

¹Weighted average interest rate on outstanding bonds as of 6/30/25.

²SFPUC total included elimination entries of \$38.1 million interfund payables and receivables between Water/Hetchy Power and Wastewater/Hetchy Power.

Definitions

- **Current Ratio:** measures the enterprise's ability to pay short-term obligations with its current assets. It is defined as current assets divided by current liabilities.
- **Debt Ratio:** measures how much of the enterprise's assets are financed by debt. It is defined as total liabilities divided by total assets.
- **Debt Service Coverage:** measures the enterprise's ability to meet both legal and policy-driven revenue obligations associated with debt. The enterprise revenues pledged for the repayment of debt service must meet the following financial ratios: minimum debt service coverage requirements of 1.00x (current) and 1.25x (indenture).

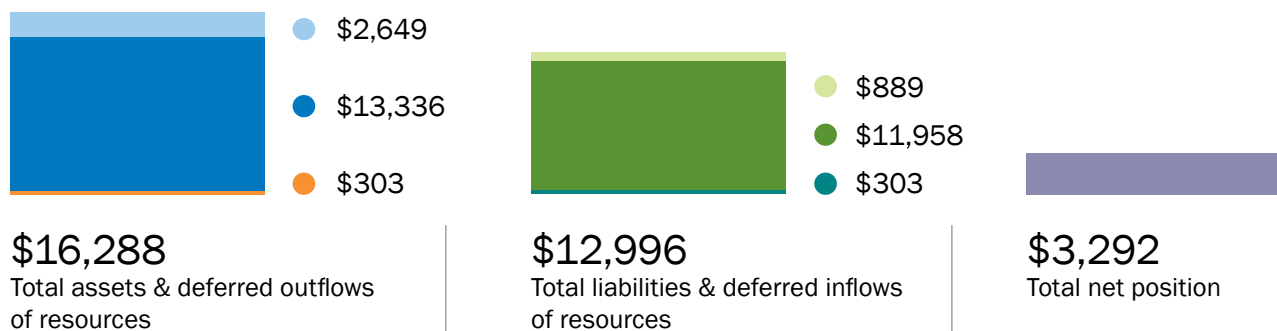
Please refer to SFPUC's debt management and disclosure reports for more details. www.sfpuc.gov/about-us/reports/debt-management-and-disclosure-reports.

Five-Year Comparative Consolidated Net Position

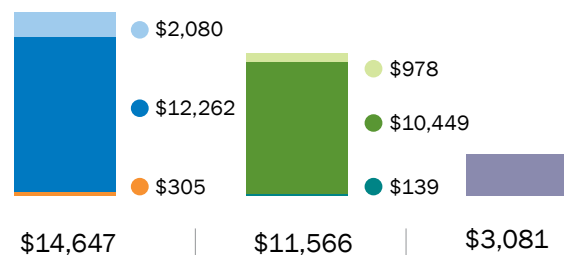
(DOLLARS IN MILLIONS)

- Current & other assets
- Capital assets, net of accumulated depreciation and amortization^
- Deferred outflows of resources
- Current liabilities
- Long-term liabilities
- Deferred inflows of resources
- Net position

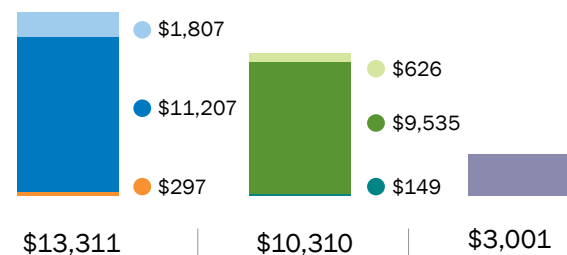
2025



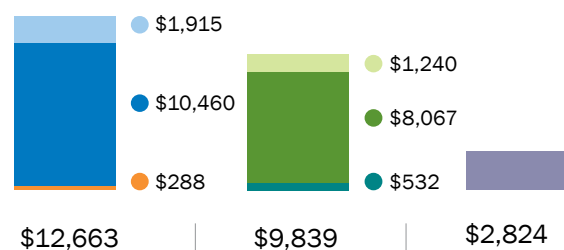
2024#



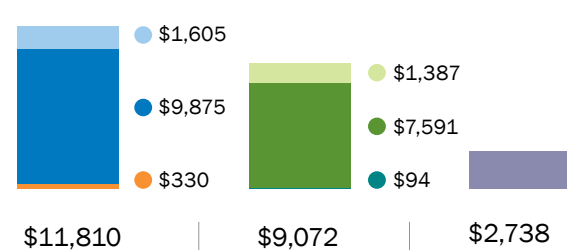
2023



2022



2021



^Total asset reclassification from current and other assets to right-to-use lease (fiscal years 2021-2023) and subscription assets (fiscal years 2022-2023).

#Fiscal year 2024, restated due to implementation of GASB Statement No. 101, *Compensated Absences*.

Five-Year Comparative Revenues and Expenses

(DOLLARS IN MILLIONS)

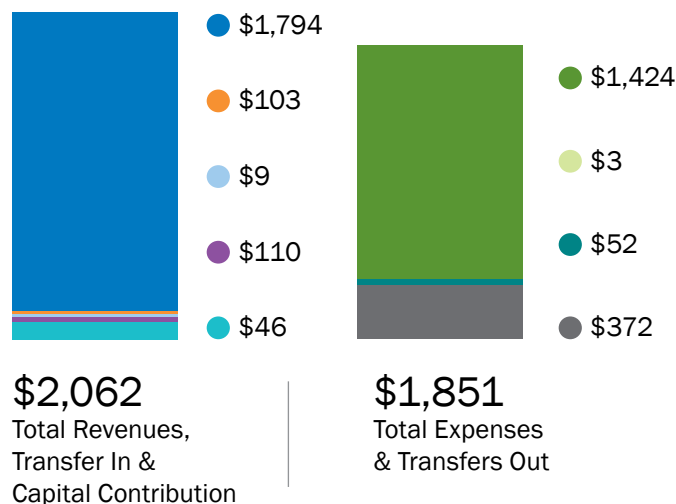
Revenues, Transfers in and Capital Contributions

- Charges for services*
- Interest and investment (loss) income
- Rents & concessions
- Transfers in and capital contribution
- Others

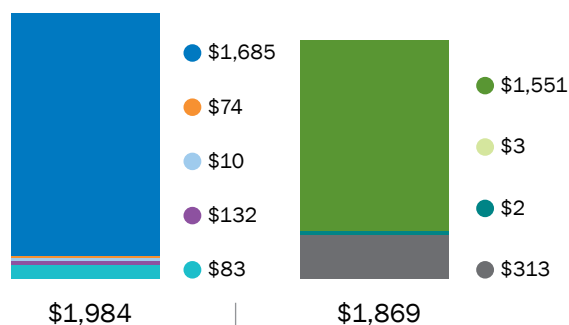
Expenses & Transfers out

- Operating expenses
- Non-operating expenses
- Transfers out
- Interest expenses^

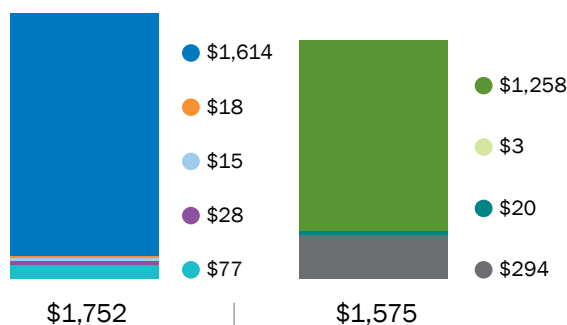
2025



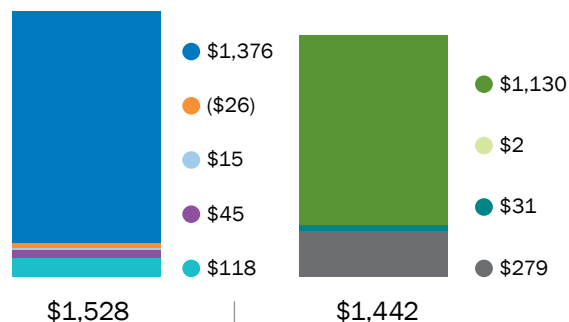
2024[#]



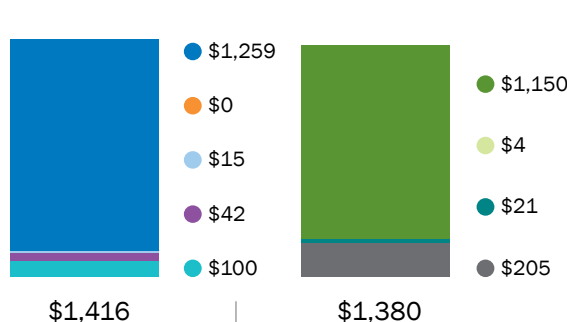
2023



2022



2021



*Fiscal year 2024 and 2023, certain other revenues for City Departments reclassified to charges for services.

^Interest expenses, net of amortization of premium, discount, refunding gain/loss and issuance costs.

#Fiscal year 2024, restated due to implementation of GASB Statement No. 101, *Compensated Absences*.







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:

Peninsula Watershed - Lower Crystal Springs

Dam: Water Enterprise's surveying team

Clean Power SF - Gonzaga Ridge

Sewer System Improvement Program - Westside

Pump Station Reliability Improvements Project

Back cover photo:

Tuolumne Meadow - Yosemite National Park

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