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San Francisco
Water Power Sewer
Services of the San Francisco Public Utilities Commission

Annual Comprehensive Financial Report

Fiscal Years Ended June 30, 2025 and 2024

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

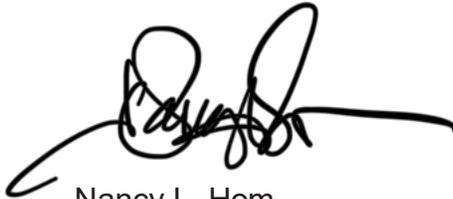


The San Francisco Public Utilities Commission

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

Annual Comprehensive Financial Report for the
Fiscal Years Ended
June 30, 2025 and 2024

Prepared by SFPUC Financial Services

A handwritten signature in black ink, appearing to read 'Nancy L. Hom', with a long horizontal flourish extending to the right.

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

The San Francisco Public Utilities Commission

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Ten-Year Capital Plan

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Achievement Awards from Government Finance Officers Association

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



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
 General Manager’s Transmittal Letter

December 10, 2025

Dear Customers and Interested Parties,

On behalf of the San Francisco Public Utilities Commission (SFPUC), I am pleased to present our Annual Comprehensive Financial Report for fiscal years June 30, 2025 and 2024. 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 long-range tools balance today’s priorities with future demands, and make sure 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 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 (EPA) 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 Award for Certificate of Achievement for Excellence (COA for ACFR), Budget Award, Popular Annual Financial Reporting Award (PAFR) and the Triple Crown Winner, 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.

Daniel Lurie
 Mayor

Joshua Arce
 President

Stephen E. Leveroni
 Vice President

Avni Jamdar
 Commissioner

Kate H. Stacy
 Commissioner

Meghan Thurlow
 Commissioner

Dennis J. Herrera
 General Manager



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.

The SFPUC's auditors Macias Gini & O'Connell LLP have issued an unmodified (clean) audit of our agency's financial statements as of and for the years ended June 30, 2025 and 2024. This audit provides accountability and transparency of the SFPUC's financial activities, while reflecting the ethical way our agency operates. A copy of this independent auditor's report can be found in the financial section of this report.

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.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "D.J. Herrera". The signature is stylized and cursive.

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 over 2.6 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 pump stations, discharge points, and the massive underground transport/storage structures around the City that have storage capacity up to 200 million gallons.

The Wastewater Enterprise serves both residential and commercial accounts as well as some municipal customers. 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.

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** 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 28 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 Renewables Portfolio Standard (RPS) certified renewable energy, and its SuperGreen product offers 100% California RPS-certified renewable energy.

CleanPowerSF serves more than 380,000 customer accounts in San Francisco. Collectively, 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 2025
San Francisco Mayor and Public Utilities Commission Members



Daniel L. Lurie
Mayor



Kate H. Stacy
President



Joshua Arce
Vice President



Avni Jamdar
Commissioner

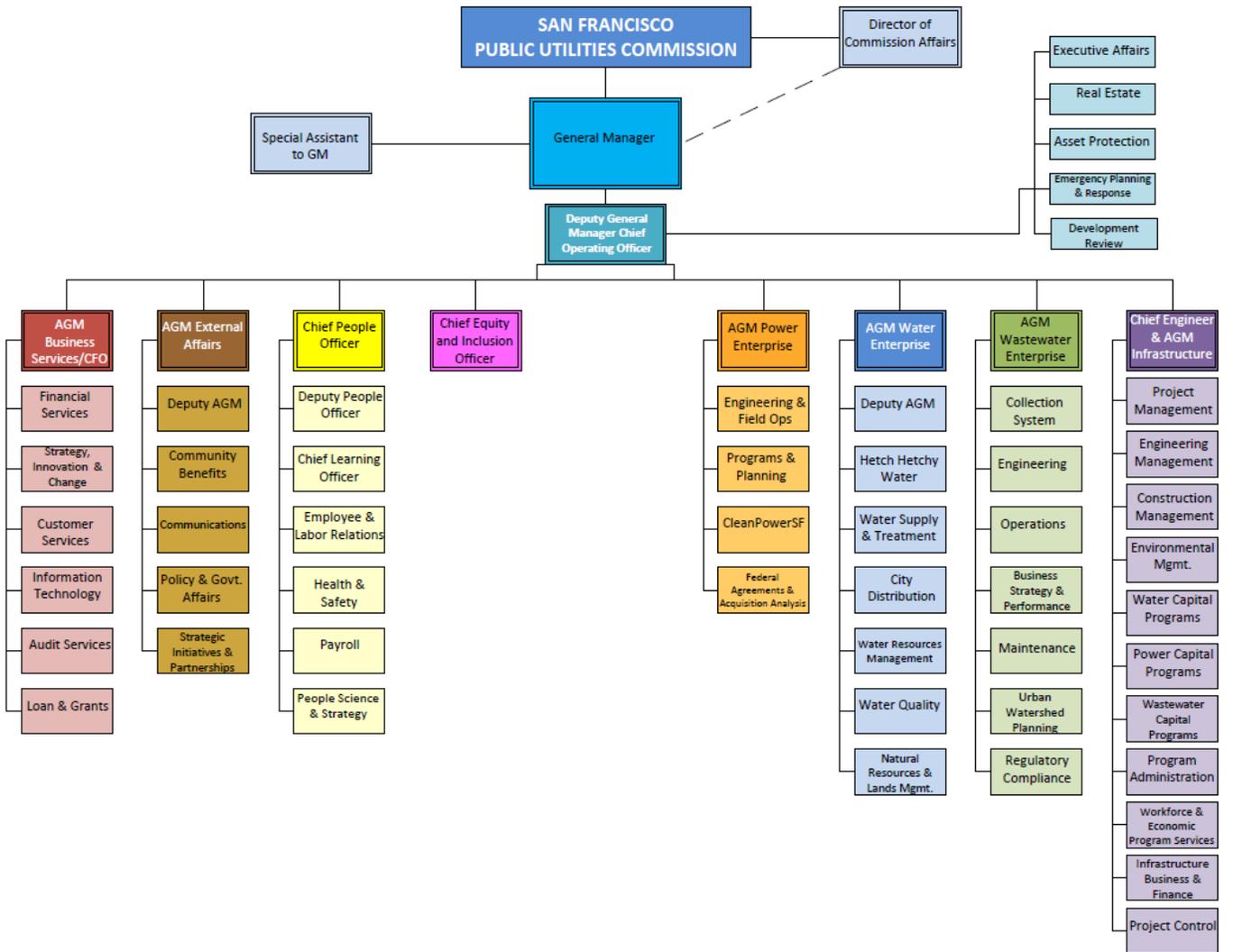


Steve Leveroni
Commissioner



Meghan Thurlow
Commissioner

Organizational Chart as of June 2025



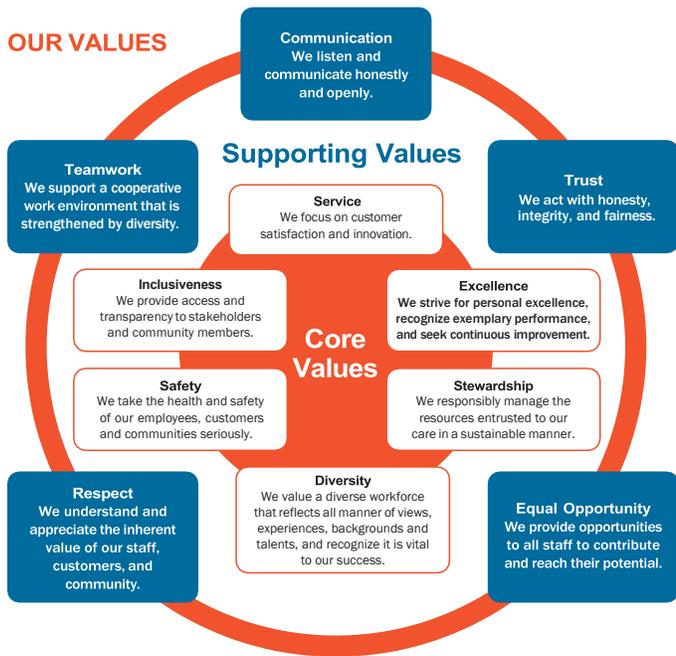
Note: AGM is Assistant General Manager, the person who leads an Enterprise or Bureau.

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 (Hetchy Water and Hetchy Power) and CleanPowerSF 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

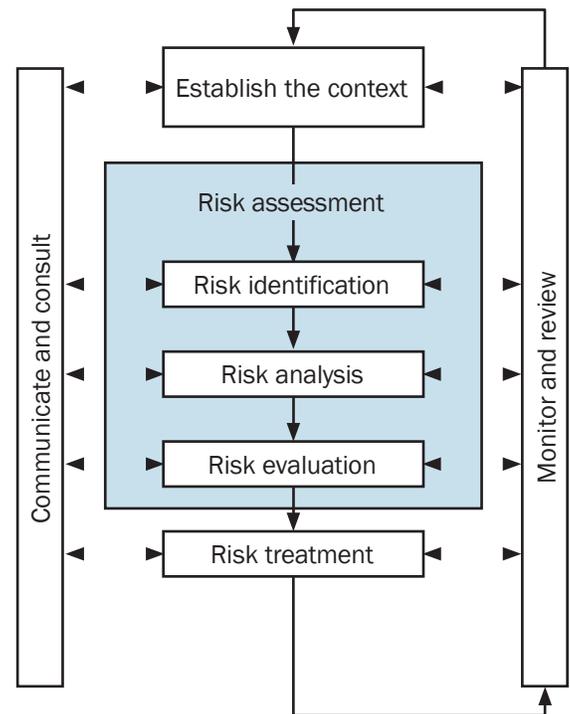


Each Goal has one or more Executive Champions who have worked across the Enterprises, Infrastructure, and the Bureaus to develop performance measures including target and baseline metrics. There is a Lead Strategist for each of the six goal area who will carry the vision of their respective goal area 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://www.sfpuc.gov/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 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 City Administrator’s Risk Management Division 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, lawsuits

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 \$1 million, 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 2026 Operating Budgets

The SFPUC annual budgets based on mid-year cycle, including debt service and cash-funded capital, as well as operating programs total \$2.13 billion and \$2.02 billion for fiscal years 2026 and 2025, 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 Enterprises. The budget increase is mainly driven by debt service and personnel cost. The debt service funds the SFPUC's Capital Improvement Programs for the Water System Improvement Program (WSIP) and the Sewer System Improvement Program (SSIP). 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 2026 \$2.13 billion operating budget, the Water Enterprise accounts for \$775.5 million to fund the operations and maintenance of the SFPUC's water system; Wastewater Enterprise's operating budget of \$528.0 million funds the operations and maintenance of the SFPUC's sewer system. Hetch Hetchy Water and Power's operating budget of \$382.5 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 \$444.4 million funds the operations and power purchases. Detailed budget information is available under Annual Budget and Appropriation Ordinance, July 29, 2025 on the City's website, <https://www.sf.gov/budget-process-documents-for-fiscal-years-2026-2027>.

Fiscal Year 2026 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 Improvement 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 and Ten-Year 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 capital budgets were \$1.57 billion and \$1.55 billion for fiscal year 2026 and 2025, respectively. Of the \$1.57 billion capital budget, the Water Enterprise accounts for \$477.2 million with \$21.2 million increase or 5%. The Wastewater Enterprise accounts for \$822.9 million with \$69.6 million decrease or 8%. Hetch Hetchy Water and Power Enterprise accounts for \$266.2 million with \$61.4 million increase or 30%. CleanPowerSF accounts for \$0.5 million with a \$0.1 million decrease or 17%.

Water Treatment Program, which is to provide renewal and replacement programs at the Sunol Valley and Harry Tracy Water Treatment Plant Ozone project. The Water Transmission Program includes pipeline inspections and repairs, valve replacements and pump station and vault upgrades. The Regional Buildings and Grounds includes major improvements to the Millbrae Yard. Millbrae Campus Improvements include a new laboratory and office building to update the lab facilities and consolidate staff from the Burlingame facility. 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. Local Buildings and Grounds Improvements includes the new City Distribution Division (CDD) headquarter at 2000 Marin.

The Wastewater Enterprise's major capital investment from the Sewer System Improvement Program (SSIP) includes the Treatment Facilities Programs, including the Southeast Plant (SEP) Biosolid Digester Facility, improvement to the liquid treatment at the SEP, the North Point Wet Weather Facility, the North Shore Pump Station, and associated outfalls. The New Operations Engineering and Maintenance Buildings project will provide workshop space for the Trades and Mechanical Maintenance, engineering workspaces and shower and locker facilities for the Plant. SEP Mainstream Nutrient Reduction project is to reduce the amount of nitrogen discharged from the SEP to comply with anticipated future nitrogen-related regulations. The Stormwater Management and Flood Resilience program includes work on flood resilience planning and project implementations.

The Hetch Hetchy Water and Power's major capital investment includes projects to sustain the reliability of the San Joaquin Pipeline System, generator rehabilitation and power plan system upgrades for the Moccasin Powerhouse. Other projects include, Transmission Lines Clearance Mitigation Project, Cherry Eleanor Pumps upgrade and replacement, Eleanor Dam and Moccasin Penstock Rehabilitations. Moccasin Dam and Reservoir Long Term Improvements will fund the construction of a new concrete spillway and additional flood protection to the Moccasin project facilities. The Transmission and Distribution program is to provide electric service to new City facilities, and redevelopment projects. The San Francisco Airport (SFO) Substation Improvements project will ensure continued power supply to meet the growing demands of the airport. The Distribution Interface Redevelopment Projects include design and construction of new electric distribution system and facilities to various new developments within San Francisco.

The CleanPowerSF major capital investment includes the development of new renewable energy (solar photovoltaic) and battery storage projects on select SFPUC sites. The project has six major phases including: Planning, Request for Proposals, Construction and Commissioning, Power Purchase Agreements (PPA), Asset Management, and Project Buyout. The initial renewable energy facilities developed under this program would be structured as PPA with third parties that would develop and operate the projects for an initial period. The PPAs would include a buy-out option for the City.

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 metrics for each Enterprise over a rolling 10-year period. The Financial Plan projections are based on current Mayor and Commission policies, goals, and objectives. For the Financial plan fiscal year 2026, costs are anticipated to increase for each Enterprise on average from 1.9% to 8.9%, mainly due to capital investments and power supply cost. The SFPUC remains committed to financial sustainability. Adopted financial policies, including the Debt Service Coverage Policy, Fund Balance Reserve Policy, and Capital Financing Policy set targets for our long-term financial planning, while the San Francisco Charter requires the agency to establish rates sufficient to maintain high bond ratings. Prudent financial planning is increasingly important as the utility industry as a whole faces growing challenges, including climate change, an uncertain economy, regulatory complexity, and aging infrastructure.

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 Capital Plan is to contain a list of projects to be executed during the 10-year planning horizon, including cost estimates and schedules. Both the Ten-Year Financial Plan 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 2026 through 2035 totals \$11.1 billion, represents a 6% decrease from last fiscal year's proposed expenditures of \$11.8 billion. The decrease is mainly due to outyear appropriation for the Wastewater Enterprise being significantly less than the nearer term appropriation needs, Water Enterprise removing various projects such as the Daly City Recycled Water Expansion and Los Vaqueros Reservoir Expansion 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 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 Macias Gini & O'Connell 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, 2025 and 2024 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 for SFPUC's financial statements fiscal year ended June 30, 2025, which has also been achieved since 2008. The independent auditor's 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 auditor's 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 the three utility enterprises: the Water Enterprise, the Wastewater Enterprise, Hetch Hetchy Water and Power and CleanPowerSF. Each of the SFPUC's enterprise fund 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 budgetary reserve and debt service coverage requirements are available on our website <https://www.sfpuc.gov/about-us/policies-plans/financial-plans-and-policies>. The purpose and source for each of the designated budgetary 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 budgetary 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 postemployment benefits (also known as retiree medical) and continues to make the annual required 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, 2025, 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 Services Bureau is responsible for providing comprehensive financial services for the utility enterprises and bureaus, 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, 2024. This was the 16th 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, 2024

Christopher P. Morill

Executive Director/CEO

Financial Section

Independent Auditor's 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 Postemployment Benefits Liability
and related Ratios - Other Postemployment Healthcare Benefits Plan

Schedules of Employer Contributions – Other Postemployment
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 Auditor's 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 San Francisco Public Utilities Commission
An Enterprise Department of the City and County of San Francisco, California

Independent Auditor’s Report

The San Francisco Public Utilities Commission, the
Honorable Mayor, and the Board of Supervisors of
City and County of San Francisco, California

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, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the SFPUC’s basic financial statements 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 the SFPUC as of June 30, 2025 and 2024, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the SFPUC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 the 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 (City) that is attributable to the transactions of the SFPUC. They do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2025 and 2024, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The SFPUC’s management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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.

Auditor’s 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 auditor’s 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 the 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 postemployment benefits liability and related ratios – other postemployment healthcare benefits plan, and schedules of employer contributions – other postemployment healthcare benefit plan, as listed in the 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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 audit 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, these schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The SFPUC's management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's 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 audit 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 December 10, 2025 on our consideration of the 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 the 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 the SFPUC's internal control over financial reporting and compliance.



Walnut Creek, California
December 10, 2025

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

(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 years ended June 30, 2025 and 2024. 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
- Financial Analysis
- Capital Assets
- Debt Administration
- Rates and Charges
- Request for Information

Organization and Business

The SFPUC is a department of the City and County of San Francisco (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, Hetch Hetchy Water and Power and CleanPowerSF.

Water Enterprise

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 182 million gallons of water per day in the year ended June 30, 2025. Approximately 70% of the water delivered by the Water Enterprise is to wholesale customers. Retail customers use the remaining 30% 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 1,139 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 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, 2025, the Wastewater Enterprise serves 149,672 residential accounts, which discharge about 15.9 million units of sanitary flow per year (measured in hundreds of cubic feet, or ccf) and 32,010 non-residential accounts, which discharge about 5.8 million ccf per year. These reflected an increase of 0.67 million discharge units for residential accounts and 0.15 million discharge units for non-residential accounts, resulting from account growth of 217 and 4,367, respectively, compared to prior year.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

(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

Hetchy Power is San Francisco's publicly owned utility which provides 100% greenhouse gas-free electric power to serve the City and County of San Francisco's municipal customers, other commercial and residential developments. It includes approximately 160 miles of transmission lines from Yosemite to the Bay Area and nearly 400 megawatts of generation capacity. Hetch Hetchy Power is a full-service retail electric program serving approximately 20% of the City's load and over 6,000 customer accounts.

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 address environmental concerns and community objectives, Hetchy Power continues to expand its resource base to include distributed generation as well as energy efficiency and transportation and building decarbonization programs. As part of its mission and core functions, Hetchy Power provides reliable energy services at reasonable cost to customers.

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

CleanPowerSF is San Francisco's community choice aggregation (CCA) program operated by the SFPUC. CCA programs were made possible by the 2002 passage of California Assembly Bill 117, enabling communities to generate and purchase power on behalf of their residents and businesses and creating retail competition for power supply services. CleanPowerSF began serving customers with power generation in May 2016. CleanPowerSF's core business is to provide greener electricity supply to residential and commercial consumers that are retail distribution customers of Pacific Gas and Electric Company (PG&E) in San Francisco. The SFPUC operates CleanPowerSF as a financially independent service, with the ability to set rates and charges with adequate revenues, and to issue debt to support its operations and future projects, as needed. CleanPowerSF is discretely presented as a fund of the Enterprise starting fiscal year 2017.

CleanPowerSF offers affordable and competitive electricity generation rates with a diverse electricity resource portfolio that is comprised of renewable and other clean sources of supply. The program serves more than 380,000 customer accounts and provides San Francisco with an electricity supply from its default "Green" product that is sourced from at least 50% California State Renewables Portfolio Standard (RPS)-eligible resources. 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 neighborhoods that meet the State of California's criteria as Disadvantaged Communities with 100% RPS-eligible electricity at a 20% bill discount.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

(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.

Financial Analysis

Financial Highlights for Fiscal Year 2025

Department-wide Business Type Activities

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$3,292,239.
- Total assets exceeded total liabilities by \$3,137,845.
- Net position increased by \$211,561 or 6.9% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$1,074,361 or 8.8% to \$13,336,489.
- Current and other assets increased by \$568,715 or 27.3%.
- Operating revenues, excluding interest and investment income, and other non-operating revenues, increased by \$108,929 or 6.4% to \$1,811,298.
- Operating expenses decreased by \$127,196 or 8.2% to \$1,423,674.

Water

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$782,738.
- Total assets exceeded total liabilities by \$687,077.
- Net position increased by \$49,632 or 6.8% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization increased by \$212,832 or 3.7% to \$5,991,299.
- Current and other assets increased by \$1,003 or 0.1%.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

(Dollars in thousands, unless otherwise stated)

- Operating revenues, excluding interest and investment income, and other non-operating revenues, increased by \$1,747 or 0.3% to \$678,637.
- Operating expenses decreased by \$35,191 or 6.6% to \$495,463.

Wastewater

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$1,354,939.
- Total assets exceeded total liabilities by \$1,323,663.
- Net position increased by \$31,303 or 2.4% during the year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$796,443 or 14.5% to \$6,284,853.
- Current and other assets increased by \$435,577 or 75.4%.
- Operating revenues, excluding interest and investment income, and other non-operating revenues, increased by \$36,150 or 9.2% to \$431,191.
- Operating expenses decreased by \$170,610 or 36.8% to \$292,481.

Hetchy Water

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$339,957.
- Total assets exceeded total liabilities by \$328,268.
- Net position increased by \$60,014 or 21.4% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$12,844 or 5.4% to \$250,330.
- Current and other assets increased by \$46,373 or 56.8%.
- Operating revenues, excluding interest and investment income, and other non-operating revenues, increased by \$3,719 or 7.5% to \$53,211.
- Operating expenses increased by \$1,062 or 2.4% to \$45,471.

Hetchy Power

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$567,986.
- Total assets exceeded total liabilities by \$553,699.
- Net position increased by \$2,135 or 0.4% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$52,169 or 6.9% to \$809,921.
- Current and other assets increased by \$55,828 or 16.9%.
- Operating revenues, excluding interest and investment income, and other non-operating revenues, increased by \$4,111 or 1.9% to \$218,463.
- Operating expenses increased by \$16,918 or 8.4% to \$218,081.

CleanPowerSF

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$246,619.
- Total assets exceeded total liabilities by \$245,138.
- Net position increased by \$68,477 or 38.4% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$73 or 561.5% to \$86.
- Current and other assets increased by \$67,642 or 30.1%.
- Operating revenues, excluding interest and investment income, and other non-operating revenues, increased by \$63,202 or 17.2% to \$429,796.
- Operating expenses increased by \$60,625 or 19.5% to \$372,178.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

(Dollars in thousands, unless otherwise stated)

Financial Highlights for Fiscal Year 2024*

Department-wide Business Type Activities

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$3,080,678.
- Total assets exceeded total liabilities by \$2,915,075.
- Net position increased by \$79,292 or 2.6% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$1,055,526 or 9.4% to \$12,262,128.
- Current and other assets increased by \$272,251 or 15.1%.
- Operating revenues, excluding interest and investment income, and other non-operating revenues, increased by \$63,865 or 3.9% to \$1,702,369.
- Operating expenses increased by \$292,924 or 23.3% to \$1,550,870.

Water

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$733,106.
- Total assets exceeded total liabilities by \$624,496.
- Net position increased by \$41,033 or 5.9% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization increased by \$125,515 or 2.2% to \$5,778,467.
- Current and other assets increased by \$174,613 or 25.3% mainly due to increases of reimbursements receivable relating to the Mountain Tunnel Improvement project for Clean Water State Revolving Funds (SRF) Loans and restricted cash from the issuances of the 2023 Series AB and 2023 Series CD bonds.
- Operating revenues, excluding interest and investment income, and other non-operating revenues, decreased by \$14,201 or 2.1% to \$676,890.
- Operating expenses increased by \$70,401 or 15.3% to \$530,654.

Wastewater

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$1,323,636.
- Total assets exceeded total liabilities by \$1,289,457.
- Net position decreased by \$75,198 or 5.4% during the year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$802,064 or 17.1% to \$5,488,410.
- Current and other assets increased by \$3,551 or 0.6%.
- Operating revenues, excluding interest and investment income, and other non-operating revenues, increased by \$31,105 or 8.5% to \$395,041.
- Operating expenses increased by \$201,741 or 77.2% to \$463,091.

Hetchy Water

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$279,943.
- Total assets exceeded total liabilities by \$269,661.
- Net position increased by \$5,815 or 2.1% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$17,450 or 7.9% to \$237,486.
- Current and other assets decreased by \$9,225 or 10.2%.
- Operating revenues, excluding interest and investment income, and other non-operating revenues, decreased by \$3,205 or 6.1% to \$49,492.
- Operating expenses, excluding interest expenses decreased by \$5,602 or 11.2% to \$44,409.

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Hetchy Power

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$565,851.
- Total assets exceeded total liabilities by \$553,285.
- Net position increased by \$47,501 or 9.2% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$110,514 or 17.1% to \$757,752.
- Current and other assets increased by \$36,405 or 12.4%.
- Operating revenues, excluding interest and investment income, and other non-operating revenues, increased by \$10,349 or 5.1% to \$214,352.
- Operating expenses, excluding interest expenses, other non-operating expenses, and amortization of premium, discount, and issuance costs, increased by \$9,611 or 5.0% to \$201,163

CleanPowerSF

- Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$178,142.
- Total assets exceeded total liabilities by \$178,176.
- Net position increased by \$60,141 or 51.0% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization, decreased by \$17 or 56.7% to \$13.
- Current and other assets increased by \$66,794 or 42.3%.
- Operating revenues, excluding interest and investment income, and other non-operating revenues, increased by \$39,817 or 12.2% to \$366,594.
- Operating expenses, excluding interest expenses increased by \$16,773 or 5.7% to \$311,553.

*The financial highlights for fiscal year 2024 were updated to reflect the restatements from Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*.

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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, 2025, 2024, and 2023**

	<u>2025</u>	<u>Restated 2024*</u>	<u>2023</u>	<u>2025 - 2024 Change</u>	<u>2024 - 2023 Change</u>
Total assets:					
Current and other assets **	\$ 2,648,713	2,079,998	1,807,747	568,715	272,251
Capital assets, net of accumulated depreciation and amortization	13,336,489	12,262,128	11,206,602	1,074,361	1,055,526
Total assets	<u>15,985,202</u>	<u>14,342,126</u>	<u>13,014,349</u>	<u>1,643,076</u>	<u>1,327,777</u>
Deferred outflows of resources:					
Unamortized loss on refunding of debt	82,711	89,186	124,643	(6,475)	(35,457)
Pensions	174,202	164,907	123,669	9,295	41,238
Other postemployment benefits	46,168	50,876	48,335	(4,708)	2,541
Total deferred outflows of resources	<u>303,081</u>	<u>304,969</u>	<u>296,647</u>	<u>(1,888)</u>	<u>8,322</u>
Liabilities:					
Current liabilities:					
Arbitrage rebate payable	826	—	—	826	—
Bonds	181,458	177,109	164,755	4,349	12,354
Certificates of participation	4,965	4,765	4,576	200	189
Commercial paper	189,333	280,654	—	(91,321)	280,654
State revolving fund loans	6,419	5,629	2,526	790	3,103
Other liabilities **	506,617	510,143	454,130	(3,526)	56,013
Subtotal current liabilities	<u>889,618</u>	<u>978,300</u>	<u>625,987</u>	<u>(88,682)</u>	<u>352,313</u>
Long-term liabilities:					
Arbitrage rebate payable	5,746	9,574	188	(3,828)	9,386
Bonds	9,069,495	7,791,378	7,473,933	1,278,117	317,445
Revenue Notes	—	—	349,556	—	(349,556)
Certificates of participation	115,245	120,210	124,974	(4,965)	(4,764)
State revolving fund loans	660,222	572,003	479,790	88,219	92,213
Commercial paper	—	341,373	487,811	(341,373)	(146,438)
Water Infrastructure Finance and Innovation Act (WIFIA) loans	1,394,652	922,431	122,357	472,221	800,074
Other liabilities **	712,379	691,782	496,487	20,597	195,295
Subtotal long-term liabilities	<u>11,957,739</u>	<u>10,448,751</u>	<u>9,535,096</u>	<u>1,508,988</u>	<u>913,655</u>
Total liabilities:					
Arbitrage rebate payable	6,572	9,574	188	(3,002)	9,386
Bonds	9,250,953	7,968,487	7,638,688	1,282,466	329,799
Revenue Notes	—	—	349,556	—	(349,556)
Certificates of participation	120,210	124,975	129,550	(4,765)	(4,575)
Commercial paper	189,333	622,027	487,811	(432,694)	134,216
State revolving fund loans	666,641	577,632	482,316	89,009	95,316
Water Infrastructure Finance and Innovation Act (WIFIA) loans	1,394,652	922,431	122,357	472,221	800,074
Other liabilities	1,218,996	1,201,925	950,617	17,071	251,308
Total liabilities	<u>12,847,357</u>	<u>11,427,051</u>	<u>10,161,083</u>	<u>1,420,306</u>	<u>1,265,968</u>
Deferred inflows of resources:					
Unamortized gain on refunding of debt	64,716	42,109	11,353	22,607	30,756
Leases	34,189	37,786	43,011	(3,597)	(5,225)
Pensions	11,881	22,598	49,027	(10,717)	(26,429)
Other postemployment benefits	37,901	36,873	45,136	1,028	(8,263)
Total deferred inflows of resources	<u>148,687</u>	<u>139,366</u>	<u>148,527</u>	<u>9,321</u>	<u>(9,161)</u>
Net position:					
Net investment in capital assets	2,079,779	2,075,817	2,098,355	3,962	(22,538)
Restricted for debt service	7,465	44,724	18,191	(37,259)	26,533
Restricted for capital projects	339,670	292,369	142,641	47,301	149,728
Restricted for other purposes	5,772	—	—	5,772	—
Unrestricted	859,553	667,768	742,199	191,785	(74,431)
Total net position	<u>\$ 3,292,239</u>	<u>3,080,678</u>	<u>3,001,386</u>	<u>211,561</u>	<u>79,292</u>

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

** Eliminated interfund payables and receivables of \$37,822 between Water and Hetchy Power for the State Revolving fund loan for Mountain Tunnel project for fiscal year 2025 and \$291, \$405 and \$518 between Wastewater and Hetchy Power for the 525 Golden Gate Avenue Headquarters construction cost in fiscal years 2025, 2024 and 2023, 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, 2025, 2024, and 2023

	<u>2025</u>	<u>Restated 2024*</u>	<u>2023</u>	<u>2025 - 2024 Change</u>	<u>2024 - 2023 Change</u>
Total assets:					
Current and other assets	\$ 866,693	865,690	691,077	1,003	174,613
Capital assets, net of accumulated depreciation and amortization	<u>5,991,299</u>	<u>5,778,467</u>	<u>5,652,952</u>	<u>212,832</u>	<u>125,515</u>
Total assets	<u>6,857,992</u>	<u>6,644,157</u>	<u>6,344,029</u>	<u>213,835</u>	<u>300,128</u>
Deferred outflows of resources:					
Unamortized loss on refunding of debt	82,711	89,186	124,635	(6,475)	(35,449)
Pensions	98,819	93,526	70,101	5,293	23,425
Other postemployment benefits	<u>27,309</u>	<u>29,974</u>	<u>28,616</u>	<u>(2,665)</u>	<u>1,358</u>
Total deferred outflows of resources	<u>208,839</u>	<u>212,686</u>	<u>223,352</u>	<u>(3,847)</u>	<u>(10,666)</u>
Liabilities:					
Current liabilities:					
Arbitrage rebate payable	536	—	—	536	—
Revenue bonds	139,250	138,140	135,095	1,110	3,045
Certificates of participation	3,545	3,402	3,267	143	135
Commercial paper	20,000	190,000	—	(170,000)	190,000
Other liabilities	<u>190,100</u>	<u>157,052</u>	<u>148,547</u>	<u>33,048</u>	<u>8,505</u>
Subtotal current liabilities	<u>353,431</u>	<u>488,594</u>	<u>286,909</u>	<u>(135,163)</u>	<u>201,685</u>
Long-term liabilities:					
Arbitrage rebate payable	1,285	869	—	416	869
Revenue bonds	5,049,478	4,826,497	4,575,751	222,981	250,746
Certificates of participation	82,285	85,830	89,232	(3,545)	(3,402)
Commercial paper	—	—	371,459	—	(371,459)
State revolving fund loans	300,035	259,970	163,627	40,065	96,343
Other liabilities	<u>384,401</u>	<u>357,901</u>	<u>291,193</u>	<u>26,500</u>	<u>66,708</u>
Subtotal long-term liabilities	<u>5,817,484</u>	<u>5,531,067</u>	<u>5,491,262</u>	<u>286,417</u>	<u>39,805</u>
Total liabilities:					
Arbitrage rebate payable	1,821	869	—	952	869
Revenue bonds	5,188,728	4,964,637	4,710,846	224,091	253,791
Certificates of participation	85,830	89,232	92,499	(3,402)	(3,267)
Commercial paper	20,000	190,000	371,459	(170,000)	(181,459)
State revolving fund loans	300,035	259,970	163,627	40,065	96,343
Other liabilities	<u>574,501</u>	<u>514,953</u>	<u>439,740</u>	<u>59,548</u>	<u>75,213</u>
Total liabilities	<u>6,170,915</u>	<u>6,019,661</u>	<u>5,778,171</u>	<u>151,254</u>	<u>241,490</u>
Deferred inflows of resources:					
Unamortized gain on refunding of debt	49,499	31,854	—	17,645	31,854
Leases	33,235	36,583	41,558	(3,348)	(4,975)
Pensions	7,050	13,305	28,504	(6,255)	(15,199)
Other postemployment benefits	<u>23,394</u>	<u>22,334</u>	<u>27,075</u>	<u>1,060</u>	<u>(4,741)</u>
Total deferred inflows of resources	<u>113,178</u>	<u>104,076</u>	<u>97,137</u>	<u>9,102</u>	<u>6,939</u>
Net position:					
Net investment in capital assets	450,019	350,430	460,213	99,589	(109,783)
Restricted for debt service	5,353	44,724	14,625	(39,371)	30,099
Restricted for capital projects	145,442	200,632	56,822	(55,190)	143,810
Unrestricted	<u>181,924</u>	<u>137,320</u>	<u>160,413</u>	<u>44,604</u>	<u>(23,093)</u>
Total net position	\$ <u>782,738</u>	\$ <u>733,106</u>	\$ <u>692,073</u>	\$ <u>49,632</u>	\$ <u>41,033</u>

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

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Water Net Position, Fiscal Year 2025

For the period ended June 30, 2025, the Water Enterprise's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$782,738. Total net position increased from prior year by \$49,632 or 6.8% (see Table 1A). Increases of \$209,988 in assets and deferred outflows of resources, and increases of \$160,356 in liabilities and deferred inflows of resources are described below.

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

During the fiscal year 2025, current and other assets increased by \$1,003 or 0.1%. The increases included \$105,164 in unrestricted and restricted cash and investments mainly due to the issuances of 2025 Series DEF water revenue refunding bonds and commercial paper, and \$37,827 in interfund receivables mainly from Hetch Hetchy Power for the Mountain Tunnel Improvement project. Other increases of \$3,598 were mainly due to prepaids, advances and other receivables for software licensing, consulting, permits and subscription fees. These increases were offset by decreases of \$105,774 from reimbursements received from the State Water Resources Control Board (SWRCB) State Revolving Funds (SRF) Loan relating to the Mountain Tunnel Improvement and SF Westside Recycled Water projects, \$26,121 in Wholesale Balancing Account receivable (see Note 11 for details), \$8,733 in charges for services receivable due to more receipts than billings, and \$4,958 mainly in leases receivable, restricted and unrestricted interest and other receivables, and inventory.

Capital assets, net of accumulated depreciation and amortization, increased by \$212,832 or 3.7% mainly from the Sunol Valley Water Treatment Plant Ozonation and New San Francisco Water Division Headquarters projects. The largest portion of the Water Enterprise's net position of \$450,019 or 57.5% represents net investment in capital assets (see the Capital Assets section of the MD&A for more information), which increased by \$99,589 or 28.4% from the prior year's \$350,430. The change was explained by an increase of \$212,832 in capital assets, offset by a \$113,243 increase in liabilities mainly from the issuances of 2025 Series ABC, 2025 Series DEF bonds and additional commercial paper.

Deferred outflows of resources decreased by \$3,847 due to a \$6,475 decrease in unamortized loss on refunding of debt mainly from defeasance of refunding loss by the 2025 Series ABC revenue bonds and amortization and \$2,665 decrease in other postemployment benefits (OPEB) based on actuarial estimates, offset by an increase of \$5,293 from pensions based on actuarial estimates.

Total liabilities increased by \$151,254. Increases included \$224,091 in revenue bonds, of which increases of \$1,511,695 in bond principal and \$129,352 in premium were from issuances of 2025 Series ABC and 2025 Series DEF bonds, and \$10 in bond discount from amortization. These increases were offset by decreases of \$1,206,240 in bond principal and \$41,467 in premium from refunding, \$138,140 in bond principal from repayment, \$30,621 in bond premium from amortization, and \$498 in bond discount from issuances. Additional increases include \$40,065 in SRF Loans payable due to additional loans relating to the Mountain Tunnel Improvement and SF Westside Recycled Water projects, \$29,276 in restricted and unrestricted payables due to higher year end expense accruals for capital projects and operating activities as compared to prior year, \$14,335 in pensions based on actuarial estimates, \$12,983 in Wholesale Balancing Account (see Note 11 for details), \$3,858 in accrued payroll mainly from cost of living adjustments for payroll and compensated absences mainly from the implementation of GASB Statement No. 101, *Compensated Absences*, and \$3,674 in OPEB based on actuarial estimates. Other increases of \$5,513 were mainly due to unearned revenues from customer deposits from more accounts. These increases were offset by decreases of \$170,000 in commercial paper of which \$312,400 was from refunding by the 2025 Series DEF revenue refunding bonds offset by \$142,400 from additional issuances. Other decreases included \$7,824 in damage claims based on the City Attorney and Controller's Offices analysis, \$3,402 in certificates of participation principal from repayment, and other decreases of \$1,315 mainly from pollution remediation for the Lake Merced Pacific Rod and Gun Club (see Note 16(d) for more detail). Water Enterprise's damage claim liability as of June 30, 2025 was estimated by using probable exposure information provided by the City Attorney's Office and includes an estimate of incurred but not reported losses.

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Deferred inflows of resources increased by \$9,102 due to increases of \$17,645 in unamortized gain on refunding of debt mainly from the issuance of the 2025 Series ABC revenue refunding bonds and \$1,060 in OPEB based on actuarial estimates, offset by decreases of \$6,255 in pensions based on actuarial estimates and \$3,348 in leases due to fewer leases.

Water Net Position, Fiscal Year 2024*

For the period ended June 30, 2024, the Water Enterprise's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$733,106. Total net position increased from prior year by \$41,033 or 5.9% (see Table 1A). Increases of \$289,462 in assets and deferred outflows of resources, and increases of \$248,429 in liabilities and deferred inflows of resources are described below.

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

During the fiscal year 2024, current and other assets increased by \$174,613 or 25.3%. The increases included \$93,433 for reimbursements receivable from the State Water Resources Control Board (SWRCB) State Revolving Funds Loan relating to the SF Westside Recycled Water and the Mountain Tunnel Improvement projects, \$53,237 in restricted and unrestricted cash and investments mainly due to the issuances of Series 2023 Series AB and 2023 Series CD bonds, \$16,069 in Wholesale Balancing Account receivable (see Note 11 for details), \$15,531 in charges for services receivable due to more billings than collections and adopted rate increases of 9.7% for wholesale customers and 5.0% for retail customers, \$1,264 in interest receivable mainly due to higher interest rates, \$505 in notes receivable from the sale of the Balboa Reservoir due to interest accruals, \$366 due from other governments for a Federal Emergency Management Agency disaster cost recovery relating to the 2020 Wildfires Santa Clara Fence project, and \$275 in restricted interest and other receivables mainly due to increases in capacity fees. These increases were offset by decreases of \$4,567 in leases receivable due to payments received, \$1,121 in prepaid expenses of multiple software licensing and membership fees, \$366 in inventory due to more issuances than purchases during the fiscal year, and \$13 for custom work projects due from the Department of Public Works (DPW).

Capital assets, net of accumulated depreciation and amortization, increased by \$125,515 or 2.2% mainly from the San Joaquin Pipeline Valve and Safe Entry Improvement and Mountain Tunnel Improvement projects. The largest portion of the Water Enterprise's net position of \$350,430 or 46.7% represents net investment in capital assets (see the Capital Assets section of the MD&A for more information), which decreased by \$109,783 or 23.9% from prior year's \$460,213. The change was explained by an increase of \$235,298 in liabilities mainly from the issuances of 2023 Series AB and 2023 Series CD bonds, and additional State Revolving Funds Loans relating to the Mountain Tunnel Improvement and SF Westside Recycled Water projects, offset by an increase of \$125,515 in capital assets mainly from additional assets placed into service.

Deferred outflows of resources decreased by \$10,666 due to a decrease of \$35,449 in unamortized loss on refunding of debt mainly from defeasance of refunding loss by the 2023 Series CD revenue refunding bonds, offset by increases of \$23,425 from pensions and \$1,358 in OPEB benefits based on actuarial estimates.

Total liabilities increased by \$241,490 which was due to increases of \$253,791 in outstanding revenue bonds mainly from the issuances of 2023 Series AB revenue bonds and 2023 Series CD revenue refunding bonds, \$96,343 in SRF Loans payable due to additional loans relating to the Mountain Tunnel Improvement and SF Westside Recycled Water projects, \$37,300 in pensions based on actuarial estimates, \$18,597 in accrued payroll, vacation and sick leave from the implementation of GASB Statement No. 101, \$9,700 in OPEB liabilities based on actuarial estimates, \$6,442 in interest payable mainly from the issuances of 2023 Series AB revenue bonds and 2023 Series CD revenue refunding bonds, \$3,148 in damage claims based on actuarial reports, \$1,715 in restricted and unrestricted payables due to higher year end expense accruals for operating activities as compared to prior year, \$1,267 in accrued workers' compensation based on actuarial estimates, \$1,073 in unearned revenues mainly for the water utility California state arrearages relief grant received, and \$869 in arbitrage rebate payable mainly for the 2023 Series A bonds. These increases were offset by decreases of \$181,459 in commercial paper from refunding by the 2023 Series AB revenue bonds, \$3,267 in certificates of participation from repayment and amortization of premium, \$2,440 payment to San Francisco Municipal Transportation Agency (MTA) for a settlement payable relating to the Van Ness Corridor Transit Improvement project, \$1,189 in leases liability due to

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payments in the current year, and \$400 in subscription liability from payments in the current year.

Deferred inflows of resources increased by \$6,939 due to an increase of \$31,854 in unamortized gain on refunding of debt from the issuance of 2023 Series CD revenue refunding bonds, offset by decreases of \$15,199 related to pensions based on actuarial estimates, \$4,975 in leases due to fewer leases, and \$4,741 in OPEB benefits based on actuarial estimates.

*The fiscal year 2024 net position narrative was updated to reflect the restatements from GASB Statement No. 101, *Compensated Absences*.

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

Table 1B
Proprietary Fund – Wastewater
Comparative Condensed Net Position
June 30, 2025, 2024, and 2023

	<u>2025</u>	<u>Restated 2024*</u>	<u>2023</u>	<u>2025 - 2024 Change</u>	<u>2024 - 2023 Change</u>
Total assets:					
Current and other assets	\$ 1,013,574	577,997	574,446	435,577	3,551
Capital assets, net of accumulated depreciation and amortization	6,284,853	5,488,410	4,686,346	796,443	802,064
Total assets	<u>7,298,427</u>	<u>6,066,407</u>	<u>5,260,792</u>	<u>1,232,020</u>	<u>805,615</u>
Deferred outflows of resources:					
Unamortized loss on refunding of debt	—	—	8	—	(8)
Pensions	44,997	42,685	32,592	2,312	10,093
Other postemployment benefits	11,099	12,816	11,493	(1,717)	1,323
Total deferred outflows of resources	<u>56,096</u>	<u>55,501</u>	<u>44,093</u>	<u>595</u>	<u>11,408</u>
Liabilities:					
Current liabilities:					
Arbitrage rebate payable	290	—	—	290	—
Revenue bonds	38,460	35,370	28,070	3,090	7,300
Certificates of participation	937	900	864	37	36
State revolving fund loans	6,419	5,629	2,526	790	3,103
Other liabilities	215,276	246,962	200,992	(31,686)	45,970
Subtotal current liabilities	<u>261,382</u>	<u>288,861</u>	<u>232,452</u>	<u>(27,479)</u>	<u>56,409</u>
Long-term liabilities:					
Arbitrage rebate payable	4,254	8,521	188	(4,267)	8,333
Revenue bonds	3,710,386	2,649,681	2,708,840	1,060,705	(59,159)
Revenue notes	—	—	349,556	—	(349,556)
Certificates of participation	21,758	22,695	23,594	(937)	(899)
Commercial paper	—	341,373	—	(341,373)	341,373
State revolving fund loans	360,187	312,033	316,163	48,154	(4,130)
Water Infrastructure Finance and Innovation Act (WIFIA) loans	1,394,652	922,431	122,357	472,221	800,074
Other liabilities	222,145	231,355	121,786	(9,210)	109,569
Subtotal long-term liabilities	<u>5,713,382</u>	<u>4,488,089</u>	<u>3,642,484</u>	<u>1,225,293</u>	<u>845,605</u>
Total liabilities:					
Arbitrage rebate payable	4,544	8,521	188	(3,977)	8,333
Revenue bonds	3,748,846	2,685,051	2,736,910	1,063,795	(51,859)
Revenue notes	—	—	349,556	—	(349,556)
Certificates of participation	22,695	23,595	24,458	(900)	(863)
Commercial paper	—	341,373	—	(341,373)	341,373
State revolving fund loans	366,606	317,662	318,689	48,944	(1,027)
Water Infrastructure Finance and Innovation Act (WIFIA) loans	1,394,652	922,431	122,357	472,221	800,074
Other liabilities	437,421	478,317	322,778	(40,896)	155,539
Total liabilities	<u>5,974,764</u>	<u>4,776,950</u>	<u>3,874,936</u>	<u>1,197,814</u>	<u>902,014</u>
Deferred inflows of resources:					
Unamortized gain on refunding of debt	15,217	10,255	11,353	4,962	(1,098)
Leases	954	1,203	1,453	(249)	(250)
Pensions	2,172	4,055	10,023	(1,883)	(5,968)
Other postemployment benefits	6,477	5,809	8,286	668	(2,477)
Total deferred inflows of resources	<u>24,820</u>	<u>21,322</u>	<u>31,115</u>	<u>3,498</u>	<u>(9,793)</u>
Net position:					
Net investment in capital assets	1,039,359	1,148,814	1,110,957	(109,455)	37,857
Restricted for debt service	2,112	—	3,510	2,112	(3,510)
Restricted for capital projects	140,768	31,782	53,137	108,986	(21,355)
Unrestricted	172,700	143,040	231,230	29,660	(88,190)
Total net position	<u>\$ 1,354,939</u>	<u>1,323,636</u>	<u>1,398,834</u>	<u>31,303</u>	<u>(75,198)</u>

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

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Wastewater Net Position, Fiscal Year 2025

As of June 30, 2025, the Wastewater Enterprise's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,354,939. The Wastewater Enterprise's total net position increased by \$31,303 or 2.4% from prior year. This change reflects increases of \$108,986 in restricted for capital projects, \$29,660 in unrestricted net position, and \$2,112 in restricted for debt service, offset by a decrease of \$109,455 in net investment in capital assets. The \$1,232,615 increase in total assets and deferred outflows of resources, as well as the increase of \$1,201,312 in total liabilities and deferred inflows of resources, are described below (see Table 1B).

During fiscal year 2025, current and other assets increased by \$435,577 or 75.4%. The increase was primarily driven by a \$404,591 increase in restricted and unrestricted cash and investments, resulting from proceeds of the 2024 Series ABCD revenue bonds issuance and new loans under the Water Infrastructure Finance and Innovation Act (WIFIA) and State Revolving Fund (SRF). Additional increases included a \$30,301 rise in reimbursement receivables from the State Water Resources Control Board (SWRCB) for the Southeast Water Pollution Control Plant New Headworks (Grit) Replacement and OSP Digester Gas Utilization Upgrade projects; a \$4,560 increase in restricted and unrestricted receivables and inventory, primarily due to higher interest receivables driven by elevated average annualized interest rates and cash balances; and a \$2,097 increase in receivables from charges for services and prepaid expenses, net of allowance for uncollectible receivables, largely attributed to higher sales. These increases were partially offset by a \$5,972 decrease in other receivables, mainly due to a \$7,370 payment received from the University of California, San Francisco (UCSF) and the Golden State Warriors (GSW) for their fair share contribution to the Mariposa Sanitary Pump Station Upgrade Project.

Capital assets, net of accumulated depreciation and amortization, increased by \$796,443 or 14.5%, primarily due to expanded capital improvement activities and the right-to-use lease and subscription assets. The largest component of the Wastewater Enterprise's net position \$1,039,359 or 76.7%, represents net investment in capital assets (see the Capital Assets section of the MD&A for more information). Deferred outflows of resources increased by \$595, resulting from a \$2,312 rise in pension contributions, offset by a \$1,717 reduction in other postemployment benefits.

Total liabilities increased by \$1,197,814 or 25.1%. As of June 30, 2025, the outstanding balance of \$5,532,799 for revenue bonds, certificate of participation (COP), SRF, and WIFIA loans represented 92.6% of total liabilities, an increase of \$1,242,687 or 29.0%. This increase was driven by the issuances of 2024 Series ABCD revenue bonds totaling \$1,217,971, which included an original issue premium of \$74,996; \$472,221 in new WIFIA loans, including \$16,324 of capitalized interest; \$55,221 in new SRF loans; and additions from commercial paper. These increases in outstanding debt were offset by \$465,325 in defeasance and repayment of outstanding debt, as well as \$37,401 in amortization and defeasance of revenue bond premiums (see Table 4B).

Other liabilities of \$441,965, including arbitrage rebate payable, payables to vendors, contractors, and other government agencies for goods and services under contractual agreements, decreased by \$44,873 or 9.2%. This is due to a \$34,009 reduction in restricted and unrestricted payables to vendors and contractors mainly due to decreased capital project spending; \$3,977 decrease in arbitrage rebate payable; and a \$1,391 decrease resulting from revenue recognition of rental deposits, payments to other City departments, and a refund to the State for unspent Federal COVID-19 recovery pass-through grant funds under the California Water and Wastewater Arrearages Payment Program (CWWAPP). Additionally, there was a decrease of \$36,310 in damage claims liability based on the analyses performed by the City Attorney's Office and Controller's Office and in pollution remediation obligation due to payments made for the Yosemite Creek Remediation Project. Wastewater's damage claims liability as of June 30, 2025 was estimated by using probable exposure information provided by the City Attorney's Office and includes an estimate of incurred but not reported losses. These reductions were offset by an increase of \$13,666 in interest payable primarily related to the newly issued 2024 Series ABCD revenue bonds; an \$8,816 increase in lease and subscription liabilities, and higher accrued payroll and workers' compensation; and an increase of \$8,332 in net pension and other postemployment benefits liability based on actuarial estimates.

Deferred inflows of resources increased by \$3,498 due to an increase of \$5,630 in the unamortized gain on refunding of debt by the 2024 ABCD revenue bonds and other postemployment benefits, offset by \$2,132 decreases in pension and leases.

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Wastewater Net Position, Fiscal Year 2024*

For the year ended June 30, 2024, the Wastewater Enterprise's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,323,636. The Wastewater Enterprise's total net position decreased by \$75,198 or 5.4% from prior year, comprised of decreases of \$88,190 in unrestricted net position, \$21,355 in restricted for capital projects, and \$3,510 in restricted for debt service offset by an increase of \$37,857 in net investment in capital assets. Increases in total assets and deferred outflows of resources of \$817,023 and increases of \$878,418 in total liabilities and deferred inflows of resources are described below (see Table 1B).

During the fiscal year 2024, current and other assets increased by \$3,551 or 0.6%. The increase was due to an \$8,245 rise in charges for services resulting from a \$10,835 increase in sewer charges receivable, as there were more billings than collections. This was offset by a \$2,590 increase in allowance for doubtful accounts related to sewer charges receivable that were over 120 days old. Other increases included \$7,558 in other receivable due to revenue accrual for the upgrades fair share contribution from the Golden State Warriors and the University of California, San Francisco for the Mariposa Project, \$1,526 in unrestricted and restricted interest receivable due to higher average annualized interest rate, \$458 in restricted and unrestricted cash and investments due to loan proceeds from Water Infrastructure Finance and Innovation Act (WIFIA) loans and commercial paper issuances offset by capital project spending and debt service principal and interest payments, \$317 increase in inventory as there were more purchases than issuances during the year, \$172 increase in capacity charges receivable, net of allowance for doubtful accounts, and \$10 increase in custom work receivable. These increases were primarily offset by a \$13,942 decrease in receivables from the State Water Resources Control Board (SWRCB), as a result of receipts from reimbursement requests for the Southeast Water Pollution Control Plant New Headworks (Grit) Replacement Project. Other decreases included \$440 in prior year prepaid expenses recognized in current year, \$212 in lease receivable, \$46 in receivable from the Department of Public Works (DPW) for the Mission Bay South Project, \$38 prepayments amortizations for the Civic Center Garage lease and the Mariposa Pump Station & Force Project, \$32 decrease in Federal interest subsidy receivable, \$22 in property rent receivable, and \$3 in miscellaneous receivable.

Capital assets, net of accumulated depreciation and amortization, increased by \$802,064 or 17.1% reflecting an increase in construction and capital improvement activities. The largest portion of the Wastewater Enterprise's net position of \$1,148,814 or 85.9%, represents net investment in capital assets (see the Capital Assets section of the MD&A for more information). Deferred outflows of resources increased by \$11,408 mainly due to increases in pensions and other postemployment benefits of \$10,093 and \$1,323, respectively, based on actuarial report, offset by \$8 amortization of the 2013 Series A bond refunding loss.

Total liabilities increased by \$902,014 or 23.3%. As of June 30, 2024, total outstanding balance of \$4,290,112 for revenue bonds, certificates of participation (COP), commercial paper, State Revolving Fund (SRF) loans, and WIFIA loans represented 90.1% of total liabilities, an increase of \$738,142 or 20.8%. The increase was mainly due to \$800,074 new WIFIA loans (included \$7,506 of capitalized interest) for the Biosolids Digester Facilities Project and the Southeast Treatment Plant Improvement Project, \$341,373 new issuance of commercial paper, and \$1,498 SRF loan capitalized interest for the OSP Digester Gas Utilization Upgrade and SEP New Headworks (Grit) Replacement projects, offset by \$347,465 defeasance of 2021 Series AB revenue notes by the WIFIA loans, principal repayments of \$28,070 in bonds, \$2,525 in SRF loans, and \$863 in COP, and \$25,880 in revenue bonds and notes premium amortization and defeasance. Other liabilities of \$486,838, including arbitrage rebate payable, payables to vendors, contractors, and other government agencies for goods and services under contractual agreements, increased by \$163,872 or 50.7% due to increases of \$110,733 in damage claims liability based on actuarial report, \$17,750 in net pension liability based on actuarial report, \$15,732 increase in employee related benefits including workers' compensation, accrued payroll, vacation and sick leave from the implementation of GASB Statement No. 101, and 4.75% increase in cost of living adjustment (COLA), \$8,549 in restricted and unrestricted payable to vendors and contractors mainly due to increased capital project spending, \$8,333 in arbitrage rebate payable due to actuarial calculation, \$4,488 in bond, loan, lease, and subscription interest payable mainly due to higher outstanding debt principal resulting from the issuance of 2023 Series ABC revenue bonds and commercial paper, \$3,166 in unearned revenue mainly due to \$1,429 in unspent Federal pass-through grant relating to California Water and Wastewater Arrearages Payment Program (CWWAPP), \$1,169 in liens payable, and \$652 in customer credit balances due to overpayments, offset by \$84 decrease in deposits from Pacific Gas & Electric due to expenses incurred for the Cross Bore Project, and \$225 increase in other postemployment benefits obligations based on actuarial report. The increase in other liabilities were offset by \$2,102 in payment of prior year

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payable that was made in current year to Municipal Transportation Agency for its share of the Walsh Construction Settlement, \$1,349 decrease in pollution remediation obligation due to payments made for the Yosemite Creek Remediation project, \$1,297 in leases due to payments made, \$243 decrease in subscription liability, and \$113 payment to Hetch Hetchy Power related to the 525 Golden Gate Living Machine System. Deferred inflows of resources decreased by \$9,793 due to decreases in pensions and other postemployment benefits of \$5,968 and \$2,477, respectively, based on actuarial reports, \$1,098 in unamortized gain on refunding of debt due to amortization and refunding gain, and \$250 in leases.

*The fiscal year 2024 net position narrative was updated to reflect the restatements from GASB Statement No. 101, *Compensated Absences*.

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

**Table 1C – A
Proprietary Fund – Hetchy Water
Comparative Condensed Net Position
June 30, 2025, 2024, and 2023**

	<u>2025</u>	<u>Restated 2024*</u>	<u>2023</u>	<u>2025 - 2024 Change</u>	<u>2024 - 2023 Change</u>
Total assets:					
Current and other assets	\$ 127,978	81,605	90,830	46,373	(9,225)
Capital assets, net of accumulated depreciation and amortization	250,330	237,486	220,036	12,844	17,450
Total assets	<u>378,308</u>	<u>319,091</u>	<u>310,866</u>	<u>59,217</u>	<u>8,225</u>
Deferred outflows of resources:					
Pensions	12,435	11,929	8,858	506	3,071
Other postemployment benefits	2,954	3,191	3,248	(237)	(57)
Total deferred outflows of resources	<u>15,389</u>	<u>15,120</u>	<u>12,106</u>	<u>269</u>	<u>3,014</u>
Liabilities:					
Current liabilities	8,728	9,921	9,888	(1,193)	33
Long-term liabilities	41,312	39,509	31,730	1,803	7,779
Total liabilities	<u>50,040</u>	<u>49,430</u>	<u>41,618</u>	<u>610</u>	<u>7,812</u>
Deferred inflows of resources:					
Pensions	868	1,941	4,142	(1,073)	(2,201)
Other postemployment benefits	2,832	2,897	3,084	(65)	(187)
Total deferred inflows of resources	<u>3,700</u>	<u>4,838</u>	<u>7,226</u>	<u>(1,138)</u>	<u>(2,388)</u>
Net position:					
Net investment in capital assets	248,610	233,276	214,014	15,334	19,262
Restricted for capital projects	20,815	31,330	10,980	(10,515)	20,350
Unrestricted	70,532	15,337	49,134	55,195	(33,797)
Total net position	<u>\$ 339,957</u>	<u>279,943</u>	<u>274,128</u>	<u>60,014</u>	<u>5,815</u>

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

Hetchy Water Net Position, Fiscal Year 2025

Hetchy Water’s net position of \$339,957 increased by \$60,014 or 21.4% from prior year. Increases in total assets and deferred outflows of resources of \$59,486 and decreases of \$528 in total liabilities and deferred inflows of resources are described below (see Table 1C-A). The increase of \$46,373 in current and other assets was attributed to an increase of \$46,258 in cash and investments with City Treasury mainly due to transfer of \$47,084 from the Water Enterprise for the Mountain Tunnel Improvement Project. The remaining increase of \$115 was mainly due to increase in interest receivables from higher interest rates.

Capital assets, net of accumulated depreciation and amortization, increased by \$12,844 or 5.4% to \$250,330 primarily from construction and capital improvement activities for the Mountain Tunnel Improvement and O’Shaughnessy Dam Outlet Works Projects (see the Capital Assets section of the MD&A for more information).

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Deferred outflows of resources increased by \$269 due to an increase in pensions offset by a decrease in OPEB based on actuarial reports.

Hetchy Water's total liabilities increased by \$610 or 1.2% to \$50,040, as explained by increases of \$1,320 in net pension liability based on actuarial estimates and \$825 in employee related benefits due to 3.0% increase in cost-of-living adjustment (COLA) and implementation of GASB Statement No. 101, *Compensated Absences* which required the recognition of additional leave benefits. Other increases of \$1,374 were mostly related to unrestricted payables due to increase in management consulting services and equipment purchases. These increases were offset by a decrease of \$2,909 in restricted payables due to lower project spending mainly for Repair and Replacement Projects.

Deferred inflows of resources decreased by \$1,138 due to decreases in pensions and OPEB based on actuarial reports.

Hetchy Water Net Position, Fiscal Year 2024*

Hetchy Water's net position of \$279,943 increased by \$5,815 or 2.1% from prior year. Increases in total assets and deferred outflows of resources of \$11,239 and increases of \$5,424 in total liabilities and deferred inflows of resources are described below (see Table 1C-A). The decrease of \$9,225 in current and other assets was attributed to decreases of \$10,152 in cash and investments with City Treasury mainly from higher cash paid to suppliers and contractors for goods and services, \$59 in due from other governments related to State grant reimbursement for Rim Fire Project, and \$22 in inventory due to more issuances than purchases during the fiscal year. The decreases were offset by increases of \$659 in prepaid charges, advances, and other receivables mainly due to higher prepayments to San Joaquin Tributaries Authority and County of Tuolumne, \$283 in interest receivables attributed to higher interest rates, and \$66 in charges for services receivables due to higher consumption from Lawrence Livermore National Laboratory.

Capital assets, net of accumulated depreciation and amortization, increased by \$17,450 or 7.9% to \$237,486 primarily from construction and capital improvement activities for the 2023 March Winter Storm and Mountain Tunnel Improvements Projects (see the Capital Assets section of the MD&A for more information). Deferred outflows of resources increased by \$3,014 due to an increase of \$3,071 in pensions, offset by a decrease of \$57 in OPEB based on actuarial reports.

Hetchy Water's total liabilities increased by \$7,812 or 18.8% to \$49,430, as explained by increases of \$4,985 in net pension liability based on actuarial estimates, \$3,314 in accrued compensated absences per implementation of GASB Statement No. 101, *Compensated Absences*, \$1,362 in OPEB obligations based on actuarial estimates, and \$468 in employee related benefits due to 4.75% increase in cost-of-living adjustment (COLA). These increases were offset by decreases of \$1,720 in restricted payables due to lower project spending mainly for Mountain Tunnel Improvement Project, \$432 in general liability based on actuarial estimates, \$80 in subscription liability, \$64 in unrestricted payables mainly due to decrease in management consulting services, \$16 in lease liability, \$4 in unearned revenues, refunds, and other mainly due to decrease in prepaid rent received from tenants, and \$1 in interest payable related to SBITAs.

Deferred inflows of resources decreased by \$2,388 due to decreases of \$2,201 in pensions and \$187 in OPEB based on actuarial reports.

*The fiscal year 2024 net position narrative was updated to reflect the restatements from GASB Statement No. 101, *Compensated Absences*.

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

**Table 1C – B
Proprietary Fund – Hetchy Power
Comparative Condensed Net Position
June 30, 2025, 2024, and 2023**

	<u>2025</u>	<u>Restated 2024*</u>	<u>2023</u>	<u>2025 - 2024 Change</u>	<u>2024 - 2023 Change</u>
Total assets:					
Current and other assets	\$ 386,239	330,411	294,006	55,828	36,405
Capital assets, net of accumulated depreciation and amortization	809,921	757,752	647,238	52,169	110,514
Total assets	<u>1,196,160</u>	<u>1,088,163</u>	<u>941,244</u>	<u>107,997</u>	<u>146,919</u>
Deferred outflows of resources:					
Pensions	15,198	14,580	10,826	618	3,754
Other postemployment benefits	3,611	3,899	3,969	(288)	(70)
Total deferred outflows of resources	<u>18,809</u>	<u>18,479</u>	<u>14,795</u>	<u>330</u>	<u>3,684</u>
Liabilities:					
Current liabilities:					
Bonds	3,748	3,599	1,590	149	2,009
Certificates of participation	483	463	445	20	18
Commercial paper	169,333	90,654	—	78,679	90,654
Other liabilities	54,523	58,082	63,355	(3,559)	(5,273)
Subtotal current liabilities	<u>228,087</u>	<u>152,798</u>	<u>65,390</u>	<u>75,289</u>	<u>87,408</u>
Long-term liabilities:					
Bonds	309,631	315,200	189,342	(5,569)	125,858
Certificates of participation	11,202	11,685	12,148	(483)	(463)
Commercial paper	—	—	116,352	—	(116,352)
Arbitrage rebate payable	207	184	—	23	184
Other liabilities	93,334	55,011	45,626	38,323	9,385
Subtotal long-term liabilities	<u>414,374</u>	<u>382,080</u>	<u>363,468</u>	<u>32,294</u>	<u>18,612</u>
Total liabilities:					
Bonds	313,379	318,799	190,932	(5,420)	127,867
Certificates of participation	11,685	12,148	12,593	(463)	(445)
Commercial paper	169,333	90,654	116,352	78,679	(25,698)
Arbitrage rebate payable	207	184	—	23	184
Other liabilities	147,857	113,093	108,981	34,764	4,112
Total liabilities	<u>642,461</u>	<u>534,878</u>	<u>428,858</u>	<u>107,583</u>	<u>106,020</u>
Deferred inflows of resources:					
Pensions	1,061	2,372	5,062	(1,311)	(2,690)
Other postemployment benefits	3,461	3,541	3,769	(80)	(228)
Total deferred inflows of resources	<u>4,522</u>	<u>5,913</u>	<u>8,831</u>	<u>(1,391)</u>	<u>(2,918)</u>
Net position:					
Net investment in capital assets	341,791	343,297	313,171	(1,506)	30,126
Restricted for debt service	—	—	56	—	(56)
Restricted for capital projects	32,645	28,625	21,702	4,020	6,923
Restricted for other purposes	5,772	—	—	5,772	—
Unrestricted	187,778	193,929	183,421	(6,151)	10,508
Total net position	<u>\$ 567,986</u>	<u>565,851</u>	<u>518,350</u>	<u>2,135</u>	<u>47,501</u>

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

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Hetchy Power Net Position, Fiscal Year 2025

Hetchy Power's net position of \$567,986 increased by \$2,135 or 0.4% from prior year. Increases in total assets and deferred outflows of resources of \$108,327 and increases of \$106,192 in total liabilities and deferred inflows of resources are described below (see Table 1C-B). Increase of \$55,828 in current and other assets was attributed to increases of \$60,535 in cash and investments mainly due to cash proceeds from additional commercial paper issuances and \$1,788 in prepaid charges, advances, and other receivables mainly due to new Inflation Reduction Act tax credits for solar projects. These increases were offset by decreases of \$5,240 in charges for services receivables due to less excess energy sold to wholesale customers and \$1,255 in due from other City departments from one-time utility users tax refund received from the General Fund.

Capital assets, net of accumulated depreciation and amortization, increased by \$52,169 or 6.9% to \$809,921 primarily from construction and capital improvement activities for the Bay Corridor Transmission and Distribution Projects (see the Capital Assets section of the MD&A for more information). Deferred outflows of resources increased by \$330 due to an increase in pensions offset by a decrease in OPEB based on actuarial reports.

Hetchy Power's total liabilities of \$642,461 increased by \$107,583 or 20.1%. As of June 30, 2025, outstanding debt increased by \$72,796 due to \$78,679 commercial paper issuance, offset by \$4,062 in bonds and certificates of participation principal repayments and \$1,821 in amortization of premium. Arbitrage rebate payable and other liabilities increased by \$34,787 mainly due to \$37,822 in SRF loan payable to Water Enterprise for the Mountain Tunnel Project, \$3,031 increase in unrestricted payable due to higher year-end expense accruals for power purchases, \$1,613 in net pension liability based on actuarial estimates, and \$1,093 in unearned revenues, refunds, and other due to prepaid Distributed Antenna System (DAS) revenue. The remaining increase of \$1,962 was mostly related to employee related benefits due to 3.0% increase in COLA and implementation of GASB Statement No. 101, *Compensated Absences*, which required the recognition of additional leave benefits. These increases were offset by decreases of \$7,608 in restricted payable mainly due to lower year-end expense accruals for the Warnerville Substation Rehabilitation and Bay Corridor Transmission and Distribution projects and \$3,126 in damage claim liability. Hetchy Power's damage claim liability as of June 30, 2025 was estimated by using probable exposure information provided by the City Attorney's Office and includes an estimate of incurred but not reported losses.

Deferred inflows of resources decreased by \$1,391 due to decreases in pensions and OPEB based on actuarial reports.

Hetchy Power Net Position, Fiscal Year 2024*

Hetchy Power's net position of \$565,851 increased by \$47,501 or 9.2% from prior year. Increases in total assets and deferred outflows of resources of \$150,603 and increases of \$103,102 in total liabilities and deferred inflows of resources are described below (see Table 1C-B). Increase of \$36,405 in current and other assets was attributed to increases of \$28,989 in cash and investments mainly due to higher collections from billings attributable to 14.0% average rate increase and cash proceeds from commercial paper, \$6,065 in prepaid charges, advances, and other receivables mainly due to prepayments to vendors such as County of Tuolumne for municipal services and additional collateral paid to satisfy the CAISO's financial security requirements, \$4,079 in charges for services receivables mainly due to pending collections from wholesale customers, \$1,320 in interest receivables attributed to higher interest rates, and \$71 in inventory due to more purchases than issuances during the fiscal year.

These increases were offset by decreases of \$3,982 in restricted interest and receivables due to refundable deposit received from PG&E, \$72 in due from other governments related to State grant reimbursement for Rim Fire Project, and \$65 in due from other City departments mainly due to repayments for Moscone Renewable Energy Projects.

Capital assets, net of accumulated depreciation and amortization, increased by \$110,514 or 17.1% to \$757,752 primarily from construction and capital improvement activities for the Cluster 7 Mitigation and Transmission Line Clearance Mitigation Projects (see the Capital Assets section of the MD&A for more information). Deferred outflows of resources increased by \$3,684 due to an increase of \$3,754 in pensions, offset by a decrease of \$70 in OPEB based on actuarial reports.

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Hetchy Power’s total liabilities of \$534,878 increased by \$106,020 or 24.7%. As of June 30, 2024, outstanding debt increased by \$101,724 due to \$131,230 from issuance of 2023 Series A Revenue Bonds and \$91,635 from commercial paper issuance, offset by commercial paper repayment of \$117,333, bonds and certificates of participation principal repayments of \$2,035, and \$1,773 in amortization of premium and discount. Other liabilities of \$113,093, such as payables to vendors, employees, contractors, and other government agencies for goods and services under contractual agreements, increased by \$4,112 or 3.8%, mainly due to increases of \$6,093 in net pension liability based on actuarial estimates, \$5,748 in restricted payables to vendors and contractors due to higher year-end expense accruals mainly for the Warnerville Substation Project, \$4,051 in accrued compensated absences per implementation of GASB Statement No. 101, *Compensated Absences*, \$1,663 in OPEB obligations based on actuarial estimates, \$1,094 in interest payable mainly due to 2023 Series A Revenue Bonds issuance, \$724 in unearned revenues, refunds, and other mainly due to utility user taxes payable to Alameda county, and \$610 in employee related benefits due to 4.75% increase in COLA. These increases were offset by decreases of \$11,465 in unrestricted payables mainly due to lower year-end expense accruals for power purchases from APX, Inc. and distribution services from PG&E, \$2,376 in general liability based on actuarial estimates, \$1,946 in due to other City departments related to claim settlement reimbursement paid to SFMTA, \$65 in subscription liability, and \$19 in lease liability. Arbitrage rebate payable increased by \$184 related to 2021 Series AB and 2023 Series A Revenue Bonds.

Deferred inflows of resources decreased by \$2,918 due to decreases of \$2,690 in pensions and \$228 in OPEB based on actuarial reports.

*The fiscal year 2024 net position narrative was updated to reflect the restatements from GASB Statement No. 101, *Compensated Absences*.

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

**Table 1C – C
Proprietary Fund – CleanPowerSF
Comparative Condensed Net Position
June 30, 2025, 2024, and 2023**

	<u>2025</u>	<u>Restated 2024*</u>	<u>2023</u>	<u>2025 - 2024 Change</u>	<u>2024 - 2023 Change</u>
Total assets:					
Current and other assets	\$ 292,342	224,700	157,906	67,642	66,794
Capital assets, net of accumulated depreciation and amortization	86	13	30	73	(17)
Total assets	<u>292,428</u>	<u>224,713</u>	<u>157,936</u>	<u>67,715</u>	<u>66,777</u>
Deferred outflows of resources:					
Pensions	2,753	2,187	1,292	566	895
Other postemployment benefits	1,195	996	1,009	199	(13)
Total deferred outflows of resources	<u>3,948</u>	<u>3,183</u>	<u>2,301</u>	<u>765</u>	<u>882</u>
Liabilities:					
Current liabilities	38,207	38,240	31,461	(33)	6,779
Long-term liabilities	9,083	8,297	6,557	786	1,740
Total liabilities	<u>47,290</u>	<u>46,537</u>	<u>38,018</u>	<u>753</u>	<u>8,519</u>
Deferred inflows of resources:					
Pensions	730	925	1,296	(195)	(371)
Other postemployment benefits	1,737	2,292	2,922	(555)	(630)
Total deferred inflows of resources	<u>2,467</u>	<u>3,217</u>	<u>4,218</u>	<u>(750)</u>	<u>(1,001)</u>
Net position:					
Unrestricted	246,619	178,142	118,001	68,477	60,141
Total net position	<u>\$ 246,619</u>	<u>178,142</u>	<u>118,001</u>	<u>68,477</u>	<u>60,141</u>

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

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CleanPowerSF Net Position, Fiscal Year 2025

CleanPowerSF's net position of \$246,619 increased by \$68,477 or 38.4% from prior year. Increases in total assets and deferred outflows of resources of \$68,480 and increases of \$3 in total liabilities and deferred inflows of resources are described below (see Table 1C-C). Increase in current and other assets of \$67,642 was due to increases of \$62,638 in cash and investments with City Treasury mainly attributed to higher collections from billings, \$3,686 in charges for services receivables mainly due to 8.5% average rate increase, and \$1,318 in prepaid charges, interest receivables, and other receivables mainly related to additional interest receivable on collateral and pending collections for resource adequacy capacity sales to counterparties.

Capital assets, net of accumulated depreciation and amortization, increased by \$73 or 561.5% to \$86 due to increase in subscription assets (see the Capital Assets section of the MD&A for more information). Deferred outflows of resources increased by \$765 due to increases in pensions and OPEB based on actuarial reports.

Total liabilities increased by \$753 or 1.6% to \$47,290, mainly explained by increases of \$3,109 in payables due to higher power purchases and \$1,590 in net pension liability based on actuarial estimates and increase in employee related benefits due to 3.0% COLA increase and implementation of GASB Statement No. 101, *Compensated Absences*, which required the recognition of additional leave benefits. These increases were offset by a decrease of \$3,946 in unearned revenues, OPEB, damage claims, and other liabilities mainly due to return of funds for the Community Food Service Energy Efficiency Program to PG&E.

Deferred inflows of resources decreased by \$750 due to decreases in pensions and OPEB based on actuarial reports.

CleanPowerSF Net Position, Fiscal Year 2024*

CleanPowerSF's net position of \$178,142 increased by \$60,141 or 51.0% from prior year. Increases in total assets and deferred outflows of resources of \$67,659 and increases of \$7,518 in total liabilities and deferred inflows of resources are described below (see Table 1C-C). Increase in current and other assets of \$66,794 was due to increases of \$61,154 in cash and investments with City Treasury mainly attributed to higher collections from billings, \$9,368 in charges for services receivables mainly due to 15.0% average rate increase, and \$1,133 in interest receivable attributed to higher interest rates. These increases were offset by a decrease of \$4,861 in prepaid charges and other receivables mainly related to \$5,000 cash collateral returned from APX, Inc.

Capital assets, net of accumulated depreciation and amortization, decreased by \$17 or 56.7% to \$13 due to decrease in subscription assets (see the Capital Assets section of the MD&A for more information). Deferred outflows of resources increased by \$882 due to an increase of \$895 in pensions, offset by a decrease of \$13 in OPEB based on actuarial reports.

Total liabilities increased by \$8,519 or 22.4% to \$46,537, mainly explained by increases of \$4,674 in payables due to higher power purchases, \$1,840 in unearned revenues, refunds, and other, \$1,439 in net pension liability based on actuarial estimates, \$348 in accrued compensated absences per implementation of GASB Statement No. 101, *Compensated Absences*, \$136 in OPEB obligations based on actuarial assumptions, and \$113 in employee related benefits due to COLA increase. These increases were offset by decreases of \$18 in subscription liability and \$13 in general liability based on actuarial estimates. Increase of \$1,840 in unearned revenues, refunds, and other was mainly due to increases of \$1,241 for the Community Food Service Energy Efficiency Program and Disadvantaged Communities Programs from California Public Utilities Commission (CPUC), \$651 in net energy metering credits to customers who generated excess energy, and \$8 in energy tax payable, offset by a decrease of \$60 in customer prepayments.

Deferred inflows of resources decreased by \$1,001 due to decreases of \$630 in OPEB and \$371 in pensions based on actuarial reports.

*The fiscal year 2024 net position narrative was updated to reflect the restatements from GASB Statement No. 101, *Compensated Absences*.

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Results of Operations

Department-wide Business Type Activities

The following table summarizes 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, 2025, 2024, and 2023

	<u>2025</u>	<u>Restated 2024*</u>	<u>2023</u>	<u>2025 - 2024 Change</u>	<u>2024 - 2023 Change</u>
Revenues:					
Charges for services	\$ 1,794,186	1,684,847	1,614,447	109,339	70,400
Rents and concessions	8,558	9,655	14,387	(1,097)	(4,732)
Other operating revenues	8,554	7,867	9,670	687	(1,803)
Interest and investment income	103,344	73,528	18,315	29,816	55,213
Other non-operating revenues	37,556	75,620	67,553	(38,064)	8,067
Total revenues	<u>1,952,198</u>	<u>1,851,517</u>	<u>1,724,372</u>	<u>100,681</u>	<u>127,145</u>
Expenses:					
Operating expenses	1,423,674	1,550,870	1,257,946	(127,196)	292,924
Interest expenses**	371,752	313,281	293,982	58,471	19,299
Non-operating expenses	3,004	3,286	2,809	(282)	477
Total expenses	<u>1,798,430</u>	<u>1,867,437</u>	<u>1,554,737</u>	<u>(69,007)</u>	<u>312,700</u>
Change in net position before transfers and capital contributions	153,768	(15,920)	169,635	169,688	(185,555)
Capital contributions	21,613	130,879	7,992	(109,266)	122,887
Transfers from the City and County of San Francisco	88,299	547	20,080	87,752	(19,533)
Transfers to the City and County of San Francisco	<u>(52,119)</u>	<u>(1,558)</u>	<u>(20,096)</u>	<u>(50,561)</u>	<u>18,538</u>
Net capital contributions and transfers	57,793	129,868	7,976	(72,075)	121,892
Change in net position	<u>211,561</u>	<u>113,948</u>	<u>177,611</u>	<u>97,613</u>	<u>(63,663)</u>
Net position at beginning of year					
Beginning of year as previously reported	3,080,678	3,001,386	2,823,775	79,292	177,611
Cumulative effect of accounting change	—	(34,656)	—	34,656	(34,656)
Net position at beginning of year as restated	<u>3,080,678</u>	<u>2,966,730</u>	<u>2,823,775</u>	<u>113,948</u>	<u>142,955</u>
Net position at end of year	\$ <u>3,292,239</u>	\$ <u>3,080,678</u>	\$ <u>3,001,386</u>	\$ <u>211,561</u>	\$ <u>79,292</u>

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

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

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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, 2025, 2024, and 2023

	<u>2025</u>	<u>Restated 2024*</u>	<u>2023</u>	<u>2025 - 2024 Change</u>	<u>2024 - 2023 Change</u>
Revenues:					
Charges for services	\$ 665,552	662,729	671,216	2,823	(8,487)
Rents and concessions	7,354	8,556	13,282	(1,202)	(4,726)
Other operating revenues	5,731	5,605	6,593	126	(988)
Interest and investment income	29,093	25,097	11,156	3,996	13,941
Other non-operating revenues	28,879	42,071	40,679	(13,192)	1,392
Total revenues	<u>736,609</u>	<u>744,058</u>	<u>742,926</u>	<u>(7,449)</u>	<u>1,132</u>
Expenses:					
Operating expenses	495,463	530,654	460,253	(35,191)	70,401
Interest expenses**	201,152	208,230	204,942	(7,078)	3,288
Non-operating expenses	1,898	1,760	1,775	138	(15)
Total expenses	<u>698,513</u>	<u>740,644</u>	<u>666,970</u>	<u>(42,131)</u>	<u>73,674</u>
Change in net position before transfers and capital contributions	<u>38,096</u>	<u>3,414</u>	<u>75,956</u>	<u>34,682</u>	<u>(72,542)</u>
Capital contributions	17,436	53,599	2,717	(36,163)	50,882
Transfers from the City and County of San Francisco	41,215	505	5	40,710	500
Transfers to the City and County of San Francisco	(47,115)	(1,241)	(20,032)	(45,874)	18,791
Net capital contributions and transfers	<u>11,536</u>	<u>52,863</u>	<u>(17,310)</u>	<u>(41,327)</u>	<u>70,173</u>
Change in net position	<u>49,632</u>	<u>56,277</u>	<u>58,646</u>	<u>(6,645)</u>	<u>(2,369)</u>
Net position at beginning of year					
Beginning of year as previously reported	733,106	692,073	633,427	41,033	58,646
Cumulative effect of accounting change	—	(15,244)	—	15,244	(15,244)
Net position at beginning of year as restated	<u>733,106</u>	<u>676,829</u>	<u>633,427</u>	<u>56,277</u>	<u>43,402</u>
Net position at end of year	\$ <u>782,738</u>	\$ <u>733,106</u>	\$ <u>692,073</u>	\$ <u>49,632</u>	\$ <u>41,033</u>

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

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

Water Results of Operations, Fiscal Year 2025

The Water Enterprise's total revenues of \$736,609 for the year represented a decrease of \$7,449 or 1.0% from prior year (see Table 2A). Decreases included \$13,192 in other non-operating revenues and \$1,202 in rents and concessions, offset by increases of \$3,996 in interest and investment income, \$2,823 in charges for services, and \$126 in other operating revenues.

Charges for services were \$665,552, an increase of \$2,823 or 0.4%, mainly due to a 5% planned rate increase for retail customers and 8.8% rate increase for wholesale customers beginning July 1, 2024 offset by a decrease in the WRR balancing account. Rents and concessions were \$7,354, a decrease of \$1,202 or 14.0%, mainly due to allocations for low-income customer assistance programs. Other operating revenues were \$5,731, an increase of \$126 or 2.2% mainly due to an increase in capacity fees permits issued. Interest and investment income were \$29,093, an increase of \$3,996 or 15.9%, mainly due to increased interest from higher cash balances. Other non-operating revenues were \$28,879, a decrease of \$13,192 or 31.4%, due to grants received in prior year for the COVID-19 pandemic related water utility arrearages relief and the SCU Lightning Complex fire.

The Water Enterprise's total expenses were \$698,513, a decrease of \$42,131 or 5.7%. Operating expenses were \$495,463, a decrease of \$35,191 or 6.6%, resulting from decreases of \$60,017 in general administrative and other expenses mainly due to a decrease in estimated judgment and claims expenses and higher capital project capitalizations in the current year, \$2,566 in contractual services and materials and supplies mainly for construction expenses. These decreases were offset by increases of \$14,693 in personnel services mainly due to pension expenses based on actuarial estimates, \$7,971 in services provided by other departments mainly due to increased electricity charges and water assessment fees paid to Hetch Hetchy Water, and \$4,728 in depreciation from additional assets placed into service. Interest expenses decreased by \$7,078 compared to prior year, mainly

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due the refunding of bonds through the issuance of the 2025 Series ABC and 2025 Series DEF water revenue refunding bonds. Non-operating expenses increased by \$138 mainly due to higher rebates provided to customers.

Capital contributions of \$17,436 were received from developers for assets related to the Mission Rock Phase 1A project. Transfer in of \$41,215 included \$41,211 from the City for the Earthquake Safety and Emergency Response program and \$4 from the General Fund for the Mayor's Office's minimum compensation ordinance. Transfer out of \$47,115 included \$47,084 to Hetch Hetchy Water for the Mountain Tunnel Improvement project and \$31 to the Office of the City Administrator for the Water Enterprise's contribution to the Surety Bond Program.

Water Results of Operations, Fiscal Year 2024*

The Water Enterprise's total revenues of \$744,058 for the year represented an increase of \$1,132 or 0.2% from prior year (see Table 2A). Increases included \$13,941 from interest and investment income, \$1,533 in other operating revenues, and \$1,392 in other non-operating revenues. These increases were offset by decreases of \$11,008 in charges for services and \$4,726 in rents and concessions.

Charges for services were \$662,729, a decrease of \$2,823 or 0.4%, mainly due to a higher Wholesale Balancing Account adjustment to increase revenues in prior year, offset by adopted rate increases of 9.7% for wholesale customers and 5% for retail customers beginning July 1, 2023. Rents and concessions were \$8,556, a decrease of \$4,726 or 35.6%, mainly due to funding allocation for low-income customer assistance programs. Other operating revenues were \$5,605, a decrease of \$988 or 15.0%, mainly due to lower water installation charges. Interest and investment income were \$25,097, an increase of \$13,941 or 125.0%, mainly due to higher unrealized gains in the current year compared to prior year and higher interest rates. Other non-operating revenues were \$42,071, an increase of \$1,392 or 3.4%, mainly due to grants for COVID-19 pandemic related water utility arrearages relief and disaster cost recovery for the 2020 Wildfires Santa Clara Fence project.

The Water Enterprise's total expenses were \$740,644, an increase of \$73,674 or 11.0%. Operating expenses were \$530,654, an increase of \$70,401 or 15.3%, resulting from increases of \$30,435 in general and administrative expenses mainly due to an increase in judgment and claims expenses based on actuarial estimates, \$25,368 in personnel services mainly due to pension expenses based on actuarial estimates, \$11,054 in other operating expenses mainly due SF Recycled Water and Mountain Tunnel Improvement projects spending, \$3,209 in contractual services mainly for construction expenses, and \$3,149 in materials and supplies mainly for water treatment supplies. These increases were offset by decreases of \$2,272 for services provided by other departments mainly from lower water assessment fees paid to Hetch Hetchy Water, and \$542 in depreciation. Interest expenses increased by \$3,288 compared to prior year, mainly due to the issuances of 2023 Series AB revenue bonds and 2023 Series CD revenue refunding bonds. Non-operating expenses decreased by \$15 mainly due to higher rebates provided to customers in the prior year.

Capital contributions of \$53,599 were received from developers for assets relating mainly to the Treasure Island, Yerba Buena Island, and Pier 70 Development project. Transfer in of \$505 from the General Fund included \$500 for research on environmental impacts in Hunter's Point Shipyard and \$5 for the Mayor's Office's minimum compensation ordinance. Transfer out of \$1,241 included \$1,167 to the Arts Commission for the arts enrichment fund, \$42 to Hetch Hetchy Water to fund various Mountain Tunnel Improvement projects, and \$32 to the Office of the City Administrator for the Water Enterprise's contribution to the Surety Bond Program.

*The fiscal year 2024 results of operations narrative was updated to reflect the restatements from GASB Statement No. 101, *Compensated Absences*.

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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, 2025, 2024, and 2023

	<u>2025</u>	<u>Restated 2024*</u>	<u>2023</u>	<u>2025 - 2024 Change</u>	<u>2024 - 2023 Change</u>
Revenues:					
Charges for services	\$ 427,493	392,040	360,037	35,453	32,003
Rents and concessions	875	739	822	136	(83)
Other operating revenues	2,823	2,262	3,077	561	(815)
Interest and investment income	44,065	25,528	2,556	18,537	22,972
Other non-operating revenues	4,646	24,297	9,910	(19,651)	14,387
Total revenues	<u>479,902</u>	<u>444,866</u>	<u>376,402</u>	<u>35,036</u>	<u>68,464</u>
Expenses:					
Operating expenses	292,481	463,091	261,350	(170,610)	201,741
Interest expenses**	154,566	91,584	81,133	62,982	10,451
Non-operating expenses	225	505	535	(280)	(30)
Total expenses	<u>447,272</u>	<u>555,180</u>	<u>343,018</u>	<u>(107,908)</u>	<u>212,162</u>
Change in net position before transfers and capital contributions	<u>32,630</u>	<u>(110,314)</u>	<u>33,384</u>	<u>142,944</u>	<u>(143,698)</u>
Capital contributions	145	48,080	2,740	(47,935)	45,340
Transfers from the City and County of San Francisco	—	—	75	—	(75)
Transfers to the City and County of San Francisco	<u>(1,472)</u>	<u>(209)</u>	<u>(32)</u>	<u>(1,263)</u>	<u>(177)</u>
Net capital contributions and transfers	<u>(1,327)</u>	<u>47,871</u>	<u>2,783</u>	<u>(49,198)</u>	<u>45,088</u>
Change in net position	<u>31,303</u>	<u>(62,443)</u>	<u>36,167</u>	<u>93,746</u>	<u>(98,610)</u>
Net position at beginning of year					
Beginning of year as previously reported	1,323,636	1,398,834	1,362,667	(75,198)	36,167
Cumulative effect of accounting change	—	(12,755)	—	12,755	(12,755)
Net position at beginning of year as restated	<u>1,323,636</u>	<u>1,386,079</u>	<u>1,362,667</u>	<u>(62,443)</u>	<u>23,412</u>
Net position at end of year	\$ <u>1,354,939</u>	\$ <u>1,323,636</u>	\$ <u>1,398,834</u>	<u>31,303</u>	<u>(75,198)</u>

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

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

Wastewater Results of Operations, Fiscal Year 2025

The Wastewater Enterprise's total revenues were \$479,902, an increase of \$35,036 or 7.9% from prior year (see Table 2B). Charges for services increased by \$35,453 or 9.0% mainly due to a 9.0% rate increase adopted on July 1, 2024, and an increase in sanitary flow of 797,494 ccf, or 3.7% from both residential and non-residential customers.

Interest and investment income increased by \$18,537 or 72.6%, driven by a \$19,939 increase in interest earned from City Treasury pooled investments. This was attributed to higher average cash balances resulting from issuances of the 2024 Series ABCD revenue bonds and WIFIA loans, as well as higher interest rates.

Other operating revenues increased by \$561 or 24.8%, mainly due to increased capacity fees, driven by an 8% increase in the average permit price and a 3% increase in the number of permits issued. This was further supported by a reduction in the allowance for doubtful accounts and write-offs compared to prior year.

Rents and concessions increased by \$136 or 18.4% mainly due to higher lease payments and the recognition of non-refundable deposits as revenue.

Other non-operating revenues decreased by \$19,651 or 80.9%, primarily due to prior year receipts of \$12,104 in federal and state grants under the CWWAPP and revenue recognized from fair share contributions totaling \$7,558 from the GSW and the UCSF for the Mariposa Project.

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Total expenses were \$447,272, reflecting a decrease of \$107,908 or 19.4% compared to prior year. This reduction was primarily driven by a \$170,610 decrease in operating expenses and a \$280 decrease in City grants program expenses for community-based organization services and floodwater management program. These decreases were offset by a \$62,982 increase in interest expenses, mainly resulting from an increase of \$75,292 in bonds and loans interest, amortization of premiums, refunding gains, and issuance cost, primarily due to the issuance of the 2024 ABCD revenue bonds and the new WIFIA loans, offset by a \$12,310 decrease in arbitrage rebate interest expense based on the computation from the BLX interim arbitrage rebate analysis report.

The \$170,610 decrease in operating expenses was primarily due to a \$202,206 decline in general and administrative and other operating expenses, largely due to reduced judgments and claims expenses based on analyses performed by the City Attorney's Office and Controller's Office, as well as lower project costs associated with the Westside Pump Station Reliability Improvement, Biosolids Digester, and Treasure Island Capital Improvement projects. These reductions were partially offset by several increases, including a \$21,334 increase in personnel services – driven by a 3% increase in cost-of-living adjustment (COLA), a 3% increase in full-time equivalents, and increased other postemployment benefit and pension expenses. Additional increases included a \$4,667 rise in electric utility services provided by Hetch Hetchy Power at the Southeast Treatment Plant; a \$3,754 increase in assets depreciation and amortization expenses; and a \$1,841 increase in materials and supplies and contractual services for building and construction, equipment maintenance, and sewage treatment at the Southeast Treatment Plant reflecting higher maintenance costs.

Capital contributions totaled \$145, representing a decrease of \$47,935 compared to prior year. This is primarily due to the Developer Built Infrastructure transferred to capital assets, comprising \$25,923 for Pier 70 Phase 1, \$17,550 for the Treasure Island Stage 1, and \$4,607 for the Yerba Buena Island Street Improvements projects in prior year. Transfer out totaled \$1,472, which included allocations to Culture and Recreation Fund for art enrichment, to Recreation and Park for the Green Infrastructure Grant Program at Buchanan Street Mall, and to the Office of the City Administrator for the Surety Bond Program.

Wastewater Results of Operations, Fiscal Year 2024*

The Wastewater Enterprise's total revenues were \$444,866, an increase of \$68,464 or 18.2% from prior year (see Table 2B). Charges for services increased by \$30,360 or 8.6% mainly due to a 9% rate increase adopted on July 1, 2023, offset by a decrease in sanitary flow of 95,679 ccf, or 0.4% from both residential and non-residential customers. Interest and investment income increased by \$22,972 or 898.7% mainly due to \$10,485 increase in unrealized gain in City Treasury pooled investments, attributed to improved fair value of investments and a \$12,487 increase in interest earned mainly due to higher average cash balances from issuance of WIFIA loans and 2023 Series AB bonds and increase in interest rates. Other non-operating revenues increased by \$14,387, primarily due to a \$12,104 rise in Federal and State grants received mainly for the CWWAPP and a revenue accrual of \$7,558 for the upgrades fair share contribution from the Golden State Warriors and the University of California, San Francisco for the Mariposa Project. This increase was offset by the Monsanto settlement related to water pollution of \$5,000 and the \$196 Baker Beach grant received in the prior year, as well as decreases of \$85 in Federal interest subsidy and \$37 in gains from the sale of assets. Other operating revenues increased by \$828 or 9.6% mainly due to a \$1,643 increase in revenues from other City departments, including Recreation & Park, Zuckerberg San Francisco General Hospital and Trauma Center, and the San Francisco Municipal Transportation Agency. This increase was offset by an \$815 decrease in capacity fees, driven by a \$544 increase in the allowance for doubtful accounts and write-offs, along with a \$271 decline in revenue due to lower permits prices and issuance. Rents and concessions decreased by \$83 or 10.1% mainly due to a decrease of \$345 from three terminated leases offset by increases in rental income of \$189 from tenants with 3.5% consumer price index average rate increase, \$70 from short-term conference room rentals at Southeast Community Center and \$3 related to leases.

Total expenses were \$555,180, reflecting an increase of \$212,162 or 61.9% compared to prior year. This was primarily due to increases of \$201,741 in operating expenses, \$43,363 in interest expenses mainly due to higher bond and WIFIA principal debt and arbitrage rebate liability, offset by an increase of \$32,912 in amortization of premium, refunding loss, and issuance cost and \$30 decrease in City grants program expenses due to \$195 decrease in expenditures for community based organization services for the Youth Employment & Environment Project, offset by \$165 increase in floodwater grant for the UC Wastewater Collection Project. The increase of \$201,741 in operating expenses was primarily driven by several factors: a \$178,078 rise in general and administrative and other operating expenses largely attributed to judgments and claims expenses based on

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actuarial report, along with increased project costs associated with the WIFIA Headworks New Grit Removal/Influent Pump and Biosolids Digester projects; a \$17,157 increase in personnel services, mainly due to a \$15,239 rise related to the GASB 68 pension adjustment and a 4.75% cost-of-living adjustment (COLA); a \$4,683 increase in depreciation and amortization expenses resulting from more assets being placed in service, a \$3,108 rise in contractual services primarily due to higher maintenance costs for service equipment at the Southeast Treatment Plant and leasing activities; and a \$168 increase in materials and supplies for sewage treatment at the Southeast Treatment Plant, all offset by a \$1,453 decrease in expenses for services of other departments mainly in electric services provided by Hetch Hetchy Power at the Southeast Treatment Plant.

Capital contributions of \$48,080 were for the Developer Built Infrastructure transferred to capital assets, comprised of \$25,923 for the Pier 70 Phase 1, \$17,550 for the Treasure Island Stage 1, and \$4,607 for the Yerba Buena Island Street Improvements projects. Transfer out of \$209 included \$177 transfers to Culture and Recreation Fund for art enrichment allocation and \$32 to the Office of the City Administrator for the Surety Bond Program.

*The fiscal year 2024 results of operations narrative was updated to reflect the restatements from GASB Statement No. 101, *Compensated Absences*.

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, 2025, 2024, and 2023

	<u>2025</u>	<u>Restated 2024*</u>	<u>2023</u>	<u>2025 - 2024 Change</u>	<u>2024 - 2023 Change</u>
Revenues:					
Charges for services	\$ 53,071	49,330	52,570	3,741	(3,240)
Rents and concessions	140	162	127	(22)	35
Interest and investment income	5,016	3,255	457	1,761	2,798
Other non-operating revenues	205	338	1,861	(133)	(1,523)
Total revenues	<u>58,432</u>	<u>53,085</u>	<u>55,015</u>	<u>5,347</u>	<u>(1,930)</u>
Expenses:					
Operating expenses	45,471	44,409	50,011	1,062	(5,602)
Interest expenses	23	3	4	20	(1)
Non-operating expenses	8	45	54	(37)	(9)
Total expenses	<u>45,502</u>	<u>44,457</u>	<u>50,069</u>	<u>1,045</u>	<u>(5,612)</u>
Change in net position before transfers	12,930	8,628	4,946	4,302	3,682
Transfers from the City and County of San Francisco	47,084	42	20,000	47,042	(19,958)
Change in net position	<u>60,014</u>	<u>8,670</u>	<u>24,946</u>	<u>51,344</u>	<u>(16,276)</u>
Net position at beginning of year					
Beginning of year as previously reported	279,943	274,128	249,182	5,815	24,946
Cumulative effect of accounting change	—	(2,855)	—	2,855	(2,855)
Net position at beginning of year as restated	<u>279,943</u>	<u>271,273</u>	<u>249,182</u>	<u>8,670</u>	<u>22,091</u>
Net position at end of year	\$ <u>339,957</u>	<u>279,943</u>	<u>274,128</u>	<u>60,014</u>	<u>5,815</u>

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

Hetchy Water Results of Operations, Fiscal Year 2025

Hetchy Water’s total revenues were \$58,432, an increase of \$5,347 or 10.1% from prior year’s revenues (see Table 2C-A). Increases included \$3,741 in charges for services and \$1,761 in interest and investment income, offset by decreases of \$133 in other non-operating revenues and \$22 in rents and concessions.

Charges for services were \$53,071, an increase of \$3,741 or 7.6% mainly due to increased water assessment fees from the Water Enterprise to fund upcountry water-related costs. Interest and investment income was \$5,016, an increase of \$1,761 mainly due to higher interest rates. Rents and other non-operating revenues decreased by \$155 mainly due to settlement revenue in prior year for the San Joaquin Pipeline Project.

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Total operating expenses, excluding interest expenses and other non-operating expenses, were \$45,471, an increase of \$1,062 or 2.4%. Increases included \$3,037 in other operating expenses mainly due to higher building structure and improvement expenses, \$2,317 in general and administrative expenses due to higher payments to other governments related to law enforcement and emergency response services, and \$751 in depreciation, amortization, materials and supplies expenses mainly related to additional facilities and improvements placed in service. These increases were offset by a decrease of \$4,048 in personnel services due to lower bureau support costs. The remaining decrease of \$995 was mainly from lower share of bureau support costs.

Transfer in of \$47,084 from the Water Enterprise was to fund the Hetchy Water's share of the Mountain Tunnel Project.

As a result of the above activities, net position for the year ended June 30, 2025 increased by \$60,014 or 21.4% compared to prior year.

Hetchy Water Results of Operations, Fiscal Year 2024*

Hetchy Water's total revenues were \$53,085, a decrease of \$1,930 or 3.5% from prior year's revenues (see Table 2C-A). Decreases included \$3,240 in charges for services and \$1,523 in other non-operating revenues, offset by increases of \$2,798 in interest and investment income and \$35 in rents and concessions.

Charges for services were \$49,330, a decrease of \$3,240 or 6.2% mainly due to decreased water assessment fees from the Water Enterprise to fund upcountry water-related costs. Interest and investment income was \$3,255, an increase of \$2,798 mainly due to unrealized gain in City Treasury pooled investments attributed to improved fair value of investments and higher interest rates. Other non-operating revenues were \$338, a decrease of \$1,523 mainly due to decreases of \$1,388 in State grants revenue for the Moccasin Storm Project and Rim Fire Project related to emergency repairs, \$239 in Federal grants revenue for the Rim Fire Project, and \$2 in net gain from sale of fixed assets, offset by increases of \$100 settlement revenue mainly for San Joaquin Pipeline Project and \$6 miscellaneous revenue. Rents were \$162, an increase of \$35 mainly due to higher collections from recreational rentals and new leases.

Total operating expenses, excluding interest expenses and other non-operating expenses, were \$44,409, a decrease of \$5,602 or 11.2%. Decreases included \$13,074 in other operating expenses mainly due to lower project spending on the Mountain Tunnel Improvement Project, \$807 in general and administrative expenses due to lower judgments and claims expenses, and \$2 in depreciation and amortization mainly related to fewer subscription assets. These decreases were offset by increases of \$6,943 in personnel services due to higher pension expenses, 4.75% increase in COLA, and implementation of GASB Statement No. 101, *Compensated Absences*, \$1,079 in contractual services from increased engineering services, \$150 in material and supplies from treatment chemicals and hardware expenses, and \$109 in services provided by other departments mainly due to higher risk management services.

Other non-operating expenses were \$45, a decrease of \$9 due to lower payments to community-based organization programs. Interest expenses were \$3, a decrease of \$1 due to lower interest expenses related to leases and subscription assets. A transfer in of \$42 was received from the Water Enterprise to fund various capital projects.

As a result of the above activities, net position for the year ended June 30, 2024 increased by \$5,815 or 2.1% compared to prior year.

*The fiscal year 2024 results of operations narrative was updated to reflect the restatements from GASB Statement No. 101, *Compensated Absences*.

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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, 2025, 2024, and 2023**

	<u>2025</u>	<u>Restated 2024*</u>	<u>2023</u>	<u>2025 - 2024 Change</u>	<u>2024 - 2023 Change</u>
Revenues:					
Charges for services	\$ 218,274	214,154	203,847	4,120	10,307
Rents and concessions	189	198	156	(9)	42
Interest and investment income	14,688	13,744	3,741	944	10,003
Other non-operating revenues	3,105	8,528	13,605	(5,423)	(5,077)
Total revenues	<u>236,256</u>	<u>236,624</u>	<u>221,349</u>	<u>(368)</u>	<u>15,275</u>
Expenses:					
Operating expenses	218,081	201,163	191,552	16,918	9,611
Interest expenses**	16,006	13,464	7,902	2,542	5,562
Non-operating expenses	534	99	227	435	(128)
Total expenses	<u>234,621</u>	<u>214,726</u>	<u>199,681</u>	<u>19,895</u>	<u>15,045</u>
Change in net position before transfers and contributions	<u>1,635</u>	<u>21,898</u>	<u>21,668</u>	<u>(20,263)</u>	<u>230</u>
Capital contribution	4,032	29,200	2,535	(25,168)	26,665
Transfers to the City and County of San Francisco	<u>(3,532)</u>	<u>(108)</u>	<u>(32)</u>	<u>(3,424)</u>	<u>(76)</u>
Net capital contributions and transfers	<u>500</u>	<u>29,092</u>	<u>2,503</u>	<u>(28,592)</u>	<u>26,589</u>
Change in net position	<u>2,135</u>	<u>50,990</u>	<u>24,171</u>	<u>(48,855)</u>	<u>26,819</u>
Net position at beginning of year					
Beginning of year as previously reported	565,851	518,350	494,179	47,501	24,171
Cumulative effect of accounting change	—	(3,489)	—	3,489	(3,489)
Net position at beginning of year as restated	<u>565,851</u>	<u>514,861</u>	<u>494,179</u>	<u>50,990</u>	<u>20,682</u>
Net position at end of year	\$ <u>567,986</u>	\$ <u>565,851</u>	\$ <u>518,350</u>	\$ <u>2,135</u>	\$ <u>47,501</u>

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

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

Hetchy Power Results of Operations, Fiscal Year 2025

Hetchy Power's total revenues were \$236,256, a decrease of \$368 or 0.2% from prior year's revenues (see Table 2C-B). Decreases included \$5,423 from other non-operating revenues and \$9 from rents and concessions, offset by increases of \$4,120 from charges for services and \$944 from interest and investment income.

Charges for services were \$218,274, an increase of \$4,120 or 1.9%, mainly due to average rate increase and higher consumption, of which \$17,465 was from City departments such as SFO and SFMTA and \$4,734 from sales to retail customers. These increases were offset by decreases of \$15,967 in wholesale revenue due to higher hydrogeneration in prior year resulting in greater excess supply sold, and \$2,112 in resale of capacity to CleanPowerSF due to less excess energy. Interest and investment income was \$14,688, an increase of \$944 mainly due to higher interest rates.

Other non-operating revenues were \$3,105, a decrease of \$5,423 or 63.6%, mainly due to \$2,873 in loss from the decommissioned solar power plant and photovoltaic system at Pier 96 and SFO, \$2,550 in revenue received in prior year for the power system mitigation projects and lower DAS revenue.

Total operating expenses, excluding interest expenses and other non-operating expenses, increased by \$16,918 or 8.4% to \$218,081. Increases included \$9,548 in purchased electricity due to higher resource adequacy purchases related to compliance requirements, \$7,941 in personnel services due to 3.0% increase in COLA, \$4,460 in other operating expenses mainly due to higher spending for the Moccasin Powerhouse Rewind Project, \$2,548 in depreciation and amortization related to additional facilities and improvements placed in service, \$1,254 in services provided by other departments mainly due to higher bureau support costs, and \$1,012 in general, administrative, materials and supplies expenses mainly due to higher payments to other governments related to law enforcement and emergency response services. These increases were offset by a decrease of \$9,845 from lower distribution charges from PG&E and contractual services.

Interest expenses increased by \$2,542 or 18.9% due to higher outstanding commercial paper and higher bond interest expenses for the 2023 Series A Revenue Bonds.

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Other non-operating expenses were \$534, an increase of \$435 or 439.4% mainly due to new incentive program for energy-efficient improvements. Capital contributions of \$4,032 were from developers for assets at Mission Rock and Warnerville Substation. Transfer out of \$3,532 included \$3,500 to General Fund related to acquisition of PG&E assets 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, 2025 increased by \$2,135 or 0.4% compared to prior year.

Hetchy Power Results of Operations, Fiscal Year 2024*

Hetchy Power's total revenues were \$236,624, an increase of \$15,275 or 6.9% from prior year's revenues (see Table 2C-B). Increases included \$10,307 from charges for services, \$10,003 from interest and investment income, and \$42 from rents and concessions, offset by a decrease of \$5,077 from other non-operating revenues.

Charges for services were \$214,154, an increase of \$10,307 or 5.1%, mainly due to increases of \$12,819 in revenue from City departments mainly due to average rate increase and lower allowance for uncollectible, \$9,432 in resale of capacity to CleanPowerSF due to excess energy, \$2,867 in sales to retail customers from increased consumption, and \$1,055 from Treasure Island due to average rate increase, offset by a decrease of \$15,866 mainly due to wholesale revenue from lower Congestion Revenue Right (CRR) credits from the California Independent System Operator (CAISO). Interest and investment income was \$13,744, an increase of \$10,003 mainly due to unrealized gain in City Treasury pooled investments attributed to improved fair value of investments and higher interest rates. Rents increased by \$42 or 26.9% to \$198 mainly due to higher collections from recreational rentals and new leases.

Other non-operating revenues were \$8,528, a decrease of \$5,077 or 37.3%, mainly due to decreases of \$4,449 in revenue received in prior year for the Power System Mitigation Project, \$567 in State grants revenue for the Moccasin Storm Project and Rim Fire Project related to emergency repairs, \$344 in Federal grants revenue from the Rim Fire Project and California Arrearages Payment Program (CAPP) ended in prior year, \$244 in settlement received in prior year due to labor litigation, and \$78 in miscellaneous revenue. These decreases were offset by an increase of \$605 in Cap and Trade revenue due to increase of 12,157 allowances sold.

Total operating expenses, excluding interest expenses, other non-operating expenses, and amortization of premium, discount, and issuance costs, increased by \$9,611 or 5.0% to \$201,163. Increases included \$14,217 in other operating expenses mainly due to higher project spending for the Winter Storm Projects, \$9,437 in personnel services due to higher pension expenses, 4.75% increase in COLA, and implementation of GASB Statement No. 101, *Compensated Absences*, \$2,804 in contractual services for construction contracts and engineering services, and \$583 in depreciation and amortization related to additional facilities and improvements placed in service. These increases were offset by decreases of \$14,715 in general and administrative expenses due to lower judgments and claims expenses, \$1,846 in services provided by other departments mainly due to lower legal service charges from City Attorney's Office, \$708 in purchased electricity and transmission, distribution, and other power costs mainly related to transmission and related CAISO costs, and \$161 in materials and supplies for electrical supplies.

Interest expenses increased by \$4,986 or 52.6% due to higher outstanding bonds from issuance of 2023 Series A Revenue Bonds. Amortization of premium and discount decreased by \$576 due to costs of issuance for 2023 Series A Revenue Bonds.

Other non-operating expenses were \$99, a decrease of \$128 or 56.4% mainly due to lower incentive payments for Electric Vehicle Charge Program. Capital contributions of \$29,200 were for assets at Pier 70, Treasure Island, and Yerba Buena Island. Transfer out of \$108 included \$76 to General Fund for Public Power Expansion Project 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, 2024 increased by \$47,501 or 9.2% compared to prior year.

*The fiscal year 2024 results of operations narrative was updated to reflect the restatements from GASB Statement No. 101, *Compensated Absences*.

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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, 2025, 2024, and 2023**

	2025	Restated 2024*	2023	2025 - 2024 Change	2024 - 2023 Change
Revenues:					
Charges for services	\$ 429,796	366,594	326,777	63,202	39,817
Interest and investment income	10,482	5,904	405	4,578	5,499
Other non-operating revenues	721	386	1,498	335	(1,112)
Total revenues	<u>440,999</u>	<u>372,884</u>	<u>328,680</u>	<u>68,115</u>	<u>44,204</u>
Expenses:					
Operating expenses	372,178	311,553	294,780	60,625	16,773
Interest expenses	5	—	1	5	(1)
Non-operating expenses	339	877	218	(538)	659
Total expenses	<u>372,522</u>	<u>312,430</u>	<u>294,999</u>	<u>60,092</u>	<u>17,431</u>
Change in net position	<u>68,477</u>	<u>60,454</u>	<u>33,681</u>	<u>8,023</u>	<u>26,773</u>
Net position at beginning of year					
Beginning of year as previously reported	178,142	118,001	84,320	60,141	33,681
Cumulative effect of accounting change	—	(313)	—	313	(313)
Net position at beginning of year as restated	<u>178,142</u>	<u>117,688</u>	<u>84,320</u>	<u>60,454</u>	<u>33,368</u>
Net position at end of year	<u>\$ 246,619</u>	<u>178,142</u>	<u>118,001</u>	<u>68,477</u>	<u>60,141</u>

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

CleanPowerSF Results of Operations, Fiscal Year 2025

CleanPowerSF's total revenues were \$440,999, a \$68,115 or 18.3% increase over prior year (see Table 2C-C). Charges for services increased by \$63,202 or 17.2% mainly due to increases of \$45,476 in electricity sales to retail and commercial customers from 8.5% average rate increase and 112,113 MWh or 3.9% consumption increase, \$10,267 in higher capacity sales to counterparties, and \$7,459 in wholesale sales due to excess energy. Capacity sales are based on availability. Interest and investment income was \$10,482, an increase of \$4,578 due to higher interest rates and higher cash balances. Other non-operating revenue increased by \$335 mainly due to non-refundable deposits for the interconnections process enhancement project.

Total operating expenses, excluding interest expenses and non-operating expenses were \$372,178, an increase of \$60,625 or 19.5% from prior year. Purchased electricity and transmission, distribution, and other power costs increased by \$58,038 due to increased pricing in power market and higher customer power consumption. Other increases included \$2,894 in personnel services due to 3.0% COLA increase and increased labor charges from Hetchy Power, \$1,444 in contractual services, depreciation, materials and supplies, and other operating expenses mainly due to increase in CleanPowerSF's share of rent at 525 Golden Gate and higher management consulting fees and software licensing fees. These increases were offset by a decrease of \$1,751 in services provided by other departments and general and administrative expenses mainly due to support services from Hetchy Power was posted directly to personnel services in current year and lower judgment and claims expenses. Other non-operating expenses decreased by \$538 mainly due to lower payments for the neighborhood steward program in current year.

As a result of the above activities, net position for the year ended June 30, 2025 increased by \$68,477 or 38.4% compared to prior year.

CleanPowerSF Results of Operations, Fiscal Year 2024*

CleanPowerSF's total revenues were \$372,884, a \$44,204 or 13.4% increase over prior year (see Table 2C-C). Charges for services increased by \$39,817 or 12.2% mainly due to increases of \$38,403 in electricity sales to retail and commercial customers from 15.0% average rate increase and \$3,606 in wholesale sales due to excess energy, offset by \$2,192 in lower capacity sales to counter parties. Capacity sales are based on availability. Interest and investment income was \$5,904, an increase of \$5,499 mainly due to unrealized gain in City Treasury pooled investments attributed to improved fair value of investments and higher interest rates. Other non-operating revenue decreased by \$1,112 mainly due to \$1,173 decrease in Federal CAPP grants which ended in prior year,

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offset by an increase of \$61 in revenue mainly from Disadvantaged Communities (DAC) Programs.

Total operating expenses, excluding interest expenses and non-operating expenses were \$311,553, an increase of \$16,773 or 5.7% from prior year. Purchased electricity and transmission, distribution, and other power costs increased by \$19,517 due to volatile and increased pricing in power market. Other increases included \$490 in services provided by other departments mainly due to higher legal service charges from City Attorney’s Office and \$3 in material and supplies mainly for minor data processing equipment. These increases were offset by decreases of \$1,378 in personnel services due to lower OPEB obligations based on actuarial reports, \$739 in other operating expenses mainly due to recognition of grant expense related to CAPP in prior year, \$552 in general and administrative expenses due to lower judgments and claims expenses, \$315 in contractual services mainly due to lease termination at 544 Golden Gate, and \$253 in depreciation and amortization related to fewer leases and subscription assets. Other non-operating expenses increased by \$659 mainly due to rebates for the Electrify My Ride Program. Interest expenses decreased by \$1 related to SBITAs.

As a result of the above activities, net position for the year ended June 30, 2024 increased by \$60,141 or 51.0% compared to prior year.

*The fiscal year 2024 results of operations narrative was updated to reflect the restatements from GASB Statement No. 101, *Compensated Absences*.

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.

**Table 3
Business Type Activities
Capital Assets, Net of Accumulated Depreciation and Amortization
As of June 30, 2025, 2024, and 2023**

	2025	2024	2023	2025 - 2024 Change	2024 - 2023 Change
Facilities, improvements, machinery, and equipment	\$ 8,960,518	8,137,674	7,865,615	822,844	272,059
Intangible assets	31,566	32,694	33,816	(1,128)	(1,122)
Land and rights-of-way	163,075	163,075	163,075	—	—
Land Improvements	7,630	9,311	6,733	(1,681)	2,578
Construction work in progress	4,162,556	3,915,730	3,130,427	246,826	785,303
Right-to-use lease and subscription assets	11,144	3,644	6,936	7,500	(3,292)
Total	\$ 13,336,489	12,262,128	11,206,602	1,074,361	1,055,526

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, 2025, 2024, and 2023**

	2025	2024	2023	2025 - 2024 Change	2024 - 2023 Change
Facilities, improvements, machinery, and equipment	\$ 5,017,968	5,052,639	5,005,667	(34,671)	46,972
Intangible assets	3,050	2,657	2,331	393	326
Land and rights-of-way	113,322	113,322	113,322	—	—
Construction work in progress	853,267	606,804	526,994	246,463	79,810
Right-to-use lease and subscription assets	3,692	3,045	4,638	647	(1,593)
Total	\$ 5,991,299	5,778,467	5,652,952	212,832	125,515

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Water Capital Assets, Fiscal Year 2025

The Water Enterprise has net capital assets of \$5,991,299 invested in a broad range of utility capital assets as of June 30, 2025 (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 \$212,832 from the prior year. Facilities, improvements, machinery, and equipment decreased by \$34,671 mainly due to depreciation. Intangible assets increased by \$393 mainly due to Maximo improvements and Customer Care & Billing application additions. Land and rights-of-way were unchanged. Construction work in progress increased by \$246,463 mainly from the Sunol Valley Water Treatment Plant Ozonation and New CDD Headquarters projects. Right-to-use lease and subscription assets increased by \$647 due to more leases and subscription assets.

As of June 30, 2025 and 2024, the Water Enterprise had capital commitments of \$447,672 and \$225,678, respectively.

Major additions to construction work in progress during the year ended June 30, 2025 include the following:

Sunol Valley Water Treatment Plant Ozonation	\$	40,786
New San Francisco Water Division Headquarters		40,244
San Joaquin Pipeline Valve and Safe Entry Improvements		26,705
Mountain Tunnel Improvements		20,580
Skyline Ridge Trail		17,978
Water Main Replacement - WD-2708 Geary Blvd from 32nd Avenue to Stanyan Street		11,498
Lead Component Service Program		9,098
New services for water installation		9,092
San Andreas Reservoir Road Improvements		7,152
Renewed Water Service Facilities		6,791
Water Main Replacement - WD-2848 Gold Mine Drive from Topaz Way to Diamond Heights Blvd		6,646
Water Main Replacement - WD-2801 Hampshire and York Streets from Mariposa to Cesar Chavez Street		6,183
Millbrae Campus Improvements		5,454
Water Main Replacement - WD-2765 Jersey Street from Douglass to Church Street		5,414
O'Shaughnessy Dam Outlet Works Phase 1		5,136
Other project additions individually below \$5,000		<u>121,781</u>
Total	\$	<u>340,538</u>

Major land 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, 2025 include the following:

Mission Rock Auxiliary Water Supply System	\$	15,467
San Andreas Reservoir Road Improvement - Soldier Pile Retaining Wall with Tiebacks		10,203
Renewed Water Service Lines		9,098
New Water Service Facilities		9,092
Water Main Replacement - WD-2848 Gold Mine Drive from Topaz Way to Diamond Heights Blvd		8,637
Water Main Replacement - WD-2874 Joost Avenue from Ridgewood Avenue to Congo Street		8,169
Renewed Water Service Facilities		6,791
Bay Division Pipeline No. 4 Slip Lining Pipe at Lafayette Street		5,098
Other items individually below \$5,000		<u>50,055</u>
Total	\$	<u>122,610</u>

See Note 4 for additional information about capital assets.

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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, 2025. 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, 2025, 35 local projects were completed. For regional projects, 48 projects were completed, the Alameda Creek Recapture is in planning phase, Regional Groundwater Storage is under construction, the Bioregional it does not include construction. The expected completion date is June 2032. Additional details regarding the WSIP are available at <https://sfpuc.gov/construction-contracts/water-infrastructure-improvements>.

Water Capital Assets, Fiscal Year 2024

The Water Enterprise has net capital assets of \$5,778,467 invested in a broad range of utility capital assets as of June 30, 2024 (see Table 3). 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 \$125,515 from the prior year. Facilities, improvements, machinery, and equipment increased by \$46,972 mainly due to additions relating to various Water Main Replacement projects. Intangible assets increased by \$326 mainly due to Maximo improvements and Software as a Service Applications additions. Land and rights-of-way were unchanged. Construction work in progress increased by \$79,810 mainly from the San Joaquin Pipeline Valve and Safe Entry Improvements and Mountain Tunnel Improvement projects. Right-to-use lease and subscription assets decreased by \$1,593 due to fewer leases and subscription assets.

As of June 30, 2024 and 2023, the Water Enterprise had capital commitments of \$225,678 and \$187,936, respectively.

Major additions to construction work in progress during the year ended June 30, 2024 include the following:

San Joaquin Pipeline Valve and Safe Entry Improvements	\$	21,253
Mountain Tunnel Improvements		18,114
New City Distribution Division Headquarters		10,999
2023 March Winter Storm Joint Project		10,622
Lead Component Service Program		10,419
Water Main Replacement - WD-2847 Laidley/Castro to Harper/Bemis/Miguel/Various Side Streets		8,038
College Hill Reservoir Outlet and Pipeline		7,960
New services for water installation		7,195
Water Main Replacement - WD-2859 Taraval Segment B		6,482
Regional Groundwater Storage and Recovery		6,426
Skyline Ridge Trail		6,336
Water Main Replacement - WD-2801 Mariposa to Cesar Chavez/York/Hampshire Streets		6,289
Water Main Replacement - WD-2843 Diamond/27th/28th/Duncan Streets		5,675
Westside Recycled Water Project		5,444
San Andreas Reservoir Road Improvements		5,358
Other project additions individually below \$5,000		84,360
Total	\$	<u>220,970</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, 2024 include the following:

Water Main Replacement - WD-2859 Taraval Segment B	\$	15,052
Water Main Replacement - WD-2843 Diamond/27th/28th/Duncan Streets		11,814
Water Main Replacement - WD-2847 Laidley/Castro to Harper/Bemis/Miguel/Various Side Streets		10,882
Renewed Water Service Lines		10,419
Harry Tracy Water Treatment Plant Filters No. 1-6 Stainless Steel Underdrains		10,356
Water Main Replacement - WD-2806 Vicente Street/19th to 25th Avenue		9,315
Water Main Replacement - WD-2718 Prospect/Fair/Coso Avenues/Coleridge Street		9,173
Contributed Capital - Yerba Buena Island 1.34 mg Prestressed Concrete Water Storage Tanks		8,770
Contributed Capital - Pier 70 Phase 1 Auxiliary Water Supply System Pipe Network		8,648
New Water Service Facilities		7,195
Auxiliary Water Supply System - Pipeline at Clarendon Avenue		6,871
Contributed Capital - Pier 70 Phase 1 Low Pressure Water Pipe Network		6,789
2023 March Emergency Major Road Repair - Cherry Lake Road		6,679
Potable Emergency Firefighting Water System - Pipeline at 19th Avenue		6,489
Other items individually below \$5,000		72,425
Total	\$	<u>200,877</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, 2024. 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, 2024, 35 local projects were completed. For regional projects, 48 projects were completed, the Alameda Creek Recapture and Regional Groundwater Storage 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 June 2032. Additional details regarding the WSIP are available at <https://www.sfpuc.gov/construction-contracts/water-infrastructure-improvements>.

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, 2025, 2024, and 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2025 - 2024</u>	<u>2024 - 2023</u>
				<u>Change</u>	<u>Change</u>
Facilities, improvements, machinery, and equipment	\$ 3,365,635	2,549,177	2,393,051	816,458	156,126
Intangible assets	5,090	6,373	7,333	(1,283)	(960)
Land and rights-of-way	44,572	44,572	44,572	-	-
Land Improvements	7,630	9,311	6,733	(1,681)	2,578
Construction work in progress	2,855,921	2,878,789	2,232,963	(22,868)	645,826
Right-to-use lease and subscription assets	6,005	188	1,694	5,817	(1,506)
Total	\$ <u>6,284,853</u>	<u>5,488,410</u>	<u>4,686,346</u>	<u>796,443</u>	<u>802,064</u>

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Wastewater Capital Assets, Fiscal Year 2025

The Wastewater Enterprise has capital assets of \$6,284,853 net of accumulated depreciation and amortization, invested in a broad range of utility capital assets as of June 30, 2025 (see Table 3B). This amount represents an increase of \$796,443 or 14.5% from prior fiscal year. As of June 30, 2025, the Wastewater Enterprise had capital commitments of \$547,063. 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. Facilities, improvements, machinery, and equipment increased by \$816,458 or 32.0%. Right-to-use lease and subscription assets increased by \$5,817 or 3,094.1% due to lease and subscriptions additions in current year, net of amortization. Construction work in progress decreased by \$22,868 or 0.8%. Land improvements decreased by \$1,681 or 18.1% due to depreciation. Intangible assets decreased by \$1,283 or 20.1% due to amortization.

Major additions to construction work in progress during the year ended June 30, 2025 include the following:

Southeast Plant Biosolids Digester Facilities Project	\$ 507,033
New Treasure Island Wastewater Treatment Plant Capital Improvements	85,564
Southeast Plant New Headworks (Grit) Replacement	43,824
Large Diameter Sewer Projects and Channel Force Main Intertie	25,430
Oceanside Plant Digester Gas Handling Utilization Upgrade	12,729
WW-753 Hayes Valley Sewer Improvements	12,386
WW-748 As Needed Spot Sewer Replacement Number 45	11,788
Southeast Plant Power Feed and Primary Switchgear Upgrades	9,962
Southeast Plant Facility-Wide Distributed Control System Upgrades	6,837
WW-726 Various Locations Sewer Replacement Number 15	6,549
Westside Pump Station Reliability Improvements	6,525
Lower Alemany Area Stormwater Improvement Project	6,223
Southeast Plant / Southeast Community Heating Ventilation Air Conditioning & Mechanical Upgrades	5,806
Folsom Area Stormwater Improvement Project	5,720
Folsom Area Stormwater Phase 2	5,568
New Trades and Maintenance Buildings	5,469
Primary Treatment Southeast Plant Buildings 040 and 041	5,357
WW-725 Various Locations Sewer Replacement Number 14	5,336
Oceanside Plant Condition Assessment Improvements - Part 2	4,611
Channel Pump Station Improvements	4,301
Other project additions individually below \$4,000	<u>94,001</u>
Total	\$ <u>871,019</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, 2025 include the following:

Southeast Plant New Headworks (Grit) Replacement	\$ 712,664
North Shore Pump Station Wet Weather Improvements	44,914
Large Diameter Sewer Projects and Channel Force Main Intertie	17,672
Taraval Sewer Improvements	17,481
WW-716 As-Needed Sewer Replacement Number 44	12,036
Folsom Area Stormwater Phase 2	10,454
Public Works Various Locations Number 55 Infrastructure Improvements	10,393
Public Works Various Location Number 53 Infrastructure Improvements	7,849
WW-705 Sewer Replacement Number 10	7,082
Oceanside Plant Condition Assessment Improvements - Part 2	6,229
Southeast Plant Facility-Wide Distributed Control System Upgrades	4,944
Other project additions individually below \$4,000	<u>45,340</u>
Total	\$ <u>897,058</u>

See Note 4 for additional information about capital assets.

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Sewer System Improvement Program (SSIP)

The Sewer System Improvement Program (SSIP) is a SFPUC’s wastewater capital improvement program which includes multiple projects to improve the existing wastewater system. The implementation of the SSIP projects were originally phased over 20 years to maintain ratepayer affordability and minimize impacts to communities throughout the City. On March 22, 2016, the refined program scope and budget for \$7.0 billion was endorsed by the Commission along with the baseline for scope, schedule, and budget for Phase 1 projects totaling \$2.9 billion. The revised program is referred to as the “2016 SSIP Baseline”. The SSIP Phase 1 Baseline Budget and Schedule were revised starting in 2018, resulting in an approved budget of \$4.7 billion as of June 30, 2025.

As of June 30, 2025, SSIP Phase 1 includes 70 projects in various stages: 54 projects or 77.1% totaling \$570 million were completed, 2 projects in multiple phases, 4 projects in pre-construction phase, 7 projects in construction phase, and 3 projects in close-out phase. The Mariposa Dry-Weather Pump Station & Force Main Improvements Project was completed on December 31, 2024 with reported project expenditures of \$31.3 million. The project scope consists of demolishing the existing pump station building, underground structure, wet well, electrical system, and associated assets to make room for a new pump station. The existing dry weather force main downstream of the pump station was also replaced to accommodate the increased flows. Additionally, construction at the Southeast Plant on the New Headworks (Grit) Replacement is progressing, with the New Headworks Facility reaching substantial completion and demolition of the old headworks facility underway. The project is currently over 90% complete, with project completion forecasted for Fall 2027. As of June 30, 2025, total SSIP program expenditures totaled \$3.9 billion. Additional details regarding the SSIP are available at <https://www.sfpuc.gov/construction-contracts/sewer-system-improvement-program>.

Wastewater Capital Assets, Fiscal Year 2024

The Wastewater Enterprise has capital assets of \$5,488,410, net of accumulated depreciation and amortization, invested in a broad range of utility capital assets as of June 30, 2024 (see Table 3B). This amount represents an increase of \$802,064 or 17.1% from prior fiscal year. As of June 30, 2024, the Wastewater Enterprise had capital commitments of \$667,703. 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 \$645,826 or 28.9%. Facilities, improvements, machinery, and equipment increased by \$156,126 or 6.5%. Land improvements increased by \$2,578 or 38.3% relating to improvements for the Ocean Beach Project. Right-to-use lease and subscription assets decreased by \$1,506 or 88.9% due to termination of leases and subscriptions and amortization. Intangible assets decreased by \$960 or 13.1% due to amortization.

Major additions to construction work in progress during the year ended June 30, 2024 include the following:

Southeast Plant Biosolids Digester Facilities Project	\$ 486,344
Southeast Plant New Headworks (Grit) Replacement	91,920
New Treasure Island Wastewater Treatment Plant Capital Improvements	57,168
Large Diameter Sewer Projects and Channel Force Main Intertie	27,993
WW-716 As-Needed Sewer Replacement Number 44	11,693
Taraval Sewer Improvements	10,455
Southeast Plant Power Feed and Primary Switchgear Upgrades	9,968
Westside Pump Station Reliability Improvements	9,691
Southeast Plant / Southeast Community Heating Ventilation Air Conditioning & Mechanical Upgrades	9,117
45th Avenue, 46th Avenue, 47th Avenue, Vicente Street, Wawona Street, and Sloat Boulevard Sewer Replacement	7,810
Oceanside Plant Condition Assessment Improvements - Part 2	7,666
Oceanside Plant Digester Gas Handling Utilization Upgrade	7,173
North Shore Pump Station Wet Weather Improvements	6,278
WW-715 As-Needed Sewer Replacement Number 43	6,272
Lower Alemany Area Stormwater Improvement Project	5,983
Southeast Plant Facility-Wide Distributed Control System Upgrades	5,583
Folsom Area Stormwater Improvement Project	5,578
Folsom Area Stormwater Phase 2	4,825
Green Infrastructure Grant Projects	4,716
Public Works Various Location Number 53 Infrastructure Improvements	4,377
Public Works Various Locations Number 55 Infrastructure Improvements	4,194
Other project additions individually below \$4,000	94,639
Total	<u>\$ 879,443</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, 2024 include the following:

Wawona Area Stormwater Improvement Project	\$ 27,262
Contributed Capital: Pier 70 Phase 1	25,923
Contributed Capital: Treasure Island Stage 1	17,550
Public Works 19Th Avenue Infrastructure Improvements	14,755
WW-715 As-Needed Sewer Replacement Number 43	11,292
Large Diameter Sewer Projects And Channel Force Main Intertie	11,141
45th Avenue, 46th Avenue, 47th Avenue, Vicente Street, Wawona Street, and Sloat Boulevard Sewer Replacement	8,940
Public Works Various Locations Infrastructure Improvements Number 48	6,998
Public Works Number 56 Infrastructure Improvements	6,668
16th Street Sewer Replacement (Segment 2)	6,528
As-Needed Main Sewer Replacement Number 9 (WW-713)	6,416
Public Works Various Locations Pavement Improvements Number 38	6,240
Public Works Golden Gate Ave And Laguna Street Project	6,051
Public Works Various Locations Number 57 Infrastructure Improvements	5,711
WW-707 Various Locations Number 11	5,171
WW-704 Sewer Replacement Number 9	4,946
WW-708 Various Locations Number 12	4,772
Public Works Richmond Residential Streets Pavement Renovation	4,753
Contributed Capital: Yerba Buena Island Street Improvements	4,607
Public Works Various Locations Pavement Renovations Number 59	4,245
Public Works Various Locations Number 54 Infrastructure Improvements	4,136
Public Works Various Locations Number 52 Infrastructure Improvements	4,066
Other project additions individually below \$4,000	40,791
Total	<u>\$ 238,962</u>

See Note 4 for additional information about capital assets.

Sewer System Improvement Program (SSIP)

The Sewer System Improvement Program (SSIP) is the SFPUC’s wastewater capital improvement program which includes multiple projects to improve the existing wastewater system. The implementation of the SSIP projects were originally phased over 20 years to maintain ratepayer affordability and minimize impacts to communities throughout the City. On March 22, 2016, the refined program scope and budget for \$7.0 billion was endorsed by the Commission along with the baseline for scope, schedule, and budget for Phase 1 projects totaling \$2.9 billion. The revised program is referred to as the “2016 SSIP Baseline”.

As of June 30, 2024, 49 projects or 70.0% totaling \$525 million were completed, 1 project in multiple phases, 5 projects in pre-construction phase, 7 projects in construction phase, and 8 projects in close-out phase. The Central Bayside System Improvement Project (CBSIP) was completed on June 30, 2023 with reported project expenditures of \$36.7 million. The CBSIP provides collection system enhancement to the Channel and Islais Creek urban watersheds, including needed redundancy for the existing Channel Force Main, infrastructure improvements to sewers/pump stations, and stormwater management through elements of both green and grey infrastructure. Major components of the project consist of a tunnel to transport, via gravity, dry and wet-weather flows from the Channel and North Shore watersheds to the Southeast Water Pollution Control Plant (SEP), a large all-weather pump station to lift the flows into the SEP, improvements to Channel Pump Station, and green/gray infrastructure improvements within the watersheds. The New Headworks (Grit) Replacement Project is on-going construction. The project is reported at 86.8% complete and forecasted final completion is on May 30, 2025. As of June 30, 2024, total SSIP program expenditures totaled \$3.2 billion. Additional details regarding the SSIP are available at <https://sfpub.gov/construction-contracts/sewer-system-improvement-program>.

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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, 2025, 2024, and 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2025 - 2024</u> <u>Change</u>	<u>2024 - 2023</u> <u>Change</u>
Facilities, improvements, machinery, and equipment	\$ 137,935	138,220	133,905	(285)	4,315
Intangible assets	9,753	9,960	10,167	(207)	(207)
Land and rights-of-way	3,232	3,232	3,232	—	—
Construction work in progress	98,758	85,884	72,450	12,874	13,434
Right-to-use lease and subscription assets	652	190	282	462	(92)
Total	<u>\$ 250,330</u>	<u>237,486</u>	<u>220,036</u>	<u>12,844</u>	<u>17,450</u>

Hetchy Water Capital Assets, Fiscal Year 2025

Hetchy Water has capital assets of \$250,330, net of accumulated depreciation and amortization, invested in a broad range of utility capital assets as of June 30, 2025 (see Table 3C-A). This amount represents an increase of \$12,844 or 5.4%, primarily due to increases of \$12,874 in construction work in progress and \$462 in right-to-use building lease and intangible subscription assets, offset by decreases of \$285 in facilities, improvements, machinery, and equipment and \$207 in amortization of intangible assets.

For the year ended June 30, 2025, Hetchy Water’s major additions to construction work in progress totaled \$18,952. Major depreciable facilities, improvements, intangible assets, machinery, and equipment placed in service totaled \$6,387 (see Table 3D).

Hetchy Water Capital Assets, Fiscal Year 2024

Hetchy Water has capital assets of \$237,486, net of accumulated depreciation and amortization, invested in a broad range of utility capital assets as of June 30, 2024 (see Table 3C-A). This amount represents an increase of \$17,450 or 7.9%, primarily due to increases of \$13,434 in construction work in progress and \$4,315 in facilities, improvements, machinery, and equipment, offset by decreases of \$207 in amortization of intangible assets and \$92 in right-to-use lease and subscription assets.

For the year ended June 30, 2024, Hetchy Water’s major additions to construction work in progress totaled \$23,029. Major depreciable facilities, improvements, intangible assets, machinery, and equipment placed in service totaled \$10,538 (see Table 3E).

See Note 4 for additional information about capital assets.

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, 2025, 2024, and 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2025 - 2024</u> <u>Change</u>	<u>2024 - 2023</u> <u>Change</u>
Facilities, improvements, machinery, and equipment	\$ 438,980	397,638	332,992	41,342	64,646
Intangible assets	13,673	13,704	13,985	(31)	(281)
Land and rights-of-way	1,949	1,949	1,949	—	—
Construction work in progress	354,610	344,253	298,020	10,357	46,233
Right-to-use lease and subscription assets	709	208	292	501	(84)
Total	<u>\$ 809,921</u>	<u>757,752</u>	<u>647,238</u>	<u>52,169</u>	<u>110,514</u>

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Hetchy Power Capital Assets, Fiscal Year 2025

Hetchy Power has capital assets of \$809,921, net of accumulated depreciation and amortization, invested in utility capital assets as of June 30, 2025 (see Table 3C-B). This amount represents an increase of \$52,169 or 6.9%, primarily due to increases of \$41,342 in facilities, improvements, machinery, and equipment, \$10,357 in construction work in progress, and \$501 in right-to-use building lease and intangible subscription assets, offset by a decrease of \$31 in amortization of intangible assets.

For the year ended June 30, 2025, Hetchy Power’s major additions to construction work in progress totaled \$70,435. Major depreciable facilities, improvements, intangible assets, machinery, and equipment placed in service totaled \$64,850 (see Table 3D).

Hetchy Power Capital Assets, Fiscal Year 2024

Hetchy Power has capital assets of \$757,752, net of accumulated depreciation and amortization, invested in utility capital assets as of June 30, 2024 (see Table 3C-B). This amount represents an increase of \$110,514 or 17.1%, primarily due to increases of \$64,646 in facilities, improvements, machinery, and equipment and \$46,233 in construction work in progress, offset by decreases of \$281 in amortization of intangible assets and \$84 in right-to-use lease and subscription assets.

For the year ended June 30, 2024, Hetchy Power’s major additions to construction work in progress totaled \$98,413. Major depreciable facilities, improvements, intangible assets, machinery, and equipment placed in service totaled \$82,741 (see Table 3E).

See Note 4 for additional information about capital assets.

CleanPowerSF Capital Assets, Fiscal Year 2025

Table 3C – C
Proprietary Fund – CleanPowerSF
Capital Assets, Net of Accumulated Depreciation and Amortization
As of June 30, 2025, 2024, and 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2025 - 2024</u>	<u>2024 - 2023</u>
				<u>Change</u>	<u>Change</u>
Right-to-use subscription assets	\$ 86	13	30	73	(17)
Total	\$ 86	13	30	73	(17)

CleanPowerSF has capital assets of \$86, net of accumulated amortization, for right-to-use subscription assets as of June 30, 2025 (see table 3C-C).

See Note 4 for additional information about capital assets.

CleanPowerSF Capital Assets, Fiscal Year 2024

CleanPowerSF has capital assets of \$13, net of accumulated amortization, for right-to-use subscription assets as of June 30, 2024 (see table 3C-C).

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, 2025 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, 2025

	<u>Hetchy</u> <u>Water</u>	<u>Hetchy</u> <u>Power</u>	<u>2025</u> <u>Total</u>
Mountain Tunnel Improvement	\$ 4,442	5,429	9,871
Moccasin Powerhouse Rewind	—	9,829	9,829
O'Shaughnessy Dam Outlet Works Phase 1	4,094	5,002	9,096
Power Asset Acquisition Analysis	—	8,107	8,107
Repair and Replacement Life Extension Program and Powerhouse	2,769	1,749	4,518
Moccasin Powerhouse Bypass and Facilities Upgrades	971	2,917	3,888
Transmission Line Clearance Mitigation	—	3,767	3,767
Bay Corridor Transmission and Distribution	—	3,277	3,277
Power Intervening Facilities	—	3,228	3,228
Cluster 7 Mitigation	—	3,135	3,135
City Distribution Division Facility - 2000 Marin Street	—	2,523	2,523
Moccasin Wastewater Treatment	962	1,176	2,138
Sunnydale HOPE SF	—	2,134	2,134
Treasure Island Capital Improvements	—	1,772	1,772
Moccasin Dam Long Term Improvement	785	960	1,745
Other project additions individually below \$1,500	<u>4,929</u>	<u>15,430</u>	<u>20,359</u>
Additions to Construction Work in Progress	\$ <u>18,952</u>	<u>70,435</u>	<u>89,387</u>
Bay Corridor Transmission and Distribution Electrical Duct Banks	\$ —	37,887	37,887
Power Intervening Facilities	—	3,210	3,210
Potrero HOPE SF Backbone	—	2,152	2,152
Contributed Capital - Mission Rock Power System Improvement	—	1,906	1,906
Hetch Hetchy Reservoir Boat Ramp Improvement	838	1,022	1,860
Treasure Island Distribution Backbone	—	1,772	1,772
Moccasin Low Head Powerhouse	—	1,673	1,673
Other project additions individually below \$1,500	<u>5,549</u>	<u>15,228</u>	<u>20,777</u>
Facilities, Improvements, Intangible Assets, Machinery, and Equipment Placed in Service	\$ <u>6,387</u>	<u>64,850</u>	<u>71,237</u>

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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, 2024 include the following:

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, 2024

	<u>Hetchy</u> <u>Water</u>	<u>Hetchy</u> <u>Power</u>	<u>2024</u> <u>Total</u>
Cluster 7 Mitigation	\$ —	21,505	21,505
2023 March Winter Storm	5,970	7,297	13,267
Moccasin Powerhouse Rewind	—	12,636	12,636
Mountain Tunnel Improvement	3,611	4,413	8,024
Power Asset Acquisition Analysis	—	7,770	7,770
Bay Corridor Transmission and Distribution	—	7,658	7,658
O'Shaughnessy Dam Outlet Works Phase 1	3,282	4,012	7,294
Repair & Replacement Life Extension Program and Powerhouse	3,629	1,542	5,171
Sunnydale HOPE SF	—	4,686	4,686
Intervening Facilities	—	3,312	3,312
Pier 70	—	2,682	2,682
Moccasin Dam Long Term Improvement and Facilities Upgrade	1,698	2,075	3,773
Distribution Services Retail Customers	—	1,899	1,899
SFO Substation	—	1,833	1,833
Other project additions individually below \$1,500	4,839	15,093	19,932
Additions to Construction Work in Progress	<u>\$ 23,029</u>	<u>98,413</u>	<u>121,442</u>
Transmission Line Clearance Mitigation - Lines 7/8	\$ —	32,494	32,494
Contributed Capital - Pier 70 Streetlights and Trench	—	16,896	16,896
2023 Emergency Cherry Lake Road Repair	5,050	6,172	11,222
Contributed Capital - Treasure Island Switchyard, Trench, and Streetlights	—	9,698	9,698
2023 Emergency Hetch Hetchy Road Repair	1,424	1,740	3,164
Intervening Facilities	—	2,323	2,323
Contributed Capital - Yerba Buena Island Trench	—	1,862	1,862
Other project additions individually below \$1,500	4,064	11,556	15,620
Facilities, Improvements, Intangible Assets, Machinery, and Equipment Placed in Service	<u>\$ 10,538</u>	<u>82,741</u>	<u>93,279</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, 2025, 2024, and 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2025 - 2024</u> <u>Change</u>	<u>2024 - 2023</u> <u>Change</u>
Bonds	\$ 9,250,953	7,968,487	7,638,688	1,282,466	329,799
Revenue notes	—	—	349,556	—	(349,556)
Commercial paper	189,333	622,027	487,811	(432,694)	134,216
Certificates of participation	120,210	124,975	129,550	(4,765)	(4,575)
State revolving fund loans	666,641	577,632	482,316	89,009	95,316
Water Infrastructure Finance and Innovation Act (WIFIA) loans	1,394,652	922,431	122,357	472,221	800,074
Total	<u>\$ 11,621,789</u>	<u>10,215,552</u>	<u>9,210,278</u>	<u>1,406,237</u>	<u>1,005,274</u>

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Water Debt Administration

As of June 30, 2025, the Water Enterprise had \$5,594,593 total debt outstanding, an increase of \$90,754 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.

Table 4A
Proprietary Fund – Water
Outstanding Debt, Net of Unamortized Costs
As of June 30, 2025, 2024, and 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2025 - 2024</u> <u>Change</u>	<u>2024 - 2023</u> <u>Change</u>
Revenue bonds	\$ 5,188,728	4,964,637	4,710,846	224,091	253,791
Commercial paper	20,000	190,000	371,459	(170,000)	(181,459)
Certificates of participation	85,830	89,232	92,499	(3,402)	(3,267)
State revolving fund loans	300,035	259,970	163,627	40,065	96,343
Total	<u>\$ 5,594,593</u>	<u>5,503,839</u>	<u>5,338,431</u>	<u>90,754</u>	<u>165,408</u>

The increase of \$224,091 in revenue bonds was due to increases of \$1,511,695 in bond principal and \$129,352 in bond premium from the issuances of the 2025 Series ABC and 2025 Series DEF water revenue refunding bonds and \$10 in bond discount from amortization. These increases were offset by decreases of \$1,206,240 in bond principal from refunding, \$138,140 in bond principal from repayment, \$41,467 in bond premium from bond refunding, \$30,621 in bond premium from amortization, and \$498 in bond discount from bond issuances. Commercial paper decreased by \$170,000, explained by a \$312,400 decrease from refunding by the 2025 Series DEF revenue refunding bonds offset by a \$142,400 increase from additional issuances. The Water Enterprise had \$20,000 in taxable commercial paper as of June 30, 2025, and \$190,000 in tax-exempt commercial paper as of June 30, 2024. The decrease of \$3,402 in certificates of participation was from repayment. The \$40,065 increase in SRF loans was from additional loans for the Mountain Tunnel Improvement and SF Westside Recycled Water projects.

Credit Ratings and Bond Insurance – The Water Enterprise carried underlying ratings of “Aa2” and “AA-” from Moody’s and S&P Global Ratings (S&P) on June 30, 2025, and “Aa2” and “AA-” from Moody’s and S&P on June 30, 2024, 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, and for the SFPUC’s debt service coverage policy, at least equal to 1.35 times annual debt service for said fiscal year. During fiscal years 2025 and 2024, 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 and the SFPUC’s debt service coverage policy (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, 2025, the Board of Supervisors has authorized the issuance of \$6,157,510 in revenue bonds under Proposition E, with \$5,305,913 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, 2025, \$1,499,230 of the \$1,628,000 Proposition A authorized bonds were issued. The Water Enterprise is also authorized to issue up to \$750,000 in commercial paper.

Cost of Debt Capital – The Water Enterprise’s outstanding long-term debt has coupon interest rates ranging from 0.8% to 7.0% as of June 30, 2025, and 0.7% to 7.0% as of June 30, 2024. The Water Enterprise’s short-term debt has interest rates ranging from 2.6% to 4.4% during fiscal year 2025, and 2.2% to 5.2% during fiscal year 2024.

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Wastewater Debt Administration

As of June 30, 2025, 2024, and 2023, the Wastewater Enterprise’s outstanding debt comprising revenue bonds, revenue notes, commercial paper, certificates of participation, SRF, and WIFIA loans were \$5,532,799, \$4,290,112, and \$3,551,970, respectively, as shown in Table 4B. Additional information about the Wastewater Enterprise’s debt activity is provided in Notes 6, 7, 8 and 9 to the financial statements.

Table 4B
Proprietary Fund – Wastewater
Outstanding Debt, Net of Unamortized Costs
As of June 30, 2025, 2024, and 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2025 - 2024</u> <u>Change</u>	<u>2024 - 2023</u> <u>Change</u>
Revenue bonds	\$ 3,748,846	2,685,051	2,736,910	1,063,795	(51,859)
Revenue notes	—	—	349,556	—	(349,556)
Commercial paper	—	341,373	—	(341,373)	341,373
Certificates of participation	22,695	23,595	24,458	(900)	(863)
State revolving fund loans	366,606	317,662	318,689	48,944	(1,027)
Water Infrastructure Finance and Innovation Act (WIFIA) loans	1,394,652	922,431	122,357	472,221	800,074
Total	\$ 5,532,799	4,290,112	3,551,970	1,242,687	738,142

The increase of \$1,242,687 was mainly due to \$1,217,971 new issuances of 2024 Series ABCD revenue bonds, including \$74,996 original issue premium, \$472,221 in new WIFIA loans including \$16,324 capitalized interest for the Biosolids Digester Facilities Project, the Southeast Treatment Plant Improvement Project, and the Wastewater Capital Plan Resilience Program – Project 1, \$55,221 in new SRF loans for the OSP Digester Gas Utilization Upgrade and SEP New Headworks (Grit) Replacement projects, and commercial paper additions. The increase in outstanding debt was offset by \$342,021 in defeasance of commercial paper by the 2024 Series C and D revenue bonds issuance, \$81,405 in defeasance of 2023 Series B and 2018 Series B revenue bonds by the 2024 Series B revenue bonds issuance, principal repayments of \$35,370 in bonds, \$5,629 in SRF loans, \$900 in COP, and \$37,401 in revenue bonds premium amortization and defeasance.

Credit Ratings and Bond Insurance – As of June 30, 2025 and 2024, the Wastewater Enterprise carried underlying ratings of “Aa2” and “AA” from Moody’s and S&P Global Ratings (S&P), respectively.

Debt Service Coverage – Pursuant to the Amended and Restated Indenture, the Wastewater Enterprise is required to collect sufficient net revenues each fiscal year, together with any Wastewater 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, and for the SFPUC’s debt service coverage policy, at least equal to 1.35 times annual debt service for said fiscal year. During fiscal years 2025 and 2024, 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 Wastewater Enterprise’s Amended and Restated Indenture and the SFPUC’s debt service coverage policy (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, 2025, the Wastewater Enterprise had \$8,052,607 in combined debt issuance authorization from the Board of Supervisors under Proposition E, with \$5,625,155 issued against this authorization. The Wastewater Enterprise has a \$1,250,000 authorized interim funding program, with \$0 in tax-exempt commercial paper outstanding as of June 30, 2025 and \$341,373 in tax-exempt commercial paper outstanding as of June 30, 2024.

Cost of Debt Capital – The coupon interest rates on the Wastewater Enterprise’s outstanding revenue bonds and revenue notes ranged from 1.0% to 5.8%, net of federal interest subsidy receipts on Build America Bonds at June 30, 2025. The 2009 Series D certificates of participation carried coupon interest rates from 6.4% to 6.5% in fiscal years 2025 and 2024, respectively. Short-term debt instruments bore interest rates between 3.6% to 3.8% in both fiscal years 2025 and 2024. The State revolving fund loans (CWSRF loans) carried original interest rates ranging from 0.8% to 1.8% during fiscal year 2025. In certain agreements, the State opted to apply administrative service and grant charges in lieu of interest payments; these charges do not affect the installment payments or increase total repayment amounts. The WIFIA loan carried interest rate of 1.5% during fiscal year 2025 and capitalized

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interest added to the principal balance of the WIFIA loan on each Semi-Annual Payment Date occurring during the Capitalized Interest Period.

Hetchy Water Debt Administration

Hetchy Water did not have debt outstanding as of June 30, 2025 and 2024. 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.

Hetchy Power Debt Administration

As of June 30, 2025 and 2024, Hetchy Power had outstanding debt of \$494,397 and \$421,601, 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, 2025, 2024, and 2023

	2025	2024	2023	2025 - 2024 Change	2024 - 2023 Change
Certificates of Participation 2009 Series D (BABs)	11,685	12,148	12,593	(463)	(445)
Qualified Energy Conservation Bonds 2011	1,452	2,021	2,583	(569)	(562)
New Clean Renewable Energy Bonds 2015	1,193	1,343	1,491	(150)	(148)
2015 Series A Revenue Bonds	34,647	34,819	34,985	(172)	(166)
2015 Series B Revenue Bonds	1,103	2,033	2,948	(930)	(915)
2021 Series A Revenue Bonds	86,076	88,375	89,303	(2,299)	(928)
2021 Series B Revenue Bonds	58,080	59,142	59,622	(1,062)	(480)
2023 Series A Revenue Bonds	130,828	131,066	—	(238)	131,066
Commercial Paper	169,333	90,654	116,352	78,679	(25,698)
Total	\$ 494,397	421,601	319,877	72,796	101,724

The increase of \$72,796 was due to \$78,679 from commercial paper issuance, offset by bonds and certificates of participation principal repayments of \$4,062 and \$1,821 in amortization of premium.

Credit Ratings and Bond Insurance – The Power Enterprise’s Power Revenue Bonds have been rated “AA-” by Fitch Inc and “AA” by S&P Global Ratings (S&P) as of June 30, 2025 and 2024, 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 Amended and Restated Indenture, the Power Enterprise is required to collect sufficient net revenues each fiscal year, together with any Power 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, and for the SFPUC’s debt service coverage policy, at least equal to 1.35 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 NCREBs and QECBs. During fiscal years 2025 and 2024, 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 Amended and Restated Indenture and the SFPUC’s debt service coverage policy (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

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approval, upon an affirmative vote of the Board of Supervisors, for the purpose of the acquisition, construction, installation, equipping, improvement, 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, 2025 and 2024, \$287,460 of Hetchy Power revenue bonds were issued against existing authorization of \$1,029,790.

Cost of Debt Capital – The Power Enterprise's outstanding long-term senior lien debt consists of the 2015 Series AB, 2021 Series AB, and 2023 Series A Power Revenue Bond issued in May 2015, December 2021, and October 2023, 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 1.4% (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 2.7% to 3.7% and 2.8% to 3.7% during fiscal years 2025 and 2024, respectively.

CleanPowerSF Debt Administration

CleanPowerSF did not have debt outstanding as of June 30, 2025 and 2024.

Rates and Charges

Water Enterprise Retail Customers

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 rates. For the retail water rate setting, 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 spring 2023. In May 2023, the Commission subsequently adopted three years of retail water rate increases from July 1, 2023 through June 30, 2026.

Other miscellaneous fees for service and charges were last approved in April 2024 to be effective July 1, 2024, and generally increase annually by the Consumer Price Index from the Controller's Office of the City and County of San Francisco, or the 20-City Average Construction Index (CCI) published by Engineering News-Record (ENR) Magazine. All current SFPUC Rates Schedules and Fees are available at <https://www.sfpuc.gov/accounts-services/water-power-sewer-rates/rates>.

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Water Enterprise Wholesale Customers

The Water Supply Agreement (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, and was most recently amended and restated in January 2023. Compared to the prior contract with the wholesale customers, the WSA changed the rate basis by which the capital cost recovery is determined. Rather than the “utility basis,” which sets rates using the cost of capital investments over the life of each asset, the WSA uses a “cash basis,” which sets rates using annual debt service costs for assets financed with debt or at the time of budget appropriation and spending for revenue-funded capital projects. The WSA requires the rate be calculated and set annually and includes a reconciliation between 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:

Ten-year Average Rate Adjustments		
Effective date	Retail	Wholesale⁵
July 1, 2016	10.0 ¹	—
July 1, 2017	7.0 ¹	—
July 1, 2018	9.0 ²	—
July 1, 2019	8.0 ²	—
July 1, 2020	7.0 ²	—
July 1, 2021	7.0 ²	—
July 1, 2022	— ³	15.9
July 1, 2023	5.0 ⁴	9.7
July 1, 2024	5.0 ⁴	8.8
July 1, 2025	5.0 ⁴	2.3

¹Four-year retail rate increases adopted and effective July 1, 2014.

²Four-year retail rate increases adopted and effective July 1, 2018.

³No retail rate increase adopted and effective July 1, 2022.

⁴Three-year rate increases adopted and effective July 1, 2023.

⁵Wholesale rates adopted annually.

Wastewater Enterprise

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 rates. For the retail water rate setting, 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 water and wastewater rate study were completed in May 2023. The Commission subsequently adopted three years of wastewater rate increases from July 1, 2023 through June 30, 2026. Other miscellaneous fees for service and charges were last approved in April 2024 to be effective July 1, 2024, and generally increase annually by the Consumer Price Index from the Controller’s Office of the City and County of San Francisco, or the 20-City Average Construction Index (CCI) published by Engineering News-Record (ENR) Magazine. All current SFPUC Rates Schedules and Fees are available at <https://www.sfpuc.gov/accounts-services/water-power-sewer-rates/rates>.

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

Ten-year Average Rate Adjustments		
Effective Date	Rate	
July 1, 2016	7.0 ¹	
July 1, 2017	11.0 ¹	
July 1, 2018	7.0 ²	¹ Four-year rate increases adopted and effective July 1, 2014.
July 1, 2019	7.0 ²	² Four-year rate increases adopted and effective July 1, 2018.
July 1, 2020	8.0 ²	³ No retail rate adjustment.
July 1, 2021	8.0 ²	⁴ Three-year rate increases adopted and effective July 1, 2023.
July 1, 2022	— ³	
July 1, 2023	9.0 ⁴	
July 1, 2024	9.0 ⁴	
July 1, 2025	9.0 ⁴	

Hetchy Water

Hetchy Water charges for services relate to the storage and delivery of water. The water-related portion of upcountry expenditures not covered by the small quantity of water sales to upcountry customers or other miscellaneous revenues are paid by an assessment to the Water Enterprise. Assessment fees were \$49,241 and \$46,266 for the years ended June 30, 2025 and 2024, respectively. In fiscal year 2026, the assessment fees will be \$54,147, an increase of \$4,906 or 10.0% as reflected in the fiscal year 2026 adopted budget. The increase is primarily driven by higher operating expenses for the water share of Hetch Hetchy Water and Power.

Hetchy Power

Hetchy Power charges for services relate to power generation and electricity delivery to contractual, municipal, and retail customers.

All current SFPUC Rates Schedules and Fees are available at <https://www.sfpuc.gov/accounts-services/water-power-sewer-rates/rates>. Rates for meter readings on or after July 1, 2024 were approved by the Commission in May 2024, while rates for meter readings on or after July 1, 2025 were approved by the Commission in April 2025.

Hetchy Power Municipal Rates

Departments of the City and County of San Francisco, as well as certain other non-City government agencies, are eligible for municipal power rates. Historically, municipal customers paid either the General Use rate, which was a subsidized rate below the cost of service, or an Enterprise rate, which was set to exactly follow the equivalent PG&E rate.

Based on the results of the 2022 Power Cost of Service Study, beginning in fiscal year 2023, all municipal customers are being transitioned to standardized tariff schedules set to their cost of service. For General Use customers, this means that a) instead of a single flat rate per kWh, customers are assigned to a rate schedule based on their customer class (small commercial, industrial, etc.), and b) the subsidy is being gradually eliminated until the General Use rate reaches the equivalent retail rate, which is projected to take 3 to 8 years, depending on the customer class. For Enterprise customers, their rates no longer follow PG&E. Instead, they are set to a rate for their standardized customer class, and will be phased to cost of service over two years. Beginning in fiscal year 2024, almost all Enterprise customers are on equivalent rate schedules as retail non-municipal customers.

Hetchy Power Retail Rates

Retail electric rates are the default rates charged to residential, commercial, and industrial customers where Hetch Hetchy has been designated as the power provider. Retail power rates were increased by an average of 12% and 10% for fiscal years 2025 and 2026, respectively.

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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 geothermal, hydroelectric and wind, at competitive rates. CleanPowerSF offers three products: a "Green" default product comprised of at least 50% RPS-eligible renewable energy and two optional products, "SuperGreen" comprised of 100% RPS-eligible renewable energy at a small additional cost and "SuperGreen Saver" also comprised of 100% RPS-eligible renewable energy to qualifying low-income customers at a 20% bill discount.

CleanPowerSF generation rates for each customer class are set based on their unique cost of service. The last Power Cost of Service Study was completed in 2022 with subsequent rate approvals in 2023 and 2024. An average 8.5% rate increase for meter readings on or after July 1, 2024 was approved by the Commission in May 2024. There will be no change to rates for fiscal year 2026.

CleanPowerSF Rates Schedules are available at <https://cleanpowersf.org/residential> for residential customers and <https://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 SFPUC's finances and to demonstrate SFPUC's respective accountability for the money it receives. Questions regarding any of the information provided in this report or requests for additional 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://www.sfpuc.gov/about-us/reports/audited-financial-statements-reports>.

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Statements of Net Position
Proprietary Funds
June 30, 2025 and 2024
(In thousands)

Assets	Business Type Activities – Proprietary Funds													
	Water		Wastewater		Hetchy Water		Hetchy Power		CleanPowerSF		Eliminations		SFPUC Total	
	2025	Restated 2024*	2025	Restated 2024*	2025	Restated 2024*	2025	Restated 2024*	2025	Restated 2024*	2025	2024	2025	Restated 2024*
Current assets:														
Cash and investments with City Treasury.....	\$ 436,413	380,201	396,961	376,658	103,244	46,471	254,557	215,370	222,449	159,811	—	—	1,413,624	1,178,511
Cash and investments outside City Treasury.....	76	193	45	152	—	—	5	41	—	—	—	—	126	386
Receivables:														
Charges for services (net of allowance for doubtful accounts of \$10,878, \$12,045, \$0, \$3,299, and \$11,437 in 2025 and \$10,777, \$12,865, \$0, \$1,699, and \$9,226 in 2024).....	70,751	79,483	50,300	48,338	437	471	11,116	16,356	54,679	50,993	—	—	187,283	195,641
Wholesale balancing account, current portion.....	—	26,121	—	—	—	—	—	—	—	—	—	—	—	26,121
Note receivable - Balboa Reservoir, current portion.....	3,116	—	—	—	—	—	—	—	—	—	—	—	3,116	—
Due from other City departments, current portion.....	209	102	70	82	—	—	661	1,558	—	—	(217) A	(114) B	723	1,628
Due from other governments.....	1,038	366	—	—	1,665	1,664	575	574	—	—	—	—	3,278	2,604
Interest.....	3,466	3,861	3,619	3,896	673	578	2,466	2,823	2,054	1,692	—	—	12,278	12,850
Interest-Leases.....	945	935	—	—	—	—	—	—	—	—	—	—	945	935
Restricted due from other governments.....	23,806	129,580	30,301	—	—	—	—	—	—	—	—	—	54,107	129,580
Leases receivable, current portion.....	2,752	3,246	241	226	—	—	—	—	—	—	—	—	2,993	3,472
Restricted interest and other receivable (net of allowance for doubtful accounts of \$145, \$383, \$0, \$0 and \$0 in 2025 and \$131, \$345, \$0, \$0 and \$0 in 2024).....	2,654	3,789	6,889	689	—	—	513	169	—	—	—	—	10,056	4,647
Total current receivables.....	108,737	247,483	91,420	53,231	2,775	2,713	15,331	21,480	56,733	52,685	(217)	(114)	274,779	377,478
Prepaid charges, advances, and other receivables, current portion.....	7,413	4,958	729	8,142	734	754	7,667	6,341	969	441	—	—	17,512	20,636
Inventory.....	7,567	7,825	4,052	3,657	276	199	1,828	1,690	—	—	—	—	13,723	13,371
Restricted cash and investments outside City Treasury, current portion.....	28,467	40,065	83,614	41,778	—	—	4,138	6,849	—	—	—	—	116,219	88,692
Total current assets.....	588,673	680,725	576,821	483,618	107,029	50,137	283,526	251,771	280,151	212,937	(217)	(114)	1,835,983	1,679,074
Non-current assets:														
Restricted cash and investments with City Treasury.....	137,436	71,015	398,588	31,613	20,815	31,330	78,197	50,732	—	—	—	—	635,036	184,690
Restricted cash and investments outside City Treasury, less current portion.....	57,431	63,185	35,514	59,930	—	—	3,832	7,202	—	—	—	—	96,777	130,317
Leases receivable, less current portion.....	33,141	35,817	777	1,019	—	—	—	—	—	—	—	—	33,918	36,836
Restricted interest and other receivable, and prepaid (net of allowance for doubtful accounts of \$0, \$0, \$0, \$0, and \$0 in 2025 and \$0, \$0, \$0, \$0, and \$0 in 2024).....	—	—	371	388	—	—	—	—	—	—	—	—	371	388
Charges for services, less current portion (net of allowance for doubtful accounts of \$414, \$333, \$0, \$0, and \$0 in 2025 and \$664, \$351, \$0, \$0, and \$0 in 2024).....	199	200	343	342	—	—	—	—	—	—	—	—	542	542
Note receivable - Balboa Reservoir, less current portion.....	8,737	11,512	—	—	—	—	—	—	—	—	—	—	8,737	11,512
Prepaid charges, advances, and other receivables, less current portion.....	3,356	3,236	1,160	1,087	134	138	11,179	10,843	12,191	11,763	—	—	28,020	27,067
Capital assets, not being depreciated and amortized.....	967,268	720,805	2,903,540	2,926,407	101,996	89,122	357,990	347,633	—	—	—	—	4,330,794	4,083,967
Capital assets, net of accumulated depreciation and amortization.....	5,024,031	5,057,662	3,381,313	2,562,003	148,334	148,364	451,931	410,119	86	13	—	—	9,005,695	8,178,161
Due from other City departments, less current portion.....	37,720	—	—	—	—	—	9,505	9,863	—	—	(37,896) A	(291) B	9,329	9,572
Total non-current assets.....	6,269,319	5,963,432	6,721,606	5,582,789	271,279	268,954	912,634	836,392	12,277	11,776	(37,896)	(291)	14,149,219	12,663,052
Total assets.....	6,857,992	6,644,157	7,298,427	6,066,407	378,308	319,091	1,196,160	1,088,163	292,428	224,713	(38,113)	(405)	15,985,202	14,342,126
Deferred outflows of resources														
Unamortized loss on refunding of debt.....	82,711	89,186	—	—	—	—	—	—	—	—	—	—	82,711	89,186
Pensions.....	98,819	93,526	44,997	42,685	12,435	11,929	15,198	14,580	2,753	2,187	—	—	174,202	164,907
Other postemployment benefits.....	27,309	29,974	11,099	12,816	2,954	3,191	3,611	3,899	1,195	996	—	—	46,168	50,876
Total deferred outflows of resources.....	\$ 208,839	212,686	56,096	55,501	15,389	15,120	18,809	18,479	3,948	3,183	—	—	303,081	304,969

(continued)

- A. Included interfund payables and interfund receivables for fiscal year 2025 of \$38,113, of which \$37,822 between Water and Hetchy Power for the State Revolving fund loan for the Mountain Tunnel project and \$291 between Wastewater and Hetchy Power for the 525 Golden Gate Avenue Headquarters construction costs.
- B. Included interfund payables and interfund receivables for fiscal year 2024 of \$405 between Wastewater and Hetchy Power for the 525 Golden Gate Avenue Headquarters construction costs.
- *Fiscal year 2024, restated due to implementation of GASB Statement No. 101, *Compensated Absences*.

See accompanying notes to basic financial statements.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Statements of Net Position
Proprietary Funds
June 30, 2025 and 2024
(In thousands)

	Business Type Activities – Proprietary Funds													
	Water		Wastewater		Hetchy Water		Hetchy Power		CleanPowerSF		Eliminations		SFPUC Total	
	2025	Restated 2024*	2025	Restated 2024*	2025	Restated 2024*	2025	Restated 2024*	2025	Restated 2024*	2025	2024	2025	Restated 2024*
Liabilities														
Current liabilities:														
Accounts payable.....	\$ 21,230	25,353	21,325	18,841	1,609	969	16,536	13,505	32,127	29,018	—	—	92,827	87,686
Accrued payroll.....	15,784	13,444	9,782	8,119	1,918	1,428	3,787	3,292	917	639	—	—	32,188	26,922
Accrued compensated absences, current portion.....	17,393	16,300	14,531	13,705	3,256	2,995	4,462	4,144	666	574	—	—	40,308	37,718
Accrued workers' compensation, current portion.....	2,365	2,188	1,602	1,685	238	228	429	417	—	—	—	—	4,634	4,518
Due to other City departments, current portion.....	—	—	115	114	—	—	102	—	—	—	(217) C	(114) D	—	—
Damage claims liability, current portion.....	4,525	5,716	15,885	28,742	297	121	570	1,872	—	17	—	—	21,277	36,468
Unearned revenues, refunds, and other, current portion.....	16,666	15,050	8,346	9,623	24	106	7,391	6,604	4,425	7,986	—	—	36,852	39,369
Arbitrage rebate payable, current portion.....	536	—	290	—	—	—	—	—	—	—	—	—	826	—
Bond, loan, lease and subscription interest payable, current portion.....	37,030	37,924	42,174	30,300	7	1	2,845	2,691	2	—	—	—	82,058	70,916
Bonds, current portion.....	139,250	138,140	38,460	35,370	—	—	3,748	3,599	—	—	—	—	181,458	177,109
Certificates of participation, current portion.....	3,545	3,402	937	900	—	—	483	463	—	—	—	—	4,965	4,765
Commercial paper, current portion.....	20,000	190,000	—	—	—	—	169,333	90,654	—	—	—	—	189,333	280,654
State revolving funds loans payable, current portion.....	—	—	6,419	5,629	—	—	—	—	—	—	—	—	6,419	5,629
Lease liability, current portion.....	966	1,028	1,766	—	86	16	105	19	—	—	—	—	2,923	1,063
Subscription liability, current portion.....	846	153	503	93	175	30	141	25	70	6	—	—	1,735	307
Current liabilities payable from restricted assets.....	73,295	39,896	99,247	135,740	1,118	4,027	18,155	25,513	—	—	—	—	191,815	205,176
Total current liabilities.....	353,431	488,594	261,382	288,861	8,728	9,921	228,087	152,798	38,207	38,240	(217)	(114)	889,618	978,300
Long-term liabilities:														
Arbitrage rebate payable, less current portion.....	1,285	869	4,254	8,521	—	—	207	184	—	—	—	—	5,746	9,574
Net other postemployment benefits liability.....	161,975	158,301	50,552	49,260	16,590	16,269	20,277	19,883	3,753	4,189	—	—	253,147	247,902
Net pension liability.....	166,978	152,643	74,339	67,299	20,410	19,090	24,945	23,332	4,625	3,563	—	—	291,297	265,927
Accrued compensated absences, less current portion.....	14,670	14,245	12,726	12,187	2,940	2,799	4,057	3,884	618	534	—	—	35,011	33,649
Accrued workers' compensation, less current portion.....	9,936	8,814	7,299	7,327	992	1,069	1,824	1,919	—	—	—	—	20,051	19,129
Due to other City departments, less current portion.....	—	—	176	291	—	—	37,720	—	—	—	(37,896) C	(291) D	—	—
Damage claims liability, less current portion.....	10,424	17,057	63,216	86,341	—	147	78	1,902	—	4	—	—	73,718	105,451
Unearned revenues, refunds, and other, less current portion.....	—	—	—	—	6	—	886	580	72	—	—	—	964	580
Liabilities payable from restricted assets, less current portion.....	—	—	—	—	—	—	3,104	3,354	—	—	—	—	3,104	3,354
Bonds, less current portion.....	5,049,478	4,826,497	3,710,386	2,649,681	—	—	309,631	315,200	—	—	—	—	9,069,495	7,791,378
Certificates of participation, less current portion.....	82,285	85,830	21,758	22,695	—	—	11,202	11,685	—	—	—	—	115,245	120,210
Commercial paper, less current portion.....	—	—	—	341,373	—	—	—	—	—	—	—	—	—	341,373
State revolving funds loans payable, less current portion.....	300,035	259,970	360,187	312,033	—	—	—	—	—	—	—	—	660,222	572,003
Water Infrastructure Finance and Innovation Act (WIFIA) loans.....	—	—	1,394,652	922,431	—	—	—	—	—	—	—	—	1,394,652	922,431
Bond, loan, lease, and subscription interest payable, less current portion.....	5,465	3,622	3,898	2,106	—	—	—	—	—	—	—	—	9,363	5,728
Lease liability, less current portion.....	1,811	1,793	3,722	—	341	106	417	131	—	—	—	—	6,291	2,030
Subscription liability, less current portion.....	159	155	94	93	33	29	26	26	15	7	—	—	327	310
Wholesale balancing account.....	12,983	—	—	—	—	—	—	—	—	—	—	—	12,983	—
Pollution remediation obligations.....	—	1,271	6,123	6,451	—	—	—	—	—	—	—	—	6,123	7,722
Total long-term liabilities.....	5,817,484	5,531,067	5,713,382	4,488,089	41,312	39,509	414,374	382,080	9,083	8,297	(37,896)	(291)	11,957,739	10,448,751
Total liabilities.....	6,170,915	6,019,661	5,974,764	4,776,950	50,040	49,430	642,461	534,878	47,290	46,537	(38,113)	(405)	12,847,357	11,427,051
Deferred inflows of resources														
Unamortized gain on refunding of debt.....	49,499	31,854	15,217	10,255	—	—	—	—	—	—	—	—	64,716	42,109
Pensions.....	7,050	13,305	2,172	4,055	868	1,941	1,061	2,372	730	925	—	—	11,881	22,598
Leases.....	33,235	36,583	954	1,203	—	—	—	—	—	—	—	—	34,189	37,786
Other postemployment benefits.....	23,394	22,334	6,477	5,809	2,832	2,897	3,461	3,541	1,737	2,292	—	—	37,901	36,873
Total deferred inflows of resources.....	113,178	104,076	24,820	21,322	3,700	4,838	4,522	5,913	2,467	3,217	—	—	148,687	139,366
Net position														
Net investment in capital assets.....	450,019	350,430	1,039,359	1,148,814	248,610	233,276	341,791	343,297	—	—	—	—	2,079,779	2,075,817
Restricted for debt service.....	5,353	44,724	2,112	—	—	—	—	—	—	—	—	—	7,465	44,724
Restricted for capital projects.....	145,442	200,632	140,768	31,782	20,815	31,330	32,645	28,625	—	—	—	—	339,670	292,369
Restricted for other purposes.....	—	—	—	—	—	—	5,772	—	—	—	—	—	5,772	—
Unrestricted.....	181,924	137,320	172,700	143,040	70,532	15,337	187,778	193,929	246,619	178,142	—	—	859,553	667,768
Total net position.....	\$ 782,738	733,106	1,354,939	1,323,636	339,957	279,943	567,986	565,851	246,619	178,142	—	—	3,292,239	3,080,678

C. Included interfund payables and interfund receivables for fiscal year 2025 of \$38,113, of which \$37,822 between Water and Hetchy Power for the State Revolving fund loan for the Mountain Tunnel project and \$291 between Wastewater and Hetchy Power for the 525 Golden Gate Avenue Headquarters construction costs.

D. Included interfund payables and interfund receivables for fiscal year 2024 of \$405 between Wastewater and Hetchy Power for the 525 Golden Gate Avenue Headquarters construction costs.

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

See accompanying notes to basic financial statements.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Statements of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Years ended June 30, 2025 and 2024
(In thousands)

	Business Type Activities – Proprietary Funds										SFPUC Total	
	Water		Wastewater		Hetchy Water		Hetchy Power		CleanPowerSF			
	2025	Restated 2024*	2025	Restated 2024*	2025	Restated 2024*	2025	Restated 2024*	2025	Restated 2024*	2025	Restated 2024*
Operating revenues:												
Charges for services.....	\$ 665,552	662,729	427,493	392,040	53,071	49,330	218,274	214,154	429,796	366,594	1,794,186	1,684,847
Rents and concessions.....	7,354	8,556	875	739	140	162	189	198	—	—	8,558	9,655
Capacity fees.....	1,055	863	2,823	2,262	—	—	—	—	—	—	3,878	3,125
Other revenues.....	4,676	4,742	—	—	—	—	—	—	—	—	4,676	4,742
Total operating revenues.....	678,637	676,890	431,191	395,041	53,211	49,492	218,463	214,352	429,796	366,594	1,811,298	1,702,369
Operating expenses:												
Personnel services.....	175,770	161,077	128,217	106,883	21,319	25,367	56,678	48,737	12,251	9,357	394,235	351,421
Contractual services.....	17,587	20,128	24,527	23,885	3,919	4,035	13,263	13,623	6,779	6,244	66,075	67,915
Transmission/distribution and other power costs.....	—	—	—	—	—	—	52,907	62,392	264	264	53,171	62,656
Purchased electricity.....	—	—	—	—	—	—	25,106	15,558	342,669	284,631	367,775	300,189
Materials and supplies.....	23,170	23,195	15,673	14,474	1,765	1,755	2,781	2,451	102	60	43,491	41,935
Depreciation and amortization.....	159,900	155,172	86,476	82,722	7,263	6,522	21,008	18,460	126	17	274,773	262,893
Services provided by other departments.....	85,609	77,638	44,213	39,546	2,622	3,501	8,082	6,828	3,316	4,792	143,842	132,305
General and administrative and other.....	33,427	93,444	(6,625)	195,581	8,583	3,229	38,256	33,114	6,671	6,188	80,312	331,556
Total operating expenses.....	495,463	530,654	292,481	463,091	45,471	44,409	218,081	201,163	372,178	311,553	1,423,674	1,550,870
Operating income (loss).....	183,174	146,236	138,710	(68,050)	7,740	5,083	382	13,189	57,618	55,041	387,624	151,499
Non-operating revenues (expenses):												
Federal and state grants.....	2,233	12,414	562	12,256	152	—	187	26	33	—	3,167	24,696
Interest and investment income.....	29,093	25,097	44,065	25,528	5,016	3,255	14,688	13,744	10,482	5,904	103,344	73,528
Interest expenses**.....	(201,152)	(208,230)	(154,566)	(91,584)	(23)	(3)	(16,006)	(13,464)	(5)	—	(371,752)	(313,281)
Net gain/(loss) from sale of assets.....	1,701	2,060	18	77	18	2	(2,851)	2	—	—	(1,114)	2,141
Other non-operating revenues.....	24,945	27,597	4,066	11,964	35	336	5,769	8,500	688	386	35,503	48,783
Other non-operating expenses.....	(1,898)	(1,760)	(225)	(505)	(8)	(45)	(534)	(99)	(339)	(877)	(3,004)	(3,286)
Net non-operating revenues (expenses).....	(145,078)	(142,822)	(106,080)	(42,264)	5,190	3,545	1,253	8,709	10,859	5,413	(233,856)	(167,419)
Change in net position before capital contributions and transfers.....	38,096	3,414	32,630	(110,314)	12,930	8,628	1,635	21,898	68,477	60,454	153,768	(15,920)
Capital contributions.....	17,436	53,599	145	48,080	—	—	4,032	29,200	—	—	21,613	130,879
Transfers from the City and County of San Francisco.....	41,215	505	—	—	47,084	42	—	—	—	—	88,299	547
Transfers to the City and County of San Francisco.....	(47,115)	(1,241)	(1,472)	(209)	—	—	(3,532)	(108)	—	—	(52,119)	(1,558)
Net capital contributions and transfers.....	11,536	52,863	(1,327)	47,871	47,084	42	500	29,092	—	—	57,793	129,868
Change in net position.....	49,632	56,277	31,303	(62,443)	60,014	8,670	2,135	50,990	68,477	60,454	211,561	113,948
Net position at beginning of year.....												
Beginning of year, as previously reported.....	733,106	692,073	1,323,636	1,398,834	279,943	274,128	565,851	518,350	178,142	118,001	3,080,678	3,001,386
Cumulative effect of accounting change.....	—	(15,244)	—	(12,755)	—	(2,855)	—	(3,489)	—	(313)	—	(34,656)
Net position at beginning of year as restated.....	733,106	676,829	1,323,636	1,386,079	279,943	271,273	565,851	514,861	178,142	117,688	3,080,678	2,966,730
Net position at end of year.....	\$ 782,738	733,106	1,354,939	1,323,636	339,957	279,943	567,986	565,851	246,619	178,142	3,292,239	3,080,678

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

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

See accompanying notes to basic financial statements.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Statements of Cash Flows
Proprietary Funds
Years ended June 30, 2025 and 2024
(In thousands)

	Business Type Activities – Proprietary Funds											
	Water		Wastewater		Hetchy Water		Hetchy Power		CleanPowerSF		SFPUC Total	
	2025	Restated 2024*	2025	Restated 2024*	2025	Restated 2024*	2025	Restated 2024*	2025	Restated 2024*	2025	Restated 2024*
Cash flows from operating activities:												
Cash received from customers, including cash deposits..... \$	721,479	636,706	428,084	380,336	53,109	49,264	225,191	211,012	422,349	357,825	1,850,212	1,635,143
Cash received from tenants for rent.....	3,240	5,429	829	496	141	153	169	188	—	—	4,379	6,266
Cash received from miscellaneous revenues.....	3,694	4,776	7,904	6,648	35	36	2,042	4,886	147	3	13,822	16,349
Cash received from settlements.....	1,078	—	—	—	—	300	—	—	—	—	1,078	300
Cash received from license fees.....	—	—	—	—	—	—	3,218	1,997	—	—	3,218	1,997
Cash paid to employees for services.....	(156,968)	(151,655)	(116,892)	(104,126)	(20,057)	(23,234)	(54,872)	(45,847)	(12,686)	(9,517)	(361,475)	(334,379)
Cash paid to suppliers for goods and services.....	(164,876)	(194,188)	(105,702)	(116,262)	(15,795)	(13,563)	(138,644)	(146,934)	(356,474)	(291,457)	(781,491)	(762,404)
Cash paid for judgments and claims.....	(9,167)	(18,216)	(7,046)	(6,851)	(329)	(357)	(2,222)	(3,625)	(274)	(874)	(19,038)	(29,923)
Cash paid for rebates and program incentives.....	(1,898)	(1,760)	(225)	(505)	(19)	(34)	(555)	(78)	(364)	(864)	(3,061)	(3,241)
Net cash provided by operating activities.....	396,582	281,092	206,952	159,736	17,085	12,565	34,327	21,599	52,698	55,116	707,644	530,108
Cash flows from non-capital financing activities:												
Cash received from grants.....	1,595	13,400	591	13,688	100	59	114	98	33	—	2,433	27,245
Cash refunded from grants.....	(1,386)	—	(1,459)	—	—	—	—	—	—	—	(2,845)	—
Cash received from Public Purpose Funds.....	—	—	—	—	—	—	—	—	345	1,624	345	1,624
Interfund loan receivables.....	(37,822)	—	—	—	—	—	—	—	—	—	(37,822)	—
Transfers from the City and County of San Francisco.....	41,215	505	—	—	—	42	—	—	—	—	41,215	547
Transfers to the City and County of San Francisco.....	(47,115)	(1,241)	(1,472)	(209)	—	—	(3,532)	(108)	—	—	(52,119)	(1,558)
Net cash provided by (used in) non-capital financing activities.....	(43,513)	12,664	(2,340)	13,479	100	101	(3,418)	(10)	378	1,624	(48,793)	27,858
Cash flows from capital and related financing activities:												
Proceeds from sale of capital assets.....	1,701	1,569	14	79	18	2	22	2	—	—	1,755	1,652
Proceeds from bond issuance, net of premium and discount.....	95,520	474,538	786,743	—	—	—	—	131,230	—	—	882,263	605,768
Proceeds from commercial paper borrowings.....	142,400	191,150	648	341,373	—	—	78,679	91,635	—	—	221,727	624,158
Proceeds from State Revolving Fund loans.....	145,839	4,044	24,273	13,942	—	—	—	—	—	—	170,112	17,986
Proceeds of State Revolving Fund loans from Water Enterprise.....	—	—	—	—	—	—	37,720	—	—	—	37,720	—
Proceeds from WIFIA loans.....	—	—	455,896	811,356	—	—	—	—	—	—	455,896	811,356
Principal paid on commercial paper.....	—	(372,609)	—	—	—	—	—	(117,333)	—	—	(489,942)	—
Principal paid on revenue notes.....	—	—	—	(347,465)	—	—	—	—	—	—	(347,465)	—
Principal paid on long-term debt.....	(141,542)	(138,342)	(36,270)	(28,933)	—	—	(4,062)	(2,035)	—	—	(181,874)	(169,310)
Principal paid on State Revolving Fund loans.....	—	—	(5,629)	(2,525)	—	—	—	—	—	—	(5,629)	(2,525)
Interest paid on commercial paper.....	(8,374)	(1,511)	(647)	(1,372)	—	—	(3,678)	(1,969)	—	—	(12,699)	(4,852)
Interest paid on long-term debt.....	(207,283)	(214,279)	(146,305)	(112,460)	—	—	(13,850)	(11,221)	—	—	(367,438)	(337,960)
Interest paid on State Revolving Fund loans.....	—	—	(2,727)	(1,479)	—	—	—	—	—	—	(2,727)	(1,479)
Interest paid on leases.....	(90)	(81)	(198)	(6)	(9)	(2)	(13)	(3)	—	—	(310)	(92)
Interest paid on subscriptions.....	(37)	(6)	(22)	(4)	(8)	(2)	(6)	(1)	(3)	—	(76)	(13)
Issuance costs paid on long-term debt.....	(5,035)	(4,545)	(3,291)	(195)	—	—	—	(765)	—	—	(8,326)	(5,505)
Cash received from leases.....	4,624	3,745	260	250	—	—	—	—	—	—	4,884	3,995
Transfers from the City and County of San Francisco.....	—	—	—	—	47,084	—	—	—	—	—	47,084	—
Acquisition and construction of capital assets.....	(325,639)	(229,702)	(914,791)	(873,239)	(22,933)	(25,788)	(79,632)	(94,214)	(127)	(18)	(1,343,122)	(1,222,961)
Federal interest income subsidy.....	22,246	22,909	2,144	3,911	—	—	420	332	—	—	24,810	27,152
Net cash provided by (used in) capital and related financing activities.....	(275,670)	(263,120)	160,098	(196,767)	24,152	(25,790)	15,600	(4,342)	(130)	(18)	(75,950)	(490,037)
Cash flows from investing activities:												
Interest income received.....	21,739	16,310	33,389	17,963	3,104	1,083	10,862	8,568	7,387	3,838	76,481	47,762
Proceeds from sale of investment outside City Treasury.....	1,626,714	1,015,279	1,476,445	1,860,653	—	—	29,850	155,462	—	—	3,133,009	3,031,394
Purchase of investments outside City Treasury.....	(1,560,899)	(1,081,634)	(1,463,839)	(1,898,189)	—	—	(23,093)	(165,218)	—	—	(3,047,831)	(3,145,041)
Net cash provided by (used in) investing activities.....	87,554	(50,045)	45,995	(19,573)	3,104	1,083	17,619	(1,188)	7,387	3,838	161,659	(65,885)
Increase (decrease) in cash and cash equivalents.....	164,953	(19,409)	410,705	(43,125)	44,441	(12,041)	64,128	16,059	60,333	60,560	744,560	2,044
Cash and cash equivalents:												
Beginning of year.....	495,492	514,901	479,099	522,224	79,816	91,857	273,869	257,810	162,357	101,797	1,490,633	1,488,589
End of year..... \$	660,445	495,492	889,804	479,099	124,257	79,816	337,997	273,869	222,690	162,357	2,235,193	1,490,633
Reconciliation of cash and cash equivalents to the statements of net position:												
Cash and investments with City Treasury:												
Unrestricted..... \$	436,413	380,201	396,961	376,658	103,244	46,471	254,557	215,370	222,449	159,811	1,413,624	1,178,511
Restricted.....	137,436	71,015	398,588	31,613	20,815	31,330	78,197	50,732	—	—	635,036	184,690
Add: Unrealized loss on investments with City Treasury.....	622	7,188	862	6,504	198	2,015	297	3,465	241	2,546	2,220	21,718
Cash and investments outside City Treasury:												
Unrestricted.....	76	193	45	152	—	—	5	41	—	—	126	386
Restricted.....	85,898	103,250	119,128	101,708	—	—	7,970	14,051	—	—	212,996	219,009
Less: Restricted (with maturity more than 90 days – see table in Note 3).....	—	(65,815)	(24,663)	(37,269)	—	—	(2,999)	(9,756)	—	—	(27,662)	(112,840)
Less: Unrealized (gain) on investments outside City Treasury.....	—	(540)	(1,117)	(267)	—	—	(30)	(34)	—	—	(1,147)	(841)
Cash and cash equivalents at end of year on statements of cash flows..... \$	660,445	495,492	889,804	479,099	124,257	79,816	337,997	273,869	222,690	162,357	2,235,193	1,490,633

*Fiscal year 2024, restated due to implementation of GASB Statement No. 101, *Compensated Absences*.
See accompanying notes to basic financial statements.

(continued)

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Statements of Cash Flows
Proprietary Funds
Years ended June 30, 2025 and 2024
(In thousands)

	Business Type Activities – Proprietary Funds											
	Water		Wastewater		Hetchy Water		Hetchy Power		CleanPowerSF		SFPUC Total	
	2025	Restated 2024*	2025	Restated 2024*	2025	Restated 2024*	2025	Restated 2024*	2025	Restated 2024*	2025	Restated 2024*
Reconciliation of operating income (loss) to net cash provided by operating activities:												
Operating income (loss).....	\$ 183,174	146,236	138,710	(68,050)	7,740	5,083	382	13,189	57,618	55,041	387,624	151,499
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:												
Depreciation and amortization.....	159,900	155,172	86,476	82,722	7,263	6,522	21,008	18,460	126	17	274,773	262,893
Lease revenue amortization.....	(3,987)	(3,322)	(249)	(250)	—	—	—	—	—	—	(4,236)	(3,572)
Miscellaneous revenues.....	3,694	4,776	7,904	6,647	35	36	2,042	4,886	147	3	13,822	16,348
Provision for uncollectible accounts.....	(135)	2,263	(800)	2,807	—	—	1,600	(2,224)	2,211	1,303	2,876	4,149
Write-off of capital assets and other non-cash items.....	4,394	58	1,309	47,795	332	—	491	217	—	—	6,526	48,070
Settlements.....	1,078	—	—	—	—	300	—	—	—	—	1,078	300
Rebates and program incentives.....	(1,898)	(1,760)	(225)	(505)	(19)	(34)	(555)	(78)	(364)	(864)	(3,061)	(3,241)
License fees.....	—	—	—	—	—	—	3,218	1,997	—	—	3,218	1,997
Changes in operating assets and liabilities:												
Receivables:												
Charges for services.....	8,881	(17,701)	(1,125)	(10,835)	34	(66)	3,640	(1,855)	(5,897)	(10,671)	5,533	(41,128)
Due from other City departments.....	(5)	13	—	—	—	—	1,405	187	—	—	1,400	200
Prepaid charges, advances, and other.....	(2,970)	560	(418)	(7,452)	30	(659)	(135)	(372)	(504)	5,200	(3,997)	(2,723)
Inventory.....	258	366	(395)	(317)	(77)	22	(138)	(71)	—	—	(352)	—
Accounts payable.....	(4,123)	2,682	2,484	(4,366)	651	(75)	3,050	(11,486)	3,134	4,661	5,196	(8,584)
Accrued payroll.....	2,340	1,637	1,663	488	490	176	495	251	278	96	5,266	2,648
Net other postemployment benefits obligations**.....	7,399	3,601	3,677	(3,575)	493	1,232	602	1,505	(1,190)	(481)	10,981	2,282
Net pension**.....	2,787	(1,324)	2,845	1,689	(259)	(287)	(316)	(351)	301	173	5,358	(100)
Accrued compensated absences.....	1,518	1,716	1,365	1,475	402	673	491	823	176	52	3,952	4,739
Accrued workers' compensation.....	1,299	1,267	(111)	1,014	(67)	78	(83)	98	—	—	1,038	2,457
Due to other City departments.....	—	(2,440)	—	(2,101)	—	—	—	(1,946)	—	—	—	(6,487)
Wholesale balancing account.....	39,104	(16,069)	—	—	—	—	—	—	—	—	39,104	(16,069)
Damage claims liability.....	(7,824)	3,148	(35,982)	110,733	29	(432)	(3,126)	(2,376)	(21)	(13)	(46,924)	111,060
Unearned revenues, refunds, and other liabilities.....	2,969	213	152	3,166	8	(4)	256	745	(3,317)	599	68	4,719
Pollution remediation obligations.....	(1,271)	—	(328)	(1,349)	—	—	—	—	—	—	(1,599)	(1,349)
Total adjustments.....	213,408	134,856	68,242	227,786	9,345	7,482	33,945	8,410	(4,920)	75	320,020	378,609
Net cash provided by operating activities.....	\$ 396,582	281,092	206,952	159,736	17,085	12,565	34,327	21,599	52,698	55,116	707,644	530,108
Noncash transactions:												
Accrued capital asset costs.....	\$ 73,295	39,896	99,247	135,740	1,118	4,027	21,259	28,867	—	—	194,919	208,530
Leases and subscription assets.....	—	—	11,630	—	—	—	—	—	—	—	11,630	—
Interfund payables.....	—	—	291	405	—	—	37,720	—	—	—	38,011	405
Interfund receivables.....	37,720	—	—	—	—	—	291	405	—	—	38,011	405
Unrealized loss on investments with City Treasury.....	622	7,188	862	6,504	198	2,015	297	3,431	241	2,546	2,220	21,684
Unrealized (gain) on investments outside City Treasury.....	—	(540)	(1,117)	(267)	—	—	(30)	—	—	—	(1,147)	(807)
Capital contributions.....	17,436	53,599	145	48,080	—	—	4,032	29,200	—	—	21,613	130,879
Sale of land with promissory note.....	11,853	11,512	—	—	—	—	—	—	—	—	11,853	11,512
Bond Principal refunded.....	1,206,240	619,115	—	—	—	—	—	—	—	—	1,206,240	619,115
Commercial paper refunded.....	313,384	373,103	344,246	—	—	—	—	—	—	—	657,630	373,103
Bond and commercial paper proceeds paid to refunding escrow.....	1,546,013	963,977	86,982	—	—	—	—	—	—	—	1,632,995	963,977

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

**Includes related deferred outflows/inflows.

See accompanying notes to basic financial statements.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Notes to Basic Financial Statements

June 30, 2025 and 2024

(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, Hetch Hetchy (Hetchy Water and Hetchy 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 experience 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, the Wastewater, Hetch Hetchy (Hetchy Water and Hetchy Power) and CleanPowerSF enterprises 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, 2025 and 2024, 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 2025, the Water Enterprise sold approximately 66,444 million gallons, i.e., about 182 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, 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

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Notes to Basic Financial Statements

June 30, 2025 and 2024

(Dollars in thousands, unless otherwise stated)

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 fiscal year 2016. Hetch Hetchy is a stand-alone enterprise comprised of three funds, Hetchy Power (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 70% 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 30% 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 (Modesto Irrigation District and Turlock Irrigation District) 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 California Independent System Operator (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 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,

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Notes to Basic Financial Statements

June 30, 2025 and 2024

(Dollars in thousands, unless otherwise stated)

and capacity fees while Hetchy Water, Hetchy Power and CleanPowerSF's operating revenues are defined as charges to customers and rental incomes. Non-operating revenues include grants, investment income, and other income from non-operating activities. When both restricted and unrestricted resources are available for use, it is the SFPUC's policy to use restricted resources first, then unrestricted resources as they are needed.

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 on 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 \$10 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 and capital assets received in a service concession arrangement are valued at acquisition 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

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, leases, subscription-based information technology arrangements (SBITAs), licenses, and permits. The SFPUC capitalizes purchased or internally developed intangible assets with a useful life extending beyond one reporting period. It has established a capitalization threshold of \$100. Intangible assets are amortized over the benefit period or the contract term for leases and SBITAs, 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).

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Notes to Basic Financial Statements

June 30, 2025 and 2024

(Dollars in thousands, unless otherwise stated)

(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 expenses in the year in which the decision is made to discontinue such projects.

(h) 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 discounts or premiums are offset against the related debt and are also amortized using the effective interest method.

(i) Accrued Compensated Absences

City employees may accumulate earned, but unused leave benefits up to a specified maximum, as outlined in their applicable leave policies. In accordance with GASB Statement No. 101, *Compensated Absences*, the SFPUC recognizes liabilities for leaves that are attributable to services already rendered, will be paid upon separation or usage, and are more likely than not to be used or paid. Compensated absences that meet these criteria consist of vacation, sick, compensatory time, and other holidays and leaves. The SFPUC records the compensated absences liability, including employer payroll taxes and the employer's share of social security and Medicare taxes, as both current and non-current liabilities in the Statements of Net Position. The SFPUC applies the current pay rates of active employees to leave balances in effect at fiscal year-end.

(j) 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)).

(k) 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. As of June 30, 2025, the SFPUC estimated its liability for pending and threatened lawsuits based on the Office of the City Attorney's assessment of probable claims and historical trends for incurred but not reported losses. The recorded liability represents management's best estimate of the SFPUC's potential exposure based on currently available information.

During fiscal year 2025, the SFPUC changed its methodology for estimating claims liability. The SFPUC's claims liability had historically been actuarially determined. The revised measurement methodology aligns more closely with the Office of City Attorney's judgment of the SFPUC's potential exposure based on currently available information. This prospective change in accounting estimate is intended to enhance the understandability, relevance, and timeliness of the financial information.

Affected financial statement items include: current and noncurrent estimated claims payables; functional expenses in the statement of activities under governmental activities; and general and administrative expenses in the proprietary Statement of Revenues, Expenses, and Changes in Net Position (see Note 15(a)).

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Notes to Basic Financial Statements

June 30, 2025 and 2024

(Dollars in thousands, unless otherwise stated)

(l) 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 Water Enterprise arbitrage rebate liability as of June 30, 2025 and 2024 was \$1,821 and \$869, respectively. The Wastewater Enterprise arbitrage liability as of June 30, 2025 and 2024 was \$4,544 and \$8,521, respectively. Hetchy Water, and CleanPowerSF did not have arbitrage rebate liability as of June 30, 2025 and 2024. Hetchy Power arbitrage liability as of June 30, 2025 and 2024 was \$207 and \$184, respectively, related to 2021 Series AB and 2023 Series A revenue bonds (see Note 7).

(m) 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.

(n) Deferred Inflow of Resources and Deferred Outflow of Resources

Deferred inflows of resources represent an acquisition of net assets that applies to future periods. Deferred outflows of resources represent a consumption of net assets that applies to future periods.

(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 water and power consumption and billing rates. Generally, customers are billed monthly. Revenues earned but unbilled are accrued as charges for services receivables on the Statements of Net Position. The unbilled amounts for the fiscal years ended June 30, 2025 and 2024 were as follow:

Fiscal Years Ended June 30	Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC Total
2025	\$ 38,703	19,103	—	4,694	27,728	90,228
2024	44,465	23,256	—	3,624	25,591	96,936

(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, deferred outflows, liabilities, and deferred inflows 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.

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(r) Eliminations

Eliminations for internal activities between Water and Hetchy Power and Wastewater and Hetchy Power are made in the Statements of Net Position. There were activities requiring eliminations during the fiscal years ended June 30, 2025 between Water and Hetchy Power and Wastewater and Hetchy Power and June 30, 2024 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;
- 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) Pension

For purposes of measuring the net pension liability (asset) and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the San Francisco Employees' Retirement System (SFERS) plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Plan member contributions are recognized in the period in which the contributions are due. Investments are reported at fair value (See Note 13(a)).

(u) Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability (asset) and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Retiree Health Care Trust Fund (RHCTF) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Plan member contributions are recognized in the period in which the contributions are due. Investments are reported at fair value (see Note 13(b)).

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(v) **New Accounting Standards Adopted in Fiscal Year 2025**

- 1) In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized if the leave is attributable to services already rendered and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means and establishes definitions, guidance, and disclosure requirements related to compensated absences. The new standard is effective for periods beginning after December 15, 2023. The SFPUC adopted the provisions of Statement No. 101 in fiscal year 2025. In accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, the SFPUC reported the implementation of GASB 101 as a change in accounting principle. The cumulative effect of applying the new recognition and measurement guidance as of July 1, 2023 was recorded as a restatement of beginning net position and liabilities.

The impact to beginning net position is presented in the following table:

	<u>Water</u>	<u>Wastewater</u>	<u>Hetchy Water</u>	<u>Hetchy Power</u>	<u>CleanPowerSF</u>	<u>SFPUC Total</u>
7/1/2023 Net Position as previously reported	\$ 692,073	1,398,834	274,128	518,350	118,001	3,001,386
Changes in accounting principle	(15,244)	(12,755)	(2,855)	(3,489)	(313)	(34,656)
7/1/2023 Net Position as restated	\$ <u>676,829</u>	<u>1,386,079</u>	<u>271,273</u>	<u>514,861</u>	<u>117,688</u>	<u>2,966,730</u>

- 2) In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement establishes financial reporting requirements for risk related to vulnerabilities due to certain concentrations or constraints within governments. The new standard is effective for periods beginning after June 15, 2024. The SFPUC adopted the provisions of Statement No. 102 in fiscal year 2025 which did not have a significant effect on its financial statements.

(w) **GASB Statements Implemented in Fiscal Year 2024**

- 1) In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. GASB Statement No. 99 addresses a variety of topics. The requirements related to extension of the use of the London Interbank Offered Rate, accounting for Supplemental Nutrition Assistance Program distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, and terminology updates related to Statement No. 53 and Statement No. 63 were adopted by the City for the year ended June 30, 2022. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023. The SFPUC adopted the provisions of Statement No. 99 in fiscal year 2024 which did not have a significant effect on its financial statements.
- 2) 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 adopted the provisions of Statement No. 100 in fiscal year 2024 which did not have a significant effect on its financial statements.

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

- 1) In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The new standard is effective for periods beginning after June 15, 2025. The SFPUC will implement the provisions of Statement No. 103 in fiscal year 2026.

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- 2) In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This statement requires certain types of capital assets, such as lease assets recognized in accordance with Statement No. 87, *Leases, and intangible right-to-use assets* recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* to be disclosed separately by major classes of underlying assets in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements* are also required to be disclosed separately. Furthermore, the statement requires intangible assets other than those three types to be disclosed separately by major class. Finally, the statement requires additional disclosures for capital assets held for sale. The new standard is effective for periods beginning after June 15, 2025. The SFPUC will implement the provisions of Statement No. 104 in fiscal year 2026.

(y) Reclassifications

The SFPUC has reclassified certain amounts relating to the prior period to conform to its current period presentation.

For Water and Wastewater Enterprises, certain other operating revenues, specifically charges to City municipal departments have been reclassified to charges for services for fiscal year 2024. In addition, all SFPUC enterprises cash paid for rebates, program incentives and cash received from settlement and license fees in the direct cash flows statement has been reclassified under operating activities, lease receipts were reclassified from operating activities to capital and related financing activities in the direct cash flow, and lease and subscription payments were reclassified to acquisition and construction of capital assets under cash flows from capital and related financing activities for fiscal year 2024. 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.

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the SFPUC will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits.

The California Government Code requires California banks and savings and loan associations to secure the SFPUC's deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance by pledging government and/or local agency securities as collateral. The fair value of such pledged securities must equal at least 110% and be of the type authorized in California Government Code, Section 53651 (a) through (i). The collateral must be held at the pledging bank's trust department or another bank, acting as the pledging bank's agent, in the SFPUC's name. At June 30, 2025, all banks with funds deposited by the Treasurer secured deposits with sufficient collateral or FDIC insurance.

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Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in interest rates. Information about the sensitivity to the fair values of the SFPUC's investments to interest rate fluctuations is provided by the tables below, which show the distribution of the SFPUC's investments by maturity.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to pay the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the SFPUC will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments; however, it is the practice of the City Treasurer that all investments are insured, registered or held by the Treasurer's custodial agent in the SFPUC's name. The SFPUC also has investments with trustees related to the issuance of bonds that are uninsured, unregistered and held by the counterparty's trust departments but not in the SFPUC's name. These amounts are included in the investments outside City Treasury and are provided by the tables below.

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.

Concentration of Credit Risk

The City's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code and/or its investment policy. U.S. Treasury and agency securities explicitly guaranteed by the U.S. government are not subject to single issuer limitation.

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Department-wide Business Type Activities

Department-wide restricted and unrestricted cash and investments outside City Treasury, including commercial paper issuers, credit ratings and the fair value hierarchy as of June 30, 2025 and 2024 consist of the following:

Investments	Credit Ratings (S&P/Moody's)	June 30, 2025		Investments exempt from fair value	Fair Value Measurements Using Quoted prices in active markets for identical assets (Level 1)
		Maturities	Fair Value		
U.S. Treasury Money Market Funds	AAAm/Aaa-mf	< 90 days	\$ 127,985	127,985	—
Money Market Funds	A-1/P-1	< 90 days	105	105	—
Commercial Paper-Royal Bank of Canada	A-1+/P-1	September 15, 2025	24,765	—	24,765
U.S. Treasury Bonds & Notes	A-1+/P-1	September 15, 2025	18,180	—	18,180
U.S. Treasury Bonds & Notes	A-1+/P-1	March 31, 2026	24,663	—	24,663
U.S. Treasury Bonds & Notes	A-1+/P-1	October 15, 2025	2,999	—	2,999
Cash and Cash Equivalents	N/A		14,299	14,299	—
Total Restricted Cash and Investments outside City Treasury			\$ 212,996	142,389	70,607
Cash and Cash Equivalents	N/A		\$ 126	126	—
Total Unrestricted Cash and Investments outside City Treasury			\$ 126	126	—

Investments	Credit Ratings (S&P/Moody's)	June 30, 2024		Investments exempt from fair value	Fair Value Measurements Using Quoted prices in active markets for identical assets (Level 1)
		Maturities	Fair Value		
U.S. Treasury Money Market Funds	AAAm/Aaa-mf	< 90 days	\$ 64,783	64,783	—
Money Market Funds	A-1/P-1	< 90 days	95	95	—
Commercial Paper-Toyota Motor Corp	A-1+/P-1	< 90 days	6,935	—	6,935
Commercial Paper-Toronto-Dominion Bank	A-1+/P-1	< 90 days	19,342	—	19,342
Commercial Paper-Toyota Motor Corp	A-1+/P-1	October 11, 2024	48,238	—	48,238
Commercial Paper-Toronto-Dominion Bank	A-1+/P-1	October 28, 2024	13,256	—	13,256
U.S. Agencies Securities	AA+/Aaa	March 21, 2025	17,538	—	17,538
U.S. Agencies Securities	AA+/Aaa	April 17, 2025	12,964	—	12,964
U.S. Treasury Bonds & Notes	A-1+/P-1	September 15, 2025	17,872	—	17,872
U.S. Treasury Bonds & Notes	A-1+/P-1	October 15, 2025	2,972	—	2,972
Cash and Cash Equivalents	N/A		15,014	15,014	—
Total Restricted Cash and Investments outside City Treasury			\$ 219,009	79,892	139,117
Cash and Cash Equivalents	N/A		\$ 386	386	—
Total Unrestricted Cash and Investments outside City Treasury			\$ 386	386	—

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

	2025	2024
Current assets:		
Cash and investments with City Treasury	\$ 1,413,624	\$ 1,178,511
Cash and investments outside City Treasury	126	386
Restricted cash and investments outside City Treasury	116,219	88,692
Non-current assets:		
Restricted cash and investments with City Treasury	635,036	184,690
Restricted cash and investments outside City Treasury	96,777	130,317
Total cash, cash equivalents, and investments	\$ 2,261,782	\$ 1,582,596

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
2025	20.8%	18.9%	17.5%	42.8%
2024	22.2%	19.5%	16.3%	42.0%

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Water Enterprise

Some 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, 2025 and 2024 were \$85,898 and \$103,250, respectively. The Water Enterprise 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.

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, 2025 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, 2024 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 is a summary of the restricted and unrestricted cash and investments outside City Treasury, including commercial paper issuers, credit ratings, and the fair value hierarchy as of June 30, 2025 and 2024.

Investments	Credit Ratings (S&P/Moody’s)	June 30, 2025		Investments exempt from fair value	Fair Value Measurements Using Quoted prices in active markets for identical assets (Level 1)
		Maturities	Fair Value		
U.S. Treasury Money Market Funds	AAAm/Aaa-mf	< 90 days	\$ 71,597	71,597	—
Money Market Funds	A-1/P-1	< 90 days	52	52	—
Cash and Cash Equivalents	N/A		14,249	14,249	—
Total Restricted Cash and Investments outside City Treasury			\$ 85,898	85,898	—
Cash and Cash Equivalents	N/A		\$ 76	76	—
Total Unrestricted Cash and Investments outside City Treasury			\$ 76	76	—

Investments	Credit Ratings (S&P/Moody’s)	June 30, 2024		Investments exempt from fair value	Fair Value Measurements Using Quoted prices in active markets for identical assets (Level 1)
		Maturities	Fair Value		
U.S. Treasury Money Market Funds	AAAm/Aaa-mf	< 90 days	\$ 22,815	22,815	—
Money Market Funds	A-1/P-1	< 90 days	43	43	—
Commercial Paper-Toyota Motor Corp	A-1+/P-1	October 11, 2024	45,422	—	45,422
Commercial Paper-Toronto-Dominion Bank	A-1+/P-1	October 28, 2024	10,310	—	10,310
U.S. Agencies Securities	AA+/Aaa	April 17, 2025	10,083	—	10,083
Cash and Cash Equivalents	N/A		14,577	14,577	—
Total Restricted Cash and Investments outside City Treasury			\$ 103,250	37,435	65,815
Cash and Cash Equivalents	N/A		\$ 193	193	—
Total Unrestricted Cash and Investments outside City Treasury			\$ 193	193	—

The restricted cash and investments outside City Treasury as of June 30, 2025 and 2024 included an unrealized gain due to changes in fair value on commercial paper of \$0 and \$540, respectively.

Additional cash outside of the investment pool included revolving fund and cash in transit. The revolving fund has a balance of \$28 and \$28 as of June 30, 2025 and 2024, 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 \$48 and \$165 as of June 30, 2025 and 2024, 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:

	<u>2025</u>	<u>2024</u>
Current assets:		
Cash and investments with City Treasury	\$ 436,413	380,201
Cash and investments outside City Treasury	76	193
Restricted cash and investments outside City Treasury	28,467	40,065
Non-current assets:		
Restricted cash and investments with City Treasury	137,436	71,015
Restricted cash and investments outside City Treasury	57,431	63,185
Total cash, cash equivalents, and investments	<u>\$ 659,823</u>	<u>554,659</u>

As of June 30, 2025, except for investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments, the Water Enterprise did not have any investments in any one issuer that exceeded 5 percent of total investments. As of June 30, 2024, the Water Enterprise has the following commercial paper investments that represent 5.0% or more of the total investments outside City Treasury.

	<u>Fair Value</u>	<u>% of Investments</u>
Toyota Motor Corp	\$ 45,422	51.2 %
Toronto-Dominion Bank	10,310	11.6

Wastewater Enterprise

The restricted cash and investments for bond reserves are held by an independent trustee outside the City investment pool. The balances as of June 30, 2025 and 2024 were \$119,128 and \$101,708, 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-mf,” “Aa1,” or “Aa2.” “Permitted Investments” also include commercial paper, and US treasury and agency securities.

The following is a summary of the restricted and unrestricted cash and investments outside City Treasury, including commercial paper issuers, credit ratings, and the fair value hierarchy as of June 30, 2025 and 2024.

<u>Investments</u>	<u>Credit Ratings (S&P/Moody's)</u>	<u>June 30, 2025</u>		<u>Investments exempt from fair value</u>	<u>Fair Value Measurements Using Quoted prices in active markets for identical assets (Level 1)</u>
		<u>Maturities</u>	<u>Fair Value</u>		
U.S. Treasury Money Market Funds	AAAm/Aaa-mf	< 90 days	\$ 51,443	51,443	—
Money Market Funds	A-1/P-1	< 90 days	53	53	—
Commercial Paper-Royal Bank of Canada	A-1+/P-1	September 15, 2025	24,765	—	24,765
U.S. Treasury Bonds & Notes	A-1+/P-1	September 15, 2025	18,180	—	18,180
U.S. Treasury Bonds & Notes	A-1+/P-1	March 31, 2026	24,663	—	24,663
Cash and Cash Equivalents	N/A		24	24	—
Total Restricted Cash and Investments outside City Treasury			<u>\$ 119,128</u>	<u>51,520</u>	<u>67,608</u>
Cash and Cash Equivalents	N/A		\$ 45	45	—
Total Unrestricted Cash and Investments outside City Treasury			<u>\$ 45</u>	<u>45</u>	<u>—</u>

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Investments	Credit Ratings (S&P/Moody's)	June 30, 2024		Investments exempt from fair value	Fair Value Measurements Using Quoted prices in active markets for identical assets (Level 1)
		Maturities	Fair Value		
U.S. Treasury Money Market Funds	AAA+/Aaa-mf	< 90 days	\$ 37,830	37,830	—
Money Market Funds	A-1/P-1	< 90 days	52	52	—
Commercial Paper-Toyota Motor Corp	A-1+/P-1	< 90 days	6,935	—	6,935
Commercial Paper-Toronto-Dominion Bank	A-1+/P-1	< 90 days	19,342	—	19,342
Commercial Paper-Toyota Motor Corp	A-1+/P-1	October 11, 2024	1,859	—	1,859
U.S. Agencies Securities	AA+/Aaa	March 21, 2025	17,538	—	17,538
U.S. Treasury Bonds & Notes	A-1+/P-1	September 15, 2025	17,872	—	17,872
Cash and Cash Equivalents	N/A		280	280	—
Total Restricted Cash and Investments outside City Treasury			\$ 101,708	38,162	63,546
Cash and Cash Equivalents	N/A		\$ 152	152	—
Total Unrestricted Cash and Investments outside City Treasury			\$ 152	152	—

The restricted cash and investments outside City Treasury as of June 30, 2025 and 2024 included an unrealized gain due to changes in fair values on Commercial Paper, U.S. Treasury Bonds & Notes, and U.S. Agency Securities of \$1,117 and \$267, respectively.

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

	2025	2024
Current assets:		
Cash and investments with City Treasury	\$ 396,961	376,658
Cash and investments outside City Treasury	45	152
Restricted cash and investments outside City Treasury	83,614	41,778
Non-current assets:		
Restricted cash and investments with City Treasury	398,588	31,613
Restricted cash and investments outside City Treasury	35,514	59,930
Total cash, cash equivalents, and investments	\$ 914,722	510,131

As of June 30, 2025 and 2024, the Wastewater Enterprise has the following commercial paper investments that represent 5.0% or more of the total investments outside City Treasury.

Fiscal Year 2025	Fair Value	% of Investments
Royal Bank of Canada	\$ 24,765	20.8 %

Fiscal Year 2024	Fair Value	% of Investments
Toyota Motor Corp	\$ 8,794	8.7 %
Toronto-Dominion Bank	19,342	19.1

Hetch Hetchy (Hetchy Water, Hetchy Power and CleanPowerSF)

Some 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, 2025 and 2024 were \$7,970 and \$14,051, respectively. Hetch Hetchy held all investments in treasury and government obligations, commercial paper, as well as money market mutual funds consisting of treasury and government obligations.

As of June 30, 2025, a total of \$4,945 in restricted cash and investments outside City Treasury were invested in U.S. Treasury Money Market Funds with maturity date less than 90 days. Of this, \$3,777 were proceeds from 2023 Series A, 2021 Series AB, and 2015 Series AB bonds and \$1,168 were proceeds from certificates of participation. As of June 30, 2024, a total of \$4,138 in restricted cash and investments outside City Treasury were invested in U.S. Treasury Money Market Funds with maturity date less than 90 days. Of this, \$4,095 were proceeds from 2023 Series A, 2021 Series AB, and 2015 Series AB bonds and \$43 were proceeds from certificates of participation.

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The following tables present the Hetch Hetchy restricted and unrestricted cash and investments outside City Treasury as of June 30, 2025 and 2024:

Investments	Credit Ratings (S&P/Moody's)	June 30, 2025		Investments exempt from fair value	Fair Value Measurements Using Quoted prices in active markets for identical assets (Level 1)
		Maturities	Fair Value		
U.S. Treasury Money Market Funds	AAAm/Aaa-mf	< 90 days	\$ 4,945	4,945	—
U.S. Treasury Bonds & Notes	A-1+/P-1	October 15, 2025	2,999	—	2,999
Cash and Cash Equivalents	N/A		26	26	—
Total Restricted Cash and Investments outside City Treasury			\$ 7,970	4,971	2,999
Cash and Cash Equivalents	N/A		5	5	—
Total Unrestricted Cash and Investments outside City Treasury			\$ 5	5	—

Investments	Credit Ratings (S&P/Moody's)	June 30, 2024		Investments exempt from fair value	Fair Value Measurements Using Quoted prices in active markets for identical assets (Level 1)
		Maturities	Fair Value		
U.S. Treasury Money Market Funds	AAAm/Aaa-mf	< 90 days	\$ 4,138	4,138	—
Commercial Paper-Toyota Motor Corp	A-1+/P-1	October 11, 2024	957	—	957
Commercial Paper-Toronto-Dominion Bank	A-1+/P-1	October 28, 2024	2,946	—	2,946
U.S. Agencies Securities	AA+/Aaa	April 17, 2025	2,881	—	2,881
U.S. Treasury Bonds & Notes	A-1+/P-1	October 15, 2025	2,972	—	2,972
Cash and Cash Equivalents	N/A		157	157	—
Total Restricted Cash and Investments outside City Treasury			\$ 14,051	4,295	9,756
Cash and Cash Equivalents	N/A		41	41	—
Total Unrestricted Cash and Investments outside City Treasury			\$ 41	41	—

Hetch Water and Hetchy Power and CleanPowerSF cash, cash equivalents, and investments as of June 30, 2025 and 2024 are shown on the accompanying Statements of Net Position as follows:

	Hetchy Water	Hetchy Power	CleanPowerSF	Total 2025
Current assets:				
Cash and investments with City Treasury	\$ 103,244	254,557	222,449	580,250
Cash and investments outside City Treasury	—	5	—	5
Restricted cash and investments outside City Treasury	—	4,138	—	4,138
Non-current assets:				
Restricted cash and investments with City Treasury	20,815	78,197	—	99,012
Restricted cash and investments outside City Treasury	—	3,832	—	3,832
Total cash, cash equivalents, and investments	\$ 124,059	340,729	222,449	687,237

	Hetchy Water	Hetchy Power	CleanPowerSF	Total 2024
Current assets:				
Cash and investments with City Treasury	\$ 46,471	215,370	159,811	421,652
Cash and investments outside City Treasury	—	41	—	41
Restricted cash and investments outside City Treasury	—	6,849	—	6,849
Non-current assets:				
Restricted cash and investments with City Treasury	31,330	50,732	—	82,062
Restricted cash and investments outside City Treasury	—	7,202	—	7,202
Total cash, cash equivalents, and investments	\$ 77,801	280,194	159,811	517,806

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As of June 30, 2025, except for investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments, Hetchy Power did not have any investments in any one issuer that exceeded 5.0 percent of total investments. As of June 30, 2024, Hetchy Power has the following commercial paper investments that represent 5.0% or more of the total investments outside City Treasury:

	<u>Fair Value</u>	<u>% of Investments</u>
Toyota Motor Corp	\$ 957	6.9 %
Toronto-Dominion Bank	2,946	21.2

(4) Capital Assets

Department-wide Business Type Activities – Department-wide capital assets as of June 30, 2025 and 2024 consist of the following:

	<u>2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>2025</u>
Capital assets not being depreciated and amortized:				
Land and rights-of-way	\$ 163,075	—	—	163,075
Intangible assets	5,162	—	—	5,162
Construction work in progress	3,915,730	1,300,944	(1,054,118) *	4,162,556
Total capital assets not being depreciated and amortized	<u>4,083,967</u>	<u>1,300,944</u>	<u>(1,054,118)</u>	<u>4,330,793</u>
Capital assets being depreciated and amortized:				
Facilities and improvements	12,045,202	1,069,465	(8,601)	13,106,066
Land Improvements	10,712	—	—	10,712
Intangible assets	84,598	1,306	—	85,904
Machinery and equipment	612,061	20,134	(2,073)	630,122
Right-to-use land lease assets	—	545	—	545
Right-to-use building lease assets	7,453	12,213	(3,520)	16,146
Right-to-use subscription assets	1,729	4,419	(211)	5,937
Total capital assets being depreciated and amortized	<u>12,761,755</u>	<u>1,108,082</u> *	<u>(14,405)</u>	<u>13,855,432</u>
Less accumulated depreciation and amortization for:				
Facilities and improvements	(4,057,938)	(242,163)	5,729	(4,294,372)
Land Improvements	(1,401)	(1,681)	—	(3,082)
Intangible assets	(57,066)	(2,434)	—	(59,500)
Machinery and equipment	(461,651)	(21,720)	2,073	(481,298)
Right-to-use land lease assets	(30)	(318)	—	(348)
Right-to-use building lease assets	(4,403)	(3,479)	618	(7,264)
Right-to-use subscription assets	(1,105)	(2,978)	211	(3,872)
Total accumulated depreciation and amortization	<u>(4,583,594)</u>	<u>(274,773)</u>	<u>8,631</u>	<u>(4,849,736)</u>
Total capital assets being depreciated and amortized, net	<u>8,178,161</u>	<u>833,309</u>	<u>(5,774)</u>	<u>9,005,696</u>
Total capital assets, net	\$ <u>12,262,128</u>	<u>2,134,253</u>	<u>(1,059,892)</u>	<u>13,336,489</u>

*Decrease in construction work in progress is less than increase in capital assets being depreciated is mainly explained by \$145 in capital contributions, \$6,526 in capital project write-offs for Water, Wastewater, and Hetchy Power, offset by \$60,345 mainly related to direct additions to facilities and improvements, intangible assets and machinery and equipment.

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	2023	Increases	Decreases	2024
Capital assets not being depreciated and amortized:				
Land and rights-of-way	\$ 163,075	—	—	163,075
Intangible assets	5,162	—	—	5,162
Construction work in progress	3,130,427	1,221,855	(436,552)	3,915,730
Total capital assets not being depreciated and amortized	3,298,664	1,221,855	(436,552) *	4,083,967
Capital assets being depreciated and amortized:				
Facilities and improvements	11,535,007	510,195	—	12,045,202
Land Improvements	6,965	3,747	—	10,712
Intangible assets	82,736	1,862	—	84,598
Machinery and equipment	595,685	17,314	(938)	612,061
Right-to-use land lease assets	605	—	(605)	—
Right-to-use building lease assets	16,292	—	(8,839)	7,453
Right-to-use subscription assets	4,935	—	(3,206)	1,729
Total capital assets being depreciated and amortized	12,242,225	533,118 *	(13,588)	12,761,755
Less accumulated depreciation and amortization for:				
Facilities and improvements	(3,822,951)	(234,987)	—	(4,057,938)
Land Improvements	(232)	(1,169)	—	(1,401)
Intangible assets	(54,082)	(2,984)	—	(57,066)
Machinery and equipment	(442,126)	(20,463)	938	(461,651)
Right-to-use land lease assets	(580)	(55)	605	(30)
Right-to-use lease assets	(10,779)	(2,463)	8,839	(4,403)
Right-to-use subscription assets	(3,537)	(772)	3,204	(1,105)
Total accumulated depreciation and amortization	(4,334,287)	(262,893)	13,586	(4,583,594)
Total capital assets being depreciated and amortized, net	7,907,938	270,225	(2)	8,178,161
Total capital assets, net	\$ 11,206,602	1,492,080	(436,554)	12,262,128

*Decrease in construction work in progress is less than increase in capital assets being depreciated is mainly explained by \$48,070 in capital project write-offs for Water, Wastewater, and Hetchy Power, offset by \$144,636 mainly related to direct additions to facilities and improvements, intangible assets and machinery and equipment.

Water Capital Assets – Water’s capital assets as of June 30, 2025 and 2024 consist of the following:

	2024	Increases	Decreases	2025
Capital assets not being depreciated and amortized:				
Land and rights-of-way	\$ 113,322	—	—	113,322
Intangible assets	679	—	—	679
Construction work in progress	606,804	340,538	(94,075) *	853,267
Total capital assets not being depreciated and amortized	720,805	340,538	(94,075)	967,268
Capital assets being depreciated and amortized:				
Facilities and improvements	6,946,453	111,341	—	7,057,794
Intangible assets	27,714	1,056	—	28,770
Machinery and equipment	345,806	10,213	(1,343)	354,676
Right-to-use land lease assets	—	545	—	545
Right-to-use building lease assets	7,011	969	(618)	7,362
Right-to-use subscription assets	860	2,145	(106)	2,899
Total capital assets being depreciated and amortized	7,327,844	126,269 *	(2,067)	7,452,046
Less accumulated depreciation and amortization for:				
Facilities and improvements	(1,969,971)	(144,593)	—	(2,114,564)
Intangible assets	(25,736)	(663)	—	(26,399)
Machinery and equipment	(269,649)	(11,632)	1,343	(279,938)
Right-to-use land lease assets	(30)	(318)	—	(348)
Right-to-use building lease assets	(4,247)	(1,243)	618	(4,872)
Right-to-use subscription assets	(549)	(1,451)	106	(1,894)
Total accumulated depreciation and amortization	(2,270,182)	(159,900)	2,067	(2,428,015)
Total capital assets being depreciated and amortized, net	5,057,662	(33,631)	—	5,024,031
Total capital assets, net	\$ 5,778,467	306,907	(94,075)	5,991,299

*Decrease in construction work in progress includes \$4,394 in capital project write-offs, mainly related to University Mound East Pipeline Project. The remaining difference of \$36,588 is mainly due to direct additions to facilities and improvements, intangible assets and machinery and equipment.

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	<u>2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>2024</u>
Capital assets not being depreciated and amortized:				
Land and rights-of-way	\$ 113,322	—	—	113,322
Intangible assets	679	—	—	679
Construction work in progress	526,994	220,970	(141,160)	606,804
Total capital assets not being depreciated and amortized	<u>640,995</u>	<u>220,970</u>	<u>(141,160) *</u>	<u>720,805</u>
Capital assets being depreciated and amortized:				
Facilities and improvements	6,755,307	191,146	—	6,946,453
Intangible assets	26,121	1,593	—	27,714
Machinery and equipment	337,799	8,138	(131)	345,806
Right-to-use land lease assets	605	—	(605)	—
Right-to-use building lease assets	7,603	—	(592)	7,011
Right-to-use subscription assets	2,450	—	(1,590)	860
Total capital assets being depreciated and amortized	<u>7,129,885</u>	<u>200,877</u>	<u>(2,918)</u>	<u>7,327,844</u>
Less accumulated depreciation and amortization for:				
Facilities and improvements	(1,828,932)	(141,039)	—	(1,969,971)
Intangible assets	(24,469)	(1,267)	—	(25,736)
Machinery and equipment	(258,507)	(11,273)	131	(269,649)
Right-to-use land lease assets	(580)	(55)	605	(30)
Right-to-use building lease assets	(3,685)	(1,154)	592	(4,247)
Right-to-use subscription assets	(1,755)	(384)	1,590	(549)
Total accumulated depreciation and amortization	<u>(2,117,928)</u>	<u>(155,172)</u>	<u>2,918</u>	<u>(2,270,182)</u>
Total capital assets being depreciated and amortized, net	<u>5,011,957</u>	<u>45,705</u>	<u>—</u>	<u>5,057,662</u>
Total capital assets, net	\$ <u>5,652,952</u>	<u>266,675</u>	<u>(141,160)</u>	<u>5,778,467</u>

*Decrease in construction work in progress includes \$58 in capital project write-offs, mainly related to Chlorine Trim Station Repairs project. The remaining difference of \$59,775 is mainly due to direct additions to facilities and improvements, intangible assets and machinery and equipment.

Wastewater Capital Assets – Wastewater’s capital assets as of June 30, 2025 and 2024 consist of the following:

	<u>2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>2025</u>
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	2,878,789	871,019	(893,887) *	2,855,921
Total capital assets not being depreciated and amortized	<u>2,926,407</u>	<u>871,019</u>	<u>(893,887)</u>	<u>2,903,539</u>
Capital assets being depreciated and amortized:				
Facilities and improvements	4,153,796	892,722	—	5,046,518
Land Improvements	10,712	—	—	10,712
Intangible assets	11,029	—	—	11,029
Machinery and equipment	109,914	4,336	(501)	113,749
Right-to-use building lease assets	—	10,362	(2,902)	7,460
Right-to-use subscription assets	522	1,269	(64)	1,727
Total capital assets being depreciated and amortized	<u>4,285,973</u>	<u>908,689</u> *	<u>(3,467)</u>	<u>5,191,195</u>
Less accumulated depreciation and amortization for:				
Facilities and improvements	(1,626,208)	(75,629)	—	(1,701,837)
Land Improvements	(1,401)	(1,681)	—	(3,082)
Intangible assets	(7,702)	(1,283)	—	(8,985)
Machinery and equipment	(88,325)	(4,971)	501	(92,795)
Right-to-use building lease assets	—	(2,052)	—	(2,052)
Right-to-use subscription assets	(334)	(860)	64	(1,130)
Total accumulated depreciation and amortization	<u>(1,723,970)</u>	<u>(86,476)</u>	<u>565</u>	<u>(1,809,881)</u>
Total capital assets being depreciated and amortized, net	<u>2,562,003</u>	<u>822,213</u>	<u>(2,902)</u>	<u>3,381,314</u>
Total capital assets, net	\$ <u>5,488,410</u>	<u>1,693,232</u>	<u>(896,789)</u>	<u>6,284,853</u>

*Decrease in construction work in progress is less than increase in capital assets being depreciated is due to direct additions of \$11,630 to right-to-use building lease and subscription assets, direct additions of \$4,336 to buildings structures and machinery and equipment, and contributed capital of \$145 to building structures, offset by \$1,309 in capital project write-offs, mainly related Interim Sidestream Nutrient Removal Project.

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	<u>2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>2024</u>
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	2,232,963	879,443	(233,617) *	2,878,789
Total capital assets not being depreciated and amortized	<u>2,280,581</u>	<u>879,443</u>	<u>(233,617)</u>	<u>2,926,407</u>
Capital assets being depreciated and amortized:				
Facilities and improvements	3,923,910	229,886	—	4,153,796
Land Improvements	6,965	3,747	—	10,712
Intangible assets	10,760	269	—	11,029
Machinery and equipment	105,661	5,060	(807)	109,914
Right-to-use building lease assets	8,247	—	(8,247)	—
Right-to-use subscription assets	1,487	—	(965)	522
Total capital assets being depreciated and amortized	<u>4,057,030</u>	<u>238,962</u> *	<u>(10,019)</u>	<u>4,285,973</u>
Less accumulated depreciation and amortization for:				
Facilities and improvements	(1,551,767)	(74,441)	—	(1,626,208)
Land Improvements	(232)	(1,169)	—	(1,401)
Intangible assets	(6,473)	(1,229)	—	(7,702)
Machinery and equipment	(84,753)	(4,379)	807	(88,325)
Right-to-use building lease assets	(6,975)	(1,272)	8,247	—
Right-to-use subscription assets	(1,065)	(232)	963	(334)
Total accumulated depreciation and amortization	<u>(1,651,265)</u>	<u>(82,722)</u>	<u>10,017</u>	<u>(1,723,970)</u>
Total capital assets being depreciated and amortized, net	<u>2,405,765</u>	<u>156,240</u>	<u>(2)</u>	<u>2,562,003</u>
Total capital assets, net	\$ <u>4,686,346</u>	<u>1,035,683</u>	<u>(233,619)</u>	<u>5,488,410</u>

*Decrease in construction work in progress is less than increase in capital assets being depreciated is due to direct additions to buildings structures and machinery and equipment by \$48,080 and \$5,060, respectively, offset by \$47,795 in capital project write-offs, mainly related to the Channel Tunnel/Bayside Drainage Project. It was decided to shelve this project by management and expense the design costs due to higher than expected costs, reprioritization of other various projects and uncertain future regulatory requirements.

Hetchy Water Capital Assets – Hetchy Water’s capital assets as of June 30, 2025 and 2024 consist of the following:

	<u>2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>2025</u>
Capital assets not being depreciated and amortized:				
Land and rights-of-way	\$ 3,232	—	—	3,232
Intangible assets	6	—	—	6
Construction work in progress	85,884	18,952	(6,078) *	98,758
Total capital assets not being depreciated and amortized	<u>89,122</u>	<u>18,952</u>	<u>(6,078)</u>	<u>101,996</u>
Capital assets being depreciated and amortized:				
Facilities and improvements	320,540	5,427	—	325,967
Intangible assets	20,522	—	—	20,522
Machinery and equipment	31,201	960	(88)	32,073
Right-to-use building lease assets	198	397	—	595
Right-to-use subscription assets	170	449	(20)	599
Total capital assets being depreciated and amortized	<u>372,631</u>	<u>7,233</u> *	<u>(108)</u>	<u>379,756</u>
Less accumulated depreciation and amortization for:				
Facilities and improvements	(190,419)	(5,651)	—	(196,070)
Intangible assets	(10,568)	(207)	—	(10,775)
Machinery and equipment	(23,102)	(1,021)	88	(24,035)
Right-to-use building lease assets	(69)	(83)	—	(152)
Right-to-use subscription assets	(109)	(301)	20	(390)
Total accumulated depreciation and amortization	<u>(224,267)</u>	<u>(7,263)</u>	<u>108</u>	<u>(231,422)</u>
Total capital assets being depreciated and amortized, net	<u>148,364</u>	<u>(30)</u>	<u>—</u>	<u>148,334</u>
Total capital assets, net	\$ <u>237,486</u>	<u>18,922</u>	<u>(6,078)</u>	<u>250,330</u>

*Decrease in construction work in progress included \$332 in capital project write-offs, mainly related to the Camp Mather Leach Field Project. The remaining difference of \$1,487 to capital asset additions was offset by direct additions to facilities, improvements, machinery, and equipment.

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	<u>2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>2024</u>
Capital assets not being depreciated and amortized:				
Land and rights-of-way	\$ 3,232	—	—	3,232
Intangible assets	6	—	—	6
Construction work in progress	72,450	23,029	(9,595) *	85,884
Total capital assets not being depreciated and amortized	<u>75,688</u>	<u>23,029</u>	<u>(9,595)</u>	<u>89,122</u>
Capital assets being depreciated and amortized:				
Facilities and improvements	311,312	9,228	—	320,540
Intangible assets	20,522	—	—	20,522
Machinery and equipment	29,891	1,310	—	31,201
Right-to-use building lease assets	198	—	—	198
Right-to-use subscription assets	490	—	(320)	170
Total capital assets being depreciated and amortized	<u>362,413</u>	<u>10,538</u> *	<u>(320)</u>	<u>372,631</u>
Less accumulated depreciation and amortization for:				
Facilities and improvements	(185,066)	(5,353)	—	(190,419)
Intangible assets**	(10,361)	(207)	—	(10,568)
Machinery and equipment	(22,232)	(870)	—	(23,102)
Right-to-use building lease assets	(53)	(16)	—	(69)
Right-to-use subscription assets	(353)	(76)	320	(109)
Total accumulated depreciation and amortization	<u>(218,065)</u>	<u>(6,522)</u>	<u>320</u>	<u>(224,267)</u>
Total capital assets being depreciated and amortized, net	<u>144,348</u>	<u>4,016</u>	<u>—</u>	<u>148,364</u>
Total capital assets, net	\$ <u>220,036</u>	<u>27,045</u>	<u>(9,595)</u>	<u>237,486</u>

*The difference between decrease in construction work in progress and increase in capital assets being depreciated due to direct additions of \$943 to facilities, improvements, machinery, and equipment.

Hetchy Power Capital Assets – Hetchy Power’s capital assets as of June 30, 2025 and 2024 consist of the following:

	<u>2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>2025</u>
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	344,253	70,435	(60,078) *	354,610
Total capital assets not being depreciated and amortized	<u>347,633</u>	<u>70,435</u>	<u>(60,078)</u>	<u>357,990</u>
Capital assets being depreciated and amortized:				
Facilities and improvements	624,413	59,975	(8,601)	675,787
Intangible assets	25,333	250	—	25,583
Machinery and equipment	125,140	4,625	(141)	129,624
Right-to-use building lease assets	244	485	—	729
Right-to-use subscription assets	140	357	(16)	481
Total capital assets being depreciated and amortized	<u>775,270</u>	<u>65,692</u> *	<u>(8,758)</u>	<u>832,204</u>
Less accumulated depreciation and amortization for:				
Facilities and improvements	(271,340)	(16,290)	5,729	(281,901)
Intangible assets	(13,060)	(281)	—	(13,341)
Machinery and equipment	(80,575)	(4,096)	141	(84,530)
Right-to-use building lease assets	(87)	(101)	—	(188)
Right-to-use subscription assets	(89)	(240)	16	(313)
Total accumulated depreciation and amortization	<u>(365,151)</u>	<u>(21,008)</u>	<u>5,886</u>	<u>(380,273)</u>
Total capital assets being depreciated and amortized, net	<u>410,119</u>	<u>44,684</u>	<u>(2,872)</u>	<u>451,931</u>
Total capital assets, net	\$ <u>757,752</u>	<u>115,119</u>	<u>(62,950)</u>	<u>809,921</u>

*Decrease in construction work in progress included \$491 in capital project write-offs, mainly related to the Camp Mather Leach Field Project. The remaining difference of \$6,105 to capital asset additions was offset by direct additions to facilities, improvements, machinery, and equipment.

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	<u>2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>2024</u>
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	298,020	98,413	(52,180) *	344,253
Total capital assets not being depreciated and amortized	<u>301,400</u>	<u>98,413</u>	<u>(52,180)</u>	<u>347,633</u>
Capital assets being depreciated and amortized:				
Facilities and improvements	544,478	79,935	—	624,413
Intangible assets	25,333	—	—	25,333
Machinery and equipment	122,334	2,806	—	125,140
Right-to-use building lease assets	244	—	—	244
Right-to-use subscription assets	397	—	(257)	140
Total capital assets being depreciated and amortized	<u>692,786</u>	<u>82,741</u> *	<u>(257)</u>	<u>775,270</u>
Less accumulated depreciation and amortization for:				
Facilities and improvements	(257,186)	(14,154)	—	(271,340)
Intangible assets	(12,779)	(281)	—	(13,060)
Machinery and equipment	(76,634)	(3,941)	—	(80,575)
Right-to-use building lease assets	(66)	(21)	—	(87)
Right-to-use subscription assets	(283)	(63)	257	(89)
Total accumulated depreciation and amortization	<u>(346,948)</u>	<u>(18,460)</u>	<u>257</u>	<u>(365,151)</u>
Total capital assets being depreciated and amortized, net	<u>345,838</u>	<u>64,281</u>	<u>—</u>	<u>410,119</u>
Total capital assets, net	\$ <u>647,238</u>	<u>162,694</u>	<u>(52,180)</u>	<u>757,752</u>

*Decrease in construction work in progress included \$217 in capital project write-offs, mainly related to Distribution Interface Project. The remaining difference of \$30,778 to capital asset additions was offset by direct additions to facilities, improvements, machinery, and equipment.

CleanPowerSF Capital Assets - CleanPowerSF's capital assets as of June 30, 2025 and 2024 consist of the following:

	<u>2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>2025</u>
Capital assets being depreciated and amortized:				
Right-to-use subscription assets	\$ 37	199	(5)	231
Total capital assets being depreciated and amortized	<u>37</u>	<u>199</u>	<u>(5)</u>	<u>231</u>
Less accumulated depreciation and amortization for:				
Right-to-use subscription assets	(24)	(126)	5	(145)
Total accumulated depreciation and amortization	<u>(24)</u>	<u>(126)</u>	<u>5</u>	<u>(145)</u>
Total capital assets being depreciated and amortized, net	<u>13</u>	<u>73</u>	<u>—</u>	<u>86</u>
Total capital assets, net	\$ <u>13</u>	<u>73</u>	<u>—</u>	<u>86</u>

	<u>2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>2024</u>
Capital assets being depreciated and amortized:				
Right-to-use subscription assets	\$ 111	—	(74)	37
Total capital assets being depreciated and amortized	<u>111</u>	<u>—</u>	<u>(74)</u>	<u>37</u>
Less accumulated depreciation and amortization for:				
Right-to-use subscription assets	(81)	(17)	74	(24)
Total accumulated depreciation and amortization	<u>(81)</u>	<u>(17)</u>	<u>74</u>	<u>(24)</u>
Total capital assets being depreciated and amortized, net	<u>30</u>	<u>(17)</u>	<u>—</u>	<u>13</u>
Total capital assets, net	\$ <u>30</u>	<u>(17)</u>	<u>—</u>	<u>13</u>

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(Dollars in thousands, unless otherwise stated)

(5) Restricted Assets

Department-wide Business Type Activities

The following table summarizes the department-wide restricted assets as of June 30, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
Cash and investments with City Treasury	\$ 635,036	184,690
Cash and investments outside City Treasury	212,994	219,009
Interest and other receivables	64,534	134,615
Total restricted assets	<u>\$ 912,564</u>	<u>538,314</u>

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;
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.

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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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash and investments with City Treasury:		
Water revenue bond construction fund	\$ 137,436	71,015
Cash and investments outside City Treasury:		
2009C Certificates of participation - 525 Golden Gate	6	965
2009D Certificates of participation - 525 Golden Gate	8,574	7,345
2010A Water revenue bond fund	—	—
2010B Water revenue bond fund	6	22,813
2010D Water revenue bond fund	—	—
2010E Water revenue bond fund	6	16,495
2010F Water revenue bond fund	—	—
2010G Water revenue bond fund	17,844	18,994
2015A Water revenue refunding bond fund	—	7
2016A Water revenue refunding bond fund	177	13
2016B Water revenue refunding bond fund	1	1
2016C Water revenue bond fund	8	4
2017A Water revenue bond fund	—	1
2017B Water revenue bond fund	—	6
2017C Water revenue bond fund	—	—
2017D Water revenue refunding bond fund	10	6
2017E Water revenue refunding bond fund	2	1
2017G Water revenue refunding bond fund	5	—
2019A Water revenue refunding bond fund	11	7
2019B Water revenue refunding bond fund	1	1
2019C Water revenue refunding bond fund	1	1
2020A Water revenue bond fund	7	4
2020B Water revenue bond fund	3	2
2020C Water revenue bond fund	3	2
2020D Water revenue bond fund	—	1
2020E Water revenue refunding bond fund	4	3
2020F Water revenue refunding bond fund	17	17
2020G Water revenue refunding bond fund	—	1
2020H Water revenue refunding bond fund	1	1
2023A Water revenue bond fund	1,948	19,235
2023B Water revenue bond fund	353	3,551
2023C Water revenue refunding bond fund	121	99
2023D Water revenue refunding bond fund	14	19
2025A Water revenue refunding bond fund	117	—
2025B Water revenue refunding bond fund	6	—
2025C Water revenue refunding bond fund	7	—
2025D Water revenue refunding bond fund	28,830	—
2025E Water revenue refunding bond fund	13,271	—
2025F Water revenue refunding bond fund	239	—
Commercial Paper - Tax Exempt	28	17
Commercial Paper - Taxable	29	28
Habitat reserve endowment fund	14,246	13,610
Total cash and investments outside City Treasury	<u>85,896</u>	<u>103,250</u>
Interest and other receivables:		
Water bond construction, including interest, prepaids and other receivables	2,654	3,789
Due from other government for State Revolving Fund	23,806	129,580
	<u>26,460</u>	<u>133,369</u>
Total restricted assets	\$ <u>249,792</u>	<u>307,634</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.

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Wastewater Restricted Assets

The Bond indenture is a legally binding agreement between the SFPUC and U.S. Bank, N.A. (trustee) regarding the issuance of bonds and requires 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 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 bonds, parity State revolving and Federal fund loans, policy costs, and amounts due as reimbursement under any letter of credit agreement; and
3. 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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash and investments with City Treasury:		
Wastewater revenue bond construction fund	\$ 398,588	31,613
Cash and investments outside City Treasury:		
2009 Series C Certificates of Participation – 525 Golden Gate	2	255
2009 Series D Certificates of Participation – 525 Golden Gate	2,267	1,942
2010 Series A Wastewater revenue bond fund	151	145
2010 Series B Wastewater revenue bond fund	7,318	9,027
2013 Series B Wastewater revenue bond fund	2	1
2016 Series A Wastewater revenue bond fund	4	3
2016 Series B Wastewater revenue bond fund	2	1
2018 Series A Wastewater revenue bond fund	9	3
2018 Series B Wastewater revenue bond fund	15	4
2018 Series C Wastewater revenue bond fund	3	2
2021 Series A Wastewater revenue bond fund	8	2,239
2021 Series B Wastewater revenue bond fund	1	397
2022 Series B Wastewater revenue bond fund	46	43
2023 Series A Wastewater revenue bond fund	18,169	43,212
2023 Series B Wastewater revenue bond fund	6,936	15,998
2023 Series C Wastewater revenue bond fund	10	8
2021 Series A Wastewater revenue note fund	228	218
2021 Series B Wastewater revenue note fund	1	1
2020 WIFIA Biosolids Digester	15,981	15,248
2020 WIFIA Southeast Treatment Plant	13,509	12,885
2024 Series A Wastewater revenue bond fund	21,269	—
2024 Series B Wastewater revenue bond fund	7	—
2024 Series C Wastewater revenue bond fund	28,621	—
2024 Series D Wastewater revenue bond fund	4,492	—
Commercial Paper - Tax Exempt	77	76
Total cash and investments outside City Treasury	<u>119,128</u>	<u>101,708</u>
Interest and other receivables:		
Wastewater revenue bond construction fund including interest, prepaid, and other receivables	7,260	1,077
Due from other government for State Revolving Fund	30,301	—
	<u>37,561</u>	<u>1,077</u>
Total restricted assets	\$ <u>555,277</u>	<u>134,398</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.

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Hetchy Water Restricted Assets

Hetchy Water restricted assets held in trust consist of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash and investments with City Treasury:		
Hetch Hetchy bond construction fund	\$ 20,815	31,330
Total restricted assets	<u>\$ 20,815</u>	<u>31,330</u>

Restricted assets listed above as cash and investments with City Treasury are held in fund 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, 2021 Series AB Bonds, and 2023 Series A Bonds, and have a priority lien on the pledge of net revenues to the outstanding 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, 2021 Series AB Bonds, and 2023 Series A Bonds (the "Bonds" or "Bond").

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 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.

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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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash and investments with City Treasury:		
Hetch Hetchy construction fund	\$ 78,197	50,732
Cash and investments outside City Treasury:		
2009 Series C Certificates of Participation – 525 Golden Gate	1	131
2009 Series D Certificates of Participation – 525 Golden Gate	1,167	1,000
2015 Series A Revenue Bonds	2,310	2,205
2015 Series B Revenue Bonds	542	518
2021 Series AB Revenue Bonds	10	442
2023 Series A Revenue Bonds	3,914	9,730
Commercial Paper	<u>26</u>	<u>25</u>
Total restricted cash and investments outside City Treasury	<u>7,970</u>	<u>14,051</u>
Interest and other receivables:		
Hetch Hetchy construction fund	<u>513</u>	<u>169</u>
Total restricted assets	\$ <u>86,680</u>	<u>64,952</u>

Restricted assets listed above as cash and investments with City Treasury are held in fund accounts within the Hetchy Power Revenue Fund. These assets are subject to use restrictions that are externally imposed by creditors, grantor, contributors, or by the laws or regulations of other governments.

(6) Short-Term Debt

Department-wide Business Type Activities

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

	<u>2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>2025</u>
Water	\$ 190,000	142,400	(312,400)	20,000
Wastewater	341,373	648	(342,021)	—
Hetchy Power	<u>90,654</u>	<u>78,679</u>	<u>—</u>	<u>169,333</u>
SFPUC Total	\$ <u>622,027</u>	<u>221,727</u>	<u>(654,421)</u>	<u>189,333</u>

Water Short-Term Debt

The Commission and the Board of Supervisors have authorized the overall Interim Funding Program issuance of up to \$500,000, pursuant to the voter-approved 2002 Proposition E. In December 2024, the Board of Supervisors approved an expansion of the Water Enterprise Interim Funding Program by \$250,000 to a total Water Enterprise Interim Funding Program size of \$750,000. The program is made up of two components: (1) four series totaling \$550,000 (aggregate principal amount) that are for the issuance of either tax-exempt or taxable commercial paper and which are each supported by a high-grade bank credit facility in the form of a letter of credit or bank liquidity facility; and (2) two series totaling \$200,000 direct bank loan that can be used to make tax-exempt or taxable draws from a high-grade bank pursuant to a revolving credit agreement. As of June 30, 2025 and 2024, amounts outstanding under Proposition E were \$20,000 and \$190,000, respectively. Commercial paper interest rates ranged from 2.6% to 4.4%.

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.

As of June 30, 2025, the Water Enterprise has \$20,000 in outstanding commercial paper. As of June 30, 2024, the Water Enterprise had \$190,000 in outstanding commercial paper which were repaid by the 2025 Series DE Water revenue refunding bonds issued in June 2025.

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The commercial paper notes can be issued in the aggregate principal amounts of up to \$750,000 and may be marketed and re-marketed with maturities up to 270 days and are secured by four separate bank letters of credit and two revolving notes, as set forth below. The commercial paper notes and the revolving notes are payable from revenues, and are secured on a parity lien basis with each other. The commercial paper notes and the revolving notes, collectively, are secured on a basis subordinate to the payment of debt service on outstanding bonds and SRF Loans.

As of June 30, 2025, the commercial paper notes are secured by the following series. Series A-1/A-1-T, has a \$100 million letter of credit from Sumitomo Mitsui Banking Corporation, acting through its New York Branch, which expires on February 15, 2030. The agreement for the Series A-1/A-1-T credit facility stipulates a quarterly commitment fee of 0.32%, on the maintenance of ratings of at least "AA" by S&P and "Aa3" by Moody's. Series A-2/A-2-T, has a \$200 million letter of credit from Sumitomo Mitsui Banking Corporation, acting through its New York Branch, which expires on June 15, 2027. The agreement for the Series A-2/A-2-T credit facility stipulates a quarterly commitment fee of 0.29%, on the maintenance of ratings of at least "AA-" by S&P and "Aa3" by Moody's. Series A-3/A-3-T, has a \$100 million letter of credit from Barclays Bank PLC which expires on July 15, 2027. The agreement for the Series A-3/A-3-T credit facility stipulates a quarterly commitment fee of 0.38%, on the maintenance of ratings of at least "AA-" by S&P and "Aa3" by Moody's. Series A-4/A-4-T has a \$150 million Letter of Credit from PNC Bank, National Association, which expires on February 17, 2028. The agreement for the Series A-4/A-4-T credit facility stipulates a quarterly commitment fee of 0.30% on the maintenance of ratings of at least "AA-" by S&P and "Aa3" by Moody's.

BofA Securities, Inc., J.P. Morgan Securities LLC and Wells Fargo Bank, National Association, serve as dealers for the commercial paper notes. The annual fee paid to the dealer equals 0.05% of the average outstanding principal amount of the Notes managed by the Dealer.

The revolving notes were issued pursuant to the following series. Series R-1/R-1-T has a \$100 million revolving credit agreement with U.S. Bank National Association which expires on July 16, 2027. The R-1/R-1-T revolving credit agreement stipulates an unutilized quarterly commitment fee of 0.23%, on the maintenance of ratings of at least "AA-" by S&P and "Aa3" by Moody's. Series R-2/R-2-T has a \$100 million revolving credit agreement with Wells Fargo Bank, National Association, which expires of March 3, 2028. The R-2/R-2-T revolving credit agreement stipulates an unutilized quarterly commitment fee of 0.25% on the maintenance of ratings of at least "AA-" by S&P and "Aa3" by Moody's. The revolving credit agreement had \$0 outstanding as of June 30, 2025.

The commercial paper reimbursement agreement and the interim funding program revolving lines of credit for the Water Enterprise, contain a provision that in the event advances (or drawings) or loans remain unpaid, such advances (or drawings) or loans, will convert into term loans and will be subject to the repayment provisions relating thereto.

The Water Enterprise had \$730,000 and \$310,000 in unused authorization as of June 30, 2025 and 2024, respectively. Significant events of default 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, 2025, there were no such events describe herein.

Wastewater Short-Term Debt

The Commission and Board of Supervisors have authorized the overall Interim Funding Program issuance of up to \$750,000, pursuant to the voter-approved 2002 Proposition E. In December 2024, the Board of Supervisors approved an expansion of the Wastewater Enterprise Interim Funding Program by \$500,000 for a total Wastewater Enterprise Interim Funding Program size of \$1,250,000. The program is made up of three components: (1) five series totaling \$675,000 (aggregate principal amount) that are for the issuance of either tax-exempt or taxable commercial paper and which are each supported by a high-grade bank credit facility in the form of a letter of credit or bank liquidity facility; and (2) one series that is

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for a \$75,000 direct bank loan that can be used to make tax-exempt or taxable draws from a high-grade bank pursuant to a revolving credit agreement; and (3) unused authority totaling \$500,000 as of June 30, 2025. The Wastewater Enterprise had \$0 and \$341,373 in commercial paper outstanding as of June 30, 2025 and 2024, respectively. The \$341,373 was repaid by the 2024 Series CD Wastewater Revenue Bonds issued in July 2024 and was reclassified to long-term liabilities on the financial statements as of June 30, 2024.

The commercial paper notes can be issued or direct loan draws in the aggregate principal amounts of up to \$750,000, and may be marketed and re-marketed with maturities up to 270 days (or if directly drawn, subject to repayment provisions per the respective agreements) and are secured by six separate bank credit facilities, as set forth below. The commercial paper notes are payable from revenues and are secured on a parity lien basis with each other, collectively the "Subordinate Obligations". The Subordinate Obligations are secured on a subordinate basis to the payment of debt service on the Wastewater Revenue Bonds.

As of June 30, 2025, the Commercial Paper Notes are secured by the following series: Series A-1 secured by a \$150,000 letter of credit from Sumitomo Mitsui Bank expires on March 2, 2029. The agreement for the Series A-1 facility stipulates a commitment fee of 0.30%, on the maintenance of ratings of at least "Aa3" by Moody's and "AA-" by S&P. Series A-2 secured by a \$150,000 letter of credit facility stipulates a commitment fee of 0.27%, on the maintenance of ratings of at least "Aa3" by Moody's and "AA-" by S&P. Series A-4 secured by a \$150,000 liquidity facility from TD Bank expires on July 3, 2028. The agreement for the Series A-4 facility stipulates a commitment fee of 0.25% on the maintenance of ratings of at least "Aa2" by Moody's and "AA" by S&P. Series A-6 secured by a \$125,000 liquidity facility from Bank of America expires on August 2, 2027. The agreement for the Series A-6 facility stipulates a commitment fee of 0.42%, on the maintenance of ratings of at least "Aa3" by Moody's and "AA-" by S&P. Series A-7 secured by a \$100,000 letter of credit from Sumitomo Mitsui Bank expires on May 31, 2027. The agreement for the Series A-7 facility stipulates a commitment fee of 0.30%, on the maintenance of ratings of at least "Aa3" by Moody's and "AA-" by S&P.

Series R-1 secured by a \$75,000 revolving credit agreement with U.S. Bank National Association expires on July 31, 2027. The revolving credit agreement stipulates an unutilized quarterly commitment fee of 0.21%, on the maintenance of ratings of at least "Aa3" by Moody's and "AA-" by S&P. The revolving credit agreement had \$0 outstanding as of June 30, 2025.

Morgan Stanley & Co. LLC, RBC Capital Markets, LLC, and U.S. Bancorp Investments, Inc. serve as dealers for the commercial paper notes. The annual fee is 0.05% paid to Morgan Stanley & Co. LLC, and U.S. Bancorp Investments, Inc. and 0.045% paid to RBC Capital Markets, LLC.

The commercial paper reimbursement agreements and the commercial paper revolving credit and term loan agreements for the Wastewater Enterprise, contain a provision that in the event advances (or drawings) remain unpaid, such advances (or drawings) will convert into term loans and will be subject to the repayment provisions relating thereto.

The Wastewater Enterprise had \$1,250,000 and \$408,627 in unused authorization as of June 30, 2025 and 2024, respectively. Significant events of default 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, 2025 and 2024, there were no such events described herein.

Hetchy Water Short-Term Debt

Hetchy Water had no commercial paper outstanding as of June 30, 2025 and 2024.

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(Dollars in thousands, unless otherwise stated)

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. In December 2024, the Board of Supervisors approved an expansion of the Power Enterprise Interim Funding Program size to \$450,000. Interest rates for the commercial paper ranged from 2.7% to 3.7% and 2.8% to 3.7% in fiscal years 2025 and 2024, respectively. The Power Enterprise had \$169,333 and \$90,654 commercial paper outstanding as of June 30, 2025 and 2024, respectively. The Power Enterprise had \$280,667 and \$159,346 in unused authorization as of June 30, 2025 and 2024, respectively.

The commercial paper notes can be issued in the aggregate principal amounts of up to \$450,000 and may be marketed and re-marketed with maturities up to 270 days. The program is made up of two components: (1) three series totaling \$350,000 (aggregate principal amount) that are for the issuance of either tax-exempt or taxable commercial paper and which are each supported by a high-grade bank credit facility in the form of a letter of credit or bank liquidity facility; and (2) one series totaling \$100,000 as a direct bank loan that can be used to make tax-exempt or taxable draws from a high-grade bank pursuant to a revolving credit agreement. The commercial paper notes are payable from revenues, and are secured on a parity lien basis with each other and with the outstanding 2011 QECBs and 2015 NCREBs, collectively the "Subordinate Obligations." The Subordinate Obligations are secured on a subordinate basis to the payment of debt service on the Power Revenue Bonds.

As of June 30, 2025, the commercial paper notes are secured by the following series: Series A-1 is secured by a \$125,000 letter of credit from Bank of America N.A. which expires on March 6, 2026. The agreement for the Series A-1 facility stipulates a quarterly commitment fee of 0.31%, on the maintenance of ratings of at least "AA-" by S&P and "AA-" by Fitch Ratings. Series A-2 is secured by a \$125,000 letter of credit from Bank of America N.A. which expires on March 6, 2026. The agreement for the Series A-2 credit facility stipulates a quarterly commitment fee of 0.29%, on the maintenance of ratings of at least "AA-" by S&P and "AA-" by Fitch Ratings. Series A-3/A-3-T is secured by a \$100,000 letter of credit from Sumitomo Mitsui Banking Corporation which expires on February 15, 2030. The agreement for the Series A-3/A-3-T credit facility stipulates a quarterly commitment fee of 0.32%, on the maintenance of ratings of at least "AA-" by S&P and "AA-" by Fitch Ratings.

Barclays Capital Inc., Goldman Sachs & Co. LLC, and RBC Capital Markets, LLC serve as dealers for the commercial paper notes. The annual fee is 0.05% paid to Barclays Capital LLC and Goldman Sachs & Co. LLC and 0.045% paid to RBC Capital markets, LLC on the average outstanding principal amount of the commercial paper notes managed by the respective dealer.

The revolving notes were issued pursuant to the following series. Series R-1/R-1-T has a \$100,000 revolving credit agreement with Wells Fargo Bank N.A. which expires on March 3, 2028. The R-1/R-1-T revolving credit agreement stipulates an unutilized quarterly commitment fee of 0.25% on the maintenance of ratings of at least "AA-" by S&P and "AA-" by Fitch Ratings. The revolving credit agreement had \$0 outstanding as of June 30, 2025.

The commercial paper reimbursement agreements and the interim funding program revolving line of credit for the Power Enterprise contain a provision that in the event advances (or drawings) or loans remain unpaid, such advances (or drawings) will convert into term loans and will be subject to the repayment provisions relating thereto.

Significant events of default 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, 2025 and 2024, there were no such events described herein.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Notes to Basic Financial Statements

June 30, 2025 and 2024

(Dollars in thousands, unless otherwise stated)

CleanPowerSF Short-Term Debt

CleanPowerSF had no commercial paper outstanding as of June 30, 2025 and 2024.

(7) Changes in Long-Term Liabilities

Department-wide Long-Term Liability activities for the years ended June 30, 2025 and 2024 are as follows:

	Interest rate	Maturity (Calendar Year)	Restated 2024*	Additions	Reductions	2025	Due within one year
Revenue Bonds:							
2010B water revenue bonds (Build America)	4.00 – 6.00	2040	\$ 323,145	—	(323,145)	—	—
2010E water revenue bonds (Build America)	4.90 – 6.00	2040	318,290	—	(318,290)	—	—
2010G water revenue bonds (Build America)	6.95	2050	351,470	—	—	351,470	—
2010 wastewater series B (Build America)	4.65 – 5.82	2040	177,730	—	(7,745)	169,985	8,000
2013 wastewater series B	4.00 – 5.00	2042	93,095	—	—	93,095	—
2015A water revenue refunding bonds	2.00 – 5.00	2036	274,135	—	(274,135)	—	—
2016A water revenue refunding bonds	4.00 – 5.00	2039	573,500	—	(113,475)	460,025	26,050
2015 hetchy power series A revenue bonds	4.00 – 5.00	2045	32,025	—	—	32,025	—
2015 hetchy power series B revenue bonds	3.00 – 4.00	2026	2,005	—	(910)	1,095	945
2016B water revenue refunding bonds	1.50 – 5.00	2030	45,805	—	(13,720)	32,085	7,715
2016C water revenue bonds	0.87 – 4.19	2046	219,170	—	(6,275)	212,895	6,455
2016 wastewater series A	4.00 – 5.00	2046	235,105	—	(5,760)	229,345	6,055
2016 wastewater series B	4.00 – 5.00	2046	66,275	—	(1,625)	64,650	1,705
2017A water revenue bonds	5.00	2047	22,230	—	(22,230)	—	—
2017B water revenue bonds	5.00	2047	27,110	—	(27,110)	—	—
2017C water revenue bonds	5.00	2047	12,970	—	(12,970)	—	—
2017D water revenue refunding bonds	2.00 – 5.00	2035	257,295	—	(73,920)	183,375	20,515
2017E water revenue refunding bonds	4.00 – 5.00	2031	47,330	—	(835)	46,495	7,425
2017F water revenue refunding bonds	5.00	2031	7,270	—	(770)	6,500	875
2017G water revenue refunding bonds	2.03 – 2.91	2024	5,225	—	(5,225)	—	—
2018 wastewater series A	4.00 – 5.00	2043	214,175	—	(6,580)	207,595	6,915
2018 wastewater series B	5.00	2043	173,880	—	(11,690)	162,190	5,610
2019A water revenue refunding bonds	1.81 – 3.47	2043	393,080	—	(79,500)	313,580	2,050
2019B water revenue refunding bonds	3.15 – 3.52	2041	16,245	—	(75)	16,170	75
2019C water revenue refunding bonds	3.15 – 3.52	2041	17,695	—	(80)	17,615	80
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	183,635	—	(34,915)	148,720	595
2020F water revenue refunding bonds	0.26 – 3.15	2047	134,025	—	(16,360)	117,665	1,210
2020G water revenue refunding bonds	0.26 – 3.10	2043	64,660	—	(10,835)	53,825	7,525
2020H water revenue refunding bonds	0.26 – 3.15	2047	64,130	—	(10,515)	53,615	565
2021 wastewater series A	4.00 – 5.00	2051	260,835	—	—	260,835	—
2021 wastewater series B	5.00	2051	37,045	—	—	37,045	—
2022 wastewater series B	5.00	2034	137,080	—	(8,325)	128,755	10,175
2021 hetchy power series A revenue bonds	4.00 – 5.00	2051	74,280	—	(1,385)	72,895	1,455
2021 hetchy power series B revenue bonds	4.00 – 5.00	2051	49,720	—	(585)	49,135	620
2023A water revenue bonds	5.00 – 5.25	2052	349,495	—	—	349,495	—
2023B water revenue bonds	5.00 – 5.25	2052	64,540	—	—	64,540	—
2023C water revenue refunding bonds	4.00 – 5.00	2043	486,875	—	—	486,875	—
2023D water revenue refunding bonds	5.00	2035	27,980	—	—	27,980	—
2023 wastewater series A	5.00 – 5.25	2042	530,565	—	—	530,565	—
2023 wastewater series B	4.00 – 5.00	2042	278,155	—	(75,050)	203,105	—
2023 wastewater series C	4.00	2048	165,660	—	—	165,660	—
2023 hetchy power series A revenue bonds	5.00	2053	123,905	—	—	123,905	—
2024 wastewater series A	4.65	2027	—	431,110	—	431,110	—
2024 wastewater series B	4.65	2037	—	87,250	—	87,250	—
2024 wastewater series C	5.00	2054	—	539,720	—	539,720	—
2024 wastewater series D	5.00	2054	—	84,895	—	84,895	—
2025A water revenue refunding bonds	4.00 – 5.00	2047	—	467,960	—	467,960	33,260
2025B water revenue refunding bonds	5.00	2047	—	37,400	—	37,400	3,005
2025C water revenue refunding bonds	5.00	2047	—	18,075	—	18,075	1,435
2025D water revenue refunding bonds	5.00	2055	—	304,505	—	304,505	—
2025E water revenue refunding bonds	5.25	2055	—	133,480	—	133,480	—
2025F water revenue refunding bonds	4.00 – 5.00	2040	—	550,275	—	550,275	20,415
Qualified Energy Conservation Bonds	4.74	2027	2,021	—	(569)	1,452	576
New Clean Renewable Energy Bonds 2015	4.62	2032	1,343	—	(150)	1,193	152
Less issuance discount			(107)	(498)	10	(595)	—
Add issuance premiums			679,630	204,348	(111,310)	772,668	—
Total revenue bonds & notes payable			7,968,487	2,858,520	(1,576,054)	9,250,953	181,458

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Notes to Basic Financial Statements

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(Dollars in thousands, unless otherwise stated)

	Interest rate	Maturity (Calendar Year)	Restated 2024*	Additions	Reductions	2025	Due within one year
2009D COPs (Build America)	6.36 – 6.49	2041	\$ 124,975	—	(4,765)	120,210	4,965
State Revolving Fund Loans (CWSRF Loans) Water	1.00 – 1.10	2057	259,970	40,314	(249)	300,035	—
State Revolving Fund Loans (CWSRF Loans) Wastewater	0.80 – 1.80	2056	317,662	54,573	(5,629)	366,606	6,419
Water Infrastructure Finance and Innovation Act Loans (WIFIA)	1.45	2062	922,431	472,221	—	1,394,652	—
Wastewater Commercial Papers	3.57 – 3.75		341,373	648	(342,021)	—	—
Bond, loan, lease, and subscription interest payable			73,952	382,170	(367,555)	88,567	79,204
Arbitrage rebate payable			9,574	975	(3,977)	6,572	826
Net other postemployment benefits liability			247,902	5,681	(436)	253,147	—
Net pension liability			265,927	25,370	—	291,297	—
Accrued compensated absences #			71,367	3,952	—	75,319	40,308
Accrued workers' compensation			23,647	7,788	(6,750)	24,685	4,634
Due to other City departments**			—	—	—	—	—
Lease liability			3,093	6,370	(249)	9,214	2,923
Subscription liability			617	2,113	(668)	2,062	1,735
Damage claims liability			141,919	17,682	(64,606)	94,995	21,277
Liabilities payable from restricted assets			28,867	—	(7,608)	21,259	18,155
Wholesale balancing account			—	12,983	—	12,983	—
Pollution remediation obligations			7,722	—	(1,599)	6,123	—
Unearned revenues, refunds, and other			15,276	32,872	(35,344)	12,804	11,840
			\$ 10,824,761	3,924,232	(2,417,510)	12,331,483	373,744

*Restated due to implementation of GASB Statement No. 101, *Compensated Absences*.

#The change in accrued compensated absences above is the net change for the fiscal year.

**Ending balance Included elimination entries of \$291 interfund payables and receivables between Wastewater and Hetchy Power for the 525 Golden Gate Avenue Headquarters Living Machine and \$37,822 interfund payable and receivables between Water and Hetchy Power for the Mountain Tunnel Project.

	Interest rate	Maturity (Calendar Year)	2023	Additions	Reductions	Restated 2024*	Due within one year
Revenue Bonds:							
2010B water revenue bonds (Build America)	4.00 – 6.00	2040	\$ 336,390	—	(13,245)	323,145	13,725
2010E water revenue bonds (Build America)	4.90 – 6.00	2040	331,455	—	(13,165)	318,290	13,610
2010G water revenue bonds (Build America)	6.95	2050	351,470	—	—	351,470	—
2010 wastewater series B (Build America)	4.65 – 5.82	2040	185,235	—	(7,505)	177,730	7,745
2013 wastewater series A	1.00 – 5.00	2025	575	—	(575)	—	—
2013 wastewater series B	4.00 – 5.00	2042	93,095	—	—	93,095	—
2015A water revenue refunding bonds	2.00 – 5.00	2036	366,375	—	(92,240)	274,135	29,485
2016A water revenue refunding bonds	4.00 – 5.00	2039	686,945	—	(113,445)	573,500	24,800
2015 hetchy power series A revenue bonds	4.00 - 5.00	2045	32,025	—	—	32,025	—
2015 hetchy power series B revenue bonds	3.00 - 4.00	2026	2,885	—	(880)	2,005	910
2016B water revenue refunding bonds	1.50 – 5.00	2030	58,980	—	(13,175)	45,805	13,720
2016C water revenue bonds	0.87 – 4.19	2046	225,275	—	(6,105)	219,170	6,275
2016 wastewater series A	4.00 – 5.00	2046	240,580	—	(5,475)	235,105	5,760
2016 wastewater series B	4.00 – 5.00	2046	67,820	—	(1,545)	66,275	1,625
2017A water revenue bonds	5.00	2047	24,675	—	(2,445)	22,230	2,570
2017B water revenue bonds	5.00	2047	30,095	—	(2,985)	27,110	3,135
2017C water revenue bonds	5.00	2047	14,395	—	(1,425)	12,970	1,500
2017D water revenue refunding bonds	2.00 – 5.00	2035	345,340	—	(88,045)	257,295	10,230
2017E water revenue refunding bonds	4.00 – 5.00	2031	48,125	—	(795)	47,330	835
2017F water revenue refunding bonds	5.00	2031	8,005	—	(735)	7,270	770
2017G water revenue refunding bonds	2.03 – 2.91	2024	18,890	—	(13,665)	5,225	5,225
2018 wastewater series A	4.00 – 5.00	2043	221,335	—	(7,160)	214,175	6,580
2018 wastewater series B	5.00	2043	179,690	—	(5,810)	173,880	5,335
2019A water revenue refunding bonds	1.81 – 3.47	2043	587,825	—	(194,745)	393,080	2,700
2019B water revenue refunding bonds	3.15 – 3.52	2041	16,315	—	(70)	16,245	75
2019C water revenue refunding bonds	3.15 – 3.52	2041	17,775	—	(80)	17,695	80
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	335,035	—	(151,400)	183,635	915
2020F water revenue refunding bonds	0.26 – 3.15	2047	135,455	—	(1,430)	134,025	1,440
2020G water revenue refunding bonds	0.26 – 3.10	2043	108,970	—	(44,310)	64,660	6,360
2020H water revenue refunding bonds	0.26 – 3.15	2047	64,815	—	(685)	64,130	690
2021 wastewater series A	4.00 – 5.00	2051	260,835	—	—	260,835	—
2021 wastewater series B	5.00	2051	37,045	—	—	37,045	—
2022 wastewater series B	5.00	2034	137,080	—	—	137,080	8,325
2021 hetchy power series A revenue bonds	4.00 – 5.00	2051	74,280	—	—	74,280	1,385
2021 hetchy power series B revenue bonds	4.00 – 5.00	2051	49,720	—	—	49,720	585
2023A water revenue bonds	5.00 – 5.25	2052	—	349,495	—	349,495	—
2023B water revenue bonds	5.00 – 5.25	2052	—	64,540	—	64,540	—
2023C water revenue refunding bonds	4.00 – 5.00	2043	—	486,875	—	486,875	—
2023D water revenue refunding bonds	5.00	2035	—	27,980	—	27,980	—
2023 wastewater series A	5.00 – 5.25	2042	530,565	—	—	530,565	—
2023 wastewater series B	4.00 – 5.00	2042	278,155	—	—	278,155	—
2023 wastewater series C	4.00	2048	165,660	—	—	165,660	—
2023 hetchy power series A revenue bonds	5.00	2053	—	123,905	—	123,905	—
Qualified Energy Conservation Bonds	4.74	2027	2,583	—	(562)	2,021	569
New Clean Renewable Energy Bonds 2015	4.62	2032	1,491	—	(148)	1,343	150

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

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(Dollars in thousands, unless otherwise stated)

	Interest rate	Maturity (Calendar Year)	2023	Additions	Reductions	Restated 2024*	Due within one year
Less issuance discount			\$ (115)	—	8	(107)	—
Add issuance premiums			618,784	143,847	(83,001)	679,630	—
Revenue Notes:							
2021A wastewater - Biosolids	1.00	2025	218,355	—	(218,355)	—	—
2021B wastewater - SEP Headworks	1.00	2026	129,110	—	(129,110)	—	—
Add issuance premiums			2,091	—	(2,091)	—	—
Total revenue bonds & notes payable			7,988,244	1,196,642	(1,216,399)	7,968,487	177,109
2009D COPs (Build America)	6.36 – 6.49	2041	129,550	—	(4,575)	124,975	4,765
State Revolving Fund Loans (CWSRF Loans) Water	1.00 – 1.10	2057	163,627	97,477	(1,134)	259,970	—
State Revolving Fund Loans (CWSRF Loans) Wastewater	0.80 – 1.80	2056	318,689	1,498	(2,525)	317,662	5,629
Water Infrastructure Finance and Innovation Act Loans (WIFIA)	1.45	2062	122,357	800,074	—	922,431	—
Water Commercial Papers~	2.20 – 5.15	2023	371,459	—	(371,459)	—	—
Wastewater Commercial Papers^	3.15 – 3.74	2024	—	341,373	—	341,373	—
Hetchy Power Commercial Papers~	2.80 – 3.69	2024	116,352	—	(116,352)	—	—
Bond, loan, lease, and subscription interest payable			35,104	253,501	(214,653)	73,952	68,224
Arbitrage rebate payable			188	9,386	—	9,574	—
Net other postemployment benefits liability			234,816	18,439	(5,353)	247,902	—
Net pension liability			198,360	79,038	(11,471)	265,927	—
Accrued compensated absences #			31,972	39,395	—	71,367	37,718
Accrued workers' compensation			21,190	8,016	(5,559)	23,647	4,435
Due to other City departments**			4,048	—	(4,048)	—	—
Lease liability			5,614	—	(2,521)	3,093	1,063
Subscription liability			1,423	—	(806)	617	307
Damage claims liability			30,859	141,574	(30,514)	141,919	36,468
Liabilities payable from restricted assets			—	28,867	—	28,867	25,513
Pollution remediation obligations			9,071	—	(1,349)	7,722	—
Unearned revenues, refunds, and other			12,716	26,358	(23,798)	15,276	14,696
			\$ 9,795,639	3,041,638	(2,012,516)	10,824,761	375,927

*Restated due to implementation of GASB Statement No. 101, *Compensated Absences*.

#The change in accrued compensated absences above is the net change for the fiscal year.

~Water Enterprise and Hetchy Power's commercial paper was short-term in fiscal year 2024.

^Wastewater Enterprise, as of June 30, 2024, had \$341,373 in outstanding commercial paper which were repaid by 2024 Series CD Wastewater Revenue Bonds in July 2024. The \$341,373 has been reclassified to long-term liabilities on the financial statements.

**Ending balance Included elimination entries of \$405 interfund payables and receivables between Wastewater and Hetchy Power for the 525 Golden Gate Avenue Headquarters Living Machine.

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Notes to Basic Financial Statements

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(Dollars in thousands, unless otherwise stated)

Water Long-Term Liability activities for the years ended June 30, 2025 and 2024 are as follows:

	Interest rate	Maturity (Calendar Year)	Restated 2024*	Additions	Reductions	2025	Due within one year
Revenue Bonds:							
2010B revenue bonds (Build America)	4.00 – 6.00 %	2040	\$ 323,145	—	(323,145)	—	—
2010E revenue bonds (Build America)	4.90 – 6.00	2040	318,290	—	(318,290)	—	—
2010G revenue bonds (Build America)	6.95	2050	351,470	—	—	351,470	—
2015A revenue refunding bonds	2.00 – 5.00	2036	274,135	—	(274,135)	—	—
2016A revenue refunding bonds	4.00 – 5.00	2039	573,500	—	(113,475)	460,025	26,050
2016B revenue refunding bonds	1.50 – 5.00	2030	45,805	—	(13,720)	32,085	7,715
2016C revenue bonds	0.87 – 4.19	2046	219,170	—	(6,275)	212,895	6,455
2017A revenue bonds	5.00	2047	22,230	—	(22,230)	—	—
2017B revenue bonds	5.00	2047	27,110	—	(27,110)	—	—
2017C revenue bonds	5.00	2047	12,970	—	(12,970)	—	—
2017D revenue refunding bonds	2.00 – 5.00	2035	257,295	—	(73,920)	183,375	20,515
2017E revenue refunding bonds	4.00 – 5.00	2031	47,330	—	(835)	46,495	7,425
2017F revenue refunding bonds	5.00	2031	7,270	—	(770)	6,500	875
2017G revenue refunding bonds	2.03 – 2.91	2024	5,225	—	(5,225)	—	—
2019A revenue refunding bonds	1.81 – 3.47	2043	393,080	—	(79,500)	313,580	2,050
2019B revenue refunding bonds	3.15 – 3.52	2041	16,245	—	(75)	16,170	75
2019C revenue refunding bonds	3.15 – 3.52	2041	17,695	—	(80)	17,615	80
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	183,635	—	(34,915)	148,720	595
2020F revenue refunding bonds	0.26 – 3.15	2047	134,025	—	(16,360)	117,665	1,210
2020G revenue refunding bonds	0.26 – 3.10	2043	64,660	—	(10,835)	53,825	7,525
2020H revenue refunding bonds	0.26 – 3.15	2047	64,130	—	(10,515)	53,615	565
2023A revenue bonds	5.00 – 5.25	2052	349,495	—	—	349,495	—
2023B revenue bonds	5.00 – 5.25	2052	64,540	—	—	64,540	—
2023C revenue refunding bonds	4.00 – 5.00	2043	486,875	—	—	486,875	—
2023D revenue refunding bonds	5.00	2035	27,980	—	—	27,980	—
2025A revenue refunding bonds	4.00 – 5.00	2047	—	467,960	—	467,960	33,260
2025B revenue refunding bonds	5.00	2047	—	37,400	—	37,400	3,005
2025C revenue refunding bonds	5.00	2047	—	18,075	—	18,075	1,435
2025D revenue refunding bonds	5.00	2055	—	304,505	—	304,505	—
2025E revenue refunding bonds	5.25	2055	—	133,480	—	133,480	—
2025F revenue refunding bonds	4.00 – 5.00	2040	—	550,275	—	550,275	20,415
Less issuance discount			(107)	(498)	10	(595)	—
Add issuance premiums			330,679	129,352	(72,088)	387,943	—
Total revenue bonds payable			4,964,637	1,640,549	(1,416,458)	5,188,728	139,250
2009D COPs (Build America)	6.36 – 6.49	2041	89,232	—	(3,402)	85,830	3,545
State Revolving Funds Loan	1.00 – 1.10	2057	259,970	40,314	(249)	300,035	—
Bond, loan, lease, and subscription interest payable			41,546	216,605	(215,656)	42,495	37,030
Net other postemployment benefits liability			158,301	3,674	—	161,975	—
Net pension liability			152,643	14,335	—	166,978	—
Accrued compensated absences #			30,545	1,518	—	32,063	17,393
Accrued workers' compensation			11,002	5,083	(3,784)	12,301	2,365
Arbitrage rebate payable			869	952	—	1,821	536
Lease liability			2,821	—	(44)	2,777	966
Subscription liability			308	697	—	1,005	846
Damage claims liability			22,773	4,502	(12,326)	14,949	4,525
Wholesale balancing account			—	12,983	—	12,983	—
Pollution remediation obligations			1,271	—	(1,271)	—	—
Total			\$ 5,735,918	1,941,212	(1,653,190)	6,023,940	206,456

*Restated due to implementation of GASB Statement No. 101, *Compensated Absences*.

#The change in accrued compensated absences above is the net change for the fiscal year.

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	<u>Interest rate</u>	<u>Maturity (Calendar Year)</u>	<u>2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Restated 2024*</u>	<u>Due within one year</u>
Revenue Bonds:							
2010B revenue bonds (Build America)	4.00 – 6.00 %	2040	\$ 336,390	—	(13,245)	323,145	13,725
2010E revenue bonds (Build America)	4.90 – 6.00	2040	331,455	—	(13,165)	318,290	13,610
2010G revenue bonds (Build America)	6.95	2050	351,470	—	—	351,470	—
2015A revenue refunding bonds	2.00 – 5.00	2036	366,375	—	(92,240)	274,135	29,485
2016A revenue refunding bonds	4.00 – 5.00	2039	686,945	—	(113,445)	573,500	24,800
2016B revenue refunding bonds	1.50 – 5.00	2030	58,980	—	(13,175)	45,805	13,720
2016C revenue bonds	0.87 – 4.19	2046	225,275	—	(6,105)	219,170	6,275
2017A revenue bonds	5.00	2047	24,675	—	(2,445)	22,230	2,570
2017B revenue bonds	5.00	2047	30,095	—	(2,985)	27,110	3,135
2017C revenue bonds	5.00	2047	14,395	—	(1,425)	12,970	1,500
2017D revenue refunding bonds	2.00 – 5.00	2035	345,340	—	(88,045)	257,295	10,230
2017E revenue refunding bonds	4.00 – 5.00	2031	48,125	—	(795)	47,330	835
2017F revenue refunding bonds	5.00	2031	8,005	—	(735)	7,270	770
2017G revenue refunding bonds	2.03 – 2.91	2024	18,890	—	(13,665)	5,225	5,225
2019A revenue refunding bonds	1.81 – 3.47	2043	587,825	—	(194,745)	393,080	2,700
2019B revenue refunding bonds	3.15 – 3.52	2041	16,315	—	(70)	16,245	75
2019C revenue refunding bonds	3.15 – 3.52	2041	17,775	—	(80)	17,695	80
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	335,035	—	(151,400)	183,635	915
2020F revenue refunding bonds	0.26 – 3.15	2047	135,455	—	(1,430)	134,025	1,440
2020G revenue refunding bonds	0.26 – 3.10	2043	108,970	—	(44,310)	64,660	6,360
2020H revenue refunding bonds	0.26 – 3.15	2047	64,815	—	(685)	64,130	690
2023A revenue bonds	5.00 – 5.25	2052	—	349,495	—	349,495	—
2023B revenue bonds	5.00 – 5.25	2052	—	64,540	—	64,540	—
2023C revenue refunding bonds	4.00 – 5.00	2043	—	486,875	—	486,875	—
2023D revenue refunding bonds	5.00	2035	—	27,980	—	27,980	—
Less issuance discount			(115)	—	8	(107)	—
Add issuance premiums			251,596	136,522	(57,439)	330,679	—
Total revenue bonds payable			4,710,846	1,065,412	(811,621)	4,964,637	138,140
2009D COPs (Build America)	6.36 – 6.49	2041	92,499	—	(3,267)	89,232	3,402
State Revolving Funds Loan	1.00 – 1.10	2057	163,627	97,477	(1,134)	259,970	—
Commercial Papers~	2.20 – 5.15	2023	371,459	—	(371,459)	—	—
Bond, loan, lease, and subscription interest payable			35,104	221,095	(214,653)	41,546	37,924
Net other postemployment benefits liability			148,601	9,700	—	158,301	—
Net pension liability			115,343	37,300	—	152,643	—
Accrued compensated absences #			13,585	16,960	—	30,545	16,300
Accrued workers' compensation			9,735	4,336	(3,069)	11,002	2,188
Arbitrage rebate payable			—	869	—	869	—
Lease liability			4,010	—	(1,189)	2,821	1,028
Subscription liability			708	—	(400)	308	153
Damage claims liability			19,625	18,823	(15,675)	22,773	5,716
Pollution remediation obligations			1,271	—	—	1,271	—
Total			\$ 5,686,413	1,471,972	(1,422,467)	5,735,918	204,851

*Restated due to implementation of GASB Statement No. 101, *Compensated Absences*.

#The change in accrued compensated absences above is the net change for the fiscal year.

~Commercial paper recorded as short-term liability in fiscal year 2024.

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 (BAB) (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%. A portion of the proceeds from the 2025

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Series F bonds were used to defease 2010 Series B Bonds in the par amount of \$309,420. As of June 30, 2025 and 2024, the principal amount outstanding was \$0 and \$323,145, respectively.

b) **Water Revenue Bonds 2010 Series E**

In July 2010, 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%. A portion of the proceeds from the 2025 Series F bonds were used to defease 2010 Series E Bonds in the par amount of \$304,680. As of June 30, 2025 and 2024, the principal amount of 2010 Series E bonds outstanding was \$0 and \$318,290, respectively.

c) **Water Revenue Bonds 2010 Series G**

In December 2010, 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, 2025 and 2024, the principal amount of 2010 Series G bonds outstanding was \$351,470.

d) **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.

A portion of the proceeds of the 2023 Series C bonds were used to pay at closing a portion of the 2015 Series A bonds which had been tendered for purchase on August 10, 2023. The proceeds of the 2023 Series C bonds were sufficient to pay the accrued interest and tender price of maturities of the 2015 Series A bonds starting on November 1, 2028 to November 1, 2033 and November 1, 2036. On April 15, 2025, a portion of the proceeds from the 2025 Series A bonds together with other monies were used to current refund the 2015 Series A Bonds in the par amount of \$244,650 with maturities starting on November 1, 2025, to November 1, 2036. As of June 30, 2025 and 2024, the principal amount of 2015 Series A bonds outstanding was \$0 and \$274,135, respectively.

e) **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

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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.

A portion of the proceeds of the 2023 Series C bonds were used to pay at closing a portion of the 2016 Series A bonds which had been tendered for purchase on August 10, 2023. The proceeds of the 2023 Series C bonds were sufficient to pay the accrued interest and tender price of maturities of the 2016 Series A bonds starting on November 1, 2031 to November 1, 2035.

A portion of the proceeds from the 2025 Series A bonds together with other monies were used to pay at closing a portion of the 2016 Series A bonds which had been tendered for purchase on April 17, 2025. The proceeds of the 2025 Series A bonds were sufficient to pay accrued interest and tender price of maturities of the 2016 Series A bonds starting on November 1, 2024 to November 1, 2035.

As of June 30, 2025 and 2024, the principal amount of 2016 Series AB bonds outstanding was \$492,110 and \$619,305, respectively.

f) 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, 2025 and 2024, the principal amount of 2016 Series C bonds outstanding was \$212,895 and \$219,170, respectively.

g) 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.

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 were issued as serial and term bonds with coupons of 5.0% and a final maturity of 2047. 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 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 2017 Series A bonds starting on November 1, 2030 and thereafter. The defeased principal amount outstanding for the 2017 Series A Revenue Bonds were \$94,140 as June 30, 2024. On April 17, 2025, a portion of the proceeds from the 2025 Series A bonds together with other monies were used to current refund the 2017 Series A Bonds in the par amount of \$19,660. As of June 30, 2025 and 2024, the principal amount of 2017 Series A bonds outstanding was \$0 and \$22,230, respectively.

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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 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 2017 Series B bonds starting on November 1, 2030 and thereafter. The defeased principal amount outstanding for the 2017 Series B Revenue Bonds were \$114,795 as of June 30, 2024. On April 17, 2025, a portion of the proceeds from the 2025 Series B bonds together with other monies were used to current refund the 2017 Series B Bonds in the par amount of \$23,975. As of June 30, 2025 and 2024, the principal amount of 2017 Series B bonds outstanding was \$0 and \$27,110, respectively.

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 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 2017 Series C bonds starting on November 1, 2030 and thereafter. The defeased principal amount outstanding for the 2017 Series C Revenue Bonds were \$54,925 as of June 30, 2024. On April 17, 2025, a portion of the proceeds from the 2025 Series C bonds together with other monies were used to current refund the 2017 Series C Bonds in the par amount of \$11,470. As of June 30, 2025 and 2024, the principal amount of 2017 Series C bonds outstanding was \$0 and \$12,970, respectively.

h) 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. A portion of the proceeds of the 2023 Series C bonds were used to pay at closing a portion of the 2017 Series D bonds which had been tendered for purchase on August 10, 2023. The proceeds of the 2023 Series C bonds were sufficient to pay the accrued interest and tender price of maturities of the 2017 Series D bonds starting on November 1, 2031 to November 1, 2035.

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.

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

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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.

A portion of the proceeds from the 2025 Series A bonds were used to pay at closing a portion of the 2017 Series D bonds which had been tendered for purchase on April 17, 2025. The proceeds of the 2025 Series A bonds together with other monies were sufficient to pay accrued interest and tender price of maturities of a portion of the 2017 Series D bonds starting on November 1, 2030 to November 1, 2035. As of June 30, 2025 and 2024, the principal amount of 2017 Series DEFG bonds outstanding was \$236,370 and \$317,120, respectively.

i) 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. A portion of the proceeds of the 2023 Series C refunding bonds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement dated August 1, 2023 to refund and legally defease a portion of the outstanding 2019 Series A 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 portions of the maturities of the 2019 Series A bonds starting on November 1, 2024 to November 1, 2026 and November 1, 2029 to November 1 2033. A portion of the proceeds of the 2023 Series C bonds were used to pay at closing a portion of the 2019 Series A bonds which had been tendered for purchase on August 10, 2023. The proceeds of the 2023 Series C bonds were sufficient to pay the accrued interest and tender price of portions of maturities of the 2019 Series A bonds starting on November 1, 2026 to November 1, 2032, November 1, 2034, November 1, 2039 and November 1, 2043. The defeased principal amount outstanding for 2019 Series A Revenue Bonds were \$5,745 as of June 30, 2024.

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.

A portion of the proceeds from the 2025 Series A bonds were used to pay at closing a portion of the 2019 Series A bonds which had been tendered for purchase on April 17, 2025. The proceeds of the 2025 Series A bonds together with other monies were sufficient to pay accrued interest and tender price of maturities of a portion of the 2019 Series A bonds starting on November 1, 2025 to November 1, 2043. As of June 30, 2025 and 2024, the principal amount of 2019 Series ABC bonds outstanding was \$347,365 and \$427,020, respectively.

j) 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

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S&P, respectively. The 2020 Series ABCD bonds include term bonds with coupons of 3.0% to 5.0% and final maturity in 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, 2025 and 2024, 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, 2025 and 2024, the principal amount of 2020 Series B bonds outstanding was \$61,330.

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, 2025 and 2024, 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, 2025 and 2024, the principal amount of 2020 Series D bonds outstanding was \$49,200.

k) 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. A portion of the proceeds of the 2023 Series C bonds were used to pay at closing a portion of the 2020 Series E bonds which had been tendered for purchase on August 10, 2023. The proceeds of the 2023 Series C bonds were sufficient to pay the accrued interest and tender price of the 2020 Series E bonds maturing November 1, 2041. A portion of the proceeds from the 2025 Series A bonds were used to pay at closing a portion of the 2020 Series E bonds which had been tendered for purchase on April 17, 2025. The proceeds of the 2025 Series A bonds together with other monies were sufficient to pay accrued interest and tender price of maturities of a portion of the 2020 Series E bonds starting on November 1, 2025 to November 1, 2047.

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. A portion of the proceeds from the 2025 Series B bonds were used to pay at closing a portion of the 2020 Series F bonds which had been tendered for purchase on April 17, 2025. The proceeds of the 2025 Series B bonds together with other monies were sufficient to pay accrued interest and tender price of maturities of a portion of the 2020 Series F bonds starting on November 1, 2025 to November 1, 2047.

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. A portion of the proceeds of the 2023 Series D refunding bonds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement

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dated August 1, 2023 to refund and legally defease a portion of the outstanding 2020 Series G 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 portions of the maturities of the 2020 Series G bonds maturing on November 1, 2024 and November 1, 2025. A portion of the proceeds of the 2023 Series D bonds were used to pay at closing a portion of the 2020 Series G bonds which had been tendered for purchase on August 10, 2023. The proceeds of the 2023 Series D bonds were sufficient to pay the accrued interest and tender price of portions of maturities of the 2020 Series G bonds starting on November 1, 2026 to November 1, 2032 and November 1, 2035. The defeased principal amount outstanding for the 2020 Series G Revenue Bonds was \$1,495 as of June 30, 2024. A portion of the proceeds from the 2025 Series B bonds were used to pay at closing a portion of the 2020 Series G bonds which had been tendered for purchase on April 17, 2025. The proceeds of the 2025 Series B bonds together with other monies were sufficient to pay accrued interest and tender price of maturities of a portion of the 2020 Series G bonds starting on November 1, 2025 to November 1, 2032.

The 2020 Series H (Hetch Hetchy Water) bonds were issued for the purpose of refunding a portion of the outstanding 2017 Series C bonds maturing on or after November 1, 2030. A portion of the proceeds from the 2025 Series C bonds were used to pay at closing a portion of the 2020 Series H bonds which had been tendered for purchase on April 17, 2025. The proceeds of the 2025 Series C bonds together with other monies were sufficient to pay accrued interest and tender price of maturities of a portion of the 2020 Series H bonds starting on November 1, 2025 to November 1, 2047.

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, 2025 and 2024, the principal amount of 2020 Series EFGH bonds outstanding was \$373,825 and \$446,450, respectively.

l) Water Revenue Bonds 2023 Series AB

In July 2023, the Water Enterprise issued tax-exempt revenue bonds, 2023 Series AB in the aggregate amount of \$414,035. The purpose of the 2023 Series AB Bonds was to refund approximately \$373,000 aggregate principal amount of commercial paper notes and to provide approximately \$59,341 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 2023 Series AB bonds include serial and term bonds with coupons of 5.0% to 5.3% and final maturities in 2052.

The \$349,495 2023 Series A bonds were issued as tax-exempt bonds to refund approximately \$305,625 of commercial paper notes for Water Enterprise capital projects and to provide approximately \$59,299 new money for various capital projects for the Water Enterprise. The Series A bonds were issued as serial and term bonds with coupons of 5.0% to 5.3% and a final maturity of 2052. The Series A bonds have a true interest cost of 4.1%. As of June 30, 2025 and 2024, the principal amount of 2023 Series A bonds outstanding was \$349,495.

The \$64,540 Series B bonds were issued as tax-exempt bonds to refund approximately \$67,348 of commercial paper notes for Hetch Hetchy Water capital projects and approximately \$42 in new money for Hetch Hetchy Water capital projects. The Series B bonds were issued as serial and term bonds with coupons of 5.0% to 5.3% and have a final maturity of 2052. The Series B bonds have a true interest cost of 4.1%. As of June 30, 2025 and 2024, the principal amount of 2023 Series B bonds outstanding was \$64,540.

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m) Water Revenue Refunding Bonds 2023 Series CD

In August 2023, the Water Enterprise issued tax-exempt revenue bonds, 2023 Series CD refunding bonds in the aggregate amount of \$514,855. The 2023 Series C (WSIP, Green) bonds were issued for the purpose of paying the purchase price of a portion of the 2015 Series A revenue bonds maturing on or after November 1, 2028, a portion of the 2016 Series A revenue bonds maturing on or after November 1, 2031, a portion of the 2017 Series D revenue bonds maturing on or after November 1, 2031, a portion of the 2019 Series A (WSIP, Green) revenue bonds maturing on or after November 1, 2026, and a portion of the 2020 Series E (WSIP, Green) revenue bonds maturing on November 1, 2041 that were tendered for cash and advance refund portions of 2019 Series A maturing on or after November 1, 2024.

The 2023 Series D (Local Water) bonds were issued for the purpose of paying the purchase price of a portion of the 2020 Series G bonds maturing on or after November 1, 2026 that were tendered for cash and advance refund portions of 2020 Series G bonds maturing on or after November 1, 2024.

The bonds carried “Aa2” and “AA-” ratings from Moody’s and S&P, respectively. The 2023 Series CD bonds include serial bonds with interest rates of 4.0% to 5.0% and have a final maturity in 2043. The Series CD bonds have a true interest cost of 3.2%. The refunding resulted in the recognition of a deferred accounting gain of \$33,378, gross debt service savings of approximately \$85,376, and an economic gain of \$58,518 or 9.5% of refunded principal. As of June 30, 2025 and 2024, the principal amount of 2023 Series CD bonds outstanding was \$514,855.

n) Water Revenue Refunding Bonds 2025 Series ABC

In April 2025, the Water Enterprise issued tax-exempt revenue bonds, 2025 Series ABC refunding bonds in the aggregate amount of \$523,435. The 2025 Series A (WSIP, Green) bonds were issued for the purpose of current refunding 2015 Series A revenue bonds maturing on or after November 1, 2029, 2017 Series A (WSIP, Green) bonds maturing on or after November 1, 2025, and for the purpose of paying the purchase price of a portion of the 2016 Series A revenue bonds maturing on November 1, 2029, a portion of the 2017 Series D revenue bonds maturing on or after November 1, 2030, a portion of the 2019 Series A revenue bonds maturing on or after November 1, 2025, and a portion of the 2020 Series E bonds maturing on or after November 1, 2025.

The 2025 Series B (Regional and Local) bonds were issued for the purpose of current refunding 2017 Series B (Regional and Local Water) bonds maturing on or after November 1, 2025 and for the purpose of paying the purchase price of a portion of the 2020 Series F bonds maturing on or after November 1, 2025, and a portion of the 2020 Series G bonds maturing on or after November 1, 2025.

The 2025 Series C (Hetch Hetchy Water) bonds were issued for the purpose of current refunding 2017 Series C (Hetch Hetchy Water) bonds maturing on or after November 1, 2025 and for the purpose of paying the purchase price of a portion of the 2020 Series H bonds maturing on or after November 1, 2025.

The bonds carried “Aa2” and “AA-” ratings from Moody’s and S&P, respectively. The 2025 Series ABC bonds include serial bonds with interest rates of 4.0% to 5.0% and have a final maturity in November 1, 2047. The Series ABC bonds have a true interest cost of 3.3%. The refunding resulted in a \$19,815 accounting gain. As of June 30, 2025, the principal amount of 2025 Series ABC bonds outstanding was \$523,435

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o) Water Revenue Refunding Bonds 2025 Series DEF

In June 2025, the Water Enterprise issued tax-exempt revenue bonds and refunding bonds, 2025 Series DEF in the aggregate amount of \$988,260. The purpose of the 2025 Series DE Bonds was to refund approximately \$313,384 aggregate principal amount of commercial paper notes and to provide approximately \$92,362 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 2025 Series DE bonds include serial and term bonds with coupons of 5.0% to 5.3% and final maturities in 2055.

The purpose of the 2025 Series F bonds was to refund 2010 Series B and 2010 Series E Water Revenue Bonds originally issued as Build America Bonds through an extraordinary redemption provision at a prepayment price maturing on or after November 1, 2025. The bonds carried “Aa2” and “AA-” ratings from Moody’s and S&P, respectively. The 2025 Series F bonds included serial bonds with coupons of 5.0% and a final maturity of November 1, 2040. The Series F bonds have a true interest cost of 3.5%. As of June 30, 2025, the principal amount of 2025 Series DEF bonds outstanding was \$988,260.

p) 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, 2025. The federal interest subsidy amounts represent 35.0%, excluding sequestration, of the interest for the revenue bond 2010 Series G revenue bond.

	<u>Principal</u>	<u>Interest before subsidy</u>	<u>Federal interest subsidy*</u>	<u>Interest net of subsidy</u>
Fiscal years ending June 30:				
2026	\$ 139,250	217,241	(8,062)	209,179
2027	148,245	215,299	(8,062)	207,237
2028	152,775	208,298	(8,062)	200,236
2029	166,885	200,688	(8,062)	192,626
2030	175,080	192,497	(8,062)	184,435
2031-2035	983,215	830,967	(38,198)	792,769
2036-2040	1,152,855	578,523	(30,857)	547,666
2041-2045	701,490	364,183	(21,502)	342,681
2046-2050	557,000	231,760	(9,778)	221,982
2051-2055	510,010	91,668	(299)	91,369
2056-2058	114,575	2,909	—	2,909
Total	<u>4,801,380</u>	<u>3,134,033</u>	<u>(140,944)</u>	<u>2,993,089</u>
Less: Current portion	(139,250)			
Less: Unamortized bond discount	(595)			
Add: Unamortized bond premiums	387,943			
Long-term portion as of June 30, 2025	\$ <u>5,049,478</u>			

*The SFPUC received an IRS notice dated April 8, 2025 that the federal interest subsidies on the 2010 Series G bonds are reduced by 5.7%, or a total reduction of \$8,519, due to sequestration over the remaining life of the bonds assuming the sequestration rate will remain the same after fiscal year 2025.

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).

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q) 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 \$191,094, 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, 2025 and 2024 was \$164,252 and \$154,178, respectively.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal years ending June 30:			
2026	\$ —	—	—
2027	—	—	—
2028	4,722	1,643	6,365
2029	4,769	1,595	6,364
2030	4,817	1,548	6,365
2031-2035	24,816	7,005	31,821
2036-2040	26,082	5,740	31,822
2041-2045	27,413	4,409	31,822
2046-2050	28,811	3,011	31,822
2051-2055	30,281	1,542	31,823
2056-2057	12,541	188	12,729
Total	<u>164,252</u>	<u>26,681</u>	<u>190,933</u>
Less: Current portion	—		
Long-term portion as of June 30, 2025	\$ <u>164,252</u>		

r) 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 Improvement 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, 2025 and 2024 was \$135,783 and \$105,792, respectively.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal years ending June 30:			
2026	\$ —	—	—
2027	—	—	—
2028	—	—	—
2029	3,845	1,494	5,339
2030	3,887	1,451	5,338
2031-2035	20,087	6,606	26,693
2036-2040	21,216	5,476	26,692
2041-2045	22,409	4,284	26,693
2046-2050	23,669	3,024	26,693
2051-2055	25,000	1,693	26,693
2056-2058	15,670	345	16,015
Total	<u>135,783</u>	<u>24,373</u>	<u>160,156</u>
Less: Current portion	—		
Long-term portion as of June 30, 2025	\$ <u>135,783</u>		

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s) **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, 2025, 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, and 2021 against Prop A. The total authorization against Prop A was \$1,499,230 as of June 30, 2025.

t) **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, 2025, the Board of Supervisors authorized the issuance of \$6,157,510 in revenue bonds with \$5,305,913 issued against this authorization; in September 2017 and amended in April 2023, 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 \$191,094 (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, \$20,000 and \$190,000 in commercial paper were outstanding pursuant to this authorization as of June 30, 2025 and 2024, respectively.

u) **Events of Default and Remedies**

Significant Events of default as specified in the Water Enterprise Indenture (applicable to Water Revenue Bonds, and SRF 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, 2025 and 2024, there were no such events describe herein.

v) **Leases**

The Water Enterprise has entered into long-term leases for land, office space, and communication site. The terms and conditions for these leases vary, which range between 1 – 75 years.

Future annual lease payments for fiscal years 2025 and 2026 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal years ending June 30:			
2026	\$ 966	55	1,021
2027	365	38	403
2028	249	31	280
2029	216	25	241
2030	158	20	178
2031-2035	426	68	494
2036-2040	397	20	417
Total	<u>2,777</u>	<u>257</u>	<u>3,034</u>
Less: Current portion	<u>(966)</u>		
Long-term portion as of June 30, 2025	<u>\$ 1,811</u>		

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	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal years ending June 30:			
2025	\$ 1,028	55	1,083
2026	546	32	578
2027	135	26	161
2028	122	23	145
2029	85	21	106
2030-2034	418	77	495
2035-2039	436	29	465
2040-2044	51	1	52
Total	<u>2,821</u>	<u>264</u>	<u>3,085</u>
Less: Current portion	<u>(1,028)</u>		
Long-term portion as of June 30, 2024	<u>\$ 1,793</u>		

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 facility rental leases require the Water Enterprise 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 variable lease payments not included in the measurement of the lease liability were \$90 and \$79 during the year ended June 30, 2025 and 2024, respectively.

w) Subscription-Based Information Technology Arrangements (SBITAs)

The Water Enterprise has noncancellable subscription arrangements (similar to a lease) for the right to use various information technology hardware and software (SBITAs). The terms and conditions for these subscriptions varies, which ranges between 1 – 5 years.

Future annual subscription as of June 30, 2025 and 2024 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal years ending June 30:			
2026	\$ 846	22	868
2027	159	5	164
Total	<u>1,005</u>	<u>27</u>	<u>1,032</u>
Less: Current portion	<u>(846)</u>		
Long-term portion as of June 30, 2025	<u>\$ 159</u>		

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal years ending June 30:			
2025	\$ 153	4	157
2026	155	2	157
Total	<u>308</u>	<u>6</u>	<u>314</u>
Less: Current portion	<u>(153)</u>		
Long-term portion as of June 30, 2024	<u>\$ 155</u>		

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Wastewater Long-Term Liability activities for the years ended June 30, 2025 and 2024 are as follows:

	Interest rate	Maturity (Calendar Year)	Restated 2024*	Additions	Reductions	2025	Due within one year
Revenue bonds:							
2010 Series B (Build America)	4.65 – 5.82 %	2040	\$ 177,730	—	(7,745)	169,985	8,000
2013 Series B	4.00 – 5.00	2042	93,095	—	—	93,095	—
2016 Series A	4.00 – 5.00	2046	235,105	—	(5,780)	229,345	6,055
2016 Series B	4.00 – 5.00	2046	66,275	—	(1,625)	64,650	1,705
2018 Series A	4.00 – 5.00	2043	214,175	—	(6,580)	207,595	6,915
2018 Series B	5.00	2043	173,880	—	(11,690)	162,190	5,610
2021 Series A	4.00 – 5.00	2051	260,835	—	—	260,835	—
2021 Series B	5.00	2051	37,045	—	—	37,045	—
2022 Series B	5.00	2034	137,080	—	(8,325)	128,755	10,175
2023 Series A	5.00 – 5.25	2042	530,565	—	—	530,565	—
2023 Series B	4.00 – 5.00	2042	278,155	—	(75,050)	203,105	—
2023 Series C	4.00	2048	165,660	—	—	165,660	—
2024 Series A	4.65	2027	—	431,110	—	431,110	—
2024 Series B	4.65	2037	—	87,250	—	87,250	—
2024 Series C	5.00	2054	—	539,720	—	539,720	—
2024 Series D	5.00	2054	—	84,895	—	84,895	—
For issuance premiums			315,451	74,996	(37,401)	353,046	—
Total revenue bonds and notes payable			2,685,051	1,217,971	(154,176)	3,748,846	38,460
2009 Series D COPs (Build America)	6.36 – 6.49	2041	23,595	—	(900)	22,695	937
State Revolving Fund Loans (CWSRF)	0.80 – 1.80	2056	317,662	54,573	(5,629)	366,606	6,419
Water Infrastructure Finance and Innovation Act Loans (WIFIA)	1.45 – 3.65	2062	922,431	472,221	—	1,394,652	—
Commercial Papers	3.57 – 3.75		341,373	648	(342,021)	—	—
Bond, loan, lease, and subscription interest payable			32,406	165,565	(151,899)	46,072	42,174
Arbitrage rebate payable			8,521	—	(3,977)	4,544	290
Net other postemployment benefits liability			49,260	1,292	—	50,552	—
Net pension liability			67,299	7,040	—	74,339	—
Accrued compensated absences #			25,892	1,365	—	27,257	14,531
Accrued workers' compensation			9,012	1,886	(1,997)	8,901	1,602
Due to other City departments			405	—	(114)	291	115
Lease liability			—	5,488	—	5,488	1,766
Subscription liability			186	411	—	597	503
Damage claims liability			115,083	4,968	(40,950)	79,101	15,885
Pollution remediation obligations			6,451	—	(328)	6,123	—
Total			\$ 4,604,627	1,933,428	(701,991)	5,836,064	122,682

*Restated due to implementation of GASB Statement No. 101, *Compensated Absences*.

#The change in accrued compensated absences above is the net change for the fiscal year.

	Interest rate	Maturity (Calendar Year)	2023	Additions	Reductions	Restated 2024*	Due within one year
Revenue bonds:							
2010 Series B (Build America)	4.65 – 5.82 %	2040	\$ 185,235	—	(7,505)	177,730	7,745
2013 Series A	1.00 – 5.00	2025	575	—	(575)	—	—
2013 Series B	4.00 – 5.00	2042	93,095	—	—	93,095	—
2016 Series A	4.00 – 5.00	2046	240,580	—	(5,475)	235,105	5,780
2016 Series B	4.00 – 5.00	2046	67,820	—	(1,545)	66,275	1,625
2018 Series A	4.00 – 5.00	2043	221,335	—	(7,160)	214,175	6,580
2018 Series B	5.00	2043	179,690	—	(5,810)	173,880	5,335
2021 Series A	4.00 – 5.00	2051	260,835	—	—	260,835	—
2021 Series B	5.00	2051	37,045	—	—	37,045	—
2022 Series B	5.00	2034	137,080	—	—	137,080	8,325
2023 Series A	5.00 – 5.25	2042	530,565	—	—	530,565	—
2023 Series B	4.00 – 5.00	2042	278,155	—	—	278,155	—
2023 Series C	4.00	2048	165,660	—	—	165,660	—
For issuance premiums			339,240	—	(23,789)	315,451	—
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			2,091	—	(2,091)	—	—
Total revenue bonds and notes payable			3,086,466	—	(401,415)	2,685,051	35,370
2009 Series D COPs (Build America)	6.36 – 6.49	2041	24,458	—	(863)	23,595	900
State Revolving Fund Loans (CWSRF)	0.80 – 1.80	2056	318,689	1,498	(2,525)	317,662	5,629
Water Infrastructure Finance and Innovation Act Loans (WIFIA)	1.45	2062	122,357	800,074	—	922,431	—
Commercial Papers~	3.15 – 3.74	2024	—	341,373	—	341,373	—
Bond, loan, lease, and subscription interest payable			32,406	—	—	32,406	30,300
Arbitrage rebate payable			188	8,333	—	8,521	—
Net other postemployment benefits liability			49,035	225	—	49,260	—
Net pension liability			49,549	17,750	—	67,299	—
Accrued compensated absences #			11,662	14,230	—	25,892	13,705
Accrued workers' compensation			7,998	2,680	(1,666)	9,012	1,602
Due to other City departments			2,620	—	(2,215)	405	114
Lease liability			1,297	—	(1,297)	—	—
Subscription liability			429	—	(243)	186	93
Damage claims liability			4,350	112,467	(1,734)	115,083	28,742
Pollution remediation obligations			7,800	—	(1,349)	6,451	—
Total			\$ 3,686,898	1,331,036	(413,307)	4,604,627	116,455

*Restated due to implementation of GASB Statement No. 101, *Compensated Absences*.

#The change in accrued compensated absences above is the net change for the fiscal year.

~As of June 30, 2024, the Wastewater Enterprise had \$341,373 in outstanding commercial paper which were repaid by 2024 Series CD Wastewater Revenue Bonds in July 2024. The \$341,373 has been reclassified to long-term liabilities on the financial statements.

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

a) **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, 2025 and 2024, the 2010 Series B bonds’ principal amount outstanding was \$169,985 and \$177,730, respectively.

b) **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 had a true interest cost of 1.2% at issuance. 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.

A portion of the proceeds of the 2022 Series B refunding bonds was deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreements, dated July 1, 2022 to refund and legally defease a portion of the outstanding 2013 Series A 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. As of June 30, 2025 and 2024, the principal amount outstanding of the 2013 Series A bonds was \$0.

c) **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 was 3.6% at issuance.

A portion of the proceeds of the 2022 Series B and 2023 Series B refunding bonds was deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreements, date July 1, 2022 and April 1, 2023, respectively to refund and legally defease a portion of the outstanding 2013 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. The 2013 Series B bonds were defeased by the 2022 Series B and 2023 Series B bonds for \$147,920 and \$90,570, respectively. The remaining bonds mature through October 1, 2042. As of June 30, 2025 and 2024, the principal amount outstanding of the 2013 Series B bonds was \$93,095.

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d) 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, 2025 and 2024, the principal amount outstanding of the 2016 Series A bonds was \$229,345 and \$235,105, respectively.

e) 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, 2025 and 2024, the principal amount outstanding of the 2016 Series B bonds was \$64,650 and \$66,275, respectively.

f) 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 to 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, 2025 and 2024, the principal amount outstanding of the 2018 Series A bonds was \$207,595 and \$214,175, respectively.

g) 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%. A portion of the proceeds of the 2024 Series B Bonds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement, dated July 1, 2024, to refund and legally defease a portion of the outstanding 2018 Series B bonds. This deposit 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 2018 Series B bonds starting on October 1, 2026 and thereafter. As of June 30, 2025 and 2024, the principal amount outstanding of the 2018 Series B bonds was \$162,190 and \$173,880, respectively.

h) 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.

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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, 2025 and 2024, the principal amount of the 2021 Series A bonds outstanding was \$260,835.

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, 2025 and 2024, the principal amount of the 2021 Series B bonds outstanding was \$37,045.

i) 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 0.8%. As of June 30, 2025 and 2024, the principal amount of 2021 Series A Notes outstanding was \$0.

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 0.8%. As of June 30, 2025 and 2024, the principal amount of 2021 Series B Notes outstanding was \$0.

In March 2024, the Wastewater Enterprise deposited a portion of WIFIA disbursements with the trustee, acting as escrow agent under the irrevocable Escrow Agreements, dated March 1, 2024 to refund and legally defease the outstanding 2021 Series A Notes and 2021 Series B Notes. 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 were sufficient to redeem 2021 Series A Notes and 2021 Series B Notes with maturities October 1, 2025 and October 1, 2026, respectively. The defeased principal amount outstanding for 2021 Series A Notes and 2021 Series B Notes were \$218,355 and \$129,110, respectively, as of June 30, 2025. The refunding resulted in the recognition of an accounting gain in an aggregate amount of \$22,212.

j) Wastewater Revenue Refunding Bonds 2022 Series B

In July 2022, the Wastewater Enterprise issued tax-exempt revenue bonds, 2022 Series B in the aggregate principal amount of \$137,080 on a forward delivery basis. The 2022 Series B bonds were issued for the purpose of refunding a portion of the outstanding 2013 Series A bonds maturing on October 1, 2024 and October 1, 2025 and a portion of the outstanding 2013 Series B bonds maturing on October 1, 2024 through October 1, 2034. The 2013 Series A bonds were defeased by 2022 Series B bonds for \$1,870 in July 2022. The bonds carried "Aa2" and "AA" ratings from Moody's and S&P, respectively.

The 2022 Series B bonds include serial bonds, each with an interest rate of 5% and have a final maturity in 2034. The Series B bonds have a true interest cost of 3.2%. The refunding resulted in the recognition of a deferred accounting gain of \$6,868, gross debt service savings of \$12,446,

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and an economic gain of \$12,012 or 8.0% of refunded bonds. As of June 30, 2025 and 2024, the principal amount of the 2022 Series B bonds outstanding was \$128,755 and \$137,080, respectively.

k) Wastewater Revenue Refunding Bonds 2023 Series ABC

In April 2023, the Wastewater Enterprise issued tax-exempt revenue bonds, 2023 Series ABC in the aggregate principal amount of \$974,380. The purpose of the 2023 Series ABC bonds was to refund approximately \$557,845 aggregate principal amount of commercial paper notes, finance various capital projects of the Wastewater Enterprise, and refund certain outstanding revenue bonds. The bonds carried "Aa2" and "AA" ratings from Moody's and S&P, respectively.

The \$530,565 2023 Series A bonds were issued as tax-exempt Green Bonds to refund approximately \$400,900 of commercial paper notes for SSIP capital projects and finance certain capital projects benefitting the Enterprise. The Series A bonds were issued as serial bonds with coupons of 5.0% and 5.3% and a final maturity of 2042. The 2023 Series A bonds have a true interest cost of 2.9%. As of June 30, 2025 and 2024, the principal amount of the 2023 Series A bonds outstanding was \$530,565.

The \$278,155 2023 Series B bonds were issued as tax-exempt bonds to refund a portion of the outstanding 2013 Series B bonds maturing on October 1, 2035 through October 1, 2039, refund approximately \$156,900 of commercial paper notes for certain capital projects benefitting the Enterprise and finance certain capital projects benefitting the Enterprise. The Series B bonds were issued as serial bonds with coupons of 4.0% and 5.0% and a final maturity of 2042. The Series B bonds have a true interest cost of 3.0%. The refunding resulted in the recognition of a deferred accounting gain of \$5,316, gross debt service savings of \$10,626, and an economic gain of \$7,647 or 8.4% of refunded bonds. A portion of the proceeds of the 2024 Series B Bonds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement, dated July 1, 2024, to refund and legally defease a portion of the outstanding 2023 Series B bonds. This deposit 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 2023 Series B bonds starting on October 1, 2026 and thereafter. As of June 30, 2025 and 2024, the principal amount of the 2023 Series B bonds outstanding was \$203,105 and \$278,155, respectively.

The \$165,660 2023 Series C bonds were issued as tax-exempt Green Bonds to refund all of the outstanding 2018 Series C bonds. The Series C bonds were issued as serial bonds with a coupon of 4.0% and a final maturity of 2048. The 2023 Series C bonds have a true interest cost of 3.5%. The refunding resulted in the recognition of a deferred accounting gain of \$963, gross debt service savings of \$24,606, and an economic gain of \$15,785 or 8.8% of refunded bonds. As of June 30, 2025 and 2024, the principal amount of the 2023 Series C bonds outstanding was \$165,660.

l) Wastewater Revenue Refunding Bonds 2024 Series ABCD

In July 2024, the Wastewater Enterprise issued taxable and tax-exempt, 2024 Series ABCD, in the total aggregate principal amount of \$1,142,975. The purpose of the 2024 Series ABCD bonds were issued to retire approximately \$342,021 aggregate principal amount of commercial paper notes, finance various capital projects of the enterprise, and refund certain outstanding revenue bonds.

The \$431,110 2024 Series A Bonds were issued as taxable Green Bonds for the Sewer System Improvement Program (SSIP) to fund the Biosolids Digester Facility Project. The Series A were issued with a coupon rate of 4.7% and have a single maturity of 2027. The Series A have a true interest cost of 4.7%. The bonds carried a Aa2 rating from Moody's. As of June 30, 2025, the principal amount of the 2024 Series A bonds outstanding was \$431,100.

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The \$87,250 2024 Series B bonds were issued as taxable bonds for non-SSIP projects. The bonds were issued to defease a portion of the outstanding 2018 Series B bonds maturing on October 1, 2026 through October 1, 2043, and a portion of outstanding 2023 Series B bonds maturing October 1, 2026. The 2024 Series B bonds were issued as serial bonds with coupons of 4.6% to 5.1% and have a final maturity of 2037. The Series B bonds have a true interest cost of 5.0% The refunding resulted in the recognition of a deferred accounting gain/loss of \$8,135 of refunded bonds. The Series B bonds carried of “AA” and “Aa2” ratings from S&P and Moody’s, respectively. As of June 30, 2025, the principal amount of the 2024 Series B bonds outstanding was \$87,250.

The \$539,720 2024 Series C bonds were issued as tax-exempt Green Bonds to retire approximately \$270,189 of commercial paper notes for SSIP capital projects and finance certain capital projects benefitting the Enterprise. The Series C bonds were issued as serial bonds and term bonds with coupons of 5.0% and final maturity of 2054. The Series C bonds have a true interest cost of 4.2%. The bonds carried of “AA” and “Aa2” ratings from S&P and Moody’s, respectively. As of June 30, 2025, the principal amount of the 2024 Series C bonds outstanding was \$539,720.

The \$84,895 2024 Series D bonds were issued as tax-exempt bonds to retire approximately \$71,832 of commercial paper for non-SSIP projects and to finance certain capital project benefitting the Enterprise. The Series D were issued as serial bonds and term bonds with 5.0% coupons and a final maturity of 2054. The 2024 Series D bonds have a true interest cost of 4.2%. The bonds carried “Aa2” and “AA” ratings from Moody’s and S&P, respectively. As of June 30, 2025, the principal amount of the 2024 Series D bonds outstanding was \$84,895.

m) **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, 2025. The interest before subsidy amounts includes the interest for 2010 Series B, 2013 Series B, 2016 Series A and B, 2018 Series A and B, 2021 Series A and B bonds, 2022 Series B, 2023 Series A, B, and C bonds, and 2024 Series A, B, C, and D bonds. The federal interest subsidy amounts represent 35.0% of the interest, excluding sequestration, for the 2010 Series B revenue bonds.

	<u>Principal</u>	<u>Interest before subsidy</u>	<u>Federal interest subsidy*</u>	<u>Interest net of subsidy</u>
Fiscal years ending June 30:				
2026	\$ 38,460	161,374	(3,105)	158,269
2027	59,895	158,944	(2,968)	155,976
2028	528,685	144,966	(2,822)	142,144
2029	112,720	129,667	(2,668)	126,999
2030	118,370	123,857	(2,506)	121,351
2031-2035	592,025	529,328	(9,771)	519,557
2036-2040	565,485	384,154	(4,393)	379,761
2041-2045	560,520	248,782	(133)	248,649
2046-2050	456,425	135,701	—	135,701
2051-2055	363,215	41,859	—	41,859
Total	<u>3,395,800</u>	<u>2,058,632</u>	<u>(28,366)</u>	<u>2,030,266</u>
Less: Current portion	(38,460)			
Add: Unamortized bond premiums	353,046			
Long-term portion as of June 30, 2025	<u>\$ 3,710,386</u>			

*The SFPUC received IRS notice dated April 8, 2025 that the federal interest subsidy on the 2010 Series B bonds is reduced by 5.7% through fiscal year 2030, or a total reduction of \$1,715, due to sequestration over the remaining life of the bonds assuming the sequestration rate will remain the same after FY2025.

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).

n) **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

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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; completion was in October 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, 2025 and 2024, the principal amount outstanding of the loan was \$5,602 and \$5,775, respectively.

o) 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 Enterprise's outstanding revenue bonds. The SFPUC has received proceeds from loan disbursements to date totaling \$39,741. As of June 30, 2025 and 2024, the principal amount outstanding of the loan was \$34,272 and \$35,350, respectively.

p) 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 Enterprise's outstanding revenue bonds. The SFPUC has received proceeds from loan disbursements to date totaling \$17,706. As of June 30, 2025 and 2024, the principal amount outstanding of the loan was \$14,247 and \$14,744, respectively.

q) 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 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, 2025 and 2024, the principal amount outstanding of the loan was \$23,622 and \$24,445, respectively.

r) Oceanside Plant (OSP) Digester Gas Utilization Upgrade Project CWSRF Loan

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

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\$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. 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 \$45,103, which included a loan forgiveness grant of \$4,000 and a receivable for reimbursement of \$9,285. As of June 30, 2025 and 2024, the principal amount outstanding of the loan including capitalized interest was \$50,411 and \$30,067, respectively.

s) Southeast Plant (SEP) Biosolids Digester Facilities Project - CWSRF Loan and Grant

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 \$132,000, which includes a \$4,000 loan forgiveness grant. As of June 30, 2025 and 2024, the principal amount outstanding of the loan was \$128,000.

t) Southeast Plant (SEP) New Headworks (Grit) Replacement Project - CWSRF Loan

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 August 2027. 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 \$91,020 and a receivable for reimbursement of \$21,016. As of June 30, 2025 and 2024, the principal amount outstanding of the loan including capitalized interest was \$110,452 and \$79,281, respectively.

u) New Treasure Island Wastewater Treatment Plant

In June 2025, the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a CWSRF Loan to fund the New Treasure Island Wastewater Treatment Plant. The CWSRF loan is in the amount of \$110,000. The loan bears an interest rate of 1.7% 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 February 2027. The CWSRF loan is secured on a parity lien basis with the Wastewater Enterprise's outstanding revenue bonds. As of June 30, 2025 the Enterprise has not submitted any reimbursement requests to date and the principal amount outstanding of the loan was \$0.

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v) **Folsom Area Stormwater Improvement Project**

In June 2025 the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a CWSRF Loan to fund the Folsom Area Stormwater Improvement Project. The CWSRF loan is in the amount of \$50,000. 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 is expected in September 2028. The CWSRF loan is secured on a parity lien basis with the Wastewater Enterprise’s outstanding revenue bonds. As of June 30, 2025 the Enterprise has not submitted any reimbursement requests to date and the principal amount outstanding of the loan was \$0.

w) **Future Annual Debt Service of State Revolving Fund Loans (CWSRF Loans)**

The future annual debt service relating to the SRF Loans 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, 2025 is as follows:

	<u>Principal</u>	<u>Interest and Fees*</u>	<u>Total</u>
Fiscal years ending June 30:			
2026	\$ 6,419	3,172	9,591
2027	10,884	5,009	15,893
2028	11,036	4,856	15,892
2029	11,191	4,701	15,892
2030	11,348	4,544	15,892
2031-2035	59,182	20,281	79,463
2036-2040	63,469	15,994	79,463
2041-2045	68,077	11,385	79,462
2046-2050	68,944	6,467	75,411
2051-2055	50,874	2,195	53,069
2056	5,182	73	5,255
Total	<u>366,606</u>	<u>78,677</u>	<u>445,283</u>
Less: Current portion	<u>(6,419)</u>		
Long-term portion as of June 30, 2025	\$ <u>360,187</u>		

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

x) **Biosolids Digester Facility Project Water Infrastructure Finance Innovation Act Loan Agreement (WIFIA)**

In July 2018, the SFPUC entered into a WIFIA Loan Agreement with the United States Environmental Protection Agency (EPA) 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 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.

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In March of 2023, the SFPUC received disbursement of \$122,283 in respect to eligible project costs and a capitalized interest of \$74 added to principal. In January of 2024, the SFPUC received a second disbursement of \$439,995 in respect to eligible project costs. In February 2025, the SFPUC received a final disbursement of \$136,964. As of June 30, 2025 and 2024, the principal amount outstanding of the loan including capitalized interest was \$713,314 and \$567,511, respectively.

y) Southeast Treatment Plant Improvements Project - WIFIA Loan

In June 2020, another WIFIA Loan agreement with the United States Environmental Protection Agency in the amount of \$513,862 was executed. 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 Enterprise's net revenues and is on a parity lien basis with the SFPUC's outstanding Wastewater Revenue Bonds and Clean Water 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.

In January of 2024, the SFPUC received disbursement of \$352,573 in respect to eligible project costs. In February 2025, the SFPUC received a final disbursement of \$161,289. As of June 30, 2025 and 2024, the principal amount outstanding of the loan including capitalized interest was \$522,056 and \$354,920, respectively.

z) Master Loan Agreement and Project 1 Loan Agreement - WIFIA Loan

In April 2023, the SFPUC entered into a WIFIA Master Agreement and Project 1 Loan Agreement with the United States Environmental Protection Agency. The WIFIA Master Agreement and Project 1 Loan was entered into pursuant to the WIFIA authorized by Congress in 2014. The SFPUC entered the WIFIA Master Loan Agreement with the EPA in an amount not to exceed \$791,337 to provide partial funding for projects in the Wastewater Enterprise Capital Plan. The Master Agreement defines the general terms for funding a series of WIFIA loans, the first of which is the "Project 1 Loan Agreement". The incurrence of the Project 1 Loan Agreement, in an aggregate initial principal amount not to exceed \$369,335, will provide partial funding for six Wastewater Enterprise capital improvement projects. Those projects are Westside Pump Station Reliability Improvements, North Shore Pump Station Wet Weather Improvements, Wawona Area Stormwater Improvement, New Treasure Island Wastewater Treatment Plant, Folsom Area Stormwater Improvement, and Yosemite Creek Daylighting. Proceeds of the loan will fund 49% of project costs plus eligible expenses. The Project 1 Loan is on a parity lien basis with the SFPUC's outstanding Wastewater Revenue Bonds and Clean Water SRF Loans entered into with the California State Water Resources Control Board. The loan will bear a fixed interest rate of 3.65% for a 32-year term, with loan repayment expected to begin in fiscal year 2033. In February 2025, the SFPUC received disbursement of \$157,643. As of June 30, 2025 and 2024 the principal amount outstanding of the loan including capitalized interest was \$159,282 and \$0, respectively.

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(Dollars in thousands, unless otherwise stated)

aa) **Future Annual Debt Service of WIFIA Loans**

The future annual debt service relating to the WIFIA Loan to fund the Biosolids Digester Facility Project and the Southeast Treatment Plant Project outstanding as of June 30, 2025 is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal years ending June 30:			
2026	\$ —	5,190	5,190
2027	—	10,381	10,381
2028	—	10,381	10,381
2029	—	10,380	10,380
2030	—	10,380	10,380
2031-2035	—	101,652	101,652
2036-2040	—	118,820	118,820
2041-2045	111,009	116,086	227,095
2046-2050	332,557	96,741	429,298
2051-2055	441,799	64,130	505,929
2056-2060	436,539	25,487	462,026
2061-2062	72,748	1,423	74,171
Total	<u>1,394,652</u>	<u>571,051</u>	<u>1,965,703</u>
Less: Current portion	—		
Long-term portion as of June 30, 2025	<u>\$ 1,394,652</u>		

ab) **Events of Default and Remedies**

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, 2025 and 2024, there were no such events described herein.

ac) **Leases**

The Wastewater Enterprise as a lessee has entered into long-term leases for office space and communication site. The terms and conditions for these leases vary, which range between 1-75 years.

Future annual lease payments as of June 30, 2025:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal years ending June 30:			
2026	\$ 1,766	135	1,901
2027	1,817	84	1,901
2028	1,209	37	1,246
2029	696	11	707
Total	<u>5,488</u>	<u>267</u>	<u>5,755</u>
Less: Current portion	<u>(1,766)</u>		
Long-term portion as of June 30, 2025	<u>\$ 3,722</u>		

There were no future lease payments or balances as of June 30, 2024.

Variable Lease Payments

Variable lease payments, other than those payments that depend on an index or rate or are fixed in substance, are excluded for 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.

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Certain facility rental leases require the Enterprise 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 variable lease payments not included in the measurement of the lease liability were \$211 and \$4 during the years ended June 30, 2025 and 2024, respectively.

ad) **Subscription-Based Information Technology Arrangements (SBITAs)**

The Wastewater Enterprise has noncancellable subscription arrangements (similar to a lease) for the right to use various information technology hardware and software (SBITAs). The terms and conditions for these subscriptions vary, which ranges between 1-5 years.

Future annual subscription as of June 30, 2025 and 2024 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal years ending June 30:			
2026	\$ 503	13	516
2027	94	3	97
Total	<u>597</u>	<u>16</u>	<u>613</u>
Less: Current portion	<u>(503)</u>		
Long-term portion as of June 30, 2025	\$ <u>94</u>		

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal years ending June 30:			
2025	\$ 93	2	95
2026	93	1	94
Total	<u>186</u>	<u>3</u>	<u>189</u>
Less: Current portion	<u>(93)</u>		
Long-term portion as of June 30, 2024	\$ <u>93</u>		

Hetchy Water Long-Term Liability activities for the years ended June 30, 2025 and 2024 are as follows:

	<u>Restated 2024*</u>	<u>Additions</u>	<u>Reductions</u>	<u>2025</u>	<u>Due within one year</u>
Net other postemployment benefits liability	\$ 16,269	321	—	16,590	—
Net pension liability	19,090	1,320	—	20,410	—
Accrued compensated absences #	5,794	402	—	6,196	3,256
Accrued workers' compensation	1,297	203	(270)	1,230	238
Lease liability	122	397	(92)	427	86
Subscription liability	59	449	(300)	208	175
Damage claims liability	268	155	(126)	297	297
Unearned revenues, refunds, and other	106	26	(102)	30	24
Total	\$ <u>43,005</u>	<u>3,273</u>	<u>(890)</u>	<u>45,388</u>	<u>4,076</u>

*Restated due to implementation of GASB Statement No. 101, *Compensated Absences*.

#The change in accrued compensated absences above is the net change for the fiscal year.

	<u>2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Restated 2024*</u>	<u>Due within one year</u>
Net other postemployment benefits liability	\$ 14,907	3,469	(2,107)	16,269	—
Net pension liability	14,105	9,809	(4,824)	19,090	—
Accrued compensated absences #	2,266	3,528	—	5,794	2,995
Accrued workers' compensation	1,219	337	(259)	1,297	228
Lease liability	138	—	(16)	122	16
Subscription liability	139	—	(80)	59	30
Damage claims liability	700	96	(528)	268	121
Unearned revenues, refunds, and other	110	10	(14)	106	106
Total	\$ <u>33,584</u>	<u>17,249</u>	<u>(7,828)</u>	<u>43,005</u>	<u>3,496</u>

*Restated due to implementation of GASB Statement No. 101, *Compensated Absences*.

#The change in accrued compensated absences above is the net change for the fiscal year.

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Hetchy Power Long-Term Liability activities for the years ended June 30, 2025 and 2024 are as follows:

	Interest Rate	Maturity (Calendar Year)	Restated 2024*	Additions	Reductions	2025	Due within one year
Bonds:							
Qualified Energy Conservation Bonds	4.74 %	2027	\$ 2,021	—	(569)	1,452	576
New Clean Renewable Energy Bonds 2015	4.62	2032	1,343	—	(150)	1,193	152
2015 Series A Revenue Bonds	4.00 - 5.00	2045	32,025	—	—	32,025	—
2015 Series B Revenue Bonds	3.00 - 4.00	2026	2,005	—	(910)	1,095	945
2021 Series A Revenue Bonds	4.00 - 5.00	2051	74,280	—	(1,385)	72,895	1,455
2021 Series B Revenue Bonds	4.00 - 5.00	2051	49,720	—	(585)	49,135	620
2023 Series A Revenue Bonds	5.00	2053	123,905	—	—	123,905	—
Add issuance premiums			33,500	—	(1,821)	31,679	—
Total bonds payable			318,799	—	(5,420)	313,379	3,748
2009 Series D COPs (Build America)	6.36 – 6.49	2041	12,148	—	(463)	11,685	483
Net other postemployment benefits liability			19,883	394	—	20,277	—
Net pension liability			23,332	1,613	—	24,945	—
Accrued compensated absences #			8,028	491	—	8,519	4,462
Accrued workers' compensation			2,336	616	(699)	2,253	429
Arbitrage rebate payable			184	23	—	207	—
Due to other City departments			—	37,822	—	37,822	102
Lease liability			150	485	(113)	522	105
Liabilities payable from restricted assets			28,867	—	(7,608)	21,259	18,155
Subscription liability			51	357	(241)	167	141
Damage claims liability			3,774	7,758	(10,884)	648	570
Unearned revenues, refunds, and other			7,184	11,535	(10,442)	8,277	7,391
Total			\$ 424,736	61,094	(35,870)	449,960	35,586

*Restated due to implementation of GASB Statement No. 101, *Compensated Absences*.

#The change in accrued compensated absences above is the net change for the fiscal year.

	Interest Rate	Maturity (Calendar Year)	2023	Additions	Reductions	Restated 2024*	Due within one year
Bonds:							
Qualified Energy Conservation Bonds	4.74 %	2027	\$ 2,583	—	(562)	2,021	569
New Clean Renewable Energy Bonds 2015	4.62	2032	1,491	—	(148)	1,343	150
2015 Series A Revenue Bonds	4.00 - 5.00	2045	32,025	—	—	32,025	—
2015 Series B Revenue Bonds	3.00 - 4.00	2026	2,885	—	(880)	2,005	910
2021 Series A Revenue Bonds	4.00 - 5.00	2051	74,280	—	—	74,280	1,385
2021 Series B Revenue Bonds	4.00 - 5.00	2051	49,720	—	—	49,720	585
2023 Series A Revenue Bonds	5.00	2053	—	123,905	—	123,905	—
Less issuance discount			—	—	—	—	—
Add issuance premiums			27,948	7,325	(1,773)	33,500	—
Total bonds payable			190,932	131,230	(3,363)	318,799	3,599
2009 Series D COPs (Build America)	6.36 – 6.49	2041	12,593	—	(445)	12,148	463
Commercial Papers~	2.80 – 3.69	2024	116,352	—	(116,352)	—	—
Net other postemployment benefits liability			18,220	4,239	(2,576)	19,883	—
Net pension liability			17,239	11,989	(5,896)	23,332	—
Accrued compensated absences #			3,716	4,312	—	8,028	4,144
Accrued workers' compensation			2,238	663	(565)	2,336	417
Arbitrage rebate payable			—	184	—	184	—
Due to other City departments			1,946	—	(1,946)	—	—
Lease liability			169	—	(19)	150	19
Liabilities payable from restricted assets			—	28,867	—	28,867	25,513
Subscription liability			116	—	(65)	51	25
Damage claims liability			6,150	9,273	(11,649)	3,774	1,872
Unearned revenues, refunds, and other			6,460	7,465	(6,741)	7,184	6,604
Total			\$ 376,131	198,222	(149,617)	424,736	42,656

*Restated due to implementation of GASB Statement No. 101, *Compensated Absences*.

#The change in accrued compensated absences above is the net change for the fiscal year.

~Commercial papers were short-term in fiscal year 2024.

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CleanPowerSF Long-Term Liability activities for the years ended June 30, 2025 and 2024 are as follows:

	Restated 2024*	Additions	Reductions	2025	Due within one year
Net other postemployment benefits liability	\$ 4,189	—	(436)	3,753	—
Net pension liability	3,563	1,062	—	4,625	—
Accrued compensated absences #	1,108	176	—	1,284	666
Subscription liability	13	199	(127)	85	70
Damage claims liability	21	299	(320)	—	—
Unearned revenues, refunds, and other	7,986	21,311	(24,800)	4,497	4,425
Total	\$ 16,880	23,047	(25,683)	14,244	5,161

*Restated due to implementation of GASB Statement No. 101, *Compensated Absences*.

#The change in accrued compensated absences above is the net change for the fiscal year.

	2023	Additions	Reductions	Restated 2024*	Due within one year
Net other postemployment benefits liability	\$ 4,053	806	(670)	4,189	—
Net pension liability	2,124	2,190	(751)	3,563	—
Accrued compensated absences #	743	365	—	1,108	574
Subscription liability	31	—	(18)	13	6
Damage claims liability	34	915	(928)	21	17
Unearned revenues, refunds, and other	6,146	18,883	(17,043)	7,986	7,986
Total	\$ 13,131	23,159	(19,410)	16,880	8,583

*Restated due to implementation of GASB Statement No. 101, *Compensated Absences*.

#The change in accrued compensated absences above is the net change for the fiscal year.

a) **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 fiscal year 2028.

The future annual debt service relating to the QECBs outstanding as of June 30, 2025 is as follows:

	Principal	Interest before subsidy	Federal interest subsidy*	Interest net of subsidy
Fiscal years ending June 30:				
2026	\$ 576	62	(44)	18
2027	582	35	(24)	11
2028	294	7	(4)	3
Total	1,452	104	(72)	32
Less: Current portion	(576)			
Long-term portion as of June 30, 2025	\$ 876			

*The SFPUC received an IRS notice dated April 8, 2025 that the federal interest subsidy is reduced by 5.7% or a total reduction of \$4 due to sequestration over the remaining life of the bonds assuming the sequestration rate will remain the same after fiscal year 2025.

b) **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. \$1,272 of principal was prepaid in fiscal year 2021.

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The future annual debt service relating to the 2015 NCREBs outstanding as of June 30, 2025 is as follows:

Fiscal years ending June 30:	<u>Principal</u>	<u>Interest before subsidy</u>	<u>Federal interest subsidy*</u>	<u>Interest net of subsidy</u>
2026	\$ 152	53	(35)	18
2027	154	47	(31)	16
2028	156	39	(26)	13
2029	159	32	(21)	11
2030	161	25	(16)	9
2031-2033	411	28	(19)	9
Total	<u>1,193</u>	<u>224</u>	<u>(148)</u>	<u>76</u>
Less: Current portion	<u>(152)</u>			
Long-term portion as of June 30, 2025	<u>\$ 1,041</u>			

*The SFPUC received an IRS notice dated April 8, 2025 that the federal interest subsidy is reduced by 5.7% or a total reduction of \$9 due to sequestration over the remaining life of the bonds assuming the sequestration rate will remain the same after fiscal year 2025.

c) **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, 2025 and 2024, the outstanding principal amounts were \$33,120 and \$34,030, respectively.

The future annual debt service relating to the 2015 Series AB Bonds outstanding as of June 30, 2025 is as follows:

Hetchy Power - Power Revenue Bonds 2015 Series A (Green)

Fiscal years ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ —	1,593	1,593
2027	830	1,576	2,406
2028	1,020	1,534	2,554
2029	1,075	1,482	2,557
2030	1,125	1,427	2,552
2031-2035	6,535	6,208	12,743
2036-2040	8,340	4,358	12,698
2041-2045	10,640	1,997	12,637
2046	2,460	62	2,522
Total	<u>32,025</u>	<u>20,237</u>	<u>52,262</u>
Add: Unamortized bond premium	<u>2,622</u>		
Long-term portion as of June 30, 2025	<u>\$ 34,647</u>		

Hetchy Power - Power Revenue Bonds 2015 Series B

Fiscal years ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 945	25	970
2027	150	3	153
Total	<u>1,095</u>	<u>28</u>	<u>1,123</u>
Less: Current portion	<u>(945)</u>		
Add: Unamortized bond premium	<u>8</u>		
Long-term portion as of June 30, 2025	<u>\$ 158</u>		

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d) **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, 2025 and 2024, the outstanding principal amounts were \$122,030 and \$124,000, respectively.

The future annual debt service relating to the 2021 Series AB Bonds outstanding as of June 30, 2025 is as follows:

Hetchy Power - Power Revenue Bonds 2021 Series A (Green)

Fiscal years ending June 30:	Principal	Interest	Total
2026	\$ 1,455	2,979	4,434
2027	1,530	2,905	4,435
2028	1,605	2,826	4,431
2029	1,690	2,744	4,434
2030	1,775	2,658	4,433
2031-2035	10,155	12,016	22,171
2036-2040	12,430	9,734	22,164
2041-2045	15,185	6,981	22,166
2046-2050	18,550	3,618	22,168
2051-2052	<u>8,520</u>	<u>344</u>	<u>8,864</u>
Total	72,895	<u>46,805</u>	<u>119,700</u>
Less: Current portion	(1,455)		
Add: Unamortized bond premium	<u>13,181</u>		
Long-term portion as of June 30, 2025	\$ <u>84,621</u>		

Hetchy Power - Power Revenue Bonds 2021 Series B

Fiscal years ending June 30:	Principal	Interest	Total
2026	\$ 620	2,000	2,620
2027	650	1,969	2,619
2028	685	1,935	2,620
2029	715	1,900	2,615
2030	750	1,864	2,614
2031-2035	4,330	8,742	13,072
2036-2040	5,455	7,751	13,206
2041-2045	6,745	6,534	13,279
2046-2050	19,215	4,183	23,398
2051-2052	<u>9,970</u>	<u>403</u>	<u>10,373</u>
Total	49,135	<u>37,281</u>	<u>86,416</u>
Less: Current portion	(620)		
Add: Unamortized bond premium	<u>8,945</u>		
Long-term portion as of June 30, 2025	\$ <u>57,460</u>		

e) **Power Revenue Bonds 2023 Series A**

In October 2023, Hetchy Power issued tax-exempt power revenue bonds, 2023 Series A in the amount of \$123,905 with coupon interest rates of 5.0%. Proceeds from the bonds were used to finance or refinance Power Enterprise projects through the retirement of commercial paper issued as interim financing for such projects in furtherance of the Power Capital Improvement Program, to fund capitalized interest, and to pay costs of issuance. The bonds were rated “AA” and “AA-” by S&P and Fitch, respectively. Final maturity for 2023 Series A is November 1, 2053. The true interest cost is 4.56%. As of June 30, 2025 and 2024, the outstanding principal amount was \$123,905.

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The future annual debt service relating to the 2023 Series A Bonds outstanding as of June 30, 2025 are as follows:

Fiscal years ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ —	6,195	6,195
2027	1,075	6,168	7,243
2028	1,445	6,105	7,550
2029	1,820	6,024	7,844
2030	1,920	5,930	7,850
2031-2035	11,650	28,039	39,689
2036-2040	15,370	24,653	40,023
2041-2045	19,725	20,289	40,014
2046-2050	25,320	14,687	40,007
2051-2054	45,580	5,661	51,241
Total	<u>123,905</u>	<u>123,751</u>	<u>247,656</u>
Add: Unamortized bond premium	6,923		
Long-term portion as of June 30, 2025	<u>\$ 130,828</u>		

f) **Events of Default and Remedies**

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, 2025 and 2024, there were no such events described herein. See Note 16(a) for information about CleanPowerSF guarantee.

g) **Leases**

Hetch Hetchy has entered into long-term leases for office space and other equipment. The terms and conditions for these leases vary, which ranges between 1 to 75 years.

Future annual lease payments as of June 30, 2025:

<u>Hetchy Water</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal years ending June 30:			
2026	\$ 86	10	96
2027	90	8	98
2028	96	5	101
2029	101	3	104
2030	18	1	19
2031-2035	17	3	20
2036-2040	19	1	20
Total	<u>427</u>	<u>31</u>	<u>458</u>
Less: Current portion	(86)		
Long-term portion as of June 30, 2025	<u>\$ 341</u>		

<u>Hetchy Power</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal years ending June 30:			
2026	\$ 105	12	117
2027	111	9	120
2028	117	6	123
2029	123	3	126
2030	21	1	22
2031-2035	22	4	26
2036-2040	23	1	24
Total	<u>522</u>	<u>36</u>	<u>558</u>
Less: Current portion	(105)		
Long-term portion as of June 30, 2025	<u>\$ 417</u>		

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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 Hetch Hetchy 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. During the years ended June 30, 2025 and 2024, there were no amount recognized as expense for variable lease payments not included in the measurement of the lease liability.

h) Subscription-Based Information Technology Arrangements (SBITAs)

Hetch Hetchy has noncancellable subscription arrangements (similar to a lease) for the right to use various SBITAs. The terms and conditions for these subscriptions vary, which ranges between 1 to 5 years.

Future annual subscription as of June 30, 2025 is as follows:

Hetchy Water	Principal	Interest	Total
Fiscal years ending June 30:			
2026	\$ 175	6	181
2027	33	—	33
Total	<u>208</u>	<u>6</u>	<u>214</u>
Less: Current portion	(175)		
Long-term portion as of June 30, 2025	<u>\$ 33</u>		
Hetchy Power	Principal	Interest	Total
Fiscal years ending June 30:			
2026	\$ 141	4	145
2027	26	—	26
Total	<u>167</u>	<u>4</u>	<u>171</u>
Less: Current portion	(141)		
Long-term portion as of June 30, 2025	<u>\$ 26</u>		
CleanPowerSF	Principal	Interest	Total
Fiscal years ending June 30:			
2026	\$ 70	2	72
2027	15	—	15
Total	<u>85</u>	<u>2</u>	<u>87</u>
Less: Current portion	(70)		
Long-term portion as of June 30, 2025	<u>\$ 15</u>		

As of June 30, 2025 and 2024, no variable subscription payments were noted for Hetch Hetchy’s subscription IT arrangements.

(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 matured on November 1, 2022. The 2009 Series D certificates carry interest rates ranging from 6.4% to 6.5% and matured on November 1, 2041.

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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 the 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 service relating to the certificates of participation 2009 Series D outstanding as of June 30, 2025 are as follows:

Water Enterprise

	<u>Principal</u>	<u>Interest before subsidy</u>	<u>Federal interest subsidy*</u>	<u>Interest net of subsidy</u>
Fiscal years ending June 30:				
2026	\$ 3,545	5,431	(1,792)	3,639
2027	3,695	5,201	(1,716)	3,485
2028	3,852	4,961	(1,637)	3,324
2029	4,013	4,710	(1,555)	3,155
2030	4,180	4,450	(1,469)	2,981
2031-2035	23,737	17,863	(5,897)	11,966
2036-2040	29,271	9,297	(3,068)	6,229
2041-2042	13,537	887	(293)	594
Total	<u>85,830</u>	<u>52,800</u>	<u>(17,427)</u>	<u>35,373</u>
Less: Current portion	<u>(3,545)</u>			
Long-term portion as of June 30, 2025	\$ <u>82,285</u>			

*The SFPUC received an IRS notice dated April 8, 2025 that the federal interest subsidy on the 2009 Series D bonds is reduced by 5.7%, or a total reduction of \$1,053, due to sequestration over the remaining life of the bonds assuming the sequestration rate will remain the same after fiscal year 2025.

Wastewater Enterprise

	<u>Principal</u>	<u>Interest before subsidy</u>	<u>Federal interest subsidy*</u>	<u>Interest net of subsidy</u>
Fiscal years ending June 30:				
2026	\$ 937	1,436	(474)	962
2027	977	1,375	(454)	921
2028	1,019	1,312	(433)	879
2029	1,061	1,246	(411)	835
2030	1,105	1,177	(388)	789
2031-2035	6,276	4,723	(1,559)	3,164
2036-2040	7,740	2,458	(811)	1,647
2041-2042	3,580	234	(78)	156
Total	<u>22,695</u>	<u>13,961</u>	<u>(4,608)</u>	<u>9,353</u>
Less: Current portion	<u>(937)</u>			
Long-term portion as of June 30, 2025	\$ <u>21,758</u>			

*The SFPUC received an IRS notice dated April 8, 2025 that the federal interest subsidy on the 2009 Series D bonds is reduced by 5.7%, or a total reduction of \$278, due to sequestration over the remaining life of the bonds assuming the sequestration rate will remain the same after fiscal year 2025.

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Hetchy Power

	Principal	Interest before subsidy	Federal interest subsidy*	Interest net of subsidy
Fiscal years ending June 30:				
2026	\$ 483	739	(244)	495
2027	503	709	(234)	475
2028	524	675	(223)	452
2029	546	641	(212)	429
2030	569	606	(200)	406
2031-2035	3,232	2,432	(802)	1,630
2036-2040	3,985	1,266	(418)	848
2041-2042	1,843	121	(40)	81
Total	11,685	7,189	(2,373)	4,816
Less: Current portion	(483)			
Long-term portion as of June 30, 2025	\$ 11,202			

*The SFPUC received an IRS notice dated April 8, 2025 that the federal interest subsidy on the 2009 Series D bonds is reduced by 5.7%, or a total reduction of \$143, due to sequestration over the remaining life of the bonds assuming the sequestration rate will remain the same after fiscal year 2025.

(9) Revenue Pledge

Department-wide Business Type Activities - Department-wide revenue pledge for the years ended June 30, 2025 and 2024 are as follows:

	2025	2024
Bonds issued with revenue pledge	\$ 8,478,880	7,288,964
Clean Water State Revolving Fund (CWSRF) loans with revenue pledge	666,641	577,632
WIFIA loans with revenue pledge	1,394,652	922,431
Principal and interest remaining due at the end of the year	16,662,050	13,704,350
Principal and interest paid during the year	423,003	401,428
Net revenues for the year ended June 30	774,669	577,165
Funds available for debt service	1,291,765	1,076,907

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 2058.

The outstanding amount of revenue bonds and State Revolving Funds loan, total principal and interest remaining, principal and interest paid during fiscal years 2025 and 2024, applicable net revenues and funds available for debt service are as follows:

	2025	2024
Bonds issued with revenue pledge	\$ 4,801,380	4,634,065
Clean Water State Revolving Fund (CWSRF) loans with revenue pledge	300,035	259,970
Principal and interest remaining due at the end of the year	8,286,502	7,714,756
Principal and interest paid during the year	298,169	306,369
Net revenues for the year ended June 30	467,755	337,985
Funds available for debt service	646,772	555,585

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Wastewater Revenue Pledge

The Wastewater Enterprise has pledged future revenues to repay various revenue bonds, SRF, and WIFIA loans. Proceeds from the revenue bonds, revenue notes, SRF, and WIFIA loans provided financing for various capital construction projects, and to refund previously issued bonds. The bonds, SRF, and WIFIA loans are payable through fiscal years 2055, 2056, and 2062, respectively, and are solely from revenues of the Wastewater Enterprise.

The outstanding amount of revenue bonds issued, revenue notes issued, SRF loans, and WIFIA loans, total principal and interest remaining, principal and interest paid during fiscal years 2025 and 2024, applicable net revenues, and funds available for debt service are as follows:

	<u>2025</u>	<u>2024</u>
Bonds issued with revenue pledge	\$ 3,395,800	2,369,600
Clean Water State Revolving Fund (CWSRF) loans with revenue pledge	366,606	317,662
WIFIA loans with revenue pledge	1,394,652	922,431
Principal and interest remaining due at the end of the year	7,865,418	5,462,786
Principal and interest paid during the year	114,350	91,601
Net revenues for the year ended June 30	239,391	188,709
Funds available for debt service	416,307	354,681

Hetchy Power Revenue Pledge

Hetchy Power has pledged future power revenues to repay the 2011 QECBs and the 2015 NCREBs. Additionally, Hetchy Power has pledged future power revenues for 2015 Series AB, 2021 Series AB, and 2023 Series A power revenue bonds. Proceeds from the bonds provided financing for various capital construction and facility energy efficiency projects. 2015 Series AB, 2021 Series AB, and 2023 Series A power revenue bonds are payable through fiscal years 2046, 2052, and 2054, respectively, and are solely payable from net revenues of Hetchy Power on a senior lien basis to the 2011 QECBs and the 2015 NCREBs.

Outstanding bonds issued with revenue pledge, total principal and interest remaining, principal and interest paid during fiscal years 2025 and 2024, applicable net revenues, and funds available for debt service are as follows:

	<u>2025</u>	<u>2024</u>
Bonds issued with revenue pledge	\$ 281,700	285,299
Principal and interest remaining due at the end of the year	510,130	526,808
Principal and interest paid during the year*	10,484	3,458
Net revenues for the year ended June 30	67,523	50,471
Funds available for debt service	228,686	166,641

* Per Indenture, debt service for coverage is calculated using the amount of principal and interest paid during the year for the 2015 Series AB, 2021 Series AB, and 2023 Series A 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, 2021 Series AB, and 2023 Series A power revenue bonds was \$9,615, net of capitalized interest.

(10) Leases

Department-wide Business Type Activities

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.

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The SFPUC 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 SFPUC did not incur revenue related to residual value guarantees or lease termination penalties. The total amounts for SFPUC’s lease revenue, interest revenue, and other lease-related revenues recognized during the year ended June 30, 2025 and 2024 were \$210 and \$1,779, respectively.

		SFPUC		
		<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
2025	\$	187	23	210
2024		1,742	37	1,779

Water Enterprise as Lessor

The SFPUC 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 SFPUC did not incur revenue related to residual value guarantees or lease termination penalties. The total amounts for Water Enterprise’s lease revenue, interest revenue, and other lease-related revenues recognized during the year ended June 30, 2025 and 2024 were \$187 and \$1,742, respectively.

Principal and interest requirements to maturity for the lease receivable as of June 30, 2025 and 2024 are as follows:

		FY 2025		
Fiscal years ending June 30:		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$	2,752	748	3,500
2027		2,409	695	3,104
2028		2,423	645	3,068
2029		2,215	595	2,810
2030		2,164	566	2,730
2031-2035		10,936	2,128	13,064
2036-2040		6,264	1,123	7,387
2041-2045		141	943	1,084
2046-2050		—	1,090	1,090
2051-2055		—	1,263	1,263
2056-2060		411	1,054	1,465
2061-2065		973	725	1,698
2066-2070		1,384	584	1,968
2071-2075		1,893	389	2,282
2076+		1,928	122	2,050
Total \$		<u>35,893</u>	<u>12,670</u>	<u>48,563</u>

		FY 2024		
Fiscal years ending June 30:		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$	3,246	807	4,053
2026		2,676	748	3,424
2027		2,409	695	3,104
2028		2,423	645	3,068
2029		2,215	595	2,810
2030-2034		10,897	2,348	13,245
2035-2039		8,246	1,280	9,526
2040-2044		363	921	1,284
2045-2049		—	1,056	1,056
2050-2054		—	1,224	1,224
2055-2059		240	1,179	1,419
2060-2064		898	748	1,646
2065-2069		1,291	617	1,908
2070-2074		1,778	433	2,211
2075+		2,381	181	2,562
Total \$		<u>39,063</u>	<u>13,477</u>	<u>52,540</u>

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Wastewater Enterprise as Lessor

Variable payments include percentage of sales, or payments depended on an index made by the lessee; these amounts are generally determined periodically. The Wastewater Enterprise did not incur revenue related to residual value guarantees or lease termination penalties. The total amounts for Wastewater Enterprise’s lease revenue, interest revenue, and other lease-related revenues recognized during the years ended June 30, 2025 and 2024 were \$23 and 37, respectively.

Principal and interest requirements to maturity for the lease receivable as of June 30, 2025 and 2024 are as follows:

			FY 2025		
Fiscal years ending June 30:	Principal	Interest	Total		
2026	\$ 241	26	267		
2027	257	19	276		
2028	214	12	226		
2029	105	8	113		
2030	112	4	116		
2031-2035	89	1	90		
Total \$	<u>1,018</u>	<u>70</u>	<u>1,088</u>		
			FY 2024		
Fiscal years ending June 30:	Principal	Interest	Total		
2025	\$ 226	32	258		
2026	241	26	267		
2027	257	19	276		
2028	215	12	227		
2029	105	7	112		
2030-2033	201	6	207		
Total \$	<u>1,245</u>	<u>102</u>	<u>1,347</u>		

(11) Water Wholesale Balancing Account – Water Supply Agreement

Pursuant to the terms of the Water Supply Agreement (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; this annual cost is referred to as the Wholesale Revenue Requirement (WRR). 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 WRR calculation is subject to a trailing compliance audit and final review by the Wholesale Customers. During fiscal years ending in 2025 (estimated) and 2024 (audited), the WRR, net of adjustments, charged to such wholesale customers was \$333,210 and \$321,433, respectively.

As part of the final re-calculation of the WRR required by Article VII, Section 7.02 of the WSA, 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 the Balancing Account balance shall be taken into consideration in the determination of subsequent wholesale water rates. The Water Enterprise is estimated to owe the Wholesale Customers \$12,983 as of June 30, 2025. The Wholesale Customers owed the Water Enterprise \$26,121 as of June 30, 2024. Refer to the compliance audit report for the final balancing account available at <https://sfpuc.gov/about-us/reports/audited-financial-statements-annual-financial-reports>.

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(12) Other Non-Operating Revenues – Hetchy Power’s 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 was a Construction License to install a 400 MW high-voltage transmission line, with a four-year term. The Licensee paid Hetchy Power \$3,500 in Renewable Energy, Transmission and Grid Reliability. The Construction 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 project came on line November 29, 2010 and cumulative revenues of \$22,708 were recorded. Per agreement, the SFPUC 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, 2025, cumulative expenses of \$16,812 have been incurred, with \$2,235 and \$2,090 in fiscal years 2025 and 2024, 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 – 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 2025</u>	<u>Fiscal Year 2024</u>
Valuation Date (VD)	July 1, 2023 updated to June 30, 2024	July 1, 2022 updated to June 30, 2023
Measurement Date (MD)	June 30, 2024	June 30, 2023
Measurement Period (MP)	July 1, 2023 to June 30, 2024	July 1, 2022 to June 30, 2023

SFERS Plan – The City is an employer of the plan with a proportionate share of 94.70% as of June 30, 2024 (measurement date), 0.15% decreased from prior year, from 94.85% as of June 30, 2023 (measurement date). SFPUC’s allocation percentage was determined based on its employer contributions divided by the City’s total employer contributions for fiscal years 2024 and 2023. The

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net pension liability, deferred outflows/inflows of resources related to pensions, amortization of deferred outflows/inflows, and pension expense is based on its allocated percentage. SFPUC's allocation of the City's proportionate share was 7.64%: 4.35% for Water, 1.97% for Wastewater, 0.54% for Hetchy Water, 0.66% for Hetchy Power and 0.12% for CleanPowerSF as of June 30, 2024 (measurement date). SFPUC's allocation of the City's proportionate share was 7.62%: 4.34% for Water, 1.95% for Wastewater, 0.55% for Hetchy Water, 0.68% for Hetchy Power and 0.10% for CleanPowerSF as of June 30, 2023 (measurement date).

RBP – The Water Enterprise's allocation percentage was determined based on the Water Enterprise's total pension liability divided by the City's total headcount for fiscal year 2024. 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 1.91% as of June 30, 2024, and 1.95% as of June 30, 2023 (measurement dates).

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 City 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 <https://mysfers.org> or by writing to the San Francisco 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 Plan. The Retirement System pays benefits according to the category of employment and the type of benefit coverage provided by the City. The four main categories of Plan members are:

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.

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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. Proposition A passed on November 8, 2022 making members who retired before November 6, 1996 (Pre96 Retirees) eligible for a Supplemental COLA, even if SFERS is not fully funded based on the fair value of assets. Also, Pre96 Retirees' base retirement allowances were adjusted to account for Supplemental COLAs not received in 2013, 2014, 2017, 2018, and 2019 due to the full funding requirement. Effective with Proposition A, Pre96 Retirees receive the same Supplemental COLAs as the 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 fair 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 11.0% and 7.5% to 11.5% as a percentage of gross covered salary in fiscal years 2025 and 2024. 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, 2023 actuarial report, the required employer contribution rates for fiscal year 2025 ranged from 14.91% to 16.91%. Based on the July 1, 2022 actuarial report, the required employer contribution rates for fiscal year 2024 ranged from 15.24% to 18.24%.

Employer contributions and employee contributions made by the employer to the 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, 2024 and 2023 (measurement years) was \$636,991 and \$638,003, respectively. The SFPUC's allocation of employer contributions for fiscal years 2024 and 2023 (measurement periods) were \$48,529 and \$48,672, respectively. The Water Enterprise's allocation of employer contributions for fiscal years 2024 and 2023 (measurement periods) were \$27,653 and \$27,925, respectively. The Wastewater Enterprise's allocation of employer contributions for fiscal years 2024 and 2023 (measurement periods) were \$12,402 and \$12,383, respectively. Hetchy Water's allocation of employer contributions for fiscal years 2024 and 2023 (measurement periods) were \$3,518 and \$3,525, respectively. Hetchy Power's allocation of employer contributions for fiscal years 2024 and 2023 (measurement periods) were \$4,299 and \$4,308, respectively. CleanPowerSF's allocation of employer contributions for fiscal years 2024 and 2023 (measurement periods) were \$657 and \$531, respectively.

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 \$3,142 and \$4,614 replacement benefits in the years ended June 30, 2025 and June 30, 2024, respectively.

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Pension Liabilities/(Asset), Pension Expenses, and Deferred Outflows and Inflows of Resources Related to Pensions

Fiscal Year 2025

As of June 30, 2025, the City reported net pension liability (NPL) of \$3,913,361 for its proportionate share of the SFERS Plan and RBP, which includes the net pension liability for SFERS Plan of \$3,775,717 and the NPL of the RBP was \$137,644. The City's NPL for each of its cost-sharing plans is measured as a proportionate share of the plans' NPL. The net pension liability of the SFERS Plan is measured as of June 30, 2024 (measurement date), and the total pension liability for the SFERS Plan used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 rolled forward to June 30, 2024 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, 2025 was \$288,671 of which \$164,352 for Water Enterprise, \$74,339 for Wastewater Enterprise, \$20,410 for Hetchy Water, \$24,945 for Hetchy Power and \$4,625 for CleanPowerSF. The Water Enterprise's allocation of the total pension liability for the RBP as of June 30, 2025 was \$2,626.

For the year ended June 30, 2025, the City's recognized pension expense was \$734,019 for the SFERS Plan and pension expense of \$399 for RBP, including amortization of deferred outflows/inflows related pension items. SFPUC's allocation of pension expense for the SFERS Plan including amortization of deferred outflow/inflow related pension items were \$55,174 of which \$31,147, net of RBP of \$422, was for the Water Enterprise, \$15,675 was for the Wastewater Enterprise, \$3,264 was for Hetchy Water, \$3,989 was for Hetchy Power, and \$1,099 was for CleanPowerSF. Pension expense increased from the prior year, largely due to the amortization of deferrals.

As of June 30, 2025, 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							
		Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC Total
Fiscal Year 2025							
Pension contribution subsequent to the measurement date	\$	28,362	12,829	3,522	4,305	798	49,816
Differences between expected and actual experience		25,908	11,719	3,218	3,933	729	45,507
Changes in assumptions		12,962	5,863	1,609	1,967	366	22,767
Net difference between projected and actual earnings on pension plan investments		30,366	13,735	3,771	4,609	854	53,335
Change in employer's proportion		554	851	315	384	6	2,110
Total \$		98,152	44,997	12,435	15,198	2,753	173,535

SFERS Plan - Schedule of Deferred Inflows of Resources							
		Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC Total
Fiscal Year 2025							
Differences between expected and actual experience	\$	—	—	—	—	—	—
Changes in assumptions		3,953	1,788	491	600	111	6,943
Net difference between projected and actual earnings on pension plan investments		—	—	—	—	—	—
Change in employer's proportion		1,629	384	377	461	619	3,470
Total \$		5,582	2,172	868	1,061	730	10,413

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Water Enterprise - RBP

		Schedule of Deferred Outflows of Resources	Schedule of Deferred Inflows of Resources
Fiscal Year 2025			
Differences between expected and actual experience	\$	227	457
Changes in assumptions		28	446
Change in employer's proportion		412	565
Total \$		667	1,468

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/(benefit) as follows:

Fiscal years	SFERS Plan					SFPUC		RBP
	Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	Total	Water	
2026	\$ (6,821)	(2,281)	(1,000)	(1,222)	(449)	(11,773)	(519)	
2027	57,849	26,486	7,339	8,970	1,483	102,127	(350)	
2028	10,693	4,718	1,356	1,657	179	18,603	43	
2029	2,487	1,073	350	427	12	4,349	25	
Total \$	64,208	29,996	8,045	9,832	1,225	113,306	(801)	

Fiscal Year 2024

As of June 30, 2024, the City reported net pension liability (NPL) of \$3,588,821 for its proportionate share of the SFERS Plan and RBP, which includes the net pension liability for SFERS Plan of \$3,456,687 and the NPL of the RBP was \$132,134. The City's NPL for each of its cost-sharing plans is measured as a proportionate share of the plans' NPL. The net pension liability of the SFERS Plan is measured as of June 30, 2023 (measurement date), and the total pension liability for the SFERS Plan used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 rolled forward to June 30, 2023 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 2024 was \$263,344 of which \$150,060 for Water Enterprise, \$67,299 for Wastewater Enterprise, \$19,090 for Hetchy Water, \$23,332 for Hetchy Power and \$3,563 for CleanPowerSF. The Water Enterprise's allocation of the total pension liability for the RBP as of June 30, 2024 was \$2,583.

For the year ended June 30, 2024, the City's recognized pension expense was \$659,719 for the SFERS Plan and pension expense of \$7,557 for RBP, including amortization of deferred outflows/inflows related pension items. SFPUC's allocation of pension expense for the SFERS Plan including amortization of deferred outflow/inflow related pension items were \$48,429 of which \$26,330, net of RBP of \$1,422, was for the Water Enterprise, \$14,091 was for the Wastewater Enterprise, \$3,230 was for Hetchy Water, \$3,948 was for Hetchy Power, and \$830 was for CleanPowerSF. Pension expense increased from the prior year, largely due to the amortization of deferrals.

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As of June 30, 2024, 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 2024	Water	Wastewater	Hetchy	Hetchy	CleanPowerSF	SFPUC
			Water	Power		Total
Pension contribution subsequent to the measurement date	\$ 27,653	12,402	3,518	4,299	657	48,529
Differences between expected and actual experience	16,124	7,231	2,051	2,507	383	28,296
Changes in assumptions	19,421	8,710	2,470	3,021	461	34,083
Net difference between projected and actual earnings on pension plan investments	28,399	12,736	3,613	4,415	674	49,837
Change in employer's proportion	1,033	1,606	277	338	12	3,266
Total \$	<u>92,630</u>	<u>42,685</u>	<u>11,929</u>	<u>14,580</u>	<u>2,187</u>	<u>164,011</u>

SFERS Plan - Schedule of Deferred Inflows of Resources						
Fiscal Year 2024	Water	Wastewater	Hetchy	Hetchy	CleanPowerSF	SFPUC
			Water	Power		Total
Differences between expected and actual experience	\$ —	—	—	—	—	—
Changes in assumptions	8,861	3,974	1,127	1,378	210	15,550
Net difference between projected and actual earnings on pension plan investments	—	—	—	—	—	—
Change in employer's proportion	2,262	81	814	994	715	4,866
Total \$	<u>11,123</u>	<u>4,055</u>	<u>1,941</u>	<u>2,372</u>	<u>925</u>	<u>20,416</u>

Water Enterprise - RBP			
Fiscal Year 2024		Schedule of	Schedule of
		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	222	657
Changes in assumptions		202	532
Change in employer's proportion		472	993
Total \$		<u>896</u>	<u>2,182</u>

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/(benefit) as follows:

Fiscal years	SFERS Plan					SFPUC	RBP
	Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	Total	Water
2025	\$ (340)	769	(336)	(410)	(330)	(647)	(366)
2026	(9,299)	(3,318)	(1,374)	(1,680)	(422)	(16,093)	(550)
2027	55,297	25,168	7,151	8,740	1,225	97,581	(384)
2028	8,196	3,609	1,029	1,259	132	14,225	14
Total \$	<u>53,854</u>	<u>26,228</u>	<u>6,470</u>	<u>7,909</u>	<u>605</u>	<u>95,066</u>	<u>(1,286)</u>

Actuarial Assumptions

Fiscal Year 2025

A summary of the actuarial assumptions and methods used to calculate the Total Pension Liability for SFERS Plan as of June 30, 2024 (measurement year) is provided below, including any assumptions that differ from those used in the July 1, 2023 actuarial valuation. Refer to the July 1, 2023 actuarial valuation report for a complete description of all other assumptions, which can be found on the Retirement System's website <https://mysfers.org/>.

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<u>Key Actuarial Assumptions</u>	<u>SFERS Plan and Replacement Benefit Plan</u>				
Valuation Date	July 1, 2023 updated to June 30, 2024				
Measurement Date	June 30, 2024				
Actuarial Cost Method	Entry-Age Normal Cost				
Expected Rate of Return	7.20% net of investment expenses				
Municipal Bond Yield	3.93% as of June 30, 2024				
	3.65% as of June 30, 2023				
	Bond Buyer 20-Bond GO Index, June 29, 2023 and June 27, 2024				
Inflation	2.50%				
Salary Increases	3.25% plus merit component based employee classification and years of service				
Discount Rate	7.20% as of June 30, 2024				
	7.20% as of June 30, 2023				
Administrative Expenses	0.60% of payroll as of June 30, 2024				
	0.60% of payroll as of June 30, 2023				
		Old Miscellaneous and all New Plans	Old Police & Fire pre 7/1/75	Old Police & Fire, Charters A8.595 and A8.596	Old Police & Fire, Charters A8.559 and A8.585
Basic COLA June 30, 2024		2.00%	1.90%	2.50%	3.60%
Basic COLA June 30, 2023		2.00%	1.90%	2.50%	3.60%

Changes of Assumptions SFERS plan and Replacement Benefits Plan – There were no changes in the discount rate for the measurement period ended June 30, 2024. The municipal bond yield increased from 3.65% to 3.93%.

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, 2024 measurement date were 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, 2023.

Fiscal Year 2024

A summary of the actuarial assumptions and methods used to calculate the Total Pension Liability for SFERS Plan as of June 30, 2023 (measurement year) is provided below, including any assumptions that differ from those used in the July 1, 2022 actuarial valuation. Refer to the July 1, 2022 actuarial valuation report for a complete description of all other assumptions, which can be found on the Retirement System’s website <https://mysfers.org/>.

<u>Key Actuarial Assumptions</u>	<u>SFERS Plan and Replacement Benefit Plan</u>				
Valuation Date	July 1, 2022 updated to June 30, 2023				
Measurement Date	June 30, 2023				
Actuarial Cost Method	Entry-Age Normal Cost				
Expected Rate of Return	7.20% net of investment expenses				
Municipal Bond Yield	3.65% as of June 30, 2023				
	3.54% as of June 30, 2022				
	Bond Buyer 20-Bond GO Index, June 30, 2022 and June 29, 2023				
Inflation	2.50%				
Salary Increases	3.25% plus merit component based employee classification and years of service				
Discount Rate	7.20% as of June 30, 2023				
	7.20% as of June 30, 2022				
Administrative Expenses	0.60% of payroll as of June 30, 2023				
	0.60% of payroll as of June 30, 2022				
		Old Miscellaneous and all New Plans	Old Police & Fire pre 7/1/75	Old Police & Fire, Charters A8.595 and A8.596	Old Police & Fire, Charters A8.559 and A8.585
Basic COLA June 30, 2023		2.00%	1.90%	2.50%	3.60%
Basic COLA June 30, 2022		2.00%	1.90%	2.50%	3.60%

Changes of Assumptions SFERS plan and Replacement Benefits Plan – There were no changes in the discount rate for the measurement period ended June 30, 2023. The municipal bond yield increased from 3.54% to 3.65%.

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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, 2023 measurement date were 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, 2022.

Discount Rate

Fiscal Year 2025

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 7.20% as of June 30, 2024 and June 30, 2023 (measurement date).

The discount rate used to measure the Total Pension Liability as of June 30, 2024 was 7.20%. 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, 2023 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. However, the change due to Proposition A was amortized over 10 years. In the July 1, 2016 valuation, the increase in the unfunded actuarial liability attributable to the Supplemental COLAs granted effective July 1, 2013 was amortized over 17 years. For the July 1, 2021 valuation, all amortization periods for actuarial gains and losses and prior assumption changes were reduced to 5 years. The assumption change effective July 1, 2021 is amortized over 20 years. Future experience gains and losses and assumption or method changes on or after July 1, 2021 are amortized over 20 years. If the plan becomes 100% funded based on the actuarial value of assets, any new net surpluses are amortized over a rolling 20-year period. 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 were hired before Proposition C passed, 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 were hired after Proposition C passed, the fair value of assets must also exceed the actuarial liability 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. Most members receive a 1.50% Supplemental COLA when a full Supplemental COLA is granted.

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A 0.50% Supplement COLA is expected to be payable as of July 1, 2024 for most non-Prop C members due to the favorable investment returns for fiscal year ended 2024. 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
2026 +	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.

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 through 2106. Projected benefit payments are discounted at the long-term expected return on assets of 7.20% to the extent the fiduciary net position is available to make the payments and at the municipal bond rate of 3.93% to the extent they are not available. The single equivalent rate used to determine the Total Pension Liability as of June 30, 2024 is 7.20%.

The long-term expected rate of return on pension plan investments was 7.20%. 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 best-estimate of expected future nominal rates of return for each major asset class over 10 and 30-year horizons. These estimates were combined to produce the long-term expected rate of return by weighting the expected future nominal rates of return by the target asset allocation percentage.

The target allocation and best estimates of geometric long-term expected real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class are summarized in the following table.

Asset Class	Target Allocation from Jan 2021 - June 2024	Target Allocation Effective as of Jul 2024	Long-term Expected Real Rate of Return
Global Equity	37.0 %	32.0 %	4.2 %
Private Equity	23.0	20.0	7.2
Liquid Credit	5.0	12.0	3.9
Private Credit	10.0	10.0	5.9
Real Assets	10.0	10.0	5.5
Absolute Return	10.0	10.0	4.4
Treasuries	8.0	8.0	1.8
Cash	—	1.0	1.2
Leverage	(3.0)	(3.0)	1.6
Total	<u>100.0 %</u>	<u>100.0 %</u>	

RBP – The beginning and end of year measurements are based on different assumptions that result in different discount rates. The discount rate was 3.93% as of June 30, 2024. 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 29, 2023 and June 27, 2024. These are the rates used to determine the total pension liability as of June 30, 2024.

The inflation assumption of 2.50% compounded annually was used for projecting the annual IRC Section 415(b) limitations. The actual IRC Section 415(b) limitations published by the IRS of \$275 was used for the 2024 measurement date.

The SFERS assumptions about Basic and Supplemental COLA previously discussed also apply to the Replacement Benefits Plan, 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.

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On June 30, 2025, City’s membership in the RBP had a total of 284 active members and 154 retirees and beneficiaries currently receiving benefits. The Water Enterprise has 6 active members and 4 retirees and beneficiaries currently receiving benefits.

Fiscal Year 2024

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 7.20% as of June 30, 2023 and June 30, 2022 (measurement date).

The discount rate used to measure the Total Pension Liability as of June 30, 2023 was 7.20%. 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, 2022 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. However, the change due to Proposition A was amortized over 10 years. In the July 1, 2016 valuation, the increase in the unfunded actuarial liability attributable to the Supplemental COLAs granted effective July 1, 2013 was amortized over 17 years. For the July 1, 2021 valuation, all amortization periods for actuarial gains and losses and prior assumption changes were reduced to 5 years. The assumption change effective July 1, 2021 is amortized over 20 years. Future experience gains and losses and assumption or method changes on or after July 1, 2021 are amortized over 20 years. If the plan becomes 100% funded based on the actuarial value of assets, any new net surpluses are amortized over a rolling 20-year period. 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 were hired before Proposition C passed, 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 were hired after Proposition C passed, the fair value of assets must also exceed the actuarial liability 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. Most members receive a 1.50% Supplemental COLA when a full Supplemental COLA is granted.

No Supplemental COLA was payable as of July 1, 2023 due to the unfavorable investment return for fiscal year 2023. 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>
2025 +	0.75 %	0.50 %

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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 through 2104. Projected benefit payments are discounted at the long-term expected return on assets of 7.20% to the extent the fiduciary net position is available to make the payments and at the municipal bond rate of 3.65% to the extent they are not available. The single equivalent rate used to determine the Total Pension Liability as of June 30, 2023 is 7.20%.

The long-term expected rate of return on pension plan investments was 7.20%. 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 %	4.6 %
Private Equity	23.0	7.8
Private Credit	10.0	5.8
Real Assets	10.0	5.3
Hedge Funds/Absolute Returns	10.0	4.4
Treasuries	8.0	1.7
Liquid Credit	5.0	3.5
Leverage	(3.0)	1.4
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 3.65% as of June 30, 2023. 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 30, 2022 and June 29, 2023. These are the rates used to determine the total pension liability as of June 30, 2023.

The inflation assumption of 2.50% compounded annually was used for projecting the annual IRC Section 415(b) limitations. The actual IRC Section 415(b) limitations published by the IRS of \$265 was used for the 2023 measurement date.

The SFERS assumptions about Basic and Supplemental COLA previously discussed also apply to the Replacement Benefits Plan, 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, 2024, City’s membership in the RBP had a total of 227 active members and 149 retirees and beneficiaries currently receiving benefits. The Water Enterprise has 6 active members and 4 retirees and beneficiary currently receiving benefits.

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

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(asset)/liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate.

SFERS Plan - Schedule of Employers' Proportionate Share of the Net Pension (Asset)/Liability						
Fiscal Year 2025	Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC Total
1% Decrease Share of NPL @ 6.20%	\$ 378,334	171,127	46,983	57,423	10,646	664,513
Share of NPL @ 7.20%	164,352	74,339	20,410	24,945	4,625	288,671
1% Increase Share of (NPA) @ 8.20%	(11,966)	(5,412)	(1,486)	(1,816)	(337)	(21,017)

SFERS Plan - Schedule of Employers' Proportionate Share of the Net Pension (Asset)/Liability						
Fiscal Year 2024	Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC Total
1% Decrease Share of NPL @ 6.20%	\$ 351,972	157,852	44,775	54,725	8,357	617,681
Share of NPL @ 7.20%	150,060	67,299	19,090	23,332	3,563	263,344
1% Increase Share of (NPA) @ 8.20%	(16,414)	(7,362)	(2,088)	(2,552)	(390)	(28,806)

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.

Replacement Benefits Plan - Schedule of Employers' Proportionate Share of the Net Pension Liability	
Fiscal Year 2025	Water
1% Decrease Share of NPL @ 2.93%	\$ 3,100
Measurement Date @ 3.393%	2,626
1% Increase Share of NPL @ 4.93%	2,251
Fiscal Year 2024	Water
1% Decrease Share of NPL @ 2.65%	\$ 3,060
Measurement Date @ 3.65%	2,583
1% Increase Share of NPL @ 4.65%	2,207

b) Other Postemployment Benefits

The SFPUC participates in a single-employer defined benefit other postemployment benefits plan (the Plan). The Plan is maintained by the City and is administered through the City's Health Service System. It provides postemployment 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 OPEB 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.

San Francisco Health Service System Retiree Plan - Single-Employer		
	Fiscal Year 2025	Fiscal Year 2024
Valuation Date (VD)	June 30, 2024	June 30, 2022 updated to June 30, 2023
Measurement Date (MD)	June 30, 2024	June 30, 2023
Measurement Period (MP)	July 1, 2023 to June 30, 2024	July 1, 2022 to June 30, 2023

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, 2024 and June 30, 2023. 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, 2024 (measurement date) was 6.46%: 4.13% for the Water Enterprise, 1.29% for the Wastewater Enterprise, 0.42% for Hetchy Water, 0.52% for Hetchy Power, and 0.10% for CleanPowerSF. The SFPUC's proportionate share of the City's OPEB elements as of June 30, 2023 (measurement date) was 6.32%: 4.03% for the Water Enterprise, 1.26% for the Wastewater Enterprise, 0.41% for Hetchy Water, 0.51% for Hetchy Power, and 0.11% for CleanPowerSF.

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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 ¹ Age 60 with 10 years of credited service
	Safety	Age 50 with 5 years of credited service
Disabled Retirement ²		Any age with 10 years of credited service
Terminated Vested		5 years of credited service at separation

¹ 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 under Charter Section 8.603.

² 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 – Blue Shield (self-insured) and UHC Medicare Advantage (fully-insured)
HMO – Kaiser (fully-insured) and Blue Shield (flex-funded) and Health Net (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 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 2025

For the fiscal year ended June 30, 2025, the City’s funding was based on “pay as you go” plus a contribution of \$52,126 to the Retiree Healthcare Trust Fund. The “pay as you go” portion paid by the City was \$248,806 for a total contribution of \$300,932 for the fiscal year ended June 30, 2025. The SFPUC’s proportionate share of contributions for fiscal year 2025 was \$19,425: \$12,429 for Water Enterprise, \$3,879 for the Wastewater Enterprise, \$1,273 for Hetchy Water, \$1,556 for Hetchy Power, and \$288 for CleanPowerSF and will be recognized as a reduction of the net OPEB liability in the reporting year ending June 30, 2026.

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Fiscal Year 2024

For the fiscal year ended June 30, 2024, the City’s funding was based on “pay as you go” plus a contribution of \$48,779 to the Retiree Healthcare Trust Fund. The “pay as you go” portion paid by the City was \$229,922 for a total contribution of \$278,701 for the fiscal year ended June 30, 2024. The SFPUC’s proportionate share of contributions for fiscal year 2024 was \$17,603: \$11,241 for Water Enterprise, \$3,498 for the Wastewater Enterprise, \$1,155 for Hetchy Water, \$1,412 for Hetchy Power, and \$297 for CleanPowerSF and will be recognized as a reduction of the net OPEB liability in the reporting year ending June 30, 2025.

OPEB Liabilities, OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

Fiscal Year 2025

As of June 30, 2025, the City reported net OPEB liabilities related to the Plan of \$3,921,799. The SFPUC’s proportionate share of the City’s net OPEB liability as of June 30, 2025 was \$253,147: \$161,975 for Water Enterprise, \$50,552 for the Wastewater Enterprise, \$16,590 for Hetchy Water, \$20,277 for Hetchy Power, and \$3,753 for CleanPowerSF.

For the year ended June 30, 2025, the City’s recognized OPEB expense was \$259,579. 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/(income) was \$30,408: \$19,829 for Water Enterprise, \$7,556 for the Wastewater Enterprise, \$1,766 for Hetchy Water, \$2,158 for Hetchy Power, and (\$901) for CleanPowerSF.

As of June 30, 2025, 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 2025	Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC Total
Contribution subsequent to the measurement date	\$ 12,429	3,879	1,273	1,556	288	19,425
Differences between expected and actual experience	4,884	1,524	500	612	113	7,633
Changes in assumptions	6,893	2,151	706	862	160	10,772
Change in proportion	3,103	3,545	475	581	634	8,338
Total \$	27,309	11,099	2,954	3,611	1,195	46,168

Schedule of Deferred Inflows of Resources						
Fiscal Year 2025	Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC Total
Differences between expected and actual experience	\$ 15,175	4,736	1,554	1,900	352	23,717
Net difference between projected and actual earnings on plan investments	1,814	566	186	227	42	2,835
Change in proportion	6,405	1,175	1,092	1,334	1,343	11,349
Total \$	23,394	6,477	2,832	3,461	1,737	37,901

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 Water	Hetchy Power	CleanPowerSF	SFPUC Total
2026	\$ (1,529)	565	(175)	(214)	(364)	(1,717)
2027	(1,956)	434	(268)	(327)	(261)	(2,378)
2028	(3,296)	(352)	(460)	(561)	(151)	(4,820)
2029	(925)	390	(180)	(221)	(178)	(1,114)
2030	(404)	(147)	(34)	(42)	62	(565)
Thereafter	(404)	(147)	(34)	(41)	62	(564)
Total	\$ (8,514)	743	(1,151)	(1,406)	(830)	(11,158)

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As of June 30, 2025, the SFPUC reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$19,425, of which \$12,429 for Water Enterprise, \$3,879 for the Wastewater Enterprise \$1,273 for Hetchy Water, \$1,556 for Hetchy Power, and \$288 for CleanPowerSF, which will be recognized as an adjustment to net OPEB liability in the reporting year ending June 30, 2026.

Fiscal Year 2024

As of June 30, 2024, the City reported net OPEB liabilities related to the Plan of \$3,924,832. The SFPUC's proportionate share of the City's net OPEB liability as of June 30, 2024 was \$247,902: \$158,301 for Water Enterprise, \$49,260 for the Wastewater Enterprise, \$16,269 for Hetchy Water, \$19,883 for Hetchy Power, and \$4,189 for CleanPowerSF.

For the year ended June 30, 2024, the City's recognized OPEB expense was \$261,158. 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/(income) was \$17,951: \$13,394 for Water Enterprise, (\$647) for the Wastewater Enterprise, \$2,390 for Hetchy Water, \$2,922 for Hetchy Power, and (\$108) for CleanPowerSF.

As of June 30, 2024, 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 2024	Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC Total
Contribution subsequent to the measurement date	\$ 11,241	3,498	1,155	1,412	297	17,603
Differences between expected and actual experience	6,801	2,116	699	854	180	10,650
Changes in assumptions	4,602	1,432	473	578	122	7,207
Net difference between projected and actual earnings on pension plan investments	1,212	377	125	152	32	1,898
Change in proportion	6,118	5,393	739	903	365	13,518
Total \$	29,974	12,816	3,191	3,899	996	50,876

Schedule of Deferred Inflows of Resources						
Fiscal Year 2024	Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC Total
Differences between expected and actual experience	\$ 18,351	5,711	1,886	2,305	486	28,739
Change in proportion	3,983	98	1,011	1,236	1,806	8,134
Total \$	22,334	5,809	2,897	3,541	2,292	36,873

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 Water	Hetchy Power	CleanPowerSF	SFPUC Total
2025	\$ (531)	1,056	(238)	(292)	(571)	(576)
2026	(459)	956	(79)	(96)	(456)	(134)
2027	(877)	829	(170)	(209)	(355)	(782)
2028	(2,223)	42	(362)	(443)	(244)	(3,230)
2029	489	626	(12)	(14)	33	1,122
Total	\$ (3,601)	3,509	(861)	(1,054)	(1,593)	(3,600)

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Actuarial Assumptions

Fiscal Year 2025

A summary of the actuarial assumptions and methods used to calculate the total OPEB liability as of June 30, 2024 (measurement date) is provided below:

Key Actuarial Assumptions

Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
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 6.87% trending down to ultimate rate of 3.94% in 2075 Medicare trend starts at 6.87% trending down to ultimate rate of 3.93% in 2075 10-County average trend starts at 5.00% trending down to ultimate rate of 3.94% 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 in SFERS experience study for the period ended 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.

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Fiscal Year 2024

A summary of the actuarial assumptions and methods used to calculate the total OPEB liability as of June 30, 2023 (measurement date) is provided below:

Key Actuarial Assumptions

Valuation Date	June 30, 2022 updated to June 30, 2023
Measurement Date	June 30, 2023
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 7.24% trending down to ultimate rate of 3.94% in 2075 Medicare trend starts at 7.24% trending down to ultimate rate of 3.94% in 2075 10-County average trend starts at 5.00% trending down to ultimate rate of 3.94% 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 in SFERS experience study for the period ended 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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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, 2025 and June 30, 2024:

<u>Fiscal Year 2025</u>	<u>Water</u>	<u>Wastewater</u>	<u>Hetchy Water</u>	<u>Hetchy Power</u>	<u>CleanPowerSF</u>	<u>Total 2025</u>
1% Decrease	\$ 136,510	42,605	13,982	17,089	3,163	213,349
Healthcare Trend	161,975	50,552	16,590	20,277	3,753	253,147
1% Increase	193,545	60,406	19,824	24,229	4,485	302,489

<u>Fiscal Year 2024</u>	<u>Water</u>	<u>Wastewater</u>	<u>Hetchy Water</u>	<u>Hetchy Power</u>	<u>CleanPowerSF</u>	<u>Total 2024</u>
1% Decrease	\$ 134,621	41,892	13,835	16,909	3,562	210,819
Healthcare Trend	158,301	49,260	16,269	19,883	4,189	247,902
1% Increase	187,684	58,404	19,288	23,574	4,966	293,916

Discount Rate

Fiscal Year 2025

The discount rate used to measure the Total OPEB Liability as of June 30, 2024 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equities		
U.S. Large Cap	25.0 %	5.5 %
U.S. Small Cap	2.0	6.4
Developed Market Equity (non-U.S.)	13.0	5.9
Emerging Market Equity	10.0	5.9
Credit		
Bank Loans	3.0	3.7
High Yield Bonds	3.0	3.9
Rate Securities		
Investment Grade Corporate Bonds	7.0	1.9
Short-term Treasury Inflation-Protected Securities (TIPS)	5.0	0.9
Private Markets		
Private Equity	10.0	6.9
Private Debt	5.0	6.2
Core Private Real Estate	5.0	5.2
Infrastructure (Core Private)	2.0	6.0
Risk Mitigating Strategies		
Global Macro	10.0	1.6
Total	<u>100.0 %</u>	

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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:

<u>Fiscal Year 2025</u>	<u>Water</u>	<u>Wastewater</u>	<u>Hetchy Water</u>	<u>Hetchy Power</u>	<u>CleanPowerSF</u>	<u>SFPUC Total</u>
1% Decrease 6.00%	\$ 190,937	59,592	19,557	23,902	4,425	298,413
Discount Rate 7.00%	161,975	50,552	16,590	20,277	3,753	253,147
1% Increase 8.00%	138,204	43,134	14,156	17,301	3,203	215,998

Fiscal Year 2024

The discount rate used to measure the Total OPEB Liability as of June 30, 2023 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equities		
U.S. Large Cap	25.0 %	6.1 %
U.S. Small Cap	2.0	6.7
Developed Market Equity (non-U.S.)	13.0	7.2
Emerging Market Equity	10.0	7.4
Credit		
Bank Loans	3.0	4.4
High Yield Bonds	3.0	4.7
Rate Securities		
Investment Grade Corporate Bonds	7.0	2.8
Short-term Treasury Inflation-Protected Securities (TIPS)	5.0	1.0
Private Markets		
Private Equity	10.0	8.4
Private Debt	5.0	6.4
Core Private Real Estate	5.0	3.9
Infrastructure (Core Private)	2.0	5.2
Risk Mitigating Strategies		
Global Macro	10.0	3.1
Total	<u>100.0 %</u>	

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:

<u>Fiscal Year 2024</u>	<u>Water</u>	<u>Wastewater</u>	<u>Hetchy Water</u>	<u>Hetchy Power</u>	<u>CleanPowerSF</u>	<u>SFPUC Total</u>
1% Decrease 6.00%	\$ 185,275	57,654	19,040	23,272	4,903	290,144
Discount Rate 7.00%	158,301	49,260	16,269	19,883	4,189	247,902
1% Increase 8.00%	136,180	42,377	13,995	17,105	3,604	213,261

The City issues a publicly available financial report that includes the complete note disclosures and required supplementary information related to the City’s postemployment health care obligations. The report may be obtained on the City’s website <https://www.sf.gov/annual-comprehensive-financial-reports-acfr>, 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.

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(14) Related Parties

Various common costs incurred by the Commission are allocated pro ratably between Water, Wastewater, Hetchy Water, 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 for the years ended June 30, 2025 and 2024:

Fiscal Years	Water		Wastewater		Hetchy Water		Hetchy Power		CleanPowerSF		SFPUC Total
2025	\$ 62,356	44.1%	45,226	32.0%	6,905	4.9%	20,062	14.2%	6,752	4.8%	141,301
2024	59,952	48.1%	35,943	28.8%	12,805	10.3%	10,297	8.3%	5,687	4.5%	124,684

SFPUC’s 75-year lease agreement with the San Francisco Recreation and Parks Department, 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, 2025 and 2024:

	2025				
	Water	Wastewater	Hetchy Water	Hetchy Power	SFPUC Total
Allocable share of expenses	\$ 42	22	4	15	83
Allocable share of prepayment	3,132	1,081	138	714	5,065

	2024				
	Water	Wastewater	Hetchy Water	Hetchy Power	SFPUC Total
Allocable share of expenses	\$ 46	21	4	12	83
Allocable share of prepayment	3,174	1,103	142	729	5,148

Water Enterprise

The Water Enterprise purchases water from Hetch Hetchy Water. The amounts, totaling \$49,240 and \$46,266 for the years ended June 30, 2025 and 2024, 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 \$13,477 and \$10,256 for the years ended June 30, 2025 and 2024, 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 \$3,669 and \$1,736 for the years ended June 30, 2025 and 2024, 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 except for fire hydrants, which are used for general public safety. In fiscal years 2025 and 2024, the Water Enterprise delivered water for fire hydrant purposes totaling \$6 and \$5, 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 \$22,696 and \$20,925 for the years ended June 30, 2025 and 2024, respectively, have been included in services provided by other departments in the accompanying financial statements.

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During the fiscal year ended June 30, 2025, the Water Enterprise transferred \$47,084 to Hetch Hetchy Water for the Mountain Tunnel Improvement project and \$31 to the Office of the City Administrator for the Water Enterprise's contribution to the Surety Bond Program. During the fiscal year ended June 30, 2024, the Water Enterprise transferred \$1,167 to the Arts Commission for the arts enrichment fund, \$42 to Hetch Hetchy Water to fund various Mountain Tunnel Improvement projects, and \$32 to the Office of the City Administrator for the Water Enterprise's contribution to the Surety Bond Program.

As of June 30, 2025, the Water Enterprise had interfund receivables of \$37,929 from Hetchy Power for the Mountain Tunnel Improvement project and DPW relating to custom work projects. As of June 30, 2024, the Water Enterprise had interfund receivables of \$102 from DPW relating to custom work projects.

Wastewater Enterprise

The Wastewater Enterprise purchases electricity from Hetch Hetchy Power at market rates. This amount, totaling \$14,841 and \$12,377 for the years ended June 30, 2025 and 2024, 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 \$1,890 and \$1,701 for the years ended June 30, 2025 and 2024, 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 \$8,547 and \$8,711 for the years ended June 30, 2025 and 2024, 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 \$18,935 and \$16,757 for the years ended June 30, 2025 and 2024, respectively, have been included in services provided by other departments in the accompanying financial statements.

As of June 30, 2025 and 2024, the Wastewater Enterprise has payables in the amount of \$291 and \$405, respectively, which is associated with the SFPUC Headquarters Living Machine system.

As of June 30, 2025 and 2024, the Wastewater Enterprise has interfund receivable from DPW for the Mission Bay South custom work project of \$70 and \$82, respectively.

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, 2025, the Wastewater Enterprise's expenses and prepayment were \$17 and \$388, respectively, and as of June 30, 2024 were \$17 and \$405, respectively.

Hetchy Water

The Water Enterprise purchases water from Hetchy Water. Included in the operating revenues are the water assessment fees of \$49,241 and \$46,266 for the years ended June 30, 2025 and 2024, 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.

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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 \$2,622 and \$3,501 for the years ended June 30, 2025 and 2024, respectively, have been included in services provided by other departments in the accompanying financial statements.

Hetchy Water received \$47,084 and \$42 from the Water Enterprise for the years ended June 30, 2025 and 2024, respectively. The increase was mainly due to the transfer of State Revolving Fund (SRF) loan proceeds to fund Hetchy Water's share of the Mountain Tunnel Project.

Hetchy Power

For the years ended June 30, 2025 and 2024, operating revenues in sales of power to departments within the City were \$144,286 and \$125,197, 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 \$8,082 and \$6,828 for the years ended June 30, 2025 and 2024, 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 \$13,477 and \$10,256 for the years ended June 30, 2025 and 2024, respectively.

The Wastewater Enterprise purchases electricity and gas from Hetchy Power. This amount totaled \$14,841 and \$12,377 for the years ended June 30, 2025 and 2024, respectively.

The Low Carbon Fuel Standard (LCFS) program, overseen by the California Air Resources Board (CARB), seeks to reduce the carbon intensity of California's transportation fuel. 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. 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 credit sales. The Ordinance also allowed Hetchy Power to sell LCFS credits on behalf of other City agencies which includes Port of San Francisco (Port) and San Francisco International Airport (SFO). Revenue allocations and fees are based on agreements with the departments. LCFS revenue is reported as other non-operating revenues on the Statements of Revenues, Expenses, and Changes in Net Position.

During the fiscal year ended June 30, 2025, Hetchy Power received total payments of LCFS credits of \$1,668, of which \$1,041 was transferred to other City departments (\$627 for SFMTA, \$238 for Port, and \$176 for SFO). The remaining portion was reported as other non-operating revenues on the Statements of Revenues, Expenses, and Changes in Net Position.

During the fiscal year ended June 30, 2024, Hetchy Power received total payments of LCFS credits of \$1,838, of which \$1,154 was transferred to other City departments (\$684 for SFMTA, \$372 for Port, and \$98 for SFO). The remaining portion was reported as other non-operating revenues on the Statements of Revenues, Expenses, and Changes in Net Position.

Due from other City departments was \$10,166 and \$11,421 as of June 30, 2025 and 2024, 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, 2025 and 2024, receivables related to projects completed throughout the City amounted to \$2,531 and \$3,037,

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respectively and are recorded as due from other City Departments.

Hetch Hetchy funded a project for the Treasure Island Development Authority and recorded receivables in connection with an upgraded submarine power cable, and gas and electrical charges for the Treasure Island as due from other City departments. This amount totaled \$7,304 and \$7,041 for the years ended June 30, 2025 and 2024, respectively.

As of June 30, 2025 and 2024, Hetchy Power recorded receivables of \$291 and \$405, 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>2025</u>	<u>2024</u>
Treasure Island Development Authority	\$ 7,304	7,041
SEA-related projects - Moscone Center	2,531	3,037
General Fund	—	754
Wastewater - 525 Golden Gate Headquarters Project	291	405
San Francisco Recreation and Park	—	105
Department of Public Works	<u>40</u>	<u>79</u>
Total due from other City departments	10,166	11,421
Less: current portion	<u>(661)</u>	<u>(1,558)</u>
Long-term portion as of June 30, net	<u>\$ 9,505</u>	<u>9,863</u>

As of June 30, 2025, Hetchy Power had payable in the amount of \$37,822 for SRF loan reimbursement to the Water Enterprise.

CleanPowerSF

As of June 30, 2025, and 2024, operating revenue in sales of power to Hetchy Power were \$8,399 and \$1,421, respectively. Operating expenses in purchase of power from Hetchy Power were \$8,634 and \$13,521, 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 \$3,316 and \$4,792 for the years ended June 30, 2025 and 2024, 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 \$0 and \$2,841 for the years ended June 30, 2025 and 2024, respectively. Starting fiscal year 2025, Hetchy Power's support services are recorded to personnel services.

(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. 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 were no settlements that exceeded insurance coverage.

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	<u>Risks</u>	<u>Coverage Approach</u>
(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	Contractual Risk Transfer
(j)	Errors and omissions	Contractual Risk Transfer
(k)	Builders' risk	Contractual Risk Transfer
(l)	Tenants' and Users' Liability Insurance Policy	Purchased Insurance
(m)	Active Assailant Policy	Purchased Insurance
(n)	Energy Risk Management	Contractual Risk Transfer, Purchased Insurance and Self-Insured
(o)	Enterprise Risk Management	Contractual Risk Transfer, Purchased Insurance and Self-Insured

a) General Liability

The SFPUC's liability as of June 30, 2025, was estimated based on professional judgment regarding probable claims exposure provided by the City Attorney's Office and includes an estimate of incurred but not reported losses. The recorded liability represents management's best estimate of the City's potential exposure based on currently available information.

The changes for the general liability (damage claims) for the years ended June 30, 2025, 2024, and 2023 are as follows:

	<u>2025</u>					<u>SFPUC Total</u>
	<u>Water</u>	<u>Wastewater</u>	<u>Hetchy Water</u>	<u>Hetchy Power</u>	<u>CleanPowerSF</u>	
Beginning of year	\$ 22,773	115,083	268	3,774	21	141,919
Claims & changes in estimates	4,502	4,968	155	7,758	299	17,682
Claims paid & changes in estimates	(12,326)	(40,950)	(126)	(10,884)	(320)	(64,606)
End of year	\$ 14,949	79,101	297	648	—	94,995
	<u>2024</u>					<u>SFPUC Total</u>
	<u>Water</u>	<u>Wastewater</u>	<u>Hetchy Water</u>	<u>Hetchy Power</u>	<u>CleanPowerSF</u>	
Beginning of year	\$ 19,625	4,350	700	6,150	34	30,859
Claims & changes in estimates	18,823	112,467	96	9,273	915	141,574
Claims paid & changes in estimates	(15,675)	(1,734)	(528)	(11,649)	(928)	(30,514)
End of year	\$ 22,773	115,083	268	3,774	21	141,919
	<u>2023</u>					<u>SFPUC Total</u>
	<u>Water</u>	<u>Wastewater</u>	<u>Hetchy Water</u>	<u>Hetchy Power</u>	<u>CleanPowerSF</u>	
Beginning of year	\$ 36,069	12,045	627	1,023	32	49,796
Claims & changes in estimates	1,898	2,716	320	10,439	1,738	17,111
Claims paid & changes in estimates	(18,342)	(10,411)	(247)	(5,312)	(1,736)	(36,048)
End of year	\$ 19,625	4,350	700	6,150	34	30,859

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,

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investigation, and duty modification for injured employees with medical restrictions so return to work can occur as soon as possible.

The changes in the liabilities for workers' compensation for the years ended June 30, 2025, 2024, and 2023 are as follows:

	2025*				
	Water	Wastewater	Hetchy Water	Hetchy Power	SFPUC Total
Beginning of year	\$ 11,002	9,012	1,297	2,336	23,647
Claims & changes in estimates	5,083	1,886	203	616	7,788
Claims paid & changes in estimates	(3,784)	(1,997)	(270)	(699)	(6,750)
End of year	\$ 12,301	8,901	1,230	2,253	24,685

	2024*				
	Water	Wastewater	Hetchy Water	Hetchy Power	SFPUC Total
Beginning of year	\$ 9,735	7,998	1,219	2,238	21,190
Claims & changes in estimates	4,336	2,680	337	663	8,016
Claims paid & changes in estimates	(3,069)	(1,666)	(259)	(565)	(5,559)
End of year	\$ 11,002	9,012	1,297	2,336	23,647

	2023*				
	Water	Wastewater	Hetchy Water	Hetchy Power	SFPUC Total
Beginning of year	\$ 8,973	7,546	1,228	2,250	19,997
Claims & changes in estimates	3,984	2,976	76	224	7,260
Claims paid & changes in estimates	(3,222)	(2,524)	(85)	(236)	(6,067)
End of year	\$ 9,735	7,998	1,219	2,238	21,190

*CleanPowerSF had no workers' compensation liability as of June 30, 2025, 2024 and 2023.

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 is covered with satisfactory levels to limit the Enterprise'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) Tenants' and Users' Liability Insurance Policy

A policy is retained to provide coverage for injuries and property damage to third parties relating to injuries sustained on premises and scheduled events, purchased for the Southeast Community Center.

m) Active Assailant Policy

A policy is retained to protect against third party injuries, first party property damage, business interruption, and crises management for events occurring on premise, purchased for the Southeast Community Center.

n) 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.

o) 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 threaten 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.

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(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. The following tables show the commitments for the years ended June 30, 2025 and 2024:

Fiscal years ended June 30:	Total outstanding commitments			
	Water	Wastewater	Hetch Hetchy	SFPUC Total
2025	\$ 473,767	554,307	185,619	1,213,693
2024	248,510	675,849	154,975	1,079,334

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 \$5,940 and \$5,714 for fiscal years 2025 and 2024, 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 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 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 (WDT3) that increased rates and significantly decreased the City’s ability to serve City projects. Under the terms of WDT3, the City would 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, Distributed Antenna System, traffic signals, and bus shelters. The City and PG&E have reached a limited settlement agreement that allows the City to continue serving City projects (like Affordable Housing, streetlights, parks, and schools) at a secondary interconnection. PG&E filed this agreement at FERC on August 11, 2025 and it is now waiting for FERC approval. Cost assignment issues still remain as PG&E requires the City to pay for distribution upgrades to PG&E’s system that benefits PG&E’s own retail customers. This issue is still being litigated at FERC under the WDT3 proceeding. PG&E has since filed a new iteration of the WDT, WDT4, which became in effect May 2025. The cost assignment issues remain in WDT4 and the City is currently engaged in settlement discussions with PG&E at FERC.

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 2025 and 2024, Hetchy Power purchased distribution services for \$21,782 and \$27,932, respectively, from PG&E under the

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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 2025 and 2024, Hetchy Power purchased \$11,364 and \$11,945 of power and other related products, respectively. Sales of excess power, after meeting Hetchy's obligations, were \$1,589 for fiscal year 2025 and \$6,532 for fiscal year 2024, 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 per year on average. Rates for fiscal years ended June 30, 2025 and 2024 were \$365/MWh and \$354/MWh, respectively. 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 2025 and 2024, purchases of energy under the Agreement were \$2,371, or 6,599 MWh, and \$2,184, or 6,269 MWh, respectively.

APX, Inc

Hetchy Power and CleanPowerSF participate in the 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 Hetchy 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 \$475 and \$456 as of June 30, 2025 and 2024, respectively. CleanPowerSF's share was \$264 for fiscal years 2025 and 2024.

CleanPowerSF

CleanPowerSF regularly adds new short-term and medium-term contracts with multiple counterparties pursuant to master agreements, including the WSPP 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, Intersect Power and EDF Renewables. These contracts have been entered to allow CleanPowerSF to meet its existing retail sales obligations, to support future retail sales from anticipated load growth, and to comply with State requirement that 65% of CleanPowerSF's Renewables Portfolio Standard (RPS) compliance targets be fulfilled by RPS-eligible electricity from contracts of 10 or more years.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Notes to Basic Financial Statements

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(Dollars in thousands, unless otherwise stated)

Citywide enrollment was completed in 2020. Since it began serving customers in 2016, CleanPowerSF's cumulative opt-out rate is 4.7% of all enrolled accounts. The total power purchase cost, net of wholesale sales, were \$334,299 and \$270,340 in fiscal years 2025 and 2024, 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 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 2025 and 2024, amounts paid were \$4,683 and \$4,742, respectively.

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 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). In March 2024 CleanPowerSF executed a fourth amendment to the Credit Agreement increasing the available amount from \$20,000 to \$75,000 and extended the agreement end date from March 2024 to March 2027. 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 \$6,183 for fiscal years ended June 30, 2025 and 2024, respectively. CleanPowerSF did not draw on the Credit Agreement during fiscal years 2025 and 2024. Accordingly, the uncommitted credit capacity under the Credit Agreement was \$68,817 during fiscal years 2025 and 2024.

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. CleanPowerSF was in compliance with all covenants and requirements of the Credit Agreement as amended for fiscal years ended June 30, 2025 and 2024.

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 CPUC established the Disadvantaged Communities-Green Tariff (DAC-GT) program and Community Solar Green Tariff (CSGT) program to address barriers to solar adoption faced by low-income electric customers in neglected communities. The DAC-GT program provides a 20% bill discount on 100% RPS eligible electricity service to income-qualified

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Notes to Basic Financial Statements

June 30, 2025 and 2024

(Dollars in thousands, unless otherwise stated)

customers residing in Disadvantaged Communities (DACs) as defined by the California Environmental Protection Agency's (Cal EPA) Office of Environmental Health Hazard Assessment (OEHHA). Similar to DAC-GT, the CSGT program was to provide a 20% bill discount to qualifying customers in DACs to benefit from the development of solar generation projects located in their own or nearby DACs.

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 was expected to start serving customers during fiscal year 2026, but the CPUC discontinued the program. CSGT capacity was shifted to the SuperGreen Saver program. For the years ended June 30, 2025 and 2024, CleanPowerSF received \$345 and \$98, respectively, 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, 2025 and 2024, the pollution remediation liability was \$0 and \$1,271, respectively is related to the Pacific Rod and Gun Club site construction projects for the full value of construction.

Wastewater

As of June 30, 2025, and 2024, the Wastewater Enterprise recorded \$6,123 and \$6,451 in pollution remediation liability, respectively for the Yosemite Creek toxic sediments. The decrease of \$328 in pollution remediation liability in fiscal year 2025 is due to payment related to the remediation costs related to Yosemite Creek.

Hetch Hetchy

Hetch Hetchy had no pollution remediation liability as of June 30, 2025 and 2024.

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 Postemployment Benefits Liability and
Related Ratio - Other Postemployment Healthcare Benefits Plan

Schedules of Employer Contributions – Other Postemployment 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

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Required Supplemental Information (Unaudited)

Schedules of the Proportionate Share of the Net Pension (Asset)/Liability Fiscal Years Ended 2016 to 2025
(In thousands)

City - San Francisco Employee's Retirement System (SFERS) Plan and Measurement Period (MP)*	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	(MP 2015)	(MP 2016)	(MP 2017)	(MP 2018)	(MP 2019)	(MP 2020)	(MP 2021)	(MP 2022)	(MP 2023)	(MP 2024)
Proportion of net pension liability	93.90%	94.22%	94.07%	94.10%	94.13%	94.39%	94.64%	94.87%	94.85%	94.70%
Proportionate share of the net pension (asset)/liability	\$ 2,156,049	5,476,654	4,697,131	4,030,207	4,213,808	5,107,270	(2,446,564)	2,552,996	3,456,687	3,775,718
Covered payroll (City and County only)	\$ 2,529,879	2,681,695	2,880,112	3,045,153	3,186,405	3,378,945	3,434,713	3,553,859	3,810,429	4,109,863
Proportionate share of the net pension (asset)/liability as a percentage of covered payroll	85.22%	204.22%	163.09%	132.35%	132.24%	151.15%	-71.23%	71.84%	90.72%	91.87%
Plan fiduciary net position as a percentage of total pension (asset)/liability	89.90%	77.61%	81.78%	85.20%	85.30%	83.10%	107.80%	92.40%	90.20%	89.90%
Water										
Proportion of net pension liability	5.00%	4.75%	4.45%	4.35%	4.23%	4.21%	4.27%	4.27%	4.34%	4.35%
Proportionate share of the net pension (asset)/liability	\$ 108,024	259,956	209,003	175,429	178,133	215,240	(100,407)	111,743	150,060	164,352
Covered payroll^	126,494	127,381	128,165	132,464	134,785	142,254	146,662	151,750	165,373	178,779
Proportionate share of the net pension (asset)/liability as a percentage of covered payroll	85.40%	204.08%	163.07%	132.44%	132.16%	151.31%	-68.46%	73.64%	90.74%	91.93%
Wastewater										
Proportion of net pension liability	2.20%	2.17%	2.15%	2.11%	2.05%	2.03%	1.99%	1.99%	1.95%	1.97%
Proportionate share of the net pension (asset)/liability	\$ 48,177	118,907	100,973	85,037	86,235	103,746	(48,770)	49,549	67,299	74,339
Covered payroll^	55,657	58,193	61,922	64,253	65,321	68,593	68,351	70,722	74,303	80,964
Proportionate share of the net pension (asset)/liability as a percentage of covered payroll	86.56%	204.33%	163.06%	132.35%	132.02%	151.25%	-71.35%	70.06%	90.57%	91.82%
Hetchy Water										
Proportion of net pension liability	0.57%	0.57%	0.54%	0.50%	0.51%	0.52%	0.57%	0.55%	0.55%	0.54%
Proportionate share of the net pension (asset)/liability	\$ 12,093	31,235	25,216	20,390	21,477	26,645	(13,912)	14,105	19,090	20,410
Covered payroll^	14,420	15,286	15,553	15,226	16,251	17,571	19,578	19,546	20,957	22,193
Proportionate share of the net pension (asset)/liability as a percentage of covered payroll	83.86%	204.34%	162.13%	133.92%	132.16%	151.64%	-71.06%	72.16%	91.09%	91.97%
Hetchy Power										
Proportion of net pension liability	0.69%	0.70%	0.65%	0.62%	0.62%	0.64%	0.69%	0.68%	0.68%	0.66%
Proportionate share of the net pension (asset)/liability	\$ 14,781	38,177	30,819	24,920	26,249	32,566	(17,004)	17,239	23,332	24,945
Covered payroll	17,456	18,772	18,721	18,880	19,756	21,625	23,700	24,166	25,911	27,125
Proportionate share of the net pension (asset)/liability as a percentage of covered payroll	84.68%	203.37%	164.62%	131.99%	132.87%	150.59%	-71.75%	71.34%	90.05%	91.96%
CleanPowerSF										
Proportion of net pension liability			0.02%	0.03%	0.04%	0.06%	0.07%	0.08%	0.10%	0.12%
Proportionate share of the net pension (asset)/liability	\$		1,087	1,070	1,805	3,008	(1,833)	2,124	3,563	4,625
Covered payroll^			576	914	1,275	2,027	2,404	2,843	3,810	4,932
Proportionate share of the net pension (asset)/liability as a percentage of covered payroll			188.72%	117.07%	141.57%	148.40%	-76.25%	74.71%	93.52%	93.78%
SFPUC Total										
Proportion of net pension liability	8.46%	8.19%	7.81%	7.61%	7.45%	7.46%	7.59%	7.57%	7.62%	7.64%
Proportionate share of the net pension (asset)/liability	\$ 183,075	448,275	367,098	306,846	313,899	381,205	(181,926)	194,760	263,344	288,671
Covered payroll^	214,027	219,632	224,937	231,737	237,388	252,070	260,695	269,027	290,354	313,993
Proportionate share of the net pension (asset)/liability as a percentage of covered payroll	85.54%	204.10%	163.20%	132.41%	132.23%	151.23%	-69.78%	72.39%	90.70%	91.94%

Data not available - CleanPowerSF launched in May 2016.

*Changes of Assumptions - There are no changes in the discount rate for the measurement period ended June 30, 2023, 2021, 2020 and 2018. For the measurement period ended June 30, 2022, the discount rate was decreased from 7.40% to 7.20%. For the measurement period ended June 30, 2019, the discount rate was decreased from 7.50% to 7.40%. 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 (<https://www.mysfers.org>). The total covered payroll excludes 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 auditor's report.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Required Supplemental Information (Unaudited)
Schedules of Employer Contributions – Pension Plan
Fiscal Years Ended 2016 to 2025
(In thousands)

City - SFERS Plan and Measurement Period (MP)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	(MP 2016)	(MP 2017)	(MP 2018)	(MP 2019)	(MP 2020)	(MP 2021)	(MP 2022)	(MP 2023)	(MP 2024)	(MP 2025)
Actuarially determined contributions ¹	\$ 496,343	519,073	582,568	607,408	701,307	791,736	729,578	638,003	636,992	651,563
Contributions in relation to the actuarially determined contributions ¹	(496,343)	(519,073)	(582,568)	(607,408)	(701,307)	(791,736)	(729,578)	(638,003)	(636,992)	(651,563)
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—	—	—
Covered payroll	\$ 2,681,695	2,880,112	3,045,153	3,186,405	3,378,945	3,434,713	3,553,859	3,810,429	4,109,863	4,439,689
Contributions as a percentage of covered payroll	18.51%	18.02%	19.13%	19.06%	20.76%	23.05%	20.53%	16.74%	15.50%	14.68%
Water										
Actuarially determined contributions ¹	\$ 24,497	24,638	25,922	26,440	29,647	33,367	31,151	27,925	27,653	28,362
Contributions in relation to the actuarially determined contributions ¹	(24,497)	(24,638)	(25,922)	(26,440)	(29,647)	(33,367)	(31,151)	(27,925)	(27,653)	(28,362)
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—	—	—
Covered payroll ^A	\$ 127,381	128,165	132,464	134,785	142,254	146,662	151,750	165,373	178,779	193,126
Contributions as a percentage of covered payroll	19.23%	19.22%	19.57%	19.62%	20.84%	22.75%	20.53%	16.89%	15.47%	14.69%
Wastewater										
Actuarially determined contributions ¹	\$ 10,930	11,270	12,523	12,816	14,352	16,083	14,543	12,383	12,402	12,829
Contributions in relation to the actuarially determined contributions ¹	(10,930)	(11,270)	(12,523)	(12,816)	(14,352)	(16,083)	(14,543)	(12,383)	(12,402)	(12,829)
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—	—	—
Covered payroll ^A	\$ 58,193	61,922	64,253	65,321	68,593	68,351	70,722	74,303	80,964	87,462
Contributions as a percentage of covered payroll	18.78%	18.20%	19.49%	19.62%	20.92%	23.53%	20.56%	16.67%	15.32%	14.67%
Hetchy Water										
Actuarially determined contributions ¹	\$ 2,806	2,961	3,128	3,073	3,574	4,130	4,149	3,525	3,518	3,522
Contributions in relation to the actuarially determined contributions ¹	(2,806)	(2,961)	(3,128)	(3,073)	(3,574)	(4,130)	(4,149)	(3,525)	(3,518)	(3,522)
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—	—	—
Covered payroll ^A	\$ 15,286	15,553	15,226	16,251	17,571	19,578	19,546	20,957	22,193	23,974
Contributions as a percentage of covered payroll	18.36%	19.04%	20.54%	18.91%	20.34%	21.10%	21.23%	16.82%	15.85%	14.69%
Hetchy Power										
Actuarially determined contributions ¹	\$ 3,430	3,618	3,822	3,756	4,369	5,048	5,071	4,308	4,299	4,305
Contributions in relation to the actuarially determined contributions ¹	(3,430)	(3,618)	(3,822)	(3,756)	(4,369)	(5,048)	(5,071)	(4,308)	(4,299)	(4,305)
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—	—	—
Covered payroll ^A	\$ 18,772	18,721	18,880	19,756	21,625	23,700	24,166	25,911	27,125	29,302
Contributions as a percentage of covered payroll	18.27%	19.33%	20.24%	19.01%	20.20%	21.30%	20.98%	16.63%	15.85%	14.69%
CleanPowerSF										
Actuarially determined contributions ¹	\$ —	—	135	161	300	466	546	531	657	798
Contributions in relation to the actuarially determined contributions ¹	—	—	(135)	(161)	(300)	(466)	(546)	(531)	(657)	(798)
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—	—	—
Covered payroll ^A	\$ —	—	914	1,275	2,027	2,404	2,843	3,810	4,932	5,328
Contributions as a percentage of covered payroll	—	—	14.77%	12.63%	14.80%	19.38%	19.21%	13.94%	13.32%	14.98%
SFPUC Total										
Actuarially determined contributions ¹	\$ 41,663	42,487	45,530	46,246	52,242	59,094	55,460	48,672	48,529	49,816
Contributions in relation to the actuarially determined contributions ¹	(41,663)	(42,487)	(45,530)	(46,246)	(52,242)	(59,094)	(55,460)	(48,672)	(48,529)	(49,816)
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—	—	—
Covered payroll ^A	\$ 219,632	224,361	231,737	237,388	252,070	260,695	269,027	290,354	313,993	339,192
Contributions as a percentage of covered payroll	18.97%	18.94%	19.65%	19.48%	20.73%	22.67%	20.62%	16.76%	15.46%	14.69%

(continued)

^AWater, 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 (<https://www.mysfers.org>). The total covered payroll for SFERS excludes San Francisco Unified School District, San Francisco Community College District, and the San Francisco Courts. Fiscal year 2025 is an estimated percentage of proportion of net pension liability based on measurement period 2024. Prior years estimated percentage has been updated to actual.

Source: Office of the Controller, City and County of San Francisco and San Francisco Employees' Retirement System (SFERS)

See accompanying auditor's report.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Required Supplementary Information (Unaudited)
Schedules of Employer Contributions - Pension Plan
Fiscal Years Ended 2016 to 2025

Methods and assumptions used to determine contribution rates to SFERS Plan

	Fiscal Year 2025	Fiscal Year 2024
Valuation date.....	July 1, 2022	July 1, 2021
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.....	7.20% (net of investment expenses)	7.20% (net of investment expenses)
Inflation.....	2.50%	2.50%
Projected salary increase.....	Wage inflation component: 3.25%	Wage inflation component: 3.25%
	Fiscal Year 2023	Fiscal Year 2022
Valuation date.....	July 1, 2020	July 1, 2019
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.....	2.50%	2.75%
Projected salary increase.....	Wage inflation component: 3.25%	Wage inflation component: 3.50%
	Fiscal Year 2021	Fiscal Year 2020
Valuation date.....	July 1, 2018	July 1, 2017
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)	7.50% (net of investment expenses)
Inflation.....	3.00% compounded annually	3.00% compounded annually
Projected salary increase.....	Wage inflation component: 3.50%	Wage inflation component: 3.50%
	Fiscal Year 2019	Fiscal Year 2018
Valuation date.....	July 1, 2016	July 1, 2015
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%
	Fiscal Year 2017	Fiscal Year 2016
Valuation date.....	July 1, 2014	July 1, 2013
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	Rolling 15-year period
Asset valuation method.....	5 year smoothed market	5 year smoothed market
Investment rate of return.....	7.50% (net of investment expenses)	7.58% (net of investment expenses)
Inflation.....	3.25% compounded annually	3.33% compounded annually
Projected salary increase.....	Wage inflation component: 3.75%	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 2025
(In thousands)

	2021*	2022	2023	2024	2025
	(MP 2020)	(MP 2021)	(MP 2022)	(MP 2023)	(MP 2024)
City Replacement Benefits Plan					
Plan total pension liability:					
Service Cost.....	\$ 1,976	2,571	2,894	1,299	1,495
Interest.....	4,776	4,076	4,726	5,462	4,793
Changes of benefits.....	—	—	—	—	—
Differences between expected and actual experience.....	7,800	24,547	(24,639)	(23,541)	8,737
Changes of assumptions.....	37,013	7,274	(42,151)	(2,403)	(6,374)
Benefit payments.....	(3,634)	(4,097)	(4,473)	(4,614)	(3,142)
Net change in total pension liability.....	47,931	34,371	(63,643)	(23,797)	5,509
Total pension liability, beginning.....	137,272	185,203	219,574	155,931	132,134
Plan total pension liability, ending.....	\$ 185,203	219,574	155,931	132,134	137,643
Covered payroll.....	\$ 3,414,923	3,470,495	3,589,396	3,848,752	4,151,209
Plan total pension liability as a percentage of the covered payroll	\$ 5.42%	6.33%	4.34%	3.43%	3.32%
Water Enterprise					
Proportion of RBP liability	0.64%	1.85%	2.31%	1.95%	1.91%
Proportionate share of RBP liability	\$ 1,177	4,056	3,600	2,583	2,626
Covered payroll^	21,695	64,104	82,869	75,237	79,288
Proportionate share of the net pension (asset)/liability as a percentage of covered payroll	5.43%	6.33%	4.34%	3.43%	3.31%

*Fiscal year 2021 was the first year SFPUC Water Enterprise has the Replacement Benefits Plan. Therefore, five years data is shown. RSI will be provided for 10 years as it becomes available.

^Water covered payroll is calculated based on the percentage of proportion of RBP liability by the total covered payroll.

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 auditor's report.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Required Supplementary Information (Unaudited)
Schedules of Changes in Other Postemployment Benefits Liability and Related Ratios
Other Postemployment Healthcare Benefits Plan
Fiscal Years Ended 2018 to 2025
(In thousands)

City Plan and Measurement Period (MP)	2018*	2019	2020	2021	2022	2023	2024	2025
	(MP 2017)	(MP 2018)	(MP 2019)	(MP 2020)	(MP 2021)	(MP 2022)	(MP 2023)	(MP 2024)
Total Other Postemployment Benefits (OPEB) Liability								
Service Cost	\$ 125,195	127,850	133,736	141,642	155,840	154,800	145,520	152,425
Interest (includes interest on service cost)	272,942	290,029	283,520	314,907	300,122	306,758	311,626	337,792
Differences between expected and actual experience	—	(385,732)	194,068	(381,922)	(151,947)	(224,065)	135,809	(94,640)
Changes of assumptions	—	111,119	—	151,725	—	49,784	—	115,097
Benefits payments, including refunds of member contributions	(165,470)	(178,019)	(185,839)	(196,445)	(206,439)	(211,025)	(215,408)	(229,922)
Net change in total OPEB liability	232,667	(34,753)	425,485	29,907	97,576	76,252	377,547	280,752
Total OPEB liability - beginning	3,659,019	3,891,686	3,856,933	4,282,418	4,312,323	4,409,899	4,486,151	4,863,698
Adjustments to OPEB	—	—	—	(2)	—	—	—	—
Total OPEB liability - ending	\$ 3,891,686	3,856,933	4,282,418	4,312,323	4,409,899	4,486,151	4,863,698	5,144,450
Plan fiduciary net position								
Contributions - employer	\$ 183,898	203,858	218,625	235,963	245,994	252,866	260,649	278,701
Contributions - member	31,686	41,682	51,024	60,236	61,582	66,455	73,426	81,074
Net investment income	17,368	14,105	26,959	22,746	128,916	(87,003)	80,490	154,318
Benefit payments, including refunds of member contributions	(165,470)	(178,019)	(185,839)	(196,445)	(206,439)	(211,025)	(215,408)	(229,922)
Administrative expense	(109)	(137)	(132)	(113)	(265)	(189)	(172)	(386)
Net change in plan fiduciary net position	67,373	81,489	110,637	122,387	229,788	21,104	198,985	283,785
Plan fiduciary net position - beginning	107,104	174,477	255,966	366,603	488,989	718,777	739,881	938,866
Adjustments to OPEB	—	—	—	(1)	—	—	—	—
Plan fiduciary net position - ending	174,477	255,966	366,603	488,989	718,777	739,881	938,866	1,222,651
Net OPEB liability - ending	\$ 3,717,209	3,600,967	3,915,815	3,823,334	3,691,122	3,746,270	3,924,832	3,921,799
Plan fiduciary net position as a percentage of the total OPEB liability								
Covered payroll	\$ 3,393,658	3,583,448	3,763,446	3,951,792	3,955,498	4,184,087	4,524,099	4,877,917
Net OPEB liability as a percentage of covered payroll	109.53%	100.49%	104.05%	96.75%	93.32%	89.54%	86.75%	80.40%
Water								
Proportion of net OPEB liability	\$ 166,336	150,771	163,684	148,771	144,115	148,601	158,301	161,975
Percentage of proportion of net OPEB liability	4.47%	4.19%	4.18%	3.89%	3.90%	3.97%	4.03%	4.13%
Covered payroll	151,858	150,037	157,315	153,769	154,437	165,968	182,471	201,464
Net OPEB liability as a percentage of covered payroll	109.53%	100.49%	104.05%	96.75%	93.32%	89.54%	86.75%	80.40%
Wastewater								
Proportion of net OPEB liability	\$ 59,517	53,567	58,183	50,711	49,123	49,035	49,260	50,552
Percentage of proportion of net OPEB liability	1.60%	1.49%	1.49%	1.33%	1.33%	1.31%	1.26%	1.29%
Covered payroll	54,337	53,306	55,919	52,415	52,641	54,766	56,781	62,876
Net OPEB liability as a percentage of covered payroll	109.53%	100.49%	104.05%	96.75%	93.32%	89.54%	86.75%	80.40%
Hetchy Water								
Proportion of net OPEB liability	\$ 15,872	15,404	16,350	14,444	14,240	14,907	16,269	16,590
Percentage of proportion of net OPEB liability	0.43%	0.43%	0.42%	0.38%	0.39%	0.40%	0.41%	0.42%
Covered payroll	14,490	15,329	15,714	14,929	15,260	16,649	18,753	20,635
Net OPEB liability as a percentage of covered payroll	109.53%	100.49%	104.05%	96.75%	93.32%	89.54%	86.75%	80.40%
Hetchy Power								
Proportion of net OPEB liability	\$ 19,400	18,826	19,983	17,653	17,405	18,220	19,883	20,277
Percentage of proportion of net OPEB liability	0.52%	0.52%	0.51%	0.46%	0.47%	0.49%	0.51%	0.52%
Covered payroll	17,711	18,734	19,205	18,246	18,652	20,349	22,919	25,220
Net OPEB liability as a percentage of covered payroll	109.53%	100.49%	104.05%	96.75%	93.32%	89.54%	86.75%	80.40%
CleanPowerSF								
Proportion of net OPEB liability	\$ 728	1,242	2,197	2,909	2,264	4,053	4,189	3,753
Percentage of proportion of net OPEB liability	0.02%	0.03%	0.06%	0.08%	0.06%	0.11%	0.11%	0.10%
Covered payroll	665	1,236	2,112	3,007	2,426	4,527	4,829	4,668
Net OPEB liability as a percentage of covered payroll	109.53%	100.49%	104.05%	96.75%	93.32%	89.54%	86.75%	80.40%
SFPUC Total								
Proportion of net OPEB liability	\$ 261,853	239,810	260,397	234,488	227,147	234,816	247,902	253,147
Percentage of proportion of net OPEB liability	7.04%	6.66%	6.66%	6.14%	6.15%	6.27%	6.32%	6.45%
Covered payroll	239,061	238,643	250,265	242,366	243,416	262,259	285,753	314,863
Net OPEB liability as a percentage of covered payroll	109.53%	100.49%	104.05%	96.75%	93.32%	89.54%	86.75%	80.40%

(continued)

*Fiscal year 2018 was the first year of implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Therefore, eight 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 auditor's report.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Required Supplementary Information (Unaudited)
Schedules of Employer Contributions - Other Postemployment Healthcare Benefits Plan
Fiscal Years Ended 2018 to 2025
(In thousands)

City - City Plan and Measurement Period	2018*	2019	2020	2021	2022	2023	2024**	2025
	<u>(MP 2018)</u>	<u>(MP 2019)</u>	<u>(MP 2020)</u>	<u>(MP 2021)</u>	<u>(MP 2022)</u>	<u>(MP 2023)</u>	<u>(MP 2024)</u>	<u>(MP 2025)</u>
Charter Required or Actuarially determined contributions (ADC)	\$ 203,858	218,625	235,963	245,992	252,866	260,649	278,701	300,932
Contributions in relation to charter required contribution or ADC	<u>(203,858)</u>	<u>(218,625)</u>	<u>(235,963)</u>	<u>(245,992)</u>	<u>(252,866)</u>	<u>(260,649)</u>	<u>(278,701)</u>	<u>(300,932)</u>
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—
Covered payroll	\$ 3,583,448	3,763,446	3,951,792	3,955,498	4,184,087	4,524,099	4,877,917	5,298,431
Contributions as a percentage of covered payroll	5.69%	5.81%	5.97%	6.22%	6.04%	5.76%	5.71%	5.68%
Water								
Charter Required or Actuarially determined contributions (ADC)	\$ 9,122	9,154	9,863	9,572	9,873	10,339	11,241	12,429
Contributions in relation to charter required contribution or ADC	<u>(9,122)</u>	<u>(9,154)</u>	<u>(9,863)</u>	<u>(9,572)</u>	<u>(9,873)</u>	<u>(10,339)</u>	<u>(11,241)</u>	<u>(12,429)</u>
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—
Covered payroll ^A	\$ 150,037	157,315	153,769	154,437	165,968	182,471	201,464	218,832
Contributions as a percentage of covered payroll	6.08%	5.82%	6.41%	6.20%	5.95%	5.67%	5.58%	5.68%
Wastewater								
Charter Required or Actuarially determined contributions (ADC)	\$ 3,264	3,252	3,506	3,263	3,365	3,412	3,498	3,879
Contributions in relation to charter required contribution or ADC	<u>(3,264)</u>	<u>(3,252)</u>	<u>(3,506)</u>	<u>(3,263)</u>	<u>(3,365)</u>	<u>(3,412)</u>	<u>(3,498)</u>	<u>(3,879)</u>
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—
Covered payroll ^A	\$ 53,306	55,919	52,415	52,641	54,766	56,781	62,876	68,297
Contributions as a percentage of covered payroll	6.12%	5.82%	6.69%	6.20%	6.14%	6.01%	5.56%	5.68%
Hetchy Water								
Charter Required or Actuarially determined contributions (ADC)	\$ 870	935	985	929	975	1,038	1,155	1,273
Contributions in relation to charter required contribution or ADC	<u>(870)</u>	<u>(935)</u>	<u>(985)</u>	<u>(929)</u>	<u>(975)</u>	<u>(1,038)</u>	<u>(1,155)</u>	<u>(1,273)</u>
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—
Covered payroll ^A	\$ 15,329	15,714	14,929	15,260	16,649	18,753	20,635	22,413
Contributions as a percentage of covered payroll	5.68%	5.95%	6.60%	6.09%	5.86%	5.54%	5.60%	5.68%
Hetchy Power								
Charter Required or Actuarially determined contributions (ADC)	\$ 1,064	1,143	1,204	1,136	1,192	1,268	1,412	1,556
Contributions in relation to charter required contribution or ADC	<u>(1,064)</u>	<u>(1,143)</u>	<u>(1,204)</u>	<u>(1,136)</u>	<u>(1,192)</u>	<u>(1,268)</u>	<u>(1,412)</u>	<u>(1,556)</u>
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—
Covered payroll ^A	\$ 18,734	19,205	18,246	18,652	20,349	22,919	25,220	27,395
Contributions as a percentage of covered payroll	5.68%	5.95%	6.60%	6.09%	5.86%	5.53%	5.60%	5.68%
CleanPowerSF								
Charter Required or Actuarially determined contributions (ADC)	\$ 40	75	132	187	155	282	297	288
Contributions in relation to charter required contribution or ADC	<u>(40)</u>	<u>(75)</u>	<u>(132)</u>	<u>(187)</u>	<u>(155)</u>	<u>(282)</u>	<u>(297)</u>	<u>(288)</u>
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—
Covered payroll ^A	\$ 1,236	2,112	3,007	2,426	4,527	4,829	4,668	5,070
Contributions as a percentage of covered payroll	3.24%	3.55%	4.39%	7.71%	3.42%	5.84%	6.36%	5.68%
SFPUC Total								
Charter Required or Actuarially determined contributions (ADC)	\$ 14,360	14,559	15,690	15,087	15,560	16,339	17,603	19,425
Contributions in relation to charter required contribution or ADC	<u>(14,360)</u>	<u>(14,559)</u>	<u>(15,690)</u>	<u>(15,087)</u>	<u>(15,560)</u>	<u>(16,339)</u>	<u>(17,603)</u>	<u>(19,425)</u>
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—	—
Covered payroll ^A	\$ 238,642	250,265	242,366	243,416	262,259	285,753	314,863	342,007
Contributions as a percentage of covered payroll	6.02%	5.82%	6.47%	6.20%	5.93%	5.72%	5.59%	5.68%

*Fiscal year 2018 was the first year of implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Therefore, eight years data is shown. RSI will be provided for 10 years as it becomes available.

**Fiscal year 2024 covered payroll data and percentage updated in fiscal year 2025.

^A 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 2025, the percentage of proportion of net OPEB liability is based on measurement period 2024

Source: Office of the Controller, City and County of San Francisco.

See accompanying auditor's report.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Schedule of Changes in Net Position – Dollar and Percentage Change vs. Prior Year
Proprietary Funds
June 30, 2025 and 2024*
(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
Assets														
Current assets:														
Cash and investments with City Treasury.....	\$ 56,212	14.8	20,303	5.4	56,773	122.2	39,187	18.2	62,638	39.2	—	—	235,113	20.0
Cash and investments outside City Treasury.....	(117)	(60.6)	(107)	(70.4)	—	—	(36)	(87.8)	—	—	—	—	(260)	(67.4)
Receivables:														
Charges for services (net of allowance for doubtful accounts of \$10,878, \$12,045, \$0, \$3,299, and \$11,437 in 2025 and \$10,777, \$12,865, \$0, \$1,699, and \$9,226 in 2024).....	(8,732)	(11.0)	1,962	4.1	(34)	(7.2)	(5,240)	(32.0)	3,686	7.2	—	—	(8,358)	(4.3)
Wholesale balancing account, current portion.....	(26,121)	(100.0)	—	—	—	—	—	—	—	—	—	—	(26,121)	(100.0)
Note receivable - Balboa Reservoir, current portion.....	3,116	100.0	—	—	—	—	—	—	—	—	—	—	3,116	100.0
Due from other City departments, current portion.....	107	104.9	(12)	(14.6)	—	—	(897)	(57.6)	—	—	(103)	(90.4)	(905)	(55.6)
Due from other governments.....	672	183.6	—	—	1	0.1	1	0.2	—	—	—	—	674	25.9
Interest.....	(395)	(10.2)	(277)	(7.1)	95	16.4	(357)	(12.6)	362	21.4	—	—	(572)	(4.5)
Interest-Leases.....	10	1.1	—	—	—	—	—	—	—	—	—	—	10	1.1
Restricted due from other governments.....	(105,774)	(81.6)	30,301	100.0	—	—	—	—	—	—	—	—	(75,473)	(58.2)
Leases receivable, current portion.....	(494)	(15.2)	15	6.6	—	—	—	—	—	—	—	—	(479)	(13.8)
Restricted interest and other receivable (net of allowance for doubtful accounts of \$145, \$383, \$0, \$0 and \$0 in 2025 and \$131, \$345, \$0, \$0 and \$0 in 2024).....	(1,135)	(30.0)	6,200	899.9	—	—	344	203.6	—	—	—	—	5,409	116.4
Total current receivables.....	(138,746)	(56.1)	38,189	71.7	62	2.3	(6,149)	(28.6)	4,048	7.7	(103)	(90.4)	(102,699)	(27.2)
Prepaid charges, advances, and other receivables, current portion.....	2,455	49.5	(7,413)	(91.0)	(20)	(2.7)	1,326	20.9	528	119.7	—	—	(3,124)	(15.1)
Inventory.....	(258)	(3.3)	395	10.8	77	38.7	138	8.2	—	—	—	—	352	2.6
Restricted cash and investments outside City Treasury, current portion.....	(11,598)	(28.9)	41,836	100.1	—	—	(2,711)	(39.6)	—	—	—	—	27,527	31.0
Total current assets.....	(92,052)	(13.5)	93,203	19.3	56,892	113.5	31,755	12.6	67,214	31.6	(103)	(90.4)	156,909	9.3
Non-current assets:														
Restricted cash and investments with City Treasury.....	66,421	93.5	366,975	1,160.8	(10,515)	(33.6)	27,465	54.1	—	—	—	—	450,346	243.8
Restricted cash and investments outside City Treasury, less current portion.....	(5,754)	(9.1)	(24,416)	(40.7)	—	—	(3,370)	(46.8)	—	—	—	—	(33,540)	(25.7)
Leases receivable, less current portion.....	(2,676)	(7.5)	(242)	(23.7)	—	—	—	—	—	—	—	—	(2,918)	(7.9)
Restricted interest and other receivable, and prepaid (net of allowance for doubtful accounts of \$0, \$0, \$0, \$0, and \$0 in 2025 and \$0, \$0, \$0, \$0, and \$0 in 2024).....	—	—	(17)	(4.4)	—	—	—	—	—	—	—	—	(17)	(4.4)
Charges for services, less current portion (net of allowance for doubtful accounts of \$414, \$333, \$0, \$0, and \$0 in 2025 and \$664, \$351, \$0, \$0, and \$0 in 2024).....	(1)	(0.5)	1	0.3	—	—	—	—	—	—	—	—	—	—
Note receivable - Balboa Reservoir, less current portion.....	(2,775)	(24.1)	—	—	—	—	—	—	—	—	—	—	(2,775)	(24.1)
Prepaid charges, advances, and other receivables, less current portion.....	120	3.7	73	6.7	(4)	(2.9)	336	3.1	428	3.6	—	—	953	3.5
Capital assets, not being depreciated and amortized.....	246,463	34.2	(22,867)	(0.8)	12,874	14.4	10,357	3.0	—	—	—	—	246,827	6.0
Capital assets, net of accumulated depreciation and amortization.....	(33,631)	(0.7)	819,310	32.0	(30)	(0.0)	41,812	10.2	73	561.5	—	—	827,534	10.1
Due from other City departments, less current portion.....	37,720	100.0	—	—	—	—	(358)	(3.6)	—	—	(37,605)	(12,922.7)	(243)	(2.5)
Total non-current assets.....	305,887	5.1	1,138,817	20.4	2,325	0.9	76,242	9.1	501	4.3	(37,605)	(12,922.7)	1,486,167	11.7
Total assets.....	213,835	3.2	1,232,020	20.3	59,217	18.6	107,997	9.9	67,715	30.1	(37,708)	(9,310.6)	1,643,076	11.5
Deferred outflows of resources														
Unamortized loss on refunding of debt.....	(6,475)	(7.3)	—	—	—	—	—	—	—	—	—	—	(6,475)	(7.3)
Pensions.....	5,293	5.7	2,312	5.4	506	4.2	618	4.2	566	25.9	—	—	9,295	5.6
Other postemployment benefits.....	(2,665)	(8.9)	(1,717)	(13.4)	(237)	(7.4)	(288)	(7.4)	199	20.0	—	—	(4,708)	(9.3)
Total deferred outflows of resources.....	(3,847)	(1.8)	595	1.1	269	1.8	330	1.8	765	24.0	—	—	(1,888)	(0.6)

*Fiscal year 2024, restated due to implementation of GASB Statement No. 101, *Compensated Absences*. See accompanying auditor's report.

(continued)

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Schedule of Changes in Net Position – Dollar and Percentage Change vs. Prior Year
Proprietary Funds
June 30, 2025 and 2024*
(In thousands)

	Business Type Activities – Proprietary Funds													
	Water		Wastewater		Helchy Water		Helchy Power		CleanPowerSF		Eliminations		SFPUC Total	
	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change
Liabilities														
Current liabilities:														
Accounts payable.....	\$ (4,123)	(16.3)	2,484	13.2	640	66.0	3,031	22.4	3,109	10.7	—	—	5,141	5.9
Accrued payroll.....	2,340	17.4	1,663	20.5	490	34.3	495	15.0	278	43.5	—	—	5,266	19.6
Accrued compensated absences, current portion.....	1,093	6.7	826	6.0	261	8.7	318	7.7	92	16.0	—	—	2,590	6.9
Accrued workers' compensation, current portion.....	177	8.1	(83)	(4.9)	10	4.4	12	2.9	—	—	—	—	116	2.6
Due to other City departments, current portion.....	—	—	1	0.9	—	—	102	100.0	—	—	(103)	(90.4)	—	—
Damage claims liability, current portion.....	(1,191)	(20.8)	(12,857)	(44.7)	176	145.5	(1,302)	(69.6)	(17)	(100.0)	—	—	(15,191)	(41.7)
Unearned revenues, refunds, and other, current portion.....	1,616	10.7	(1,277)	(13.3)	(82)	(77.4)	787	11.9	(3,561)	(44.6)	—	—	(2,517)	(6.4)
Arbitrage rebate payable, current portion.....	536	100.0	290	100.0	—	—	—	—	—	—	—	—	826	100.0
Bond, loan, lease and subscription interest payable, current portion.....	(894)	(2.4)	11,874	39.2	6	600.0	154	5.7	2	100.0	—	—	11,142	15.7
Bonds, current portion.....	1,110	0.8	3,090	8.7	—	—	149	4.1	—	—	—	—	4,349	2.5
Certificates of participation, current portion.....	143	4.2	37	4.1	—	—	20	4.3	—	—	—	—	200	4.2
Commercial paper, current portion.....	(170,000)	(89.5)	—	—	—	—	78,679	86.8	—	—	—	—	(91,321)	(32.5)
State revolving funds loans payable, current portion.....	—	—	790	14.0	—	—	—	—	—	—	—	—	790	14.0
Lease liability, current portion.....	(62)	(6.0)	1,766	100.0	70	437.5	86	452.6	—	—	—	—	1,860	175.0
Subscription liability, current portion.....	693	452.9	410	440.9	145	483.3	116	464.0	64	1,066.7	—	—	1,428	465.1
Current liabilities payable from restricted assets.....	33,399	83.7	(36,493)	(26.9)	(2,909)	(72.2)	(7,358)	(28.8)	—	—	—	—	(13,361)	(6.5)
0 Total current liabilities.....	<u>(135,163)</u>	<u>(27.7)</u>	<u>(27,479)</u>	<u>(9.5)</u>	<u>(1,193)</u>	<u>(12.0)</u>	<u>75,289</u>	<u>49.3</u>	<u>(33)</u>	<u>(0.1)</u>	<u>(103)</u>	<u>(90.4)</u>	<u>(88,682)</u>	<u>(9.1)</u>
Long-term liabilities:														
Arbitrage rebate payable, less current portion.....	416	47.9	(4,267)	(50.1)	—	—	23	12.5	—	—	—	—	(3,828)	(40.0)
Net other postemployment benefits liability.....	3,674	2.3	1,292	2.6	321	2.0	394	2.0	(436)	(10.4)	—	—	5,245	2.1
Net pension liability.....	14,335	9.4	7,040	10.5	1,320	6.9	1,613	6.9	1,062	29.8	—	—	25,370	9.5
Accrued compensated absences, less current portion.....	425	3.0	539	4.4	141	5.0	173	4.5	84	15.7	—	—	1,362	4.0
Accrued workers' compensation, less current portion.....	1,122	12.7	(28)	(0.4)	(77)	(7.2)	(95)	(5.0)	—	—	—	—	922	4.8
Due to other City departments, less current portion.....	—	—	(115)	(39.5)	—	—	37,720	100.0	—	—	(37,605)	(12,922.7)	—	100.0
Damage claims liability, less current portion.....	(6,633)	(38.9)	(23,125)	(26.8)	(147)	(100.0)	(1,824)	(95.9)	(4)	(100.0)	—	—	(31,733)	(30.1)
Unearned revenues, refunds, and other, less current portion.....	—	—	—	—	6	100.0	306	52.8	72	100.0	—	—	384	66.2
Liabilities payable from restricted assets, less current portion.....	—	—	—	—	—	—	(250)	(7.5)	—	—	—	—	(250)	(7.5)
Bonds, less current portion.....	222,981	4.6	1,060,705	40.0	—	—	(5,569)	(1.8)	—	—	—	—	1,278,117	16.4
Certificates of participation, less current portion.....	(3,545)	(4.1)	(937)	(4.1)	—	—	(483)	(4.1)	—	—	—	—	(4,965)	(4.1)
Commercial paper, less current portion.....	—	—	(341,373)	(100.0)	—	—	—	—	—	—	—	—	(341,373)	(100.0)
State revolving funds loans payable, less current portion.....	40,065	15.4	48,154	15.4	—	—	—	—	—	—	—	—	88,219	15.4
Water Infrastructure Finance and Innovation Act (WIFIA) loans.....	—	—	472,221	51.2	—	—	—	—	—	—	—	—	472,221	51.2
Bond, loan, lease, and subscription interest payable, less current portion.....	1,843	50.9	1,792	85.1	—	—	—	—	—	—	—	—	3,635	63.5
Lease liability, less current portion.....	18	1.0	3,722	100.0	235	221.7	286	218.3	—	—	—	—	4,261	209.9
Subscription liability, less current portion.....	4	2.6	1	1.1	4	13.8	—	—	8	114.3	—	—	17	5.5
Wholesale balancing account.....	12,983	100.0	—	—	—	—	—	—	—	—	—	—	12,983	100.0
Pollution remediation obligations.....	(1,271)	(100.0)	(328)	(5.1)	—	—	—	—	—	—	—	—	(1,599)	(20.7)
0 Total long-term liabilities.....	<u>286,417</u>	<u>5.2</u>	<u>1,225,293</u>	<u>27.3</u>	<u>1,803</u>	<u>4.6</u>	<u>32,294</u>	<u>8.5</u>	<u>786</u>	<u>9.5</u>	<u>(37,605)</u>	<u>(12,922.7)</u>	<u>1,508,988</u>	<u>14.4</u>
0 Total liabilities.....	<u>151,254</u>	<u>2.5</u>	<u>1,197,814</u>	<u>25.1</u>	<u>610</u>	<u>1.2</u>	<u>107,583</u>	<u>20.1</u>	<u>753</u>	<u>1.6</u>	<u>(37,708)</u>	<u>(9,310.6)</u>	<u>1,420,306</u>	<u>12.4</u>
Deferred inflows of resources														
Unamortized gain on refunding of debt.....	17,645	55.4	4,962	48.4	—	—	—	—	—	—	—	—	22,607	53.7
Pensions.....	(6,255)	(47.0)	(1,883)	(46.4)	(1,073)	(55.3)	(1,311)	(55.3)	(195)	(21.1)	—	—	(10,717)	(47.4)
Leases.....	(3,348)	(9.2)	(249)	(20.7)	—	—	—	—	—	—	—	—	(3,597)	(9.5)
Other postemployment benefits.....	1,060	4.7	668	11.5	(65)	(2.2)	(80)	(2.3)	(555)	(24.2)	—	—	1,028	2.8
Total deferred inflows of resources.....	<u>9,102</u>	<u>8.7</u>	<u>3,498</u>	<u>16.4</u>	<u>(1,138)</u>	<u>(23.5)</u>	<u>(1,391)</u>	<u>(23.5)</u>	<u>(750)</u>	<u>(23.3)</u>	<u>—</u>	<u>—</u>	<u>9,321</u>	<u>6.7</u>
Net position														
Net investment in capital assets.....	99,589	28.4	(109,455)	(9.5)	15,334	6.6	(1,506)	(0.4)	—	—	—	—	3,962	0.2
Restricted for debt service.....	(39,371)	(88.0)	2,112	100.0	—	—	—	—	—	—	—	—	(37,259)	(83.3)
Restricted for capital projects.....	(55,190)	(27.5)	108,986	342.9	(10,515)	(33.6)	4,020	14.0	—	—	—	—	47,301	16.2
Restricted for other purposes.....	—	—	—	—	—	—	5,772	100.0	—	—	—	—	5,772	100.0
Unrestricted.....	44,604	32.5	29,660	20.7	55,195	359.9	(6,151)	(3.2)	68,477	38.4	—	—	191,785	28.7
Total net position.....	<u>\$ 49,632</u>	<u>6.8</u>	<u>31,303</u>	<u>2.4</u>	<u>60,014</u>	<u>21.4</u>	<u>2,135</u>	<u>0.4</u>	<u>68,477</u>	<u>38.4</u>	<u>—</u>	<u>—</u>	<u>211,561</u>	<u>6.9</u>

*Fiscal year 2024, restated due to implementation of GASB Statement No. 101, *Compensated Absences*.
See accompanying auditor's 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
Years Ended June 30, 2025 and 2024*
(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
Operating revenues:												
Charges for services.....	\$ 2,823	0.4	35,453	9.0	3,741	7.6	4,120	1.9	63,202	17.2	109,339	6.5
Rents and concessions.....	(1,202)	(14.0)	136	18.4	(22)	(13.6)	(9)	(4.5)	—	—	(1,097)	(11.4)
Capacity fees.....	192	22.2	561	24.8	—	—	—	—	—	—	753	24.1
Other revenues.....	(66)	(1.4)	—	—	—	—	—	—	—	—	(66)	(1.4)
Total operating revenues.....	<u>1,747</u>	<u>0.3</u>	<u>36,150</u>	<u>9.2</u>	<u>3,719</u>	<u>7.5</u>	<u>4,111</u>	<u>1.9</u>	<u>63,202</u>	<u>17.2</u>	<u>108,929</u>	<u>6.4</u>
Operating expenses:												
Personnel services.....	14,693	9.1	21,334	20.0	(4,048)	(16.0)	7,941	16.3	2,894	30.9	42,814	12.2
Contractual services.....	(2,541)	(12.6)	642	2.7	(116)	(2.9)	(360)	(2.6)	535	8.6	(1,840)	(2.7)
Transmission/distribution and other power costs.....	—	—	—	—	—	—	(9,485)	(15.2)	—	—	(9,485)	(15.1)
Purchased electricity.....	—	—	—	—	—	—	9,548	61.4	58,038	20.4	67,586	22.5
Materials and supplies.....	(25)	(0.1)	1,199	8.3	10	0.6	330	13.5	42	70.0	1,556	3.7
Depreciation and amortization.....	4,728	3.0	3,754	4.5	741	11.4	2,548	13.8	109	641.2	11,880	4.5
Services provided by other departments.....	7,971	10.3	4,667	11.8	(879)	(25.1)	1,254	18.4	(1,476)	(30.8)	11,537	8.7
General and administrative and other.....	(60,017)	(64.2)	(202,206)	(103.4)	5,354	165.8	5,142	15.5	483	7.8	(251,244)	(75.8)
Total operating expenses.....	<u>(35,191)</u>	<u>(6.6)</u>	<u>(170,610)</u>	<u>(36.8)</u>	<u>1,062</u>	<u>2.4</u>	<u>16,918</u>	<u>8.4</u>	<u>60,625</u>	<u>19.5</u>	<u>(127,196)</u>	<u>(8.2)</u>
Operating income (loss).....	<u>36,938</u>	<u>25.3</u>	<u>206,760</u>	<u>(303.8)</u>	<u>2,657</u>	<u>52.3</u>	<u>(12,807)</u>	<u>97.1</u>	<u>2,577</u>	<u>4.7</u>	<u>236,125</u>	<u>155.9</u>
Non-operating revenues (expenses):												
Federal and state grants.....	(10,181)	(82.0)	(11,694)	(95.4)	152	100.0	161	619.2	33	100.0	(21,529)	(87.2)
Interest and investment income.....	3,996	15.9	18,537	72.6	1,761	54.1	944	6.9	4,578	77.5	29,816	40.6
Interest expenses**.....	7,078	3.4	(62,982)	(68.8)	(20)	(666.7)	(2,542)	(18.9)	(5)	(100.0)	(58,471)	(18.7)
Net gain/(loss) from sale of assets.....	(359)	(17.4)	(59)	(76.6)	16	800.0	(2,853)	(142,650.0)	—	—	(3,255)	(152.0)
Other non-operating revenues.....	(2,652)	(9.6)	(7,898)	(66.0)	(301)	(89.6)	(2,731)	(32.1)	302	78.2	(13,280)	(27.2)
Other non-operating expenses.....	(138)	(7.8)	280	55.4	37	82.2	(435)	(439.4)	538	61.3	282	8.6
Net non-operating revenues (expenses).....	<u>(2,256)</u>	<u>(1.6)</u>	<u>(63,816)</u>	<u>(151.0)</u>	<u>1,645</u>	<u>46.4</u>	<u>(7,456)</u>	<u>(85.6)</u>	<u>5,446</u>	<u>100.6</u>	<u>(66,437)</u>	<u>39.7</u>
Change in net position before capital contributions and transfers.....	<u>34,682</u>	<u>1,015.9</u>	<u>142,944</u>	<u>(129.6)</u>	<u>4,302</u>	<u>(49.9)</u>	<u>(20,263)</u>	<u>(92.5)</u>	<u>8,023</u>	<u>13.3</u>	<u>169,688</u>	<u>(1,065.9)</u>
Capital contributions.....	(36,163)	(207.4)	(47,935)	(99.7)	—	—	(25,168)	(86.2)	—	—	(109,266)	(83.5)
Transfers from the City and County of San Francisco.....	40,710	8,061.4	—	—	47,042	112,004.8	—	—	—	—	87,752	16,042.4
Transfers to the City and County of San Francisco.....	(45,874)	(3,696.5)	(1,263)	(604.3)	—	—	(3,424)	(3,170.4)	—	—	(50,561)	(3,245.3)
Net capital contributions and transfers.....	<u>(41,327)</u>	<u>(78.2)</u>	<u>(49,198)</u>	<u>(102.8)</u>	<u>47,042</u>	<u>112,004.8</u>	<u>(28,592)</u>	<u>(98.3)</u>	<u>—</u>	<u>—</u>	<u>(72,075)</u>	<u>(55.5)</u>
Change in net position.....	<u>(6,645)</u>	<u>(11.8)</u>	<u>93,746</u>	<u>(150.1)</u>	<u>51,344</u>	<u>592.2</u>	<u>(48,855)</u>	<u>(95.8)</u>	<u>8,023</u>	<u>13.3</u>	<u>97,613</u>	<u>85.7</u>
Net position at beginning of year.....												
Beginning of year, as previously reported.....	41,033	5.9	(75,198)	(5.4)	5,815	2.1	47,501	9.2	60,141	51.0	79,292	2.6
Cumulative effect of accounting change.....	15,244	100.0	12,755	100.0	2,855	100.0	3,489	100.0	313	100.0	34,656	100.0
Net position at beginning of year as restated.....	<u>56,277</u>	<u>8.3</u>	<u>(62,443)</u>	<u>(4.5)</u>	<u>8,670</u>	<u>3.2</u>	<u>50,990</u>	<u>9.9</u>	<u>60,454</u>	<u>51.4</u>	<u>113,948</u>	<u>3.8</u>
Net position at end of year.....	<u>\$ 49,632</u>	<u>6.8</u>	<u>31,303</u>	<u>2.4</u>	<u>60,014</u>	<u>21.4</u>	<u>2,135</u>	<u>0.4</u>	<u>68,477</u>	<u>38.4</u>	<u>211,561</u>	<u>6.9</u>

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

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

See accompanying auditor's report.



**Independent Auditor’s 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 San Francisco Public Utilities Commission, the
Honorable Mayor, and the Board of Supervisors of
City and County of San Francisco, California

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 (*Government Auditing Standards*), 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 year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the SFPUC’s basic financial statements, and have issued our report thereon dated December 10, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the SFPUC’s internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 the 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 the entity'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.

A handwritten signature in black ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, professional style.

Walnut Creek, California
December 10, 2025

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

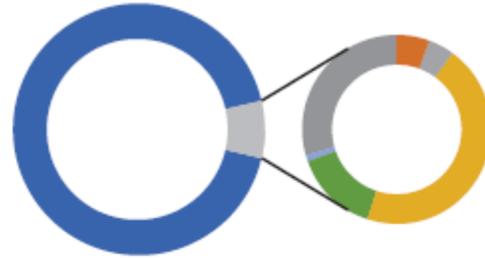
Financial Trends
 Department-wide
 Comparative Highlights of Revenues and Expenses
 Fiscal Years Ended 2025 and 2024#
 (Dollars in Thousands)

2025 Revenues - \$1,952,198



Charges for services	\$1,794,188	91.9%
Other	158,012	8.1%
Rents and concessions	\$8,558	0.4%
Other operating revenues	\$8,554	0.4%
Interest and investment income	\$103,344	5.4%
Federal and State grants	\$3,167	0.2%
Net (loss) from sale of assets	\$(1,114)	-0.1%
Other non-operating revenues	\$35,503	1.8%

2024 Revenues - \$1,851,517



Charges for services	\$1,884,847	91.0%
Other	166,670	8.9%
Rents and concessions	\$9,655	0.5%
Other operating revenues	\$7,867	0.4%
Interest and investment income	\$73,528	4.0%
Federal and State grants	\$24,696	1.3%
Net gain from sale of assets	\$2,141	0.1%
Other non-operating revenues	\$48,783	2.6%

2025 Expenses - \$1,798,430



Personnel services	\$394,235	21.9%
Contractual services	\$66,075	3.7%
Purchased power & related costs	\$420,946	23.3%
Materials and supplies	\$43,491	2.4%
Depreciation and amortization	\$274,773	15.3%
Services provided by other departments	\$143,842	8.0%
General & administrative and Other operating expenses	\$80,312	4.5%
Interest expenses*	\$371,752	20.7%
Non-operating expenses	\$3,004	0.2%

2024 Expenses* - \$1,867,437



Personnel services	\$351,421	18.8%
Contractual services	\$67,915	3.6%
Purchased power & related costs	\$362,845	19.4%
Materials and supplies	\$41,935	2.2%
Depreciation and amortization	\$262,893	14.1%
Services provided by other departments	\$132,305	7.1%
General & administrative and Other operating expenses	\$331,556	17.8%
Interest expenses*	\$313,281	16.8%
Non-operating expenses	\$3,288	0.2%

*Interest expenses, net of amortization of premium, discount, refunding gain (loss) and issuance costs.
 #Restated due to implementation of GASB Statement No. 101, *Compensated Absences*.

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 and Expenses
 Fiscal Years Ended 2025 and 2024#
 (Dollars in Thousands)

2025 Revenues - \$736,609



Charges for services	\$665,552	90.5%
Other	\$71,057	9.5%
Rents and concessions	\$7,354	1.0%
Capacity fees	\$1,055	0.1%
Other operating revenues	\$4,876	0.8%
Interest and investment income	\$29,093	3.9%
Net gain from sale of assets	\$1,701	0.2%
Federal and State grants	\$2,233	0.3%
Other non-operating revenues	\$24,945	3.4%

2024 Revenues - \$744,058



Charges for services	\$662,729	89.1%
Other	\$81,329	10.9%
Rents and concessions	\$8,556	1.1%
Capacity fees	\$863	0.1%
Other operating revenues	\$4,742	0.8%
Interest and investment income	\$25,097	3.4%
Net gain from sale of assets	\$2,060	0.3%
Federal and State grants	\$12,414	1.7%
Other non-operating revenues	\$27,597	3.7%

2025 Expenses - \$698,513



Personnel services	\$175,770	25.1%
Contractual services	\$17,587	2.5%
Materials and supplies	\$23,170	3.3%
Depreciation and amortization	\$159,900	22.9%
Services provided by other departments	\$85,809	12.3%
General & administrative and Other operating expense	\$33,427	4.8%
Interest expenses*	\$201,152	28.8%
Non-operating expenses	\$1,898	0.3%

2024 Expenses# - \$740,644



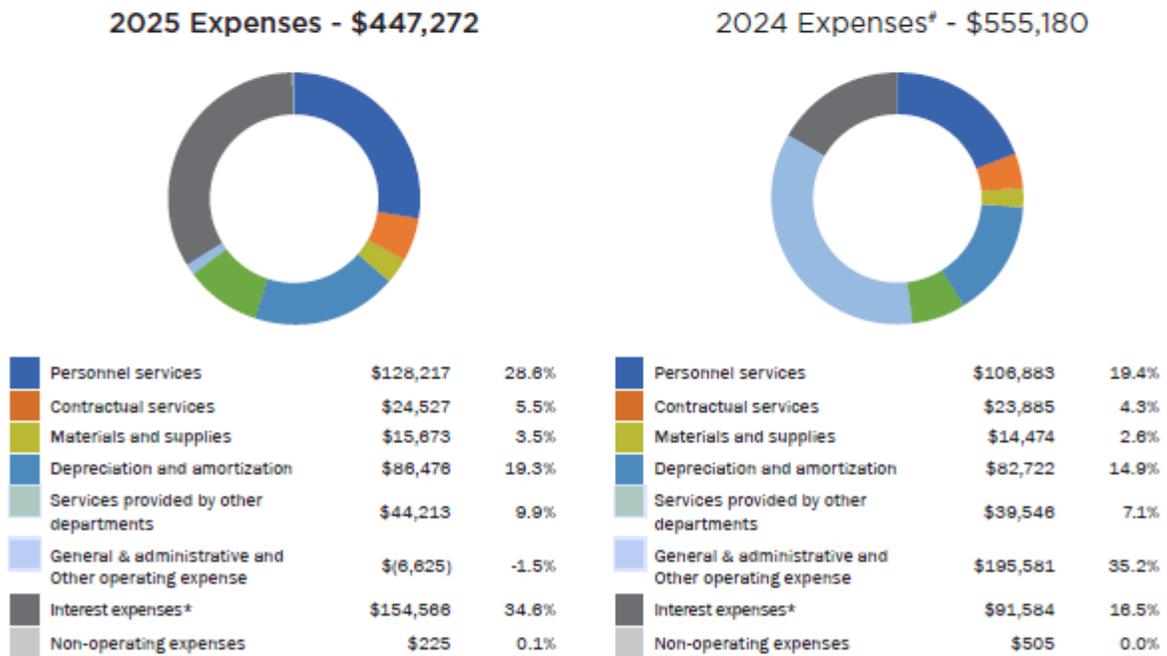
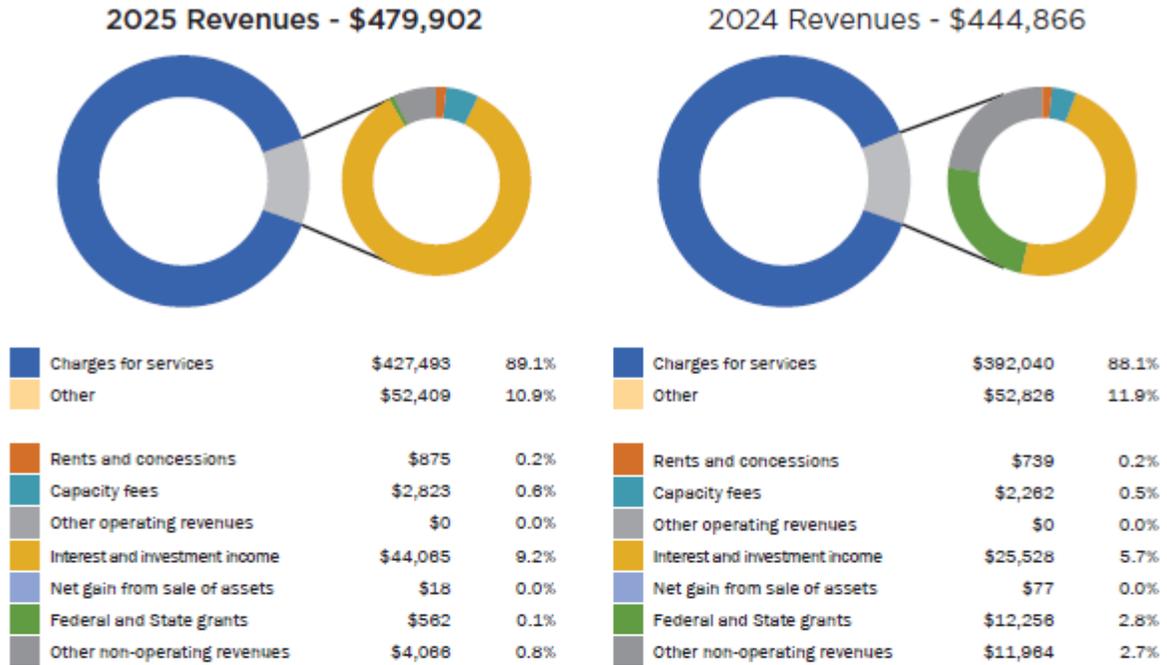
Personnel services	\$161,077	21.8%
Contractual services	\$20,128	2.7%
Materials and supplies	\$23,195	3.1%
Depreciation and amortization	\$155,172	21.0%
Services provided by other departments	\$77,838	10.5%
General & administrative and Other operating expense	\$93,444	12.6%
Interest expenses*	\$208,230	28.1%
Non-operating expenses	\$1,760	0.2%

*Interest expenses, net of amortization of premium, discount, refunding gain (loss) and issuance costs.

#Restated due to implementation of GASB Statement No. 101, *Compensated Absences*.

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 and Expenses
 Fiscal Years Ended 2025 and 2024#
 (Dollars in Thousands)



*Interest expenses, net of amortization of premium, discount, refunding gain (loss) and issuance costs.
 #Restated due to implementation of GASB Statement No. 101, *Compensated Absences*.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

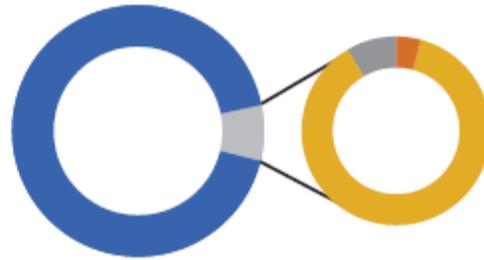
Financial Trends
 Hetchy Water Fund
 Comparative Highlights of Revenues and Expenses
 Fiscal Years Ended 2025 and 2024#
 (Dollars in Thousands)

2025 Revenues - \$58,432



Charges for services	\$53,071	90.9%
Other	\$5,361	9.1%
Rents and concessions	\$140	0.2%
Interest and investment income	\$5,018	8.6%
Net gain from sale of assets	\$18	0.0%
Federal and State grants	\$152	0.3%
Other non-operating revenues	\$35	0.0%

2024 Revenues - \$53,085



Charges for services	\$49,330	93.0%
Other	\$3,755	7.0%
Rents and concessions	\$182	0.3%
Interest and investment income	\$3,255	6.1%
Net gain from sale of assets	\$2	0.0%
Federal and State grants	\$0	0.0%
Other non-operating revenues	\$338	0.6%

2025 Expenses - \$45,502



Personnel services	\$21,319	46.8%
Contractual services	\$3,919	8.6%
Materials and supplies	\$1,785	3.9%
Depreciation and amortization	\$7,263	16.0%
Services provided by other departments	\$2,622	5.8%
General and administrative and Other	\$8,583	18.9%
Interest expenses	\$23	0.0%
Non-operating expenses	\$8	0.0%

2024 Expenses* - \$44,457

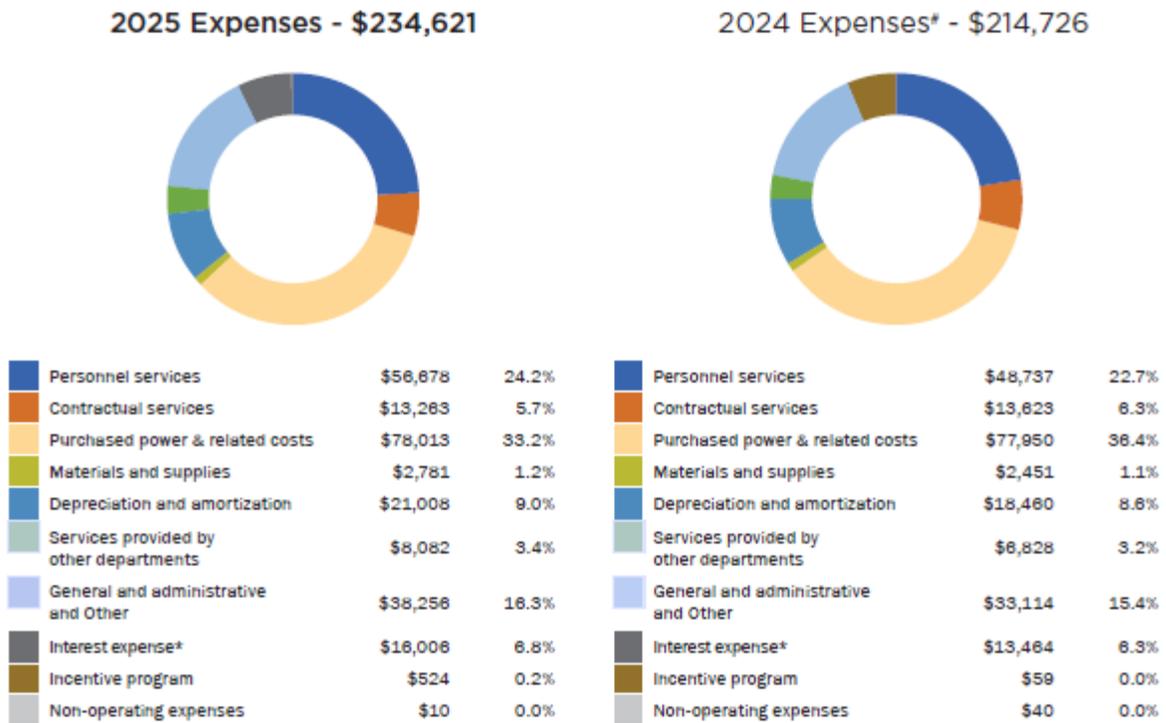
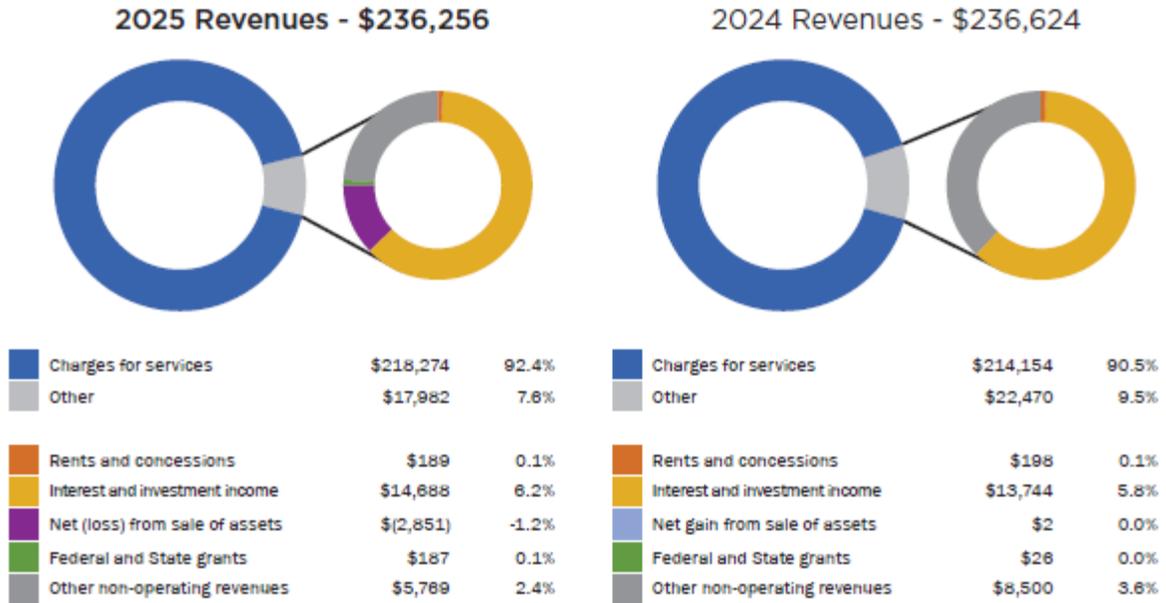


Personnel services	\$25,387	57.1%
Contractual services	\$4,035	9.1%
Materials and supplies	\$1,755	3.9%
Depreciation and amortization	\$6,522	14.7%
Services provided by other departments	\$3,501	7.9%
General and administrative and Other	\$3,229	7.3%
Interest expenses	\$3	0.0%
Non-operating expenses	\$45	0.0%

#Restated due to implementation of GASB Statement No. 101, *Compensated Absences*.

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 and Expenses
 Fiscal Years Ended 2025 and 2024#
 (Dollars in Thousands)

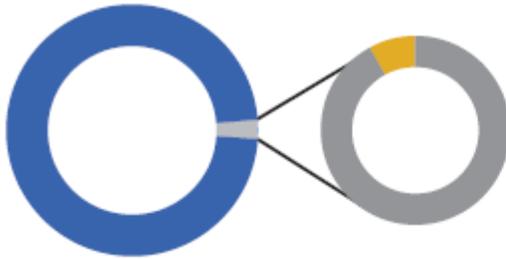


*Interest expenses, net of amortization of premium, discount, refunding gain (loss) and issuance costs.
 #Restated due to implementation of GASB Statement No. 101, *Compensated Absences*.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

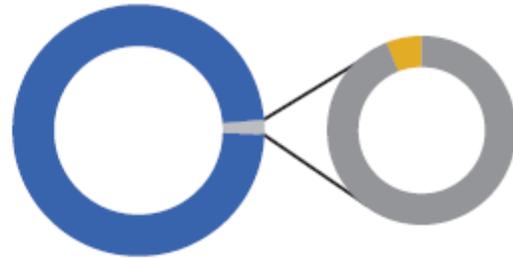
Financial Trends
CleanPowerSF
 Comparative Highlights of Revenues and Expenses
 Fiscal Years Ended 2025 and 2024#
 (Dollars in Thousands)

2025 Revenues - \$440,999



Charges for services	\$429,798	97.5%
Other	\$11,203	2.5%
Interest and investment income	\$10,482	2.3%
Federal and State grants	\$33	0.0%
Other non-operating revenues	\$688	0.2%

2024 Revenues - \$372,884



Charges for services	\$366,594	98.3%
Other	\$6,290	1.7%
Interest and investment income	\$5,904	1.6%
Federal and State grants	\$0	0.0%
Other non-operating revenues	\$388	0.1%

2025 Expenses - \$372,522



Personnel services	\$12,251	3.3%
Contractual services	\$6,779	1.8%
Purchased power & related costs	\$342,933	92.1%
Materials and supplies	\$102	0.0%
Depreciation and amortization	\$126	0.0%
Services provided by other departments	\$3,316	0.9%
General and administrative and Other	\$6,671	1.8%
Interest expenses	\$5	0.0%
Incentive program	\$339	0.1%

2024 Expenses* - \$312,430



Personnel services	\$9,357	3.0%
Contractual services	\$6,244	2.0%
Purchased power & related costs	\$284,895	91.2%
Materials and supplies	\$60	0.0%
Depreciation and amortization	\$17	0.0%
Services provided by other departments	\$4,792	1.5%
General and administrative and Other	\$6,188	2.0%
Interest expenses	\$0	0.0%
Incentive program	\$607	0.2%
Other non-operating revenues	\$335	0.1%

#Restated due to implementation of GASB Statement No. 101, *Compensated Absences*.

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 2016 to 2025
 (Dollars in Thousands)

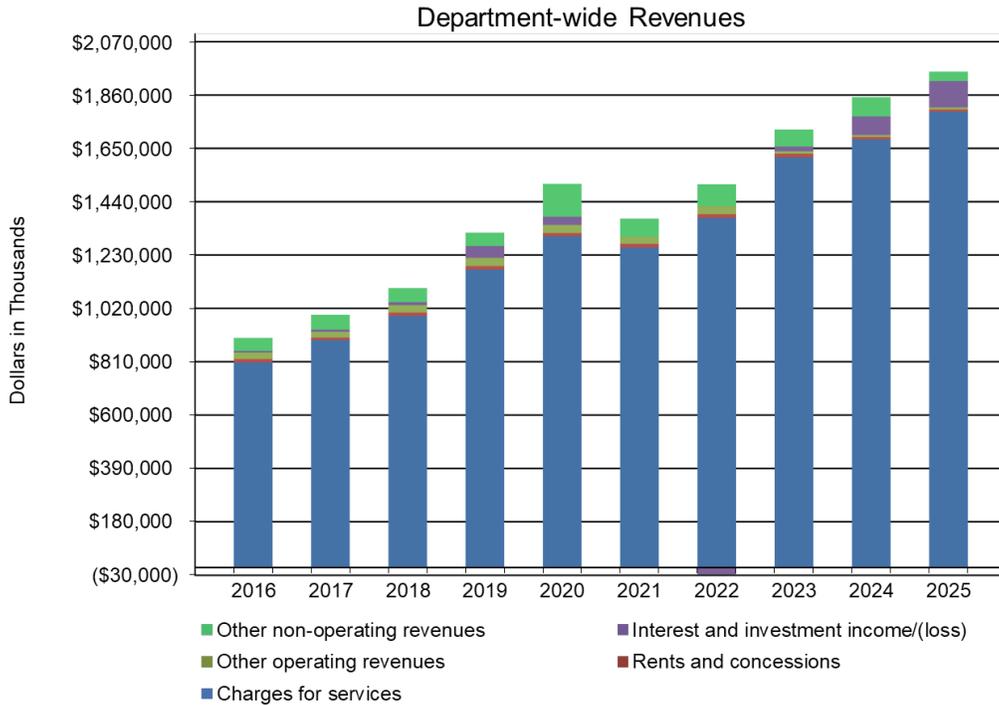
Revenues:	2016	2017	2018	2019	2020	2021 [^]	2022	2023	2024 [@]	2025
Charges for services	\$ 807,259	895,472	989,842	1,172,573	1,303,411	1,259,466	1,375,765	1,614,447	1,684,847	1,794,186
Rents and concessions	13,096	9,734	13,813	13,989	13,135	14,624	14,719	14,387	9,655	8,558
Other operating revenues	25,672	22,445	29,043	32,296	32,217	27,182	31,962	9,670	7,867	8,554
Subtotal operating revenues	846,027	927,651	1,032,698	1,218,858	1,348,763	1,301,272	1,422,446	1,638,504	1,702,369	1,811,298
Interest and investment income/(loss)	6,060	8,511	11,694	46,639	32,103	30	(26,202)	18,315	73,528	103,344
Other non-operating revenues	51,972	58,422	55,705	52,483	129,198	72,337	86,326	67,553	75,620	37,556
Subtotal non-operating revenues	58,032	66,933	67,399	99,122	161,301	72,367	60,124	85,868	149,148	140,900
Total revenues	\$ 904,059	994,584	1,100,097	1,317,980	1,510,064	1,373,639	1,482,570	1,724,372	1,851,517	1,952,198

(Continued)

@Fiscal year 2024, certain other operating revenues for City departments reclassified to charges for services.

[^]Fiscal year 2021, 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 2016 to 2025
 (Dollars in Thousands)

Expenses:	2016	2017	2018	2019	2020	2021 [^]	2022 [#]	2023	2024 [@]	2025
Personnel services	\$ 227,930	365,494	271,888	248,189	275,892	291,245	201,290	293,894	351,421	394,235
Contractual services	34,915	31,563	39,408	44,832	50,821	48,299	50,048	58,030	67,915	66,075
Purchased power & related costs	26,792	43,407	64,732	170,275	223,601	233,682	297,990	344,036	362,845	420,946
Materials and supplies	26,128	23,972	28,024	25,130	26,695	25,554	31,228	38,626	41,935	43,491
Depreciation and amortization	173,978	191,997	193,457	200,712	226,194	241,810	251,516	258,424	262,893	274,773
Services provided by other departments	106,476	105,417	102,199	108,043	109,444	121,130	125,955	137,277	132,305	143,842
General and administrative and Other operating expenses	88,615	98,327	106,960	130,003	136,755	188,105	171,654	127,659	331,556	80,312
Subtotal operating expenses	684,834	860,177	806,668	927,184	1,049,402	1,149,825	1,129,681	1,257,946	1,550,870	1,423,674
Interest expenses**	166,914	164,729	172,995	201,145	214,644	205,124	278,963	293,982	313,281	371,752
Non-operating expenses	4,439	4,466	4,129	3,766 ^{^^}	1,652	3,582	1,938	2,809	3,286	3,004
Subtotal non-operating expenses	171,353	169,195	177,124	204,911	216,296	208,706	280,901	296,791	316,567	374,756
Total expenses	856,187	1,029,372	983,792	1,132,095	1,265,698	1,358,531	1,410,582	1,554,737	1,867,437	1,798,430
Change in net position before capital contributions and transfers	47,872	(34,788)	116,305	185,885	244,366	15,108	71,988	169,635	(15,920)	153,768
Capital contributions *	—	—	—	—	—	4,180	—	7,992	130,879	21,613
Transfers in (out)	17,899	(30,644)	(28,371)	1,360	(805)	17,091	13,677	(16)	(1,011)	36,180
Change in net position	65,771	(65,432)	87,934	187,245	243,561	36,379	85,665	177,611	113,948	211,561
Net position at beginning of year										
Beginning of year, as previously reported	2,225,451	2,292,646	2,225,790	2,270,925	2,458,170	2,701,731	2,738,110	2,823,775	3,001,386	3,080,678
Cumulative effect of accounting change due to error	—	—	(6,767)	—	—	—	—	—	—	—
Cumulative effect of accounting change	—	—	(36,032) [△]	—	—	—	—	—	(34,656)	—
Less: CleanPowerSF beginning net position	—	(1,424)	—	—	—	—	—	—	—	—
Beginning of year as restated	2,225,451	2,291,222	2,182,991	2,270,925	2,458,170	2,701,731	2,738,110	2,823,775	2,966,730	3,080,678
Net position at end of year	\$ 2,291,222	2,225,790	2,270,925	2,458,170	2,701,731	2,738,110	2,823,775	3,001,386	3,080,678	3,292,239

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

#Fiscal year 2022, implementation of GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements (SBITAs)*.

*Fiscal year 2021, \$4,180 was from Department of Public Works. Fiscal year 2023, \$7,992 was for HOPE SF projects. Fiscal year 2024, \$130,879 for Pier 70 Phase 1 project, Treasure Island Stage 1 project and Yerba Buena Island Street Improvements project. Fiscal year 2025, \$21,613 for Mission Rock and Warnerville Substation projects.

[^]Fiscal year 2021 implementation of GASB Statement No. 87, *Leases*.

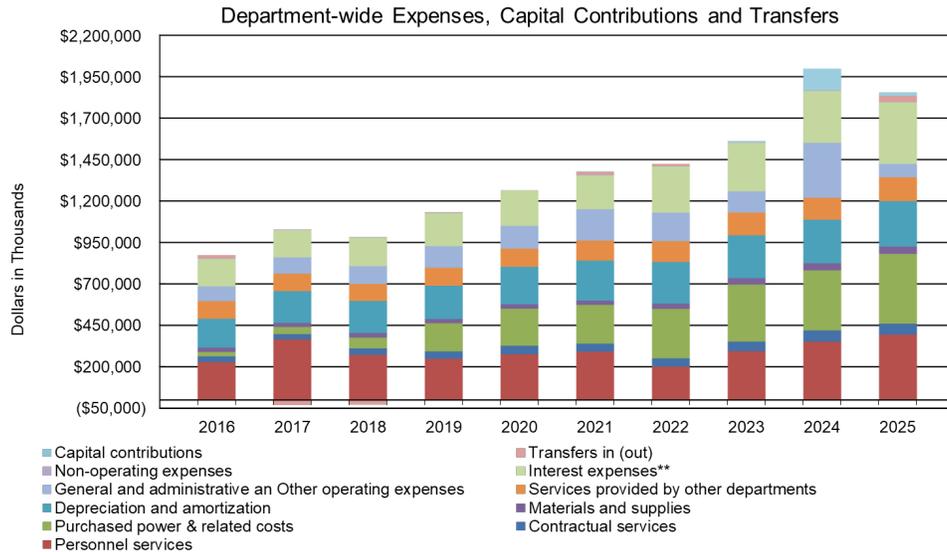
^{^^}Fiscal year 2019, non-operating expenses include net loss from sale of assets.

^{***}Fiscal year 2018, 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 2018 implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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

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 2016 to 2025
(Dollars in Thousands)

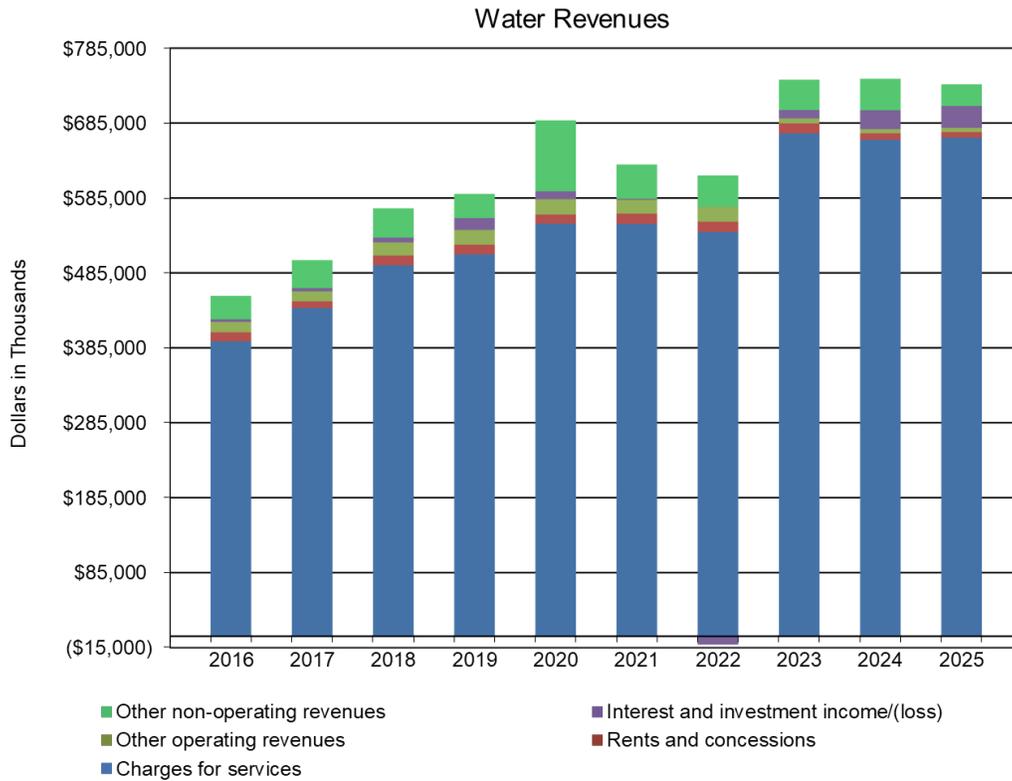
Revenues:	2016	2017	2018	2019	2020	2021[^]	2022	2023	2024[@]	2025
Charges for services	\$ 393,582	438,207	495,138	509,703	550,753	550,306	539,526	671,216	662,729	665,552
Rents and concessions	12,081	8,813	12,906	13,010	12,124	13,735	13,765	13,282	8,556	7,354
Other operating revenues	13,853	13,311	17,595	19,678	20,474	18,395	19,826	6,593	5,605	5,731
Subtotal operating revenues	419,516	460,331	525,639	542,391	583,351	582,436	573,117	691,091	676,890	678,637
Interest and investment income/(loss)	3,595	4,331	6,448	15,650	10,517	1,374	(10,896)	11,156	25,097	29,093
Other non-operating revenues	31,253	37,405	39,064	32,399	94,734	45,874	41,871	40,679	42,071	28,879
Subtotal non-operating revenues	34,848	41,736	45,512	48,049	105,251	47,248	30,975	51,835	67,168	57,972
Total revenues	\$ 454,364	502,067	571,151	590,440	688,602	629,684	604,092	742,926	744,058	736,609

(Continued)

[@]Fiscal year 2024, certain other operating revenues for City departments reclassified to charges for services.

[^]Fiscal year 2021, 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 - Changes in Net Position
Fiscal Years Ended 2016 to 2025
(Dollars in Thousands)

Expenses:	2016	2017	2018	2019	2020	2021 ^	2022 #	2023	2024 @	2025
Personnel services	\$ 103,027	182,034	128,295	111,594	119,943	132,528	83,385	135,709	161,077	175,770
Contractual services	13,451	10,664	14,131	13,715	14,523	14,029	12,562	16,919	20,128	17,587
Materials and supplies	12,896	12,564	15,936	13,421	14,050	13,175	15,719	20,046	23,195	23,170
Depreciation and amortization	106,666	118,826	118,751	120,815	142,228	145,444	148,777	155,714	155,172	159,900
Services provided by other departments	60,868	59,173	56,860	59,751	61,128	70,235	73,307	79,910	77,638	85,609
General and administrative and Other operating expenses	17,878	38,566	36,174	37,798	46,245	73,371	68,014	51,955	93,444	33,427
Subtotal operating expenses	314,786	421,827	370,147	357,094	398,117	448,782	401,764	460,253	530,654	495,463
Interest expenses**	144,409	139,046	150,461	160,210	177,494	176,896	203,806	204,942	208,230	201,152
Non-operating expenses	2,210	2,607	1,920	1,388	529	2,208	828	1,775	1,760	1,898
Subtotal non-operating expenses	146,619	141,653	152,381	161,598	178,023	179,104	204,634	206,717	209,990	203,050
Total expenses	461,405	563,480	522,528	518,692	576,140	627,886	606,398	666,970	740,644	698,513
Change in net position before capital contributions and transfers *	(7,041)	(61,413)	48,623	71,748	112,462	1,798	(2,306)	75,956	3,414	38,096
Capital contributions	—	—	—	—	—	4,180	—	2,717	53,599	17,436
Transfers in (out)	33,244	(59,988)	(30,986)	(19,134)	(13,585)	4,371	(15,631)	(20,027)	(736)	(5,900)
Change in net position	26,203	(121,401)	17,637	52,614	98,877	10,349	(17,937)	58,646	56,277	49,632
Net position at beginning of year										
Beginning of year, as previously reported	596,465	622,668	501,267 [△]	489,524	542,138	641,015	651,364	633,427	692,073	733,106
Cumulative effect of accounting change	—	—	(29,380)	—	—	—	—	—	(15,244)	—
Beginning of year as restated	596,465	622,668	471,887	489,524	542,138	641,015	651,364	633,427	676,829	733,106
Net Position at end of year	\$ 622,668	501,267	489,524	542,138	641,015	651,364	633,427	692,073	733,106	782,738

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

#Fiscal year 2022, implementation of GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements (SBITAs)*.

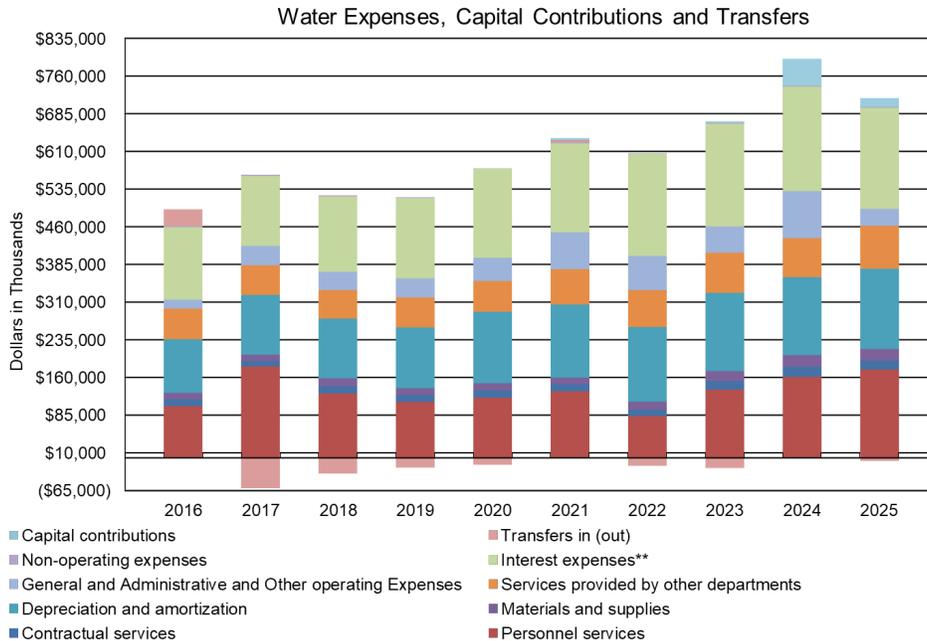
*Fiscal year 2021, \$4,180 from Department of Public Works. Fiscal year 2023, \$2,717 for HOPE SF projects. Fiscal year 2024, \$53,599 for Pier 70 Phase 1 project, Treasure Island Stage 1 project and Yerba Buena Island Street Improvements project. Fiscal year 2025, \$17,436 for Mission Rock project.

^Fiscal year 2021, implementation of GASB Statement No. 87, *Leases*.

△Fiscal year 2018, implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



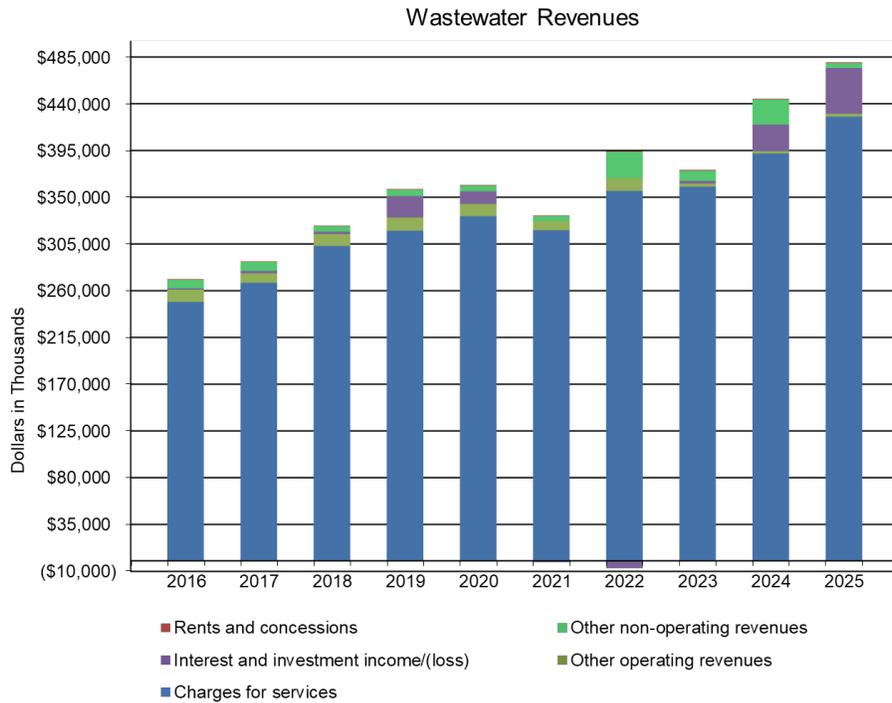
Financial Trends
Wastewater - Changes in Net Position
Fiscal Years Ended 2016 to 2025
(Dollars in Thousands)

Revenues:	2016	2017	2018	2019	2020	2021	2022	2023	2024 @	2025
Charges for services	\$ 249,203	267,601	303,037	317,761	331,721	318,236	356,041	360,037	392,040	427,493
Rents and concessions	753	606	611	702	664	642	705	822	739	875
Other operating revenues	11,819	9,134	11,448	12,618	11,743	8,787	12,136	3,077	2,262	2,823
Subtotal operating revenues	261,775	277,341	315,096	331,081	344,128	327,665	368,882	363,936	395,041	431,191
Interest and investment income/(loss)	1,185	2,327	2,317	20,701	12,137	(1,187)	(7,087)	2,556	25,528	44,065
Other non-operating revenues	8,263	8,633	5,330	6,164	5,596	4,911	25,454	9,910	24,297	4,646
Subtotal non-operating revenues	9,448	10,960	7,647	26,865	17,733	3,724	18,367	12,466	49,825	48,711
Total revenues	\$ 271,223	288,301	322,743	357,946	361,861	331,389	387,249	376,402	444,866	479,902

(Continued)

@Fiscal year 2024, certain other operating revenues for City departments reclassified to charges for services.

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 2016 to 2025
(Dollars in Thousands)

Expenses:	2016	2017	2018	2019	2020	2021 [^]	2022 [#]	2023	2024 [@]	2025
Personnel services	\$ 79,088	115,288	91,977	80,693	91,013	90,449	63,456	89,726	106,883	128,217
Contractual services	15,069	13,825	16,061	19,040	19,357	16,489	18,572	20,777	23,885	24,527
Materials and supplies	10,192	8,736	9,446	9,853	8,991	9,091	11,844	14,306	14,474	15,673
Depreciation and amortization	50,799	55,441	55,591	60,033	62,967	74,343	78,105	78,039	82,722	86,476
Services provided by other departments	36,157	36,832	36,374	36,629	37,309	38,313	39,645	40,999	39,546	44,213
General and administrative and Other operating expenses	30,248	14,098	29,457	53,565	42,622	63,488	45,536	17,503	195,581	(6,625)
Subtotal operating expenses	221,553	244,220	238,906	259,813	262,259	292,173	257,158	261,350	463,091	292,481
Interest expenses**	19,272	22,668	19,578	38,106 ^{^^}	34,569	26,447	69,329	81,133	91,584	154,566
Non-operating expenses	485	383	414	1,013	52	409	482	535	505	225
Subtotal non-operating expenses	19,757	23,051	19,992	39,119	34,621	26,856	69,811	81,668	92,089	154,791
Total expenses	241,310	267,271	258,898	298,932	296,880	319,029	326,969	343,018	555,180	447,272
Change in net position before capital contributions and transfers *	29,913	21,030	63,845	59,014	64,981	12,360	60,280	33,384	(110,314)	32,630
Capital contributions	—	—	—	—	—	—	—	2,740	48,080	145
Transfers in (out)	(16,025)	(30,707)	(26,960)	(3,996)	(1,188)	(2,748)	(161)	43	(209)	(1,472)
Change in net position	13,888	(9,677)	36,885	55,018	63,793	9,612	60,119	36,167	(62,443)	31,303
Net position at beginning of year										
Beginning of year, as previously reported	1,142,052	1,155,940	1,146,263 ^{***}	1,174,125	1,229,143	1,292,936	1,302,548	1,362,667	1,398,834	1,323,636
Cumulative effect of accounting change due to error	—	—	(6,767) [△]	—	—	—	—	—	—	—
Cumulative effect of accounting change	—	—	(2,256)	—	—	—	—	—	(12,755)	—
Beginning of year as restated	<u>1,142,052</u>	<u>1,155,940</u>	<u>1,137,240</u>	<u>1,174,125</u>	<u>1,229,143</u>	<u>1,292,936</u>	<u>1,302,548</u>	<u>1,362,667</u>	<u>1,386,079</u>	<u>1,323,636</u>
Net Position at end of year	\$ 1,155,940	1,146,263	1,174,125	1,229,143	1,292,936	1,302,548	1,362,667	1,398,834	1,323,636	1,354,939

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

*Fiscal year 2023, \$2,740 for HOPE SF projects. Fiscal year 2024, \$48,080 for Pier 70 Phase 1 project, Treasure Island Stage 1 project and Yerba Buena Island Street Improvements project. Fiscal year 2025, \$145 for Mission Rock project.

#Fiscal year 2022, implementation of GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements (SBITAs)*.

^Fiscal year 2021, implementation of GASB Statement No. 87, *Leases*.

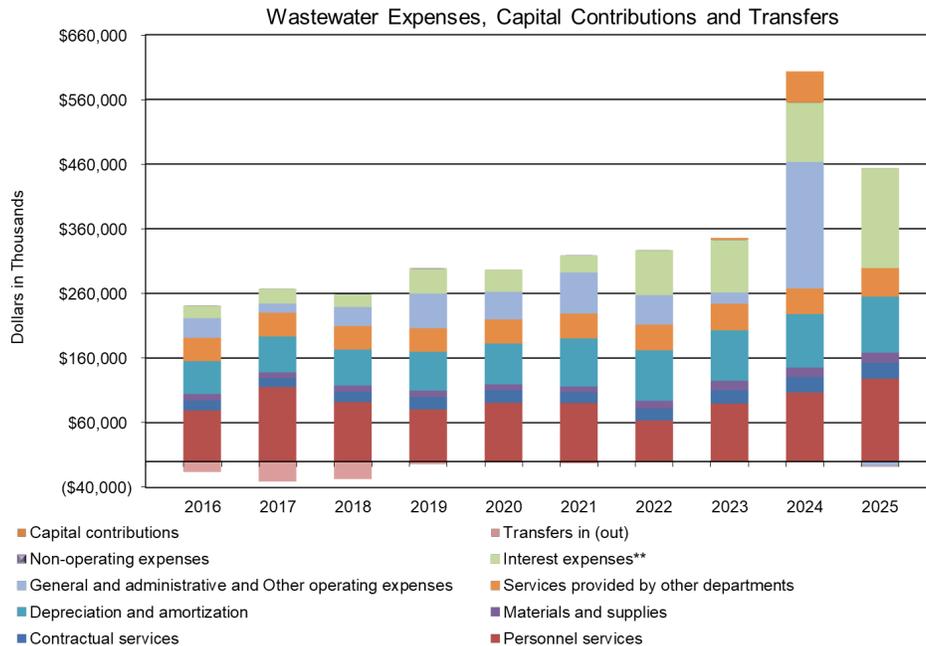
^^Fiscal year 2019, non-operating expense includes net loss from sales of assets.

***Fiscal year 2018, 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 2018, implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



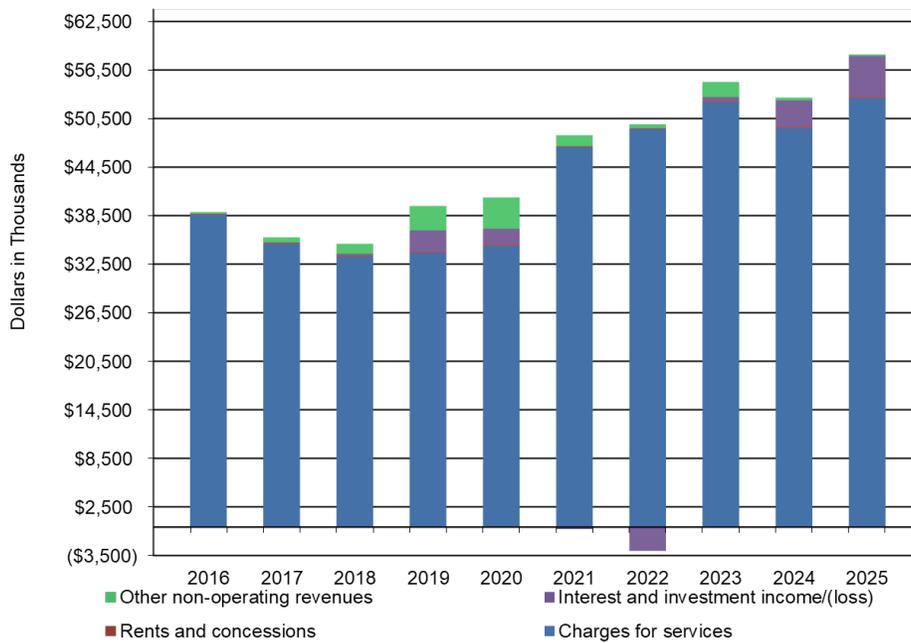
Financial Trends
 Hetchy Water - Changes in Net Position
 Fiscal Years Ended 2016 to 2025
 (Dollars in Thousands)

Revenues:	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Charges for services	\$ 38,624	35,008	33,427	33,880	34,797	46,979	49,200	52,570	49,330	53,071
Rents and concessions	118	142	133	125	156	111	112	127	162	140
Subtotal operating revenues	38,742	35,150	33,560	34,005	34,953	47,090	49,312	52,697	49,492	53,211
Interest and investment income/(loss)	(38)	46	218	2,670	1,932	(232)	(2,932)	457	3,255	5,016
Other non-operating revenues	200	616	1,237	3,013	3,861	1,352	479	1,861	338	205
Subtotal non-operating revenues	162	662	1,455	5,683	5,793	1,120	(2,453)	2,318	3,593	5,221
Total revenues	\$ 38,904	35,812	35,015	39,688	40,746	48,210	46,859	55,015	53,085	58,432

(Continued)

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

Hetchy Water Revenues



Financial Trends
 Hetchy Water - Changes in Net Position
 Fiscal Years Ended 2016 to 2025
 (Dollars in Thousands)

Expenses:	2016	2017	2018	2019	2020	2021[^]	2022[#]	2023	2024[@]	2025
Personnel services	\$ 12,183	21,998	14,516	13,707	16,304	19,871	15,636	18,424	25,367	21,319
Contractual services	902	1,017	1,524	1,205	1,642	2,398	2,675	2,956	4,035	3,919
Materials and supplies	1,191	1,161	1,101	1,133	1,337	1,272	1,362	1,605	1,755	1,765
Depreciation and amortization	3,874	4,505	5,066	5,380	5,276	6,028	6,480	6,524	6,522	7,263
Services provided by other departments	2,054	1,962	1,572	1,622	1,853	2,517	3,129	3,392	3,501	2,622
General and administrative and Other operating expenses	16,332	19,456	16,013	27,258	18,461	18,433	23,017	17,110	3,229	8,583
Subtotal operating expenses	36,536	50,099	39,792	50,305	44,873	50,519	52,299	50,011	44,409	45,471
Interest expenses	—	—	—	—	—	2	3	4	3	23
Non-operating expenses	68	68	68	—	11	63	37	54	45	8
Total expenses	36,604	50,167	39,860	50,305	44,884	50,584	52,339	50,069	44,457	45,502
Change in net position before capital contributions and transfers	2,300	(14,355)	(4,845)	(10,617)	(4,138)	(2,374)	(5,480)	4,946	8,628	12,930
Transfers in	—	60,000	30,000	20,000	14,000	16,000	30,001	20,000	42	47,084
Change in net position	2,300	45,645	25,155	9,383	9,862	13,626	24,521	24,946	8,670	60,014
Net position at beginning of year										
Beginning of year, as previously reported	120,411	122,711	168,356 [△]	191,790	201,173	211,035	224,661	249,182	274,128	279,943
Cumulative effect of accounting change	—	—	(1,721)	—	—	—	—	—	(2,855)	—
Beginning of year as restated	120,411	122,711	166,635	191,790	201,173	211,035	224,661	249,182	271,273	279,943
Net position at end of year	\$ 122,711	168,356	191,790	201,173	211,035	224,661	249,182	274,128	279,943	339,957

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

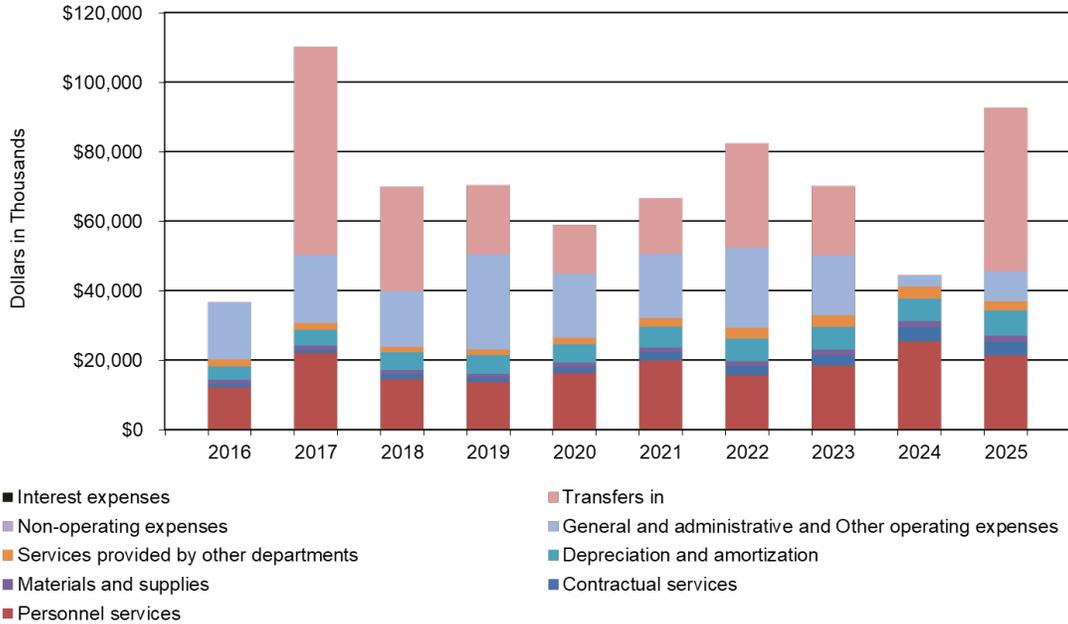
#Fiscal year 2022, implementation of GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements (SBITAs)*.

^Fiscal year 2021, implementation of GASB Statement No. 87, *Leases*.

△Fiscal year 2018, implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

Hetchy Water Expenses and Transfers

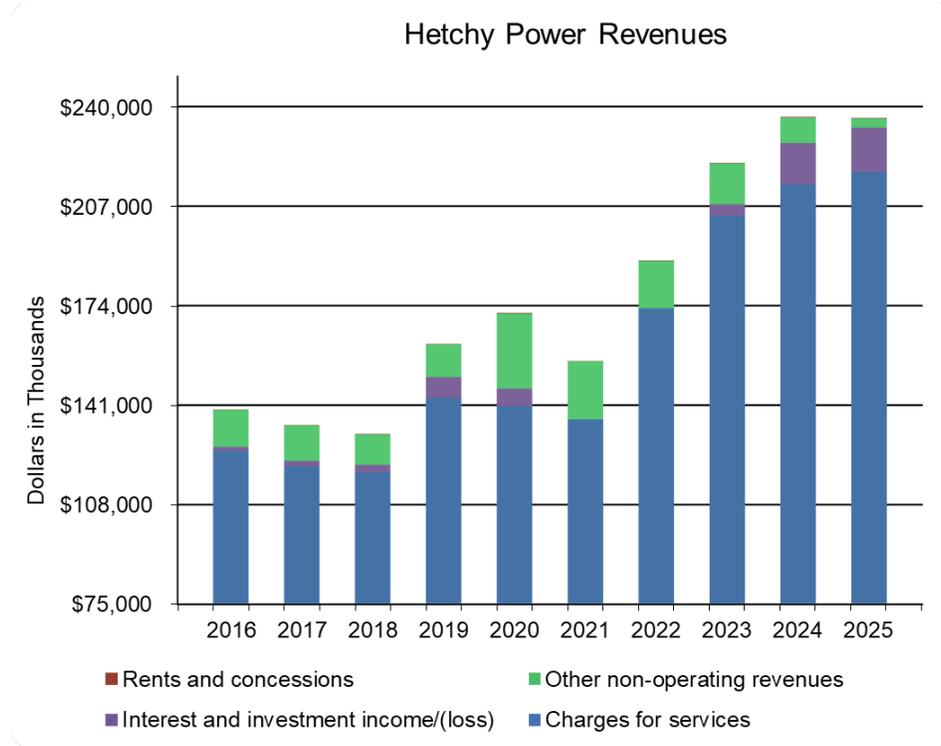


Financial Trends
 Hetchy Power - Changes in Net Position
 Fiscal Years Ended 2016 to 2025
 (Dollars in Thousands)

Revenues:	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Charges for services	\$ 125,850	120,789	118,672	143,409	140,680	136,247	173,105	203,847	214,154	218,274
Rents and concessions	144	173	163	152	191	136	137	156	198	189
Subtotal operating revenues	125,994	120,962	118,835	143,561	140,871	136,383	173,242	204,003	214,352	218,463
Interest and investment income/(loss)	1,318	1,718	2,537	6,883	5,746	24	(4,001)	3,741	13,744	14,688
Other non-operating revenues	12,256	11,764	10,073	10,907	25,006	19,273	15,763	13,605	8,528	3,105
Subtotal non-operating revenues	13,574	13,482	12,610	17,790	30,752	19,297	11,762	17,346	22,272	17,793
Total revenues	\$ 139,568	134,444	131,445	161,351	171,623	155,680	185,004	221,349	236,624	236,256

(Continued)

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 2016 to 2025
(Dollars in Thousands)

Expenses:	2016	2017	2018	2019	2020	2021 [^]	2022 [#]	2023	2024 [@]	2025
Personnel services	\$ 33,632	44,961	34,950	37,583	40,712	40,756	34,646	39,300	48,737	56,678
Contractual services	5,493	4,916	5,526	6,086	7,742	8,705	9,459	10,819	13,623	13,263
Purchased power & related costs	26,792	20,970	34,435	47,437	48,831	42,693	58,252	78,658	77,950	78,013
Materials and supplies	1,849	1,510	1,541	672	2,260	1,990	2,270	2,612	2,451	2,781
Depreciation and amortization	12,639	13,225	14,049	14,484	15,723	15,650	17,769	17,877	18,460	21,008
Services provided by other departments	7,397	6,716	5,848	6,833	6,426	6,137	6,253	8,674	6,828	8,082
General and administrative and Other operating expenses	24,157	24,637	23,046	9,593	26,433	29,709	27,694	33,612	33,114	38,256
Subtotal operating expenses	111,959	116,935	119,395	122,688	148,127	145,640	156,343	191,552	201,163	218,081
Interest expenses**	3,233	2,945	2,855	2,699	2,512	1,753	5,819	7,902	13,464	16,006
Non-operating expenses	1,676	1,408	1,727	1,365	1,060	902	591	227	99	534
Total expenses	116,868	121,288	123,977	126,752	151,699	148,295	162,753	199,681	214,726	234,621
Change in net position before capital contributions and transfers *	22,700	13,156	7,468	34,599	19,924	7,385	22,251	21,668	21,898	1,635
Capital contributions *	—	—	—	—	—	—	—	2,535	29,200	4,032
Transfers in (out)	680	51	(425)	4,490	(32)	(532)	(532)	(32)	(108)	(3,532)
Change in net position	23,380	13,207	7,043	39,089	19,892	6,853	21,719	24,171	50,990	2,135
Net position at beginning of year										
Beginning of year, as previously reported	366,523	389,903	401,686 [△]	406,626	445,715	465,607	472,460	494,179	518,350	565,851
Cumulative effect of accounting change	—	—	(2,103)	—	—	—	—	—	(3,489)	—
Less: CleanPowerSF beginning net position	—	(1,424)	—	—	—	—	—	—	—	—
Beginning of year as restated	366,523	388,479	399,583	406,626	445,715	465,607	472,460	494,179	514,861	565,851
Net position at end of year	\$ 389,903	401,686	406,626	445,715	465,607	472,460	494,179	518,350	565,851	567,986

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

*Fiscal year 2023, \$2,535 for Hope SF projects. Fiscal year 2024, \$29,200 for Pier 70 Phase 1 project, Treasure Island Stage 1 project and Yerba Buena Island Street Improvements project. Fiscal year 2025, \$4,032 for Mission Rock and Wamerville Substation projects.

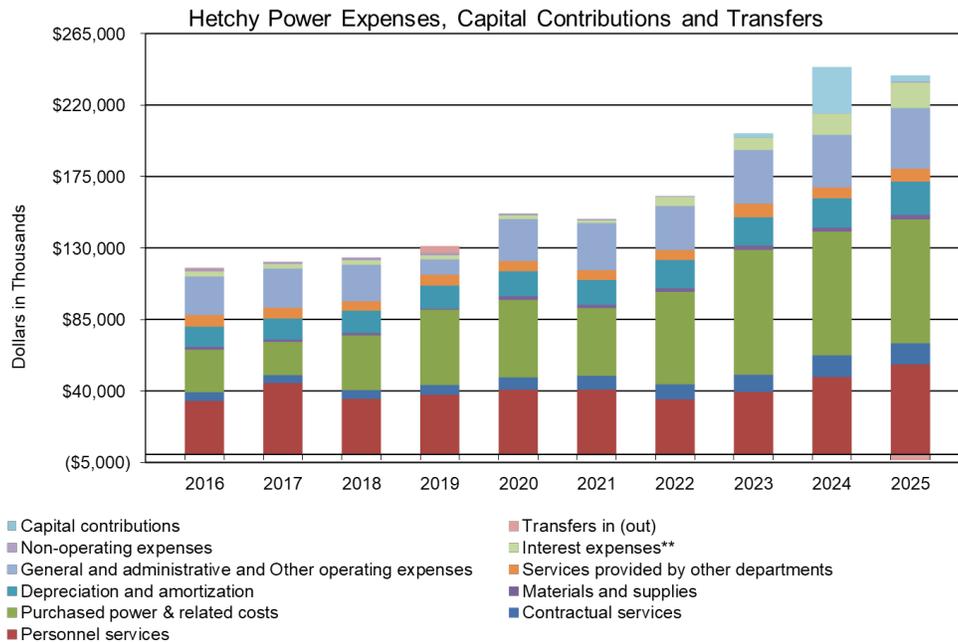
#Fiscal year 2022, implementation of GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements (SBITAs)*.

^Fiscal year 2021, implementation of GASB Statement No. 87, *Leases*.

△Fiscal year 2018, implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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

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 2017 to 2025
 (Dollars in Thousands)

Revenues:		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Charges for services	\$		33,867	39,568	167,820	245,460 [#]	207,698	257,893	326,777 [^]	366,594	429,796
Subtotal operating revenues			33,867	39,568	167,820	245,460	207,698	257,893	326,777	366,594	429,796
Interest and investment income/(loss)			89	174	735	1,771	51	(1,286)	405	5,904	10,482
Other non-operating revenues			4	1	—	1	927	2,759	1,498	386	721
Subtotal non-operating revenues			93	175	735	1,772	978	1,473	1,903	6,290	11,203
Total revenues	\$		33,960	39,743	168,555	247,232	208,676	259,366	328,680	372,884	440,999

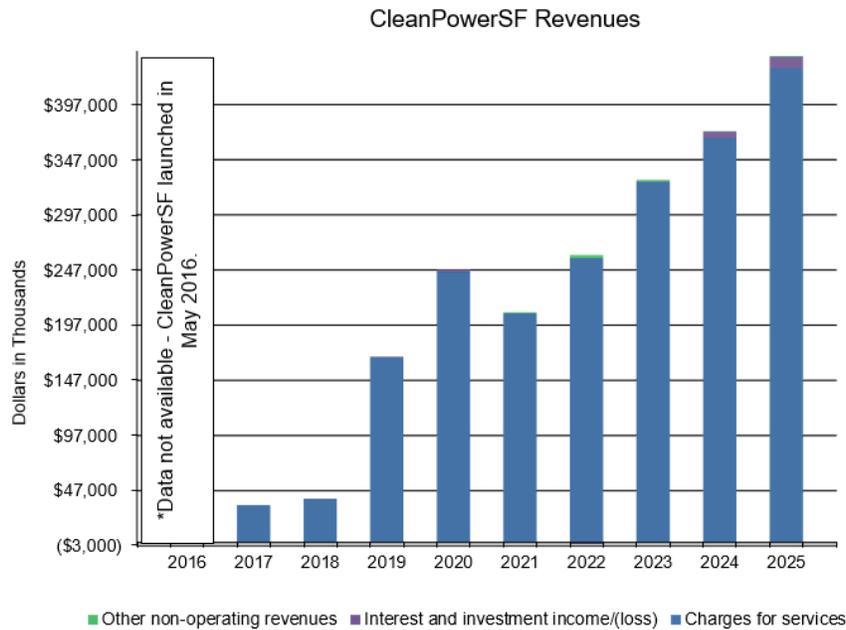
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[^]Fiscal year 2023, increase in charges for services is due to rate increase and higher consumptions.

[#]Fiscal year 2020, increase in charges for services is due to completion of citywide enrollment.

*Fiscal year 2016, CleanPowerSF was presented as part of Hetchy Power.

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 2017 to 2025
(Dollars in Thousands)

Expenses:	2016	2017	2018	2019	2020	2021 ^	2022 #	2023	2024 @	2025
Personnel services	\$	1,213	2,150	4,612	7,920	7,641	4,167	10,735	9,357	12,251
Contractual services		1,141	2,166	4,786	7,557 ~	6,678	6,780	6,559	6,244	6,779
Purchased power & related costs		22,437	30,297	122,838	174,770	190,989	239,738	265,378	284,895	342,933
Materials and supplies		1	—	51	57	26	33	57	60	102
Depreciation and amortization		—	—	—	—	345	385	270	17	126
Services provided by other departments		734	1,545	3,208	2,728	3,928	3,621	4,302	4,792	3,316
General & administrative and other operating expenses		1,570	2,270	1,789	2,994	3,104	7,393	7,479	6,188	6,671
Subtotal operating expenses		27,096	38,428	137,284	196,026	212,711	262,117	294,780	311,553	372,178
Interest expenses		70	101	130	69	26	6	1	—	5
Other non-operating expenses		—	—	—	—	—	—	218	877	339
Total expenses		27,166	38,529	137,414	196,095	212,737	262,123	294,999	312,430	372,522
Change in net position		6,794	1,214	31,141	51,137	(4,061)	(2,757)	33,681	60,454	68,477
Net position at beginning of year										
Beginning of year, as previously reported		1,424	8,218 △	8,860	40,001	91,138	87,077	84,320	118,001	178,142
Cumulative effect of accounting change		—	(572)	—	—	—	—	—	(313)	—
Beginning of year as restated		1,424	7,646	8,860	40,001	91,138	87,077	84,320	117,688	178,142
Net position at end of year	\$	8,218	8,860	40,001	91,138	87,077	84,320	118,001	178,142	246,619

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

#Fiscal year 2022, implementation of GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements (SBITAs)*.

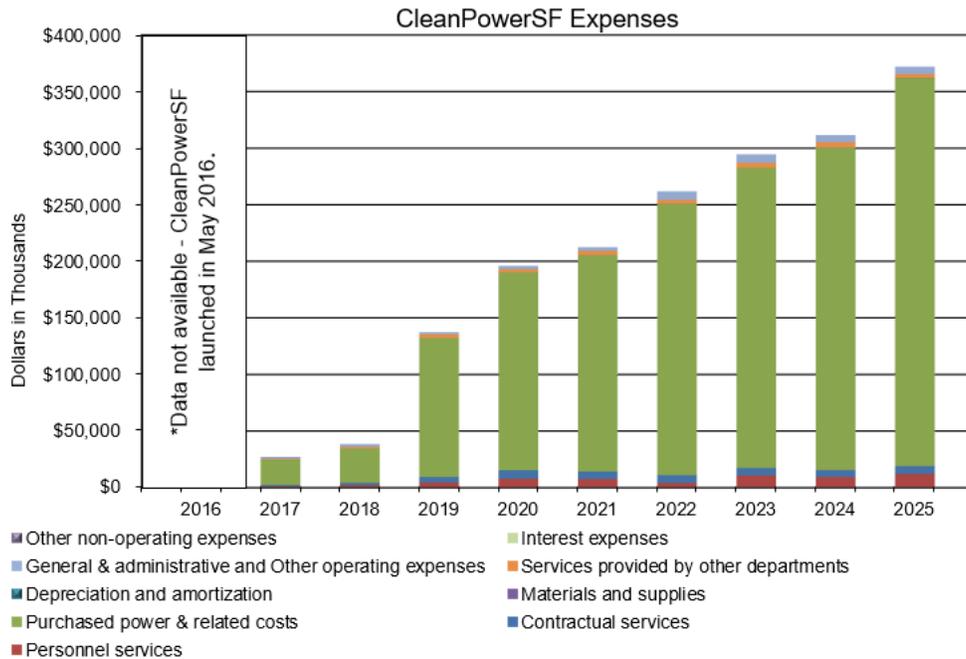
^Fiscal year 2021, implementation of GASB Statement No. 87, *Leases*.

~Fiscal year 2020, increase in purchased power and related costs was due to higher enrollment and electricity sales.

△Fiscal year 2018, implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

*Fiscal year 2016, CleanPowerSF was presented as part of Hetchy Power.

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 2016 to 2025
 (Dollars in Thousands)

	2016	2017	2018 [△]	2019	2020	2021 [@]	2022 [#]	2023	2024 [*]	2025
Net investment in capital assets	\$ 2,011,814	1,979,445	2,087,816	2,147,756	2,194,130	2,271,638	2,042,920	2,098,355	2,075,817	2,079,779
Restricted for debt service	13,409	12,451	25,079	18,617	17,285	48,677	20,202	18,191	44,724	7,465
Restricted for capital projects	60,357	39,557	44,690	26,906	49,635	22,319	221,647	142,641	292,369	339,670
Restricted for other purposes	—	—	—	—	—	—	181,926	—	—	5,772
Unrestricted	205,642	194,337	113,340	264,891	440,681	395,476	357,080	742,199	667,768	859,553
Total net position [^]	\$ 2,291,222	2,225,790	2,270,925	2,458,170	2,701,731	2,738,110	2,823,775	3,001,386	3,080,678	3,292,239

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

[^]Fiscal years 2022 and 2023, net position reclassification of restricted payable and capital related liabilities from restricted for capital projects and/or unrestricted to net investment in capital assets balance updated.

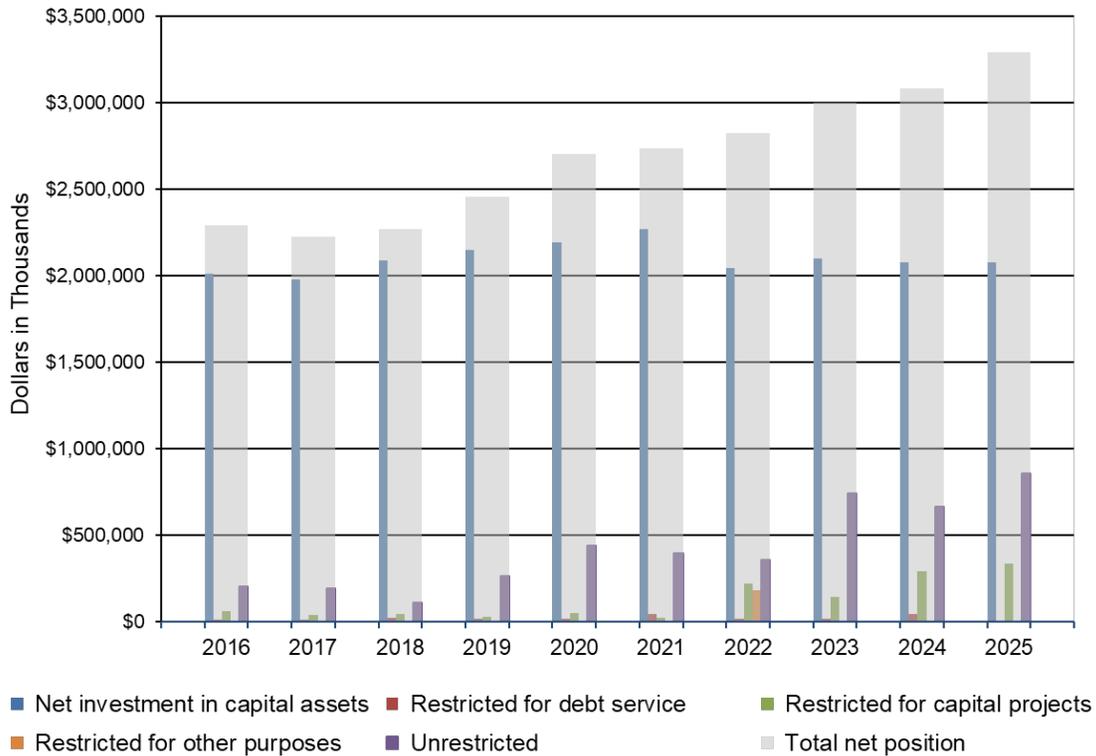
[#]Fiscal year 2022, implementation of GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements (SBITAs)*.

[@]Fiscal year 2021, implementation of GASB Statement No. 87, *Leases*.

[△]Fiscal year 2018, implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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 2016 to 2025
(Dollars in Thousands)

	2016	2017	2018 [△]	2019	2020	2021 [@]	2022 [#]	2023	2024 [*]	2025
Net investment in capital assets \$	543,327	495,868	504,476	563,457	527,856	517,302	512,313	460,213	350,430	450,019
Restricted for debt service	12,122	10,989	22,933	16,193	15,916	45,586	14,671	14,625	44,724	5,353
Restricted for capital projects	40,743	37,904	32,978	—	43,122	22,319	17,085	56,822	200,632	145,442
Restricted for other purposes	—	—	—	—	—	—	100,407	—	—	—
Unrestricted	26,476	(43,494)	(70,863)	(37,512)	54,121	66,157	(11,049)	160,413	137,320	181,924
Total net position[^]	\$ 622,668	501,267	489,524	542,138	641,015	651,364	633,427	692,073	733,106	782,738

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

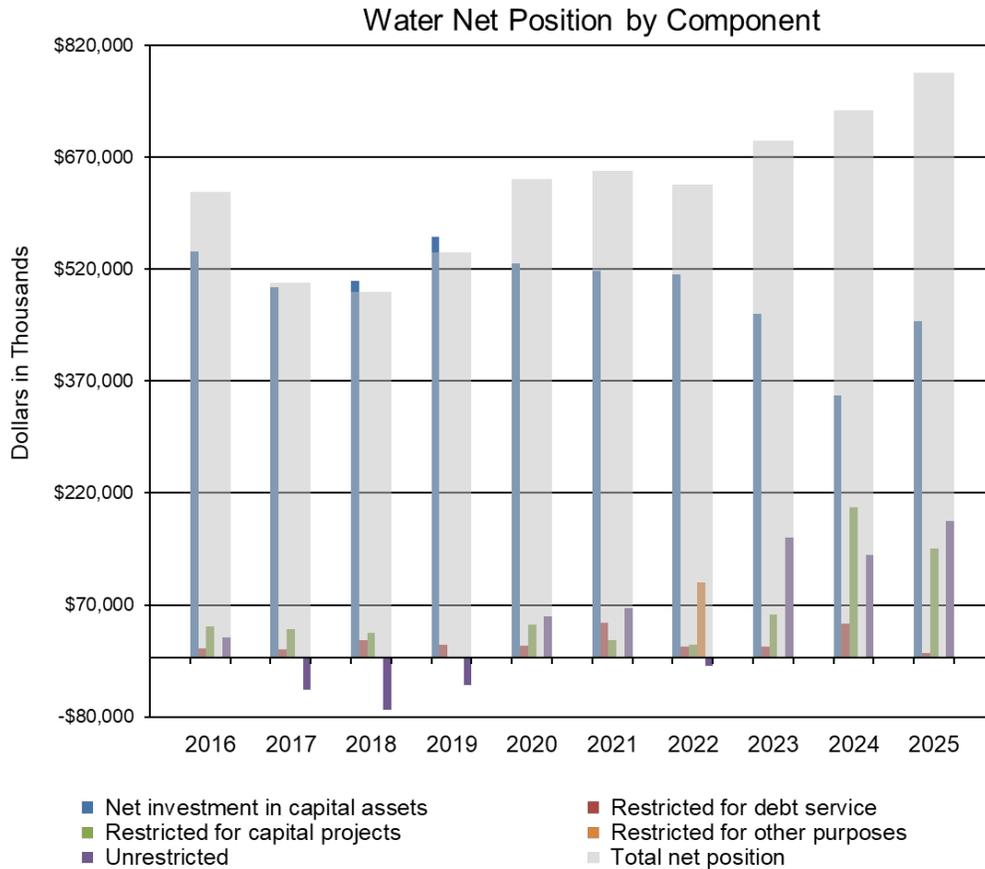
[^]Fiscal years 2022 and 2023, net position reclassification of restricted payable and capital related liabilities from restricted for capital projects and/or unrestricted to net investment in capital assets balance updated.

[#]Fiscal year 2022, implementation of GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements (SBITAs)*.

[@]Fiscal year 2021, implementation of GASB Statement No. 87, *Leases*.

[△]Fiscal year 2018, implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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 2016 to 2025
(Dollars in Thousands)

	2016	2017	2018 [△]	2019	2020	2021 [@]	2022 [#]	2023	2024 [*]	2025
Net investment in capital assets	\$ 1,098,723	1,095,165	1,172,623	1,133,662	1,183,288	1,253,789	1,002,813	1,110,957	1,148,814	1,039,359
Restricted for debt service	981	977	1,312	1,279	1,227	2,992	5,391	3,510	—	2,112
Restricted for capital projects	18,205	1,653	—	18,505	—	—	204,562	53,137	31,782	140,768
Restricted for other purposes	—	—	—	—	—	—	48,770	—	—	—
Unrestricted	38,031	48,468	190	75,697	108,421	45,767	101,131	231,230	143,040	172,700
Total net position[^]	\$ 1,155,940	1,146,263	1,174,125	1,229,143	1,292,936	1,302,548	1,362,667	1,398,834	1,323,636	1,354,939

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

[^]Fiscal years 2022 and 2023, net position reclassification of restricted payable and capital related liabilities from restricted for capital projects and/or unrestricted to net investment in capital assets balance updated.

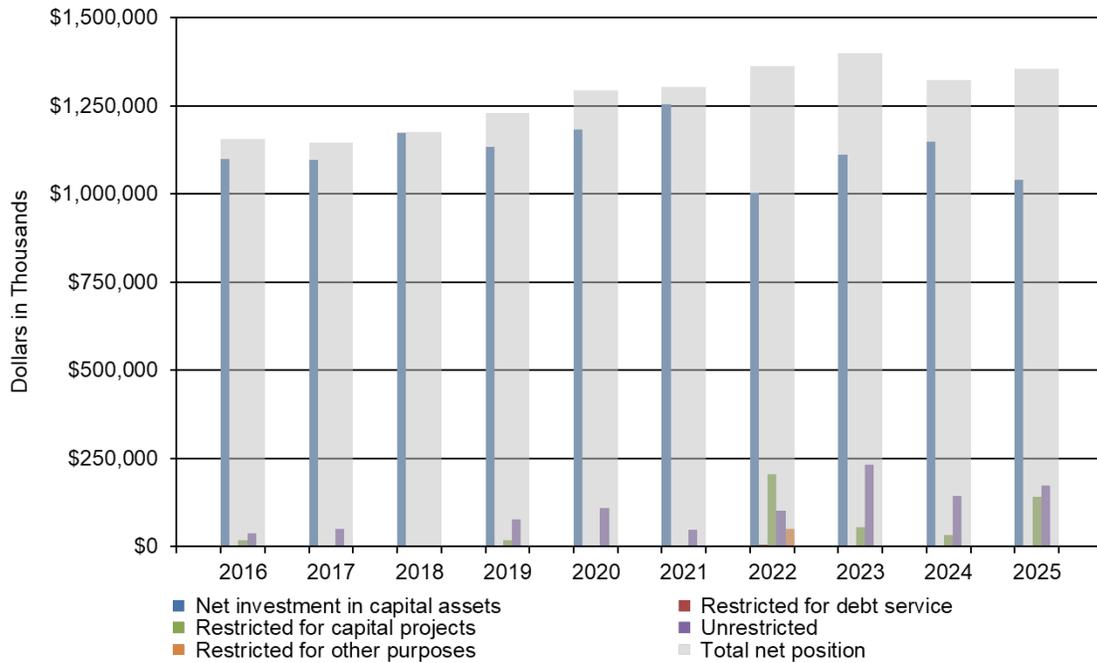
[#]Fiscal year 2022, implementation of GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements (SBITAs)*.

[@]Fiscal year 2021, implementation of GASB Statement No. 87, *Leases*.

[△]Fiscal year 2018, implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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 2016 to 2025
 (Dollars in Thousands)

	2016	2017	2018 [△]	2019	2020	2021 [@]	2022 [#]	2023	2024 [*]	2025
Net investment in capital assets \$	113,867	127,731	139,799	149,103	160,782	177,481	194,688	214,014	233,276	248,610
Restricted for debt service	—	—	—	—	—	—	—	—	—	—
Restricted for capital projects	1,409	—	11,712	8,401	6,513	—	—	10,980	31,330	20,815
Restricted for other purposes	—	—	—	—	—	—	13,912	—	—	—
Unrestricted	7,435	40,625	40,279	43,669	43,740	47,180	40,582	49,134	15,337	70,532
Total net position [^]	\$ 122,711	168,356	191,790	201,173	211,035	224,661	249,182	274,128	279,943	339,957

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

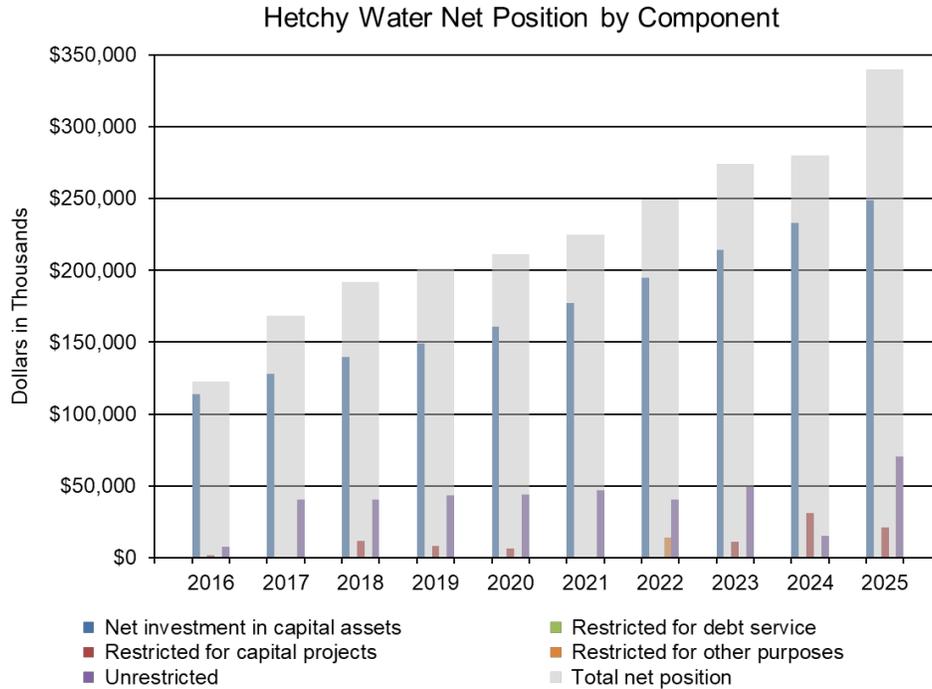
[^]Fiscal years 2022 and 2023, net position reclassification of restricted payable and capital related liabilities from restricted for capital projects and/or unrestricted to net investment in capital assets balance updated.

[#]Fiscal year 2022, implementation of GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements (SBITAs)*.

[@]Fiscal year 2021, implementation of GASB Statement No. 87, *Leases*.

[△]Fiscal year 2018, implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



Financial Trends
Hetchy Power - Summary of Net Position by Component
Fiscal Years Ended 2016 to 2025
(Dollars in Thousands)

	2016	2017	2018 [△]	2019	2020	2021 [@]	2022 [#]	2023	2024 [*]	2025
Net investment in capital assets	\$ 255,897	260,681	270,918	301,534	322,204	323,066	333,106	313,171	343,297	341,791
Restricted for debt service	306	485	834	1,145	142	99	140	56	—	—
Restricted for capital projects	—	—	—	—	—	—	—	21,702	28,625	32,645
Restricted for other purposes	—	—	—	—	—	—	17,004	—	—	5,772
Unrestricted	133,700	140,520	134,874	143,036	143,261	149,295	143,929	183,421	193,929	187,778
Total net position[^]	\$ 389,903	401,686	406,626	445,715	465,607	472,460	494,179	518,350	565,851	567,986

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

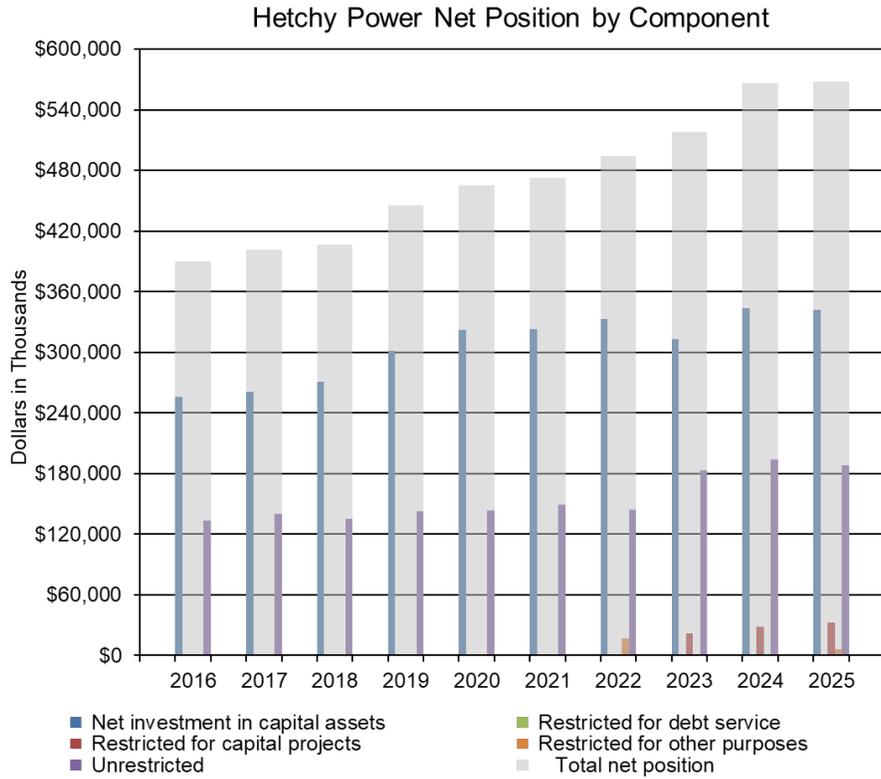
[^]Fiscal years 2022 and 2023, net position reclassification of restricted payable and capital related liabilities from restricted for capital projects and/or unrestricted to net investment in capital assets balance updated.

[#]Fiscal year 2022 implementation of GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements (SBITAs)*.

[@]Fiscal year 2021 implementation of GASB Statement No. 87, *Leases*.

[△]Fiscal year 2018 implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



Financial Trends
 CleanPowerSF - Summary of Net Position by Component
 Fiscal Years Ended 2017 to 2025
 (Dollars in Thousands)

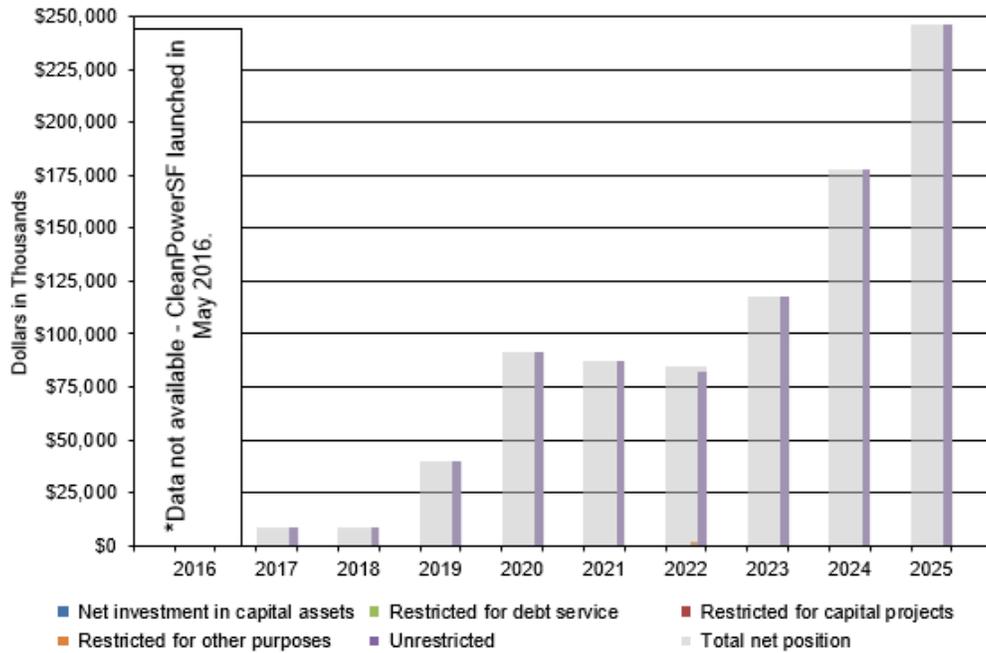
	2016	2017	2018 [□]	2019	2020 [^]	2021 [@]	2022 [#]	2023	2024 ^{**}	2025
Net investment in capital assets \$		—	—	—	—	—	—	—	—	—
Restricted for debt service		—	—	—	—	—	—	—	—	—
Restricted for capital projects		—	—	—	—	—	—	—	—	—
Restricted for other purposes		—	—	—	—	—	1,833	—	—	—
Unrestricted		8,218	8,860	40,001	91,138	87,077	82,487	118,001	178,142	246,619
Total net position \$		8,218	8,860	40,001	91,138	87,077	84,320	118,001	178,142	246,619

*Data not available
CleanPowerSF
launched in May
2016.

**Fiscal year 2024, restated due to implementation of GASB Statement No. 101, *Compensated Absences*.
 #Fiscal year 2022 implementation of GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements (SBITAs)*.
 @Fiscal year 2021 implementation of GASB Statement No. 87, *Leases*.
 ^Fiscal year 2020, increase in Unrestricted Net Position is due to completion of citywide enrollment.
 □Fiscal year 2018 implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

CleanPowerSF Net Position by Component



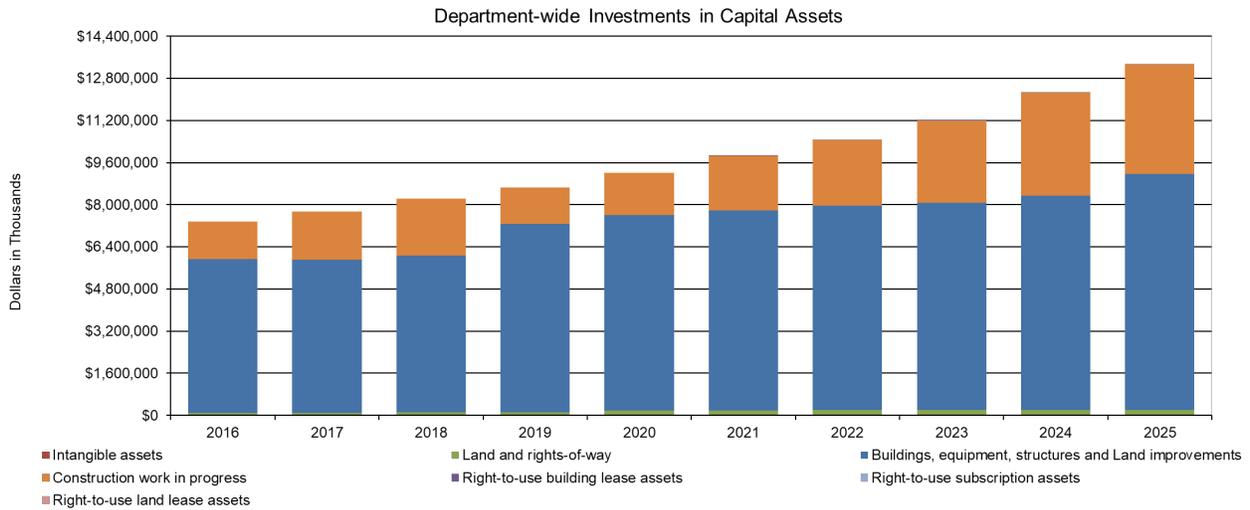
Financial Trends
 Department-wide Investments in Capital Assets
 Summary of Intangible Assets, Property, Plant and Equipment
 Fiscal Years Ended 2016 to 2025
 (Dollars in Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Buildings, equipment, structures and Land improvements	\$ 8,565,038	8,736,914	9,084,980	10,483,615	10,957,712	11,369,025	11,783,944	12,137,657	12,667,975	13,746,900
Less accumulated depreciation	(2,742,700)	(2,930,531)	(3,120,191)	(3,316,443)	(3,538,382)	(3,773,696)	(4,016,382)	(4,265,309)	(4,520,990)	(4,778,752)
Subtotal	5,822,338	5,806,383	5,964,789	7,167,172	7,419,330	7,595,329	7,767,562	7,872,348	8,146,985	8,968,148
Intangible assets, net of amortization*	36,674	34,904	36,956	34,853	32,528	35,102	34,731	33,816	32,694	31,566
Land and rights-of-way	67,213	67,301	70,947	71,228	155,089	154,001	163,194	163,075	163,075	163,075
Construction work in progress	1,436,187	1,841,297	2,161,089	1,387,840	1,592,097	2,079,754	2,485,201	3,130,427	3,915,730	4,162,556
Right-to-use land lease assets, net of amortization [^]	—	—	—	—	—	—	—	—	—	197
Right-to-use building lease assets, net of amortization [^]	—	—	—	—	—	10,898	6,773	5,538	3,020	8,882
Right-to-use subscription assets, net of amortization [^]	—	—	—	—	—	—	3,175	1,398	624	2,065
Total capital assets, net of depreciation and amortization	\$ 7,362,412	7,749,885	8,233,781	8,661,093	9,199,044	9,875,084	10,460,636	11,206,602	12,262,128	13,336,489

*Include amortizable and non-amortizable intangible assets.

[^]Fiscal year 2021 implementation of GASB Statement No. 87, Leases and fiscal year 2022 implementation of GASB Statement No. 96, Subscriptions-based Information Technology Arrangements (SBITAs).

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



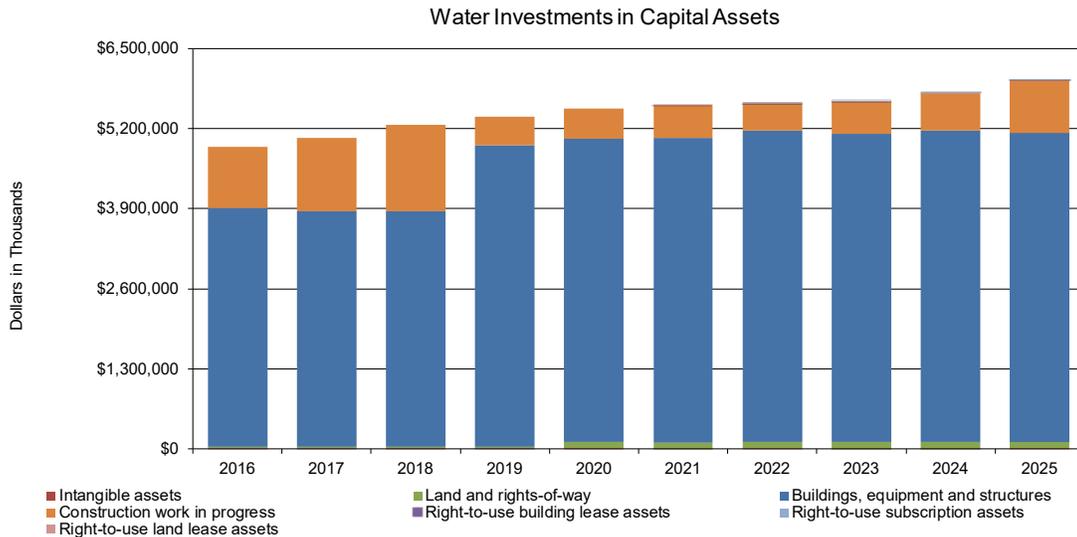
Financial Trends
Water - Investments in Capital Assets
Summary of Intangible Assets, Property, Plant and Equipment
Fiscal Years Ended 2016 to 2025
(Dollars in Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Buildings, equipment and structures	\$ 5,036,587	5,100,680	5,217,106	6,399,688	6,577,333	6,739,364	6,993,164	7,093,106	7,292,259	7,412,470
Less accumulated depreciation	(1,158,520)	(1,274,504)	(1,391,274)	(1,509,481)	(1,648,895)	(1,791,178)	(1,936,417)	(2,087,439)	(2,239,620)	(2,394,502)
Subtotal	3,878,067	3,826,176	3,825,832	4,890,207	4,928,438	4,948,186	5,056,747	5,005,667	5,052,639	5,017,968
Intangible assets, net of amortization*	5,843	4,671	7,321	5,816	4,089	2,763	3,152	2,331	2,657	3,050
Land and rights-of-way	26,811	26,777	30,029	30,029	105,336	104,248	113,441	113,322	113,322	113,322
Construction work in progress	987,780	1,195,840	1,400,051	462,606	492,682	532,602	444,254	526,994	606,804	853,267
Right-to-use land lease assets, net of amortization [^]	—	—	—	—	—	—	—	—	—	197
Right-to-use building lease assets, net of amortization [^]	—	—	—	—	—	4,237	2,812	3,943	2,734	2,490
Right-to-use subscription assets, net of amortization [^]	—	—	—	—	—	—	1,577	695	311	1,005
Total capital assets, net of depreciation and amortization	\$ 4,898,501	5,053,464	5,263,233	5,388,658	5,530,545	5,592,036	5,621,983	5,652,952	5,778,467	5,991,299

*Include amortizable and non-amortizable intangible assets.

[^]Fiscal year 2021 implementation of GASB Statement No. 87, Leases and fiscal year 2022 implementation of GASB Statement No. 96, Subscriptions-based Information Technology Arrangements (SBITAs).

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



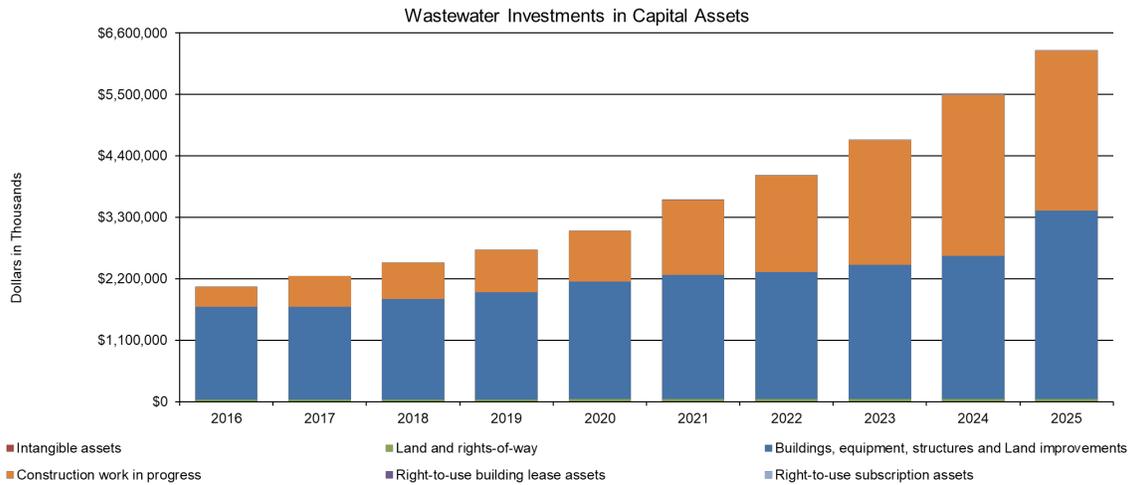
Financial Trends
Wastewater - Investments in Capital Assets
Summary of Intangible Assets, Property, Plant and Equipment
Fiscal Years Ended 2016 to 2025
(Dollars in Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Buildings, equipment, structures and Land improvements	\$ 2,842,648	2,904,499	3,094,871	3,271,188	3,520,624	3,702,375	3,832,594	4,036,536	4,274,422	5,170,979
Less accumulated depreciation	(1,185,275)	(1,240,172)	(1,295,323)	(1,354,209)	(1,416,292)	(1,488,148)	(1,562,239)	(1,636,752)	(1,715,934)	(1,797,714)
Subtotal	1,657,373	1,664,327	1,799,548	1,916,979	2,104,332	2,214,227	2,270,355	2,399,784	2,558,488	3,373,265
Intangible assets, net of amortization*	3,594	3,457	3,320	3,183	3,046	7,407	7,107	7,333	6,373	5,090
Land and rights-of-way	35,737	35,737	35,737	36,018	44,572	44,572	44,572	44,572	44,572	44,572
Construction work in progress	362,958	548,179	652,521	765,624	910,338	1,340,644	1,724,417	2,232,963	2,878,789	2,855,921
Right-to-use building lease assets, net of amortization [^]	—	—	—	—	—	5,922	3,597	1,272	—	5,408
Right-to-use subscription assets, net of amortization [^]	—	—	—	—	—	—	957	422	188	597
Total capital assets, net of depreciation and amortization	\$ 2,059,662	2,251,700	2,491,126	2,721,804	3,062,288	3,612,772	4,051,005	4,686,346	5,488,410	6,284,853

*Include amortizable and non-amortizable intangible assets.

[^]Fiscal year 2021 implementation of GASB Statement No. 87, Leases and fiscal year 2022 implementation of GASB Statement No. 96, Subscription-based Information Technology Arrangements (SBITAs).

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



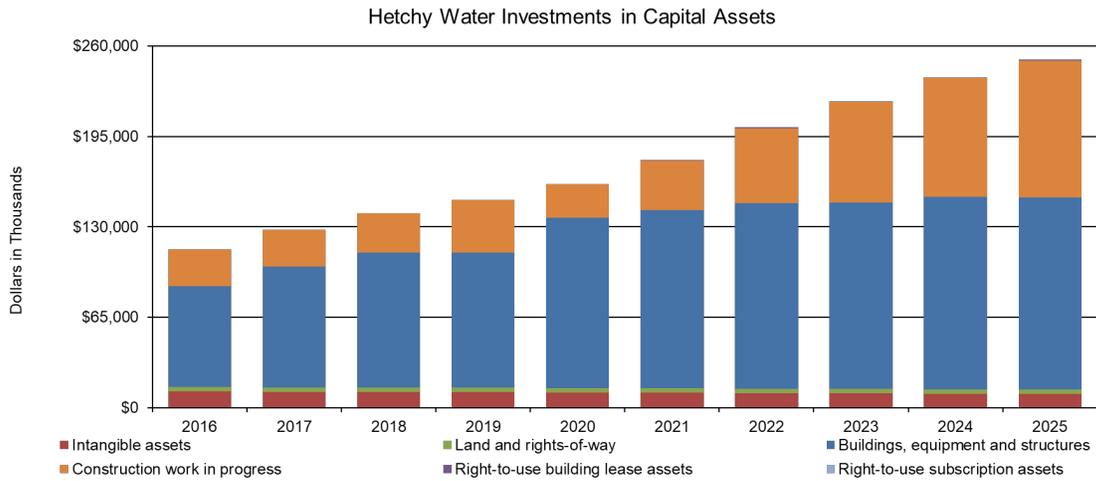
Financial Trends
Hetchy Water - Investments in Capital Assets
Summary of Intangible Assets, Property, Plant and Equipment
Fiscal Years Ended 2016 to 2025
(Dollars in Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Buildings, equipment and structures	\$ 242,936	261,139	276,177	281,562	311,783	323,486	334,499	341,203	351,741	358,040
Less accumulated depreciation	(170,199)	(174,352)	(179,139)	(184,312)	(189,350)	(195,151)	(201,236)	(207,298)	(213,521)	(220,105)
Subtotal	72,737	86,787	97,038	97,250	122,433	128,335	133,263	133,905	138,220	137,935
Intangible assets, net of amortization*	11,618	11,410	11,203	10,996	10,789	10,581	10,374	10,167	9,960	9,753
Land and rights-of-way	3,003	3,055	3,232	3,232	3,232	3,232	3,232	3,232	3,232	3,232
Construction work in progress	26,509	26,479	28,326	37,625	24,328	35,333	54,138	72,450	85,884	98,758
Right-to-use building lease assets, net of amortization^	—	—	—	—	—	74	61	145	129	443
Right-to-use subscription assets, net of amortization^	—	—	—	—	—	—	314	137	61	209
Total capital assets, net of depreciation and amortization	\$ 113,867	127,731	139,799	149,103	160,782	177,555	201,382	220,036	237,486	250,330

*Include amortizable and non-amortizable intangible assets.

^Fiscal year 2021 implementation of GASB Statement No. 87, Leases and fiscal year 2022 implementation of GASB Statement No. 96, Subscription-based Information Technology Arrangements (SBITAs).

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



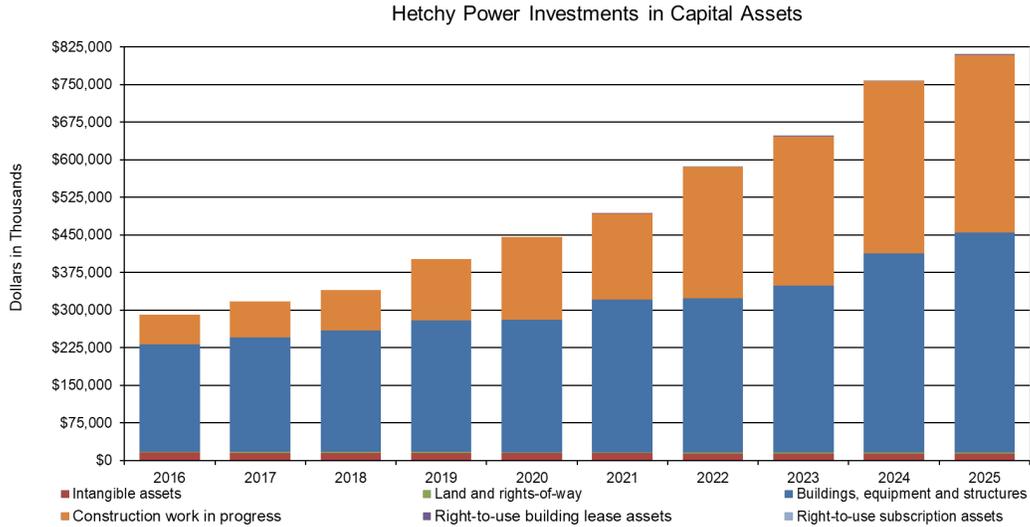
Financial Trends
Hetchy Power - Investments in Capital Assets
Summary of Intangible Assets, Property, Plant and Equipment
Fiscal Years Ended 2016 to 2025
(Dollars in Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Buildings, equipment and structures	\$ 442,867	470,596	496,826	531,177	547,972	603,800	623,687	666,812	749,553	805,411
Less accumulated depreciation	(228,706)	(241,503)	(254,455)	(268,441)	(283,845)	(299,219)	(316,490)	(333,820)	(351,915)	(366,431)
Subtotal	214,161	229,093	242,371	262,736	264,127	304,581	307,197	332,992	397,638	438,980
Intangible assets, net of amortization*	15,619	15,366	15,112	14,858	14,604	14,351	14,098	13,985	13,704	13,673
Land and rights-of-way	1,662	1,732	1,949	1,949	1,949	1,949	1,949	1,949	1,949	1,949
Construction work in progress	58,940	70,799	80,191	121,985	164,749	171,175	262,392	298,020	344,253	354,610
Right-to-use building lease assets, net of amortization [^]	—	—	—	—	—	90	73	178	157	541
Right-to-use subscription assets, net of amortization [^]	—	—	—	—	—	—	256	114	51	168
Total capital assets, net of depreciation and amortization	\$ 290,382	316,990	339,623	401,528	445,429	492,146	585,965	647,238	757,752	809,921

*Include amortizable and non-amortizable intangible assets.

[^]Fiscal year 2021 implementation of GASB Statement No. 87, Leases and fiscal year 2022 implementation of GASB Statement No. 96, Subscription-based Information Technology Arrangements (SBITAs).

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

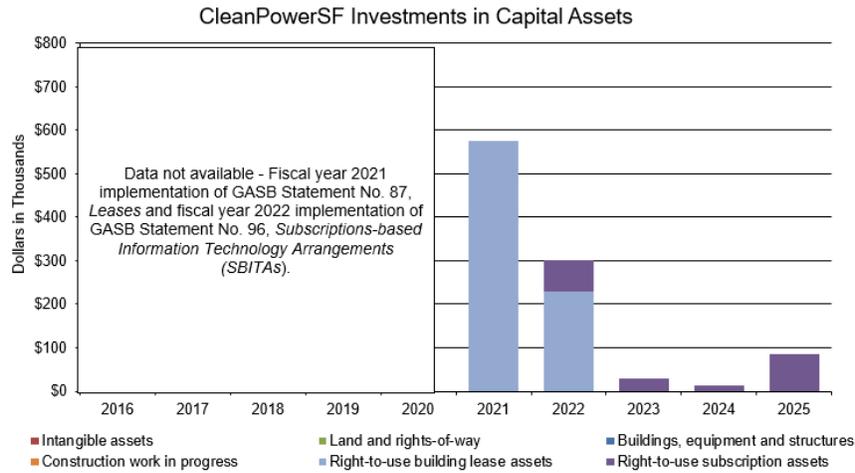


Financial Trends
CleanPowerSF - Investments in Capital Assets
Summary of Intangible Assets, Property, Plant and Equipment
Fiscal Years Ended 2021 to 2025
(Dollars in Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Buildings, equipment and structures	\$					—	—	—	—	—
Less accumulated depreciation						—	—	—	—	—
Subtotal						—	—	—	—	—
Intangible assets, net of amortization						—	—	—	—	—
Land and rights-of-way						—	—	—	—	—
Construction work in progress						—	—	—	—	—
Right-to-use building lease assets, net of amortization ^A						575	230	—	—	—
Right-to-use subscription assets, net of amortization ^A						—	71	30	13	86
Total capital assets, net of depreciation and amortization	\$					575	301	30	13	86

^AFiscal year 2021 implementation of GASB Statement No. 87, Leases and fiscal year 2022 implementation of GASB Statement No. 96, Subscription-based Information Technology Arrangements (SBITAs).

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



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 2016 to 2025

Rates Per Hundred Cubic Feet

Fiscal Years Ended June 30	Retail								Wholesale		
	Service Charge (\$) ¹	Single-Family			Multiple-Family			Non-Residential		Volume Charge (\$/ccf)	% Increase/ (Decrease)
		Volume Charge (\$/ccf) (0-4 ccf)	Volume Charge (\$/ccf) (over 4 ccf)	% Increase/ (Decrease) ²	Volume Charge (\$/ccf) (0-3 ccf)	Volume Charge (\$/ccf) (over 3 ccf)	% Increase/ (Decrease) ²	Volume Charge (\$/ccf)	% Increase/ (Decrease)		
2016 ³	\$ 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 ⁴	12.30	7.10	9.10	8.0	7.22	9.26	7.6	8.43	10.3	4.10	0.0
2020 ⁴	13.28	7.85	9.61	8.5	7.94	9.73	8.4	9.14	8.4	4.10	0.0
2021 ⁴	14.19	8.68	10.15	8.3	8.73	10.23	8.1	9.81	7.3	4.10	0.0
2022 ⁴	15.17	9.60	10.71	8.4	9.60	10.76	8.1	10.55	7.5	4.10	0.0
2023 ⁵	15.17	10.08	11.25	4.0	10.08	11.30	3.6	11.08	5.0	4.75	15.9
2024 ⁶	16.64	10.33	11.47	3.8	10.19	10.94	2.5	11.12	0.4	5.21	9.7
2025 ⁶	17.48	10.85	12.05	5.0	10.70	11.49	5.0	11.68	5.0	5.67	8.8

¹Monthly service charge for 5/8" meter. Larger meter sizes charged at different rates.

²The percentage increase/(decrease) is based on an average monthly bill of 6 ccf for Single-Family and 4 ccf for Multiple-Family.

³Effective July 1, 2015, the Single-Family Residential Tier 1 changed from 0-3 ccf to 0-4 ccf.

⁴Rates approved on May 8, 2018. The temporary drought surcharge was in effect starting April 2022 but not shown for fiscal year 2022 as it was only in effect for April-June 2022.

⁵Up to 5% temporary drought surcharge due to water shortage declaration was added to retail volume charge and effective through April 2023.

⁶Three years of rates were approved on May 23, 2023.

Source: San Francisco Public Utilities Commission Annual Disclosure Reports and Rate Schedules.

Revenue Capacity
Wastewater Rate History
 Fiscal Years Ended 2016 to 2025

Rates Per Hundred Cubic Feet

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) ¹	Volume Charge (\$/ccf) (0-3 ccf)	Volume Charge (\$/ccf) (over 3 ccf)	% Increase/ (Decrease) ¹	Volume Charge (\$/ccf)	Chemical Oxygen Demand Charge (\$/lb)	Suspended Solids Charge (\$/lb)	Oil and Grease Charge (\$/lb)
2016 ²	\$ 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 ³	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		Non-Residential			Oil and Grease Charge (\$/lb)
	Service Charge (\$) ⁴	Volume Charge (\$/ccf)	% Increase/ (Decrease) ¹	Volume Charge (\$/ccf)	% Increase/ (Decrease) ¹	Volume Charge (\$/ccf)	Chemical Oxygen Demand Charge (\$/lb)	Suspended Solids Charge (\$/lb)	
2019 ⁵	\$ 0.98	\$ 13.06	4.5	\$ 13.06	3.5	\$ 7.84	\$ 0.52	\$ 1.30	\$ 1.33
2020 ⁵	2.19	13.88	6.6	13.88	5.3	8.29	0.56	1.41	1.42
2021 ⁵	3.60	14.89	9.1	14.89	7.4	8.86	0.60	1.53	1.54
2022 ⁵	5.21	15.97	8.9	15.97	9.5	9.46	0.65	1.65	1.66
2023 ⁶	5.21	16.75	4.6	16.75	4.5	9.93	0.68	1.73	1.74
2024 ⁷	4.85	16.91	0.5	16.91	0.4	9.74	0.86	1.68	1.05
2025 ⁷	5.28	17.80	5.4	17.80	5.5	10.09	0.93	1.81	1.14

Fiscal Years Ended June 30	Simplified Residential Stormwater			Non-Residential and Residential Over 6,000 square feet	
	Tier 1 Charge (\$/1,000sq ft)	Tier 2 Charge (\$/1,000 sq ft)	Tier 3 Charge (\$/1,000 sq ft)	Permeable Area Charge (\$/1,000 sq ft)	Impermeable Area Charge (\$/1,000 sq ft)
2024 ^{7,8}	\$ 2.31	\$ 3.60	\$ 5.41	\$ 0.19	\$ 1.89
2025 ^{7,8}	5.04	7.84	11.79	0.41	4.11

¹The 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).

²Effective July 1, 2015, the Single-Family Residential Tier 1 rate structure changed from 0-3 ccf to 0-4 ccf.

³Effective July 1, 2017, no tiers for wastewater volumetric charges for single-family and multi-family residential wastewater.

⁴Effective July 1, 2018, all wastewater customers pay a monthly service charge per account.

⁵Rates approved on May 22, 2018. The temporary drought surcharge was in effect starting April 2022 but not shown for fiscal year 2022 as it was only in effect for April-June 2022.

⁶Up to 5.0% temporary drought surcharge due to water shortage declaration was added to retail volume charge and effective through April 2023.

⁷Three years of rates were approved on May 23, 2023.

⁸In fiscal year 2024, the SFPUC implemented a stormwater component to the Wastewater bill. Residential customers with 6,000 square feet or less and with 6 or fewer dwelling units received the Simplified Residential Stormwater Rate. Tiers are determined by total square feet parcel area (Tier 1: 0-1,700 square feet. Tier 2: 1,701-3,300 square feet. Tier 3: 3,301 - 6,000 square feet).

Source: San Francisco Public Utilities Commission Annual Disclosure Reports and Rate Schedules.

Revenue Capacity
Hetchy Power Electric Rate History
Fiscal Years Ended 2016 to 2025

Rates Per Kilowatt Hour	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Residential*										
Residential Services - Multi-family	\$ 0.21784	0.23073	0.22894	0.23298	0.26429	0.28308	0.33772	0.35571	0.45412	0.43155
Residential - Public Power										
Tier 1	0.11705	0.13391	0.14198	0.14610	0.14868	0.15537	0.17781	0.20880	0.22770	0.25502
Tier 2	0.13306	0.15222	0.16139	0.16607	0.16900	0.17661	0.20211	0.25056	0.27324	0.30603
Tier 3	0.27238	0.31160	0.33037	0.33995	0.34595	0.36153	0.41372	0.37584	0.40986	0.45904
Commercial										
Small General Service	0.22560	0.23020	0.23786	0.24931	0.26884	0.27749	0.32523	0.33903	0.44866	0.44249
Medium General Demand-Metered Service	0.19667	0.20346	0.21265	0.21889	0.23721	0.24167	0.30162	0.31870	0.40470	0.39120
Medium General Demand-Metered TOU** Service	0.15049	0.15893	0.16176	0.16709	0.18735	0.18959	0.23972	0.24666	0.30896	0.29305
Industrial										
Service to Customers with equal to or greater than Demand of 1,000 Kilowatts or More - Secondary Voltage	0.15969	0.16868	0.17553	0.18279	0.19804	0.19537	0.23230	0.26114	0.34171	0.31635
Service to Customers with equal to or greater than Demand of 1,000 Kilowatts or More - Primary Voltage	0.14498	0.15229	0.15874	0.16466	0.17774	0.17627	0.22023	0.23647	0.29029	0.27161
Service to Customers with equal to or greater than Demand of 1,000 Kilowatts or More - Transmission Voltage	0.10743	0.11719	0.12501	0.12786	0.14240	0.13414	0.18171	0.19384	0.21379	0.18845
General Fund City Departments#	0.06750	0.07250	0.07750	0.07377	0.07877	0.08877	0.09877	0.10877	0.15877	0.18877
Streetlights	0.15712	0.15874	0.16451	0.17354	0.18693	0.18754	0.23439	0.25629	0.36491	0.35449
Traffic Signals	0.17187	0.18018	0.18432	0.18945	0.20194	0.19768	0.20413	0.25923	0.26563	0.29751

*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. Starting fiscal year 2023, City departments are assigned to a rate schedule based on the customer class (small commercial, industrial, etc.).

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 2025

Rates per Kilowatt-hour	2016	2017	2018	2019	2020	2021 [#]	2022 ^{**}	2023	2024	2025
Residential										
Green	**New rate classification starting fiscal year 2022						0.09112	0.11766	0.13679	0.14868
SuperGreen	**New rate classification starting fiscal year 2022						0.10112	0.12766	0.14679	0.15868
E-1 (Green)	\$ 0.07267	0.07267	0.06836	0.07163	0.08235	0.06918	N/A	N/A	N/A	N/A
E-1 (SuperGreen)	0.09267	0.09267	0.08836	0.08663	0.09235	0.07918	N/A	N/A	N/A	N/A
E-6 (Green)	0.06719	0.06693	0.05868	0.06612	0.08197	0.06935	N/A	N/A	N/A	N/A
E-6 (SuperGreen)	0.08719	0.08693	0.07868	0.08112	0.09197	0.07935	N/A	N/A	N/A	N/A
E-TOUA (Green)	N/A	0.06801	0.06283	0.06548	0.07702	N/A	N/A	N/A	N/A	N/A
E-TOUA (SuperGreen)	N/A	0.08801	0.08283	0.08048	0.08702	N/A	N/A	N/A	N/A	N/A
E-TOUB (Green)	N/A	0.06819	0.06285	0.06460	0.07598	0.06223	N/A	N/A	N/A	N/A
E-TOUB (SuperGreen)	N/A	0.08819	0.08285	0.07960	0.08598	0.07223	N/A	N/A	N/A	N/A
E-TOUC* (Green)	N/A	N/A	N/A	0.07010	0.07913	0.06449	N/A	N/A	N/A	N/A
E-TOUC* (SuperGreen)	N/A	N/A	N/A	0.08510	0.08913	0.07449	N/A	N/A	N/A	N/A
EVA (Green)	0.05837	0.05822	0.05350	0.05358	0.06526	N/A	N/A	N/A	N/A	N/A
EVA (SuperGreen)	0.07837	0.07822	0.07350	0.06858	0.07526	N/A	N/A	N/A	N/A	N/A
EVB (Green)	N/A	0.04747	0.04263	0.03889	0.04692	0.06154	N/A	N/A	N/A	N/A
EVB (SuperGreen)	N/A	0.06747	0.06263	0.05389	0.05692	0.07154	N/A	N/A	N/A	N/A
Non-Residential										
Small Commercial Green	**New rate classification starting fiscal year 2022						0.08833	0.10927	0.12244	0.13802
Small Commercial SuperGreen	**New rate classification starting fiscal year 2022						0.09583	0.11427	0.12744	0.14302
Medium Commercial Green	**New rate classification starting fiscal year 2022						0.09415	0.11186	0.11911	0.13762
Medium Commercial SuperGreen	**New rate classification starting fiscal year 2022						0.09915	0.11686	0.12411	0.14262
Large Commercial Green	**New rate classification starting fiscal year 2022						0.08003	0.10192	0.11815	0.12569
Large Commercial SuperGreen	**New rate classification starting fiscal year 2022						0.08503	0.10692	0.12315	0.13069
Industrial Green	**New rate classification starting fiscal year 2022						0.07752	0.09596	0.09627	0.10071
Industrial SuperGreen	**New rate classification starting fiscal year 2022						0.08502	0.10096	0.10127	0.10571
Streetslights Green	**New rate classification starting fiscal year 2022						0.07434	0.10420	0.12559	0.13582
Streetslights SuperGreen	**New rate classification starting fiscal year 2022						0.08184	0.10920	0.13059	0.14082
Outdoor Lighting Green	**New rate classification starting fiscal year 2022						0.07999	0.10980	0.10980	0.14237
Outdoor Lighting SuperGreen	**New rate classification starting fiscal year 2022						0.08749	0.11480	0.11480	0.14737
Agriculture Green	**New rate classification starting fiscal year 2022						0.06277	0.08831	0.08416	0.10001
Agriculture SuperGreen	**New rate classification starting fiscal year 2022						0.07027	0.09331	0.08916	0.10501
Commercial										
A-1 (Green)	0.07772	0.07740	0.07447	0.07919	0.08011	0.06498	N/A	N/A	N/A	N/A
A-1 (SuperGreen)	0.09772	0.09740	0.08847	0.08919	0.08761	0.07248	N/A	N/A	N/A	N/A
A-1X (Green)	0.07770	0.07751	0.07509	0.07954	0.08184	0.06600	N/A	N/A	N/A	N/A
A-1X (SuperGreen)	0.09770	0.09751	0.08909	0.08954	0.08934	0.07359	N/A	N/A	N/A	N/A
A-6 (Green)	0.08883	0.08820	0.08631	0.09491	0.10079	0.09359	N/A	N/A	N/A	N/A
A-6 (SuperGreen)	0.10883	0.10820	0.10031	0.10491	0.10829	0.10109	N/A	N/A	N/A	N/A
A-10S (Non Time of Use - Green)	0.07940	0.07940	0.07674	0.08355	0.08252	0.06828	N/A	N/A	N/A	N/A
A-10S (Non Time of Use - SuperGreen)	0.09940	0.09940	0.09074	0.08855	0.08752	0.07328	N/A	N/A	N/A	N/A
A-10SX (Time of Use - Green)	0.07899	0.07813	0.07579	0.08322	0.08185	0.06671	N/A	N/A	N/A	N/A
A-10SX (Time of Use - SuperGreen)	0.09899	0.09813	0.08979	0.08822	0.08685	0.07171	N/A	N/A	N/A	N/A
E-19S (Green)	0.07925	0.07853	0.07658	0.08336	0.08010	0.06392	N/A	N/A	N/A	N/A
E-19S (SuperGreen)	0.09925	0.09853	0.09058	0.08836	0.08510	0.06892	N/A	N/A	N/A	N/A
E-19SV (Green)	0.07368	0.07304	0.07104	0.07670	0.07387	0.06150	N/A	N/A	N/A	N/A
E-19SV (SuperGreen)	0.09368	0.09304	0.08504	0.08170	0.07887	0.06650	N/A	N/A	N/A	N/A
E-20P (Green)	0.07005	0.06895	0.06729	0.07300	0.06958	N/A	N/A	N/A	N/A	N/A
E-20P (SuperGreen)	0.09005	0.08895	0.08129	0.08300	0.07708	N/A	N/A	N/A	N/A	N/A
E-20S (Green)	0.07502	0.07395	0.07167	0.07774	0.07434	0.06282	N/A	N/A	N/A	N/A
E-20S (SuperGreen)	0.09502	0.09395	0.08567	0.08774	0.08184	0.07032	N/A	N/A	N/A	N/A

The rates shown for each year are the average rates per kWh calculated by the SFPUC and prepared in fiscal years 2016 to 2025. 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 discontinued as of January 2021. Rate E-20P was not included due to lack of data to provide 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 2016 to 2025
(Dollars in Thousands)

	2016	2017	2018	2019	2020	2021 [#]	2022	2023	2024	2025
Operating, other and investment revenue	\$ 423,111	464,662	532,087	558,041	593,868	581,141	565,317	705,443	704,041	711,917
Less operating, other and maintenance expenses	(314,786)	(421,827)	(370,147)	(357,094)	(398,117)	(448,690)	(401,634)	(438,837)	(502,318)	(469,741)
Adjustment to investing activities ¹	635	111	(1,245)	(4,821)	(516)	3,846	13,050	(2,015)	(7,956)	(7,354)
Depreciation and non-cash expenses	107,268	121,375	119,624	122,248	148,294	150,257	151,114	164,817	157,335	160,042
Changes in working capital	(11,062)	63,520	31,060	(11,073)	(20,763)	24,707	(42,906)	(124,668)	(22,917)	48,880
Appropriated fund balance	23,994	10,747	1,452	4,318	17,181	27,785	21,977	67,949	9,800	24,011
Net revenue ⁴	229,160	238,588	312,831	311,619	339,947	339,046	306,918	372,689	337,985	467,755
Other available funds ²	162,733	155,852	186,752	221,362	241,931	128,692	103,506	194,075	217,600	179,017
Funds available for revenue debt service	\$ <u>391,893</u>	<u>394,440</u>	<u>499,583</u>	<u>532,981</u>	<u>581,878</u>	<u>467,738</u>	<u>410,424</u>	<u>566,764</u>	<u>555,585</u>	<u>646,772</u>
Revenue debt service ³	\$ 219,195	207,812	233,959	261,638	269,210	248,427	279,352	307,062	306,369	298,169
Revenue debt service coverage (indenture basis)	<u>1.79</u>	<u>1.90</u>	<u>2.14</u>	<u>2.04</u>	<u>2.16</u>	<u>1.88</u>	<u>1.47</u>	<u>1.85</u>	<u>1.81</u>	<u>2.17</u>

¹Adjustment of investing activities and non-operating revenues to a cash basis.

²As 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.

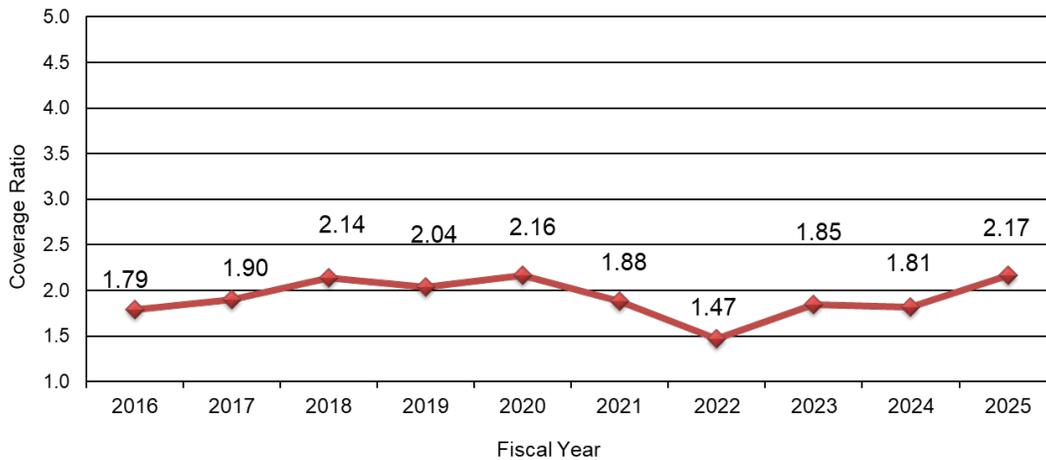
³Revenue debt service is calculated net of capitalized interest and federal interest subsidy the Commission is scheduled to receive during the 12-month period ending June 30 for any series of bonds.

⁴Starting 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 (Indenture Basis)



Revenue Capacity
Wastewater - Net Revenue and Debt Service Coverage
Fiscal Years Ended 2016 to 2025
(Dollars in Thousands)

	2016	2017	2018	2019	2020	2021 [#]	2022	2023	2024	2025
Operating, other and investment revenue	\$ 262,960	279,668	317,413	351,782	356,265	325,008	360,756	365,667	419,959	474,126
Less operating, other and maintenance expenses	(221,553)	(244,220)	(238,906)	(259,813)	(262,259)	(290,737)	(255,010)	(254,283)	(452,231)	(284,522)
Adjustment to investing activities ¹	(12)	251	(489)	(8,047)	2,950	4,356	8,422	2,392	(7,527)	(10,676)
Depreciation and non-cash expenses	56,285	57,998	60,072	68,568	68,603	78,368	77,806	84,450	133,324	86,628
Changes in working capital	2,404	26,292	18,336	(2,125)	523	(8,596)	(36,470)	(19,376)	95,184	(26,165)
Net revenue ³	100,084	119,989	156,426	150,365	166,082	108,399	155,504	178,850	188,709	239,391
Other available funds ²	139,847	131,554	153,596	103,281	215,722	197,778	155,331	134,593	165,972	176,916
Funds available for revenue debt service	\$ 239,931	251,543	310,022	253,646	381,804	306,177	310,835	313,443	354,681	416,307
Revenue debt service*	\$ 60,022	48,769 ^e	47,003	60,347	62,797	82,066	86,619	98,811	91,601	114,350
Revenue debt service coverage (indenture basis)	4.00	5.16	6.60	4.20	6.08	3.73	3.59	3.17	3.87	3.64

¹Adjustment of investing activities and non-operating revenues to a cash basis.

²As 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.

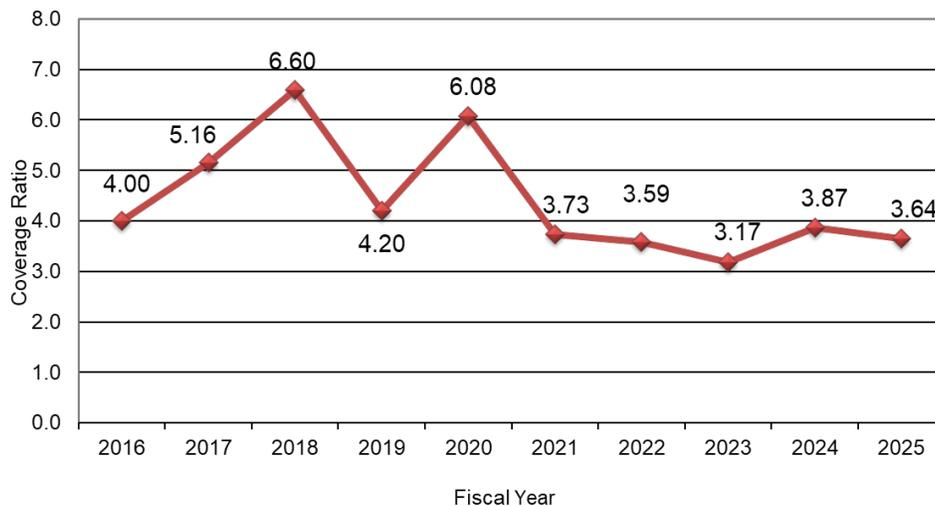
³State revolving fund loan for Sewer System Improvement projects (starting fiscal year 2019) have the same seniority as revenue bonds. Starting in fiscal year 2022, certain types of non-operating revenue is included in net revenue.

[#]Starting fiscal year 2021, Treasure Island revenue and expenses are excluded from debt service coverage.

^eIn fiscal year 2018 Wastewater financial statements, fiscal year 2017 revenue debt service is presented gross of capitalized interest, \$60,407.

Source: San Francisco Public Utilities Commission Annual Disclosure Reports.

Wastewater Revenue Debt Service Coverage (Indenture Basis)



Revenue Capacity
Hetchy Power - Net Revenue and Debt Service Coverage
Fiscal Years Ended 2016 to 2025
(Dollars in Thousands)

	2016	2017	2018	2019	2020	2021 [#]	2022	2023	2024	2025
Operating, other and investment revenue	\$ 122,954	122,187	122,251	152,873	151,835	142,696	176,896	208,887	226,341	232,368
Less operating, other and maintenance expenses	(110,012)	(116,935)	(119,395)	(122,688)	(148,127)	(139,566)	(142,716)	(181,769)	(175,660)	(190,657)
Adjustment to investing activities*	11	29	419	(2,606)	101	1,902	3,297	(15)	(4,047)	(3,322)
Depreciation and non-cash expenses	15,331	14,208	14,131	14,604	27,470	23,037	18,351	20,714	16,530	23,094
Changes in working capital	(9,214)	11,740	13,281	(2,386)	3,243	(18,641)	(2,702)	3,785	(13,377)	5,399
Low Carbon Fuel Standard revenue	—	—	—	—	6,920	1,181	1,184	593	684	641
Net revenue ¹	19,070	31,229	30,687	39,797	41,442	10,609	54,310	52,195	50,471	67,523
Other available funds [△]	13,974	32,199	36,525	31,215	39,119	23,569	44,315	110,204	116,170	161,163
Funds available for revenue debt service	\$ 33,044	63,428	67,212	71,012	80,561	34,178	98,625	162,399	166,641	228,686
Revenue debt service**	\$ N/A	N/A	2,570	2,569	2,568	2,567	2,565	2,566	2,565	9,615
Revenue debt service coverage (indenture basis)	N/A	N/A	26.15	27.64	31.37	13.31	38.45	63.29	64.97	23.78

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.

¹Certain types of non-operating revenue is included in net revenue.

*Adjustment of investing activities and non-operating revenues to a cash basis.

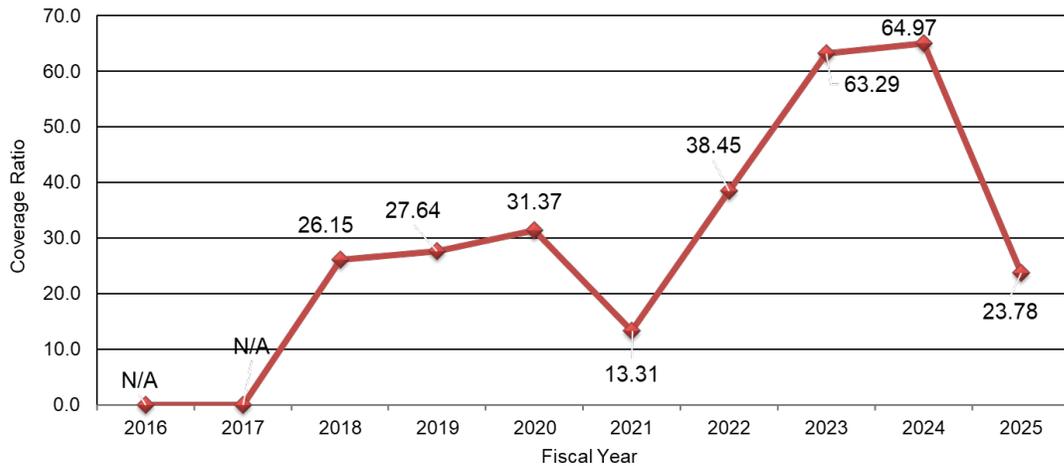
**Series 2015 AB power revenue bonds senior lien debt service is capitalized through fiscal year 2018. Therefore, no basis for calculating debt service coverage from fiscal years 2016 to 2017. Fiscal year 2025 debt service increase due to 2023 bond payments.

[△]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 (Indenture Basis)



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, 2025

Debt by Type	Ratings by	
	Moody's Ratings	S&P Global Ratings
Water		
Revenue bonds	Aa2	AA-
Interim Funding Program - \$750 million tax-exempt/taxable		
\$200 million Sumitomo Mitsui Letter of Credit	P-1	A-1
\$150 million PNC Bank 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
\$100 million Wells Fargo Bank Revolving Credit Agreement	N/A	N/A
Certificates of participation - SFPUC Headquarters Project*	Aa2	AA
Wastewater		
Revenue bonds	Aa2	AA
Interim Funding Program - \$750 million tax-exempt/taxable		
\$150 million Bank of America Letter of Credit	P-1	A-1
\$150 million Sumitomo Mitsui Letter of Credit	P-1	A-1
\$150 million Toronto Dominion Bank Liquidity Facility	P-1	A-1
\$125 million Bank of America Letter of Credit	P-1	A-1
\$100 million Sumitomo Mitsui Letter of Credit	P-1	A-1
\$75 million US Bank Revolving Credit Agreement	N/A	N/A
Certificates of participation - SFPUC Headquarters Project*	Aa2	AA
Hetchy Power		
Revenue bonds**	N/A	AA
Interim Funding Program - \$450 million tax-exempt/taxable		
\$125 million Bank of America Letter of Credit***	P-1	A-1
\$125 million Bank of America Letter of Credit***	P-1	A-1
\$100 million Sumitomo Mitsui Letter of Credit****	P-1	A-1
\$100 million Wells Fargo Bank Revolving Credit Agreement	N/A	N/A
Certificates of participation - SFPUC Headquarters Project*	Aa2	AA

*COPs issued by City & County of San Francisco 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, 2025 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 2016 to 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Moody's Ratings										
Water	Aa3	Aa3	Aa3	Aa3	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2
Wastewater	Aa3	Aa3	Aa3	Aa3	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2
CleanPowerSF	First rating from Moody's Ratings assigned in December, 2020.					A2	A2	A2	A2	A2
S&P Global Ratings										
Water	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-
Wastewater	AA	AA	AA	AA	AA	AA	AA	AA	AA	AA
Hetchy Power	A+	A+	A+	AA						
Fitch Ratings										
Hetchy Power	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-

Debt Capacity
 Water - Summary of Debt Outstanding (Excludes Commercial Paper)
 As of June 30, 2025
 (Dollars in Thousands)

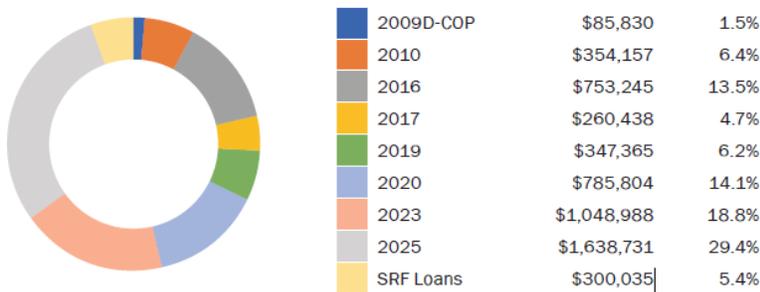
Revenue Bonds and Certificates of Participation

Revenue bonds	Amount	Use of proceeds
2010 Series G (Build America Bonds)	354,157	Water System Improvement Program
2016 Series A	506,938	Refunded portion of 2009A, 2009B and 2010F Bonds
2016 Series B	33,510	Refunded remainder of 2006B and 2006C Bonds and portion of 2010A
2016 Series C	212,797	Refund all of outstanding taxable commercial paper notes
2017 Series D	203,607	Refund 2011A and 2012A Bonds
2017 Series E	49,777	Refund 2011C, 2011D and 2012C1 Bonds
2017 Series F	7,054	Refund 2011B Bonds
2019 Series A	313,580	Refunding Federal Taxable WSIP
2019 Series B	16,170	Refunding Federal Taxable Hetch Hetchy
2019 Series B	17,615	Refunding Federal Taxable Local Water Main
2020 Series A	187,642	Water System Improvement Program (Green Bonds)
2020 Series B	73,375	Regional Water
2020 Series C	99,006	Local Water
2020 Series D	51,956	Hetch Hetchy Water
2020 Series E	148,720	Refunding Federal Taxable WSIP
2020 Series F	117,665	Refunding Federal Taxable Non-WSIP
2020 Series G	53,825	Refunding Federal Taxable Local Water
2020 Series H	53,615	Refunding Federal Taxable Hetch Hetchy Water
2023 Series A	393,998	Funding for capital projects, including the retiring of commercial paper notes
2023 Series B	72,758	Funding Hetch Hetchy capital projects, including the retiring of commercial paper notes
2023 Series C	550,791	Refunding 2015A and portion of 2016A, 2017D and 2019A Bonds
2023 Series D	31,441	Refunding portion of 2020G
2025 Series A	520,754	Refunding 2015A, and portion of 2016A, 2017A, 2017D, 2019A and 2020E Bonds
2025 Series B	40,771	Refunding 2017B, and portion of 2020F and 2020G Bonds
2025 Series C	19,740	Refunding 2017C and portion of 2020H Bonds
2025 Series D	309,966	Funding Regional Water and Local Water Bond, including the retiring of commercial paper notes
2025 Series E	139,001	Hetch Hetchy Water Bond, including the retiring of commercial paper notes
2025 Series F	608,499	Refunding 2010B and 2010E Bonds
Total revenue bonds	5,188,728	
State of California revolving fund loans	300,035	SF Westside Recycled Water project and Mountain Tunnel project.
2009 Series D Certificates of participation (COPs)	85,830	525 Golden Gate Avenue Headquarters Building.
Total Water debt outstanding	\$ 5,574,593	

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 (Excludes Commercial Paper)
As of June 30, 2025
(Dollars in Thousands)

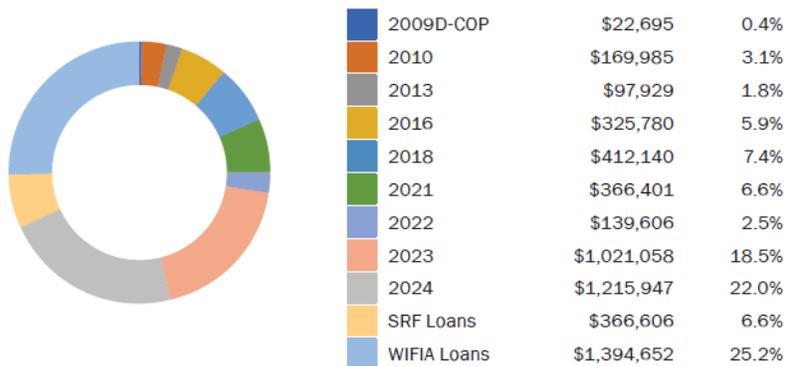
Revenue Bonds, Notes, Loans and Certificates of Participation

Revenue bonds/notes	Amount	Use of proceeds
2010 Series B (Build America Bonds)	\$ 169,985	Clean Water Capital Improvement Programs
2013 Series B	97,929	Sewer System Improvement Program (SSIP)
2016 Series A	254,139	Sewer System Improvement Program (SSIP)
2016 Series B	71,641	Sewer System Improvement Program (SSIP)
2018 Series A	228,656	Sewer System Improvement Program (SSIP)
2018 Series B	183,484	Sewer System Improvement Program (SSIP)
2021 Series A	318,778	Sewer System Improvement Program (SSIP)
2021 Series B	47,623	Sewer System Improvement Program (SSIP)
2022 Series B	139,606	Refunding 2013A and 2013B Bonds
2023 Series A	612,102	Sewer System Improvement Program (SSIP)
2023 Series B	231,130	Capital Projects Non-SSIP
2023 Series C	177,826	Sewer System Improvement Program (SSIP)
2024 Series A	431,110	Sewer System Improvement Program (SSIP) Green Bonds Taxable
2024 Series B	87,250	Capital Projects Non-SSIP Taxable and refunding portions of 2018A and 2023B Bonds
2024 Series C	602,783	Funding Sewer System Improvement Program (SSIP) Green Bonds projects, including the retiring of commercial paper notes
2024 Series D	94,804	Funding Capital Projects Non-SSIP, including the retiring of commercial paper notes
Total revenue bonds/notes	3,748,846	
State of California revolving fund loans	366,606	Sewer System Improvement Program
Water Infrastructure Finance and Innovation Act (WIFIA) Loans	1,394,652	WIFIA Loans
2009 Series D Certificates of participation (COPs)	22,695	525 Golden Gate Avenue Headquarters Building
Total Wastewater debt outstanding	\$ 5,532,799	

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 (Excludes Commercial Paper)
 As of June 30, 2025
 (Dollars in Thousands)

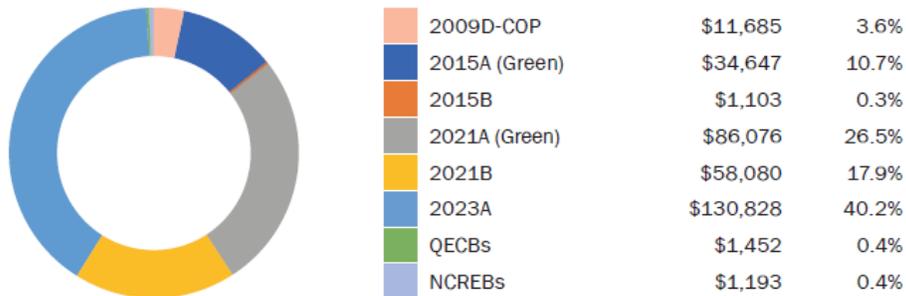
Bonds and Certificates of Participation

Revenue Bonds	<u>Amount</u>	<u>Use of proceeds</u>
2015 Series A (Green)	\$ 34,647	Hetch Hetchy facilities
2015 Series B	1,103	Hetch Hetchy facilities
2021 Series A (Green)	86,076	Refinance portion costs of Hetchy Power projects
2021 Series B	58,080	Refinance portion costs of Hetchy Power projects
2023 Series A	<u>130,828</u>	Refinance portion costs of Hetchy Power projects
Total revenue bonds	310,734	
Other Bonds		
Qualified Energy Conservation Bonds (QECBs)	1,452	525 Golden Gate Avenue green energy
2015 New Clean Renewable Energy Bonds (NCREBs)	<u>1,193</u>	City facilities renewable energy
Total other bonds	2,645	
2009 Series D Certificates of participation (COPs)	<u>11,685</u>	525 Golden Gate Avenue Headquarters Building
Total Hetchy Power debt outstanding	<u>\$ 325,064</u>	

Amount shown above are inclusive of unamortized bond premium.

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 (Excludes Commercial Paper)
 Fiscal Years Ended 2016 to 2025
 (Dollars in Thousands)

Department-wide

Fiscal Year Ended	Bonds ^A	Revenue Notes ^{A*}	Capital		State Revolving Fund Loans	Water Infrastructure Finance and Innovation Act (WIFIA) Loans
			Appreciation	Bonds*		
2016	\$ 5,389,447	\$ —	\$ 5,860	\$ —	\$ —	\$ —
2017	5,657,792	—	6,278	—	—	—
2018	5,983,428	—	6,725	22,607	—	—
2019	6,513,703	—	2,029	88,032	—	—
2020	6,366,836	—	—	161,820	—	—
2021	6,631,009	—	—	215,966	—	—
2022	6,986,674	350,356	—	424,420	—	—
2023	7,638,688	349,556	—	482,316	—	122,357
2024	7,968,487	—	—	577,632	—	922,431
2025	9,250,953	—	—	666,641	—	1,394,652

Department-wide

Fiscal Year Ended	Certificates of Participation ^A		Leases	SBITAs~	Total
	Participation ^A	Leases			
2016	\$ 157,207	\$ —	\$ —	\$ —	5,552,514
2017	153,673	—	—	—	5,817,743
2018	150,008	—	—	—	6,162,768
2019	146,207	—	—	—	6,749,971
2020	142,265	—	—	—	6,670,921
2021	138,180	10,945	—	—	6,996,100
2022	133,945	6,870	3,132	—	7,905,397
2023	129,550	5,614	1,423	—	8,729,504
2024	124,975	3,093	617	—	9,597,235
2025	120,210	9,214	2,062	—	11,443,732

Water

Fiscal Year Ended	Revenue Bonds ^A	State Revolving Fund Loans	Capital Appreciation Bonds*	Certificates of Participation ^A	Leases
	2016	\$ 4,257,454	\$ —	\$ 5,860	\$ 112,246
2017	4,554,967	—	6,278	109,722	—
2018	4,909,041	—	6,725	107,106	—
2019	4,808,548	—	2,029	104,392	—
2020	4,695,295	73,271	—	101,578	—
2021	4,994,775	107,407	—	98,662	4,244
2022	4,860,935	121,761	—	95,637	2,863
2023	4,710,846	163,627	—	92,499	4,010
2024	4,964,637	259,970	—	89,232	2,821
2025**	5,188,728	300,035	—	85,830	2,777

Water

Fiscal Year Ended	SBITAs~	Total	Service Area by	Debt per Capita	Number of	Debt per
			Population [#]	(in thousands) [#]	Customer	Customer
					Accounts	Account
2016	\$ —	\$ 4,375,560	2,657,633	\$ 1.65	174,083	\$ 25.13
2017	—	4,670,967	2,680,705	1.74	174,349	26.79
2018	—	5,022,872	2,705,107	1.86	175,054	28.69
2019	—	4,914,969	2,710,848	1.81	175,803	27.96
2020	—	4,870,144	2,727,737	1.79	176,379	27.61
2021	—	5,205,088	2,658,437	1.96	176,246	29.53
2022	1,556	5,082,752	2,669,465	1.90	177,072	28.70
2023	708	4,971,690	2,689,740	1.85	177,613	27.99
2024	308	5,316,968	2,694,810	1.97	178,961	29.71
2025**	1,005	5,578,375	2,699,972	2.07	179,591	31.06

(Continue)

Debt Capacity
History of Outstanding Debt by Type - Principal Only (Excludes Commercial Paper)
Fiscal Years Ended 2016 to 2025
(Dollars in Thousands)

Wastewater

Fiscal Year Ended	Water					
	Revenue Bonds [^]	Revenue Notes ^{^*}	State Revolving Fund Loans	Infrastructure Finance and Innovation Act (WIFIA) Loans	Certificates of Participation [^]	
2016	\$ 1,071,883	\$ —	\$ —	\$ —	29,680	\$
2017	1,044,925	—	—	—	29,013	
2018	1,019,146	—	22,607	—	28,321	
2019	1,652,609	—	88,032	—	27,603	
2020	1,621,733	—	88,549	—	26,859	
2021	1,589,922	—	108,559	—	26,087	
2022	1,931,253	350,356	302,659	—	25,288	
2023	2,736,910	349,556	318,689	122,357	24,458	
2024	2,685,051	—	317,662	922,431	23,595	
2025 **	3,748,846	—	366,606	1,394,652	22,695	

Wastewater

Fiscal Year Ended	Leases	SBITAs~	Total	Service Area by Population [#]	Debt per Capita (in thousands) [#]	Number of Customer Accounts	Debt per Customer Account (in thousands) [#]
2016	\$ —	\$ —	\$ 1,101,563	876,103	\$ 1.26	163,587	\$ 6.73
2017	—	—	1,073,938	879,166	1.22	163,738	6.56
2018	—	—	1,070,074	880,696	1.22	163,976	6.53
2019	—	—	1,768,244	881,549	2.01	173,956	10.16
2020	—	—	1,737,141	874,826	1.99	174,516	9.95
2021	5,952	—	1,730,520	815,498	2.12	174,356	9.93
2022	3,638	944	2,614,138	814,176	3.21	175,171	14.92
2023	1,297	429	3,553,696	819,151	4.34	175,680	20.23
2024	—	186	3,948,925	827,526	4.77	177,098	22.30
2025 **	5,488	597	5,538,884	835,987	6.63	181,682	30.49

Hetchy Power

Fiscal Year Ended	Bonds [^]	Certificates of Participation [^]	Leases	SBITAs~	Total
2016	\$ 60,110	\$ 15,281	\$ —	\$ —	\$ 75,391
2017	57,900	14,938	—	—	72,838
2018	55,241	14,581	—	—	69,822
2019	52,546	14,212	—	—	66,758
2020	49,808	13,828	—	—	63,636
2021	46,312	13,431	94	—	59,837
2022	194,486	13,020	75	253	207,834
2023	190,932	12,593	169	116	203,810
2024	318,799	12,148	150	51	331,148
2025	313,379	11,685	522	167	325,753

Hetchy Power

Fiscal Year Ended	Number of Customer Accounts	Debt per Customer Account (in thousands)
2016	2,627	\$ 28.70
2017	3,068	23.74
2018	3,547	19.68
2019	3,747	17.82
2020	4,077	15.61
2021	5,385	11.11
2022	5,110	40.67
2023	6,238	32.67
2024	7,043	47.02
2025	8,461	38.50

*No annual payments for Series 1991A Capital Appreciation Bonds after fiscal year 2019 and Series 2022 Revenue Notes after fiscal year 2023.

**2025 population was estimated by multiplying 2024 population by the 2023 and 2024 population growth rate.

@ 2021 to 2025 Department-wide right-to-use leases includes \$78, \$62, \$138, \$122 and \$427 for Hetchy Water, and \$577, \$232, \$0, \$0 and \$0 for CleanPowerSF. 2022 to 2025 Department-wide right-to-use subscription leases includes, \$309, \$139, \$59 and \$208 for Hetchy Water and \$70, \$31, \$13 and \$85 for CleanPowerSF.

#Fiscal years 2020 to 2024 for service area by population calculations updated from last year's ACFR with newly available data.

^ Bonds, Notes, and Certificates of Participation are inclusive of bond premiums and discounts.

~SBITAs - Subscription-Based Information Technology Arrangements.

Source: San Francisco Public Utilities Commission, Power Enterprise: Audited Financial Statements, Office of the Controller, City and County of San Francisco and BAWSCA.org.

Debt Capacity
 Department-wide - Future Principal and Interest Payments*
 (Excludes 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
2026	\$ 142,795	212,818	355,613	45,816	167,593	213,409	4,231	13,323	17,554	192,842	393,734	586,576
2027	151,940	210,722	362,662	71,756	172,287	244,043	5,474	13,123	18,597	229,170	396,132	625,302
2028	161,349	205,203	366,552	540,740	158,260	699,000	5,729	12,868	18,597	707,818	376,331	1,084,149
2029	179,512	198,870	378,382	124,972	142,915	267,887	6,005	12,590	18,595	310,489	354,375	664,864
2030	187,964	190,415	378,379	130,823	137,064	267,887	6,300	12,294	18,594	325,087	339,773	664,860
2031	196,539	181,840	378,379	136,975	130,907	267,882	6,607	11,988	18,595	340,121	324,735	664,856
2032	205,142	173,231	378,373	130,662	134,360	265,022	6,924	11,667	18,591	342,728	319,258	661,986
2033	208,022	164,214	372,236	124,082	132,330	256,412	7,252	11,338	18,590	339,356	307,882	647,238
2034	216,020	154,595	370,615	129,852	126,559	256,411	7,588	11,004	18,592	353,460	292,158	645,618
2035	226,132	144,466	370,598	135,912	120,498	256,410	7,942	10,647	18,589	369,986	275,611	645,597
2036	236,592	134,002	370,594	142,226	114,186	256,412	8,311	10,279	18,590	387,129	258,467	645,596
2037	247,261	123,322	370,583	115,762	108,420	224,182	8,693	9,894	18,587	371,716	241,636	613,352
2038	241,183	112,826	354,009	120,846	103,263	224,109	9,096	9,488	18,584	371,125	225,577	596,702
2039	247,137	102,661	349,798	126,177	97,928	224,105	9,520	9,063	18,583	382,834	209,652	592,486
2040	257,251	92,300	349,551	131,683	92,425	224,108	9,960	8,620	18,580	398,894	193,345	592,239
2041	216,548	82,766	299,314	139,998	86,747	226,745	10,426	8,155	18,581	366,972	177,668	544,640
2042	174,322	75,293	249,615	140,401	80,925	221,326	10,912	7,671	18,583	325,635	163,889	489,524
2043	131,823	69,569	201,392	144,434	75,040	219,474	10,435	7,183	17,618	286,692	151,792	438,484
2044	136,852	64,525	201,377	156,543	69,498	226,041	10,925	6,692	17,617	304,320	140,715	445,035
2045	105,304	59,815	165,119	161,810	64,066	225,876	11,440	6,181	17,621	278,554	130,062	408,616
2046	110,164	55,427	165,591	164,725	58,534	223,259	11,975	5,644	17,619	286,864	119,605	406,469
2047	115,256	50,826	166,082	167,582	52,921	220,503	12,525	5,094	17,619	295,363	108,841	404,204
2048	120,600	45,993	166,593	172,821	47,660	220,481	13,085	4,533	17,618	306,506	98,186	404,692
2049	128,605	40,732	169,337	177,928	42,506	220,434	13,675	3,946	17,621	320,208	87,184	407,392
2050	134,855	35,039	169,894	174,870	37,288	212,158	14,285	3,333	17,618	324,010	75,660	399,670
2051	141,427	29,059	170,486	179,974	31,946	211,920	14,930	2,690	17,620	336,331	63,695	400,026
2052	98,646	23,708	122,354	185,432	26,418	211,850	15,600	2,020	17,620	299,678	52,146	351,824
2053	103,365	18,986	122,351	158,932	21,334	180,266	16,350	1,268	17,618	278,647	41,588	320,235
2054	108,335	14,018	122,353	163,479	16,710	180,189	17,190	430	17,620	289,004	31,158	320,162
2055	113,518	8,833	122,351	168,071	11,776	179,847	—	—	—	281,589	20,609	302,198
2056	125,980	3,207	129,187	100,792	8,407	109,199	—	—	—	226,772	11,614	238,386
2057	11,525	178	11,703	98,220	6,738	104,958	—	—	—	109,745	6,916	116,661
2058	5,281	57	5,338	100,919	5,097	106,016	—	—	—	106,200	5,154	111,354
2059	—	—	—	101,061	3,409	104,470	—	—	—	101,061	3,409	104,470
2060	—	—	—	40,729	1,909	42,638	—	—	—	40,729	1,909	42,638
2061	—	—	—	41,554	1,083	42,637	—	—	—	41,554	1,083	42,637
2062	—	—	—	31,194	340	31,534	—	—	—	31,194	340	31,534
Total	\$ 5,187,245	3,079,516	8,266,761	5,179,753	2,689,347	7,869,100	293,385	233,026	526,411	10,660,383	6,001,889	16,662,272

May not total due to rounding.

*Principal and interest (net of federal interest subsidy) includes bonds, COPs, WIFIA loans and state revolving fund loans (including fees) and excludes premium and discounts.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
Water - Future Principal and Interest Payments
(Excludes Commercial Paper)
(Dollars in Thousands)

Principal Payments								
Payments Due for FY Ended	State Revolving Fund Loans	COPs Series 2009D	2010G	2016A	2016B	2016C	2017D	2017E
2026	\$ —	3,545	—	26,050	7,715	6,455	20,515	7,425
2027	—	3,695	—	38,150	8,015	6,645	21,540	7,830
2028	4,722	3,852	—	46,305	3,815	6,850	22,615	6,630
2029	8,614	4,013	—	48,655	3,990	7,075	23,740	7,080
2030	8,704	4,180	—	26,335	4,180	7,310	24,935	8,555
2031	8,795	4,359	—	19,890	4,370	7,565	16,020	7,960
2032	8,887	4,545	11,060	9,785	—	7,835	4,060	1,015
2033	8,980	4,737	11,575	21,565	—	8,120	16,900	—
2034	9,074	4,941	12,110	13,665	—	8,435	5,265	—
2035	9,167	5,155	12,665	14,025	—	8,760	21,845	—
2036	9,264	5,373	13,255	9,935	—	9,110	5,940	—
2037	9,361	5,605	13,865	43,670	—	9,475	—	—
2038	9,459	5,844	14,505	45,455	—	9,860	—	—
2039	9,558	6,094	15,175	47,305	—	10,265	—	—
2040	9,656	6,355	15,880	49,235	—	10,685	—	—
2041	9,758	6,625	16,610	—	—	11,125	—	—
2042	9,860	6,912	17,380	—	—	11,585	—	—
2043	9,963	—	18,180	—	—	12,070	—	—
2044	10,067	—	19,025	—	—	12,590	—	—
2045	10,174	—	19,900	—	—	13,125	—	—
2046	10,279	—	20,820	—	—	13,685	—	—
2047	10,386	—	21,785	—	—	14,270	—	—
2048	10,495	—	22,790	—	—	—	—	—
2049	10,605	—	23,845	—	—	—	—	—
2050	10,715	—	24,945	—	—	—	—	—
2051	10,827	—	26,100	—	—	—	—	—
2052	10,941	—	—	—	—	—	—	—
2053	11,055	—	—	—	—	—	—	—
2054	11,170	—	—	—	—	—	—	—
2055	11,288	—	—	—	—	—	—	—
2056	11,405	—	—	—	—	—	—	—
2057	11,525	—	—	—	—	—	—	—
2058	5,281	—	—	—	—	—	—	—
2059	—	—	—	—	—	—	—	—
2060	—	—	—	—	—	—	—	—
2061	—	—	—	—	—	—	—	—
2062	—	—	—	—	—	—	—	—
Total	\$ 300,035	85,830	351,470	460,025	32,085	212,895	183,375	46,495

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
 Water - Future Principal and Interest Payments
 (Excludes Commercial Paper)
 (Dollars in Thousands)

Principal Payments								
Payments Due for FY Ended	2017F	2019A	2019B	2019C	2020A	2020B	2020C	2020D
2026	\$ 875	2,050	75	80	—	—	—	—
2027	920	2,215	80	85	—	—	—	—
2028	965	1,245	80	90	—	—	—	—
2029	1,020	610	85	90	—	—	—	—
2030	855	2,325	85	95	—	—	—	—
2031	905	2,390	90	95	—	—	—	—
2032	960	20,835	90	100	—	—	—	—
2033	—	2,280	1,340	1,465	—	—	—	—
2034	—	1,750	1,385	1,510	—	—	—	—
2035	—	1,830	1,425	1,550	—	—	—	—
2036	—	21,295	1,470	1,600	—	—	—	—
2037	—	26,870	1,525	1,660	—	—	—	—
2038	—	28,700	1,575	1,720	—	—	—	—
2039	—	12,825	1,630	1,775	—	—	—	—
2040	—	13,210	1,690	1,835	—	—	—	—
2041	—	34,715	1,745	1,900	—	—	—	—
2042	—	35,905	1,800	1,965	—	—	—	—
2043	—	50,375	—	—	—	—	—	—
2044	—	52,155	—	—	—	—	—	—
2045	—	—	—	—	10,730	4,300	5,950	3,425
2046	—	—	—	—	11,445	4,590	6,340	3,660
2047	—	—	—	—	12,195	4,895	6,760	3,895
2048	—	—	—	—	19,525	7,840	10,825	6,240
2049	—	—	—	—	30,970	12,520	17,360	10,015
2050	—	—	—	—	32,160	13,240	18,550	10,700
2051	—	—	—	—	33,870	13,945	19,550	11,265
2052	—	—	—	—	—	—	—	—
2053	—	—	—	—	—	—	—	—
2054	—	—	—	—	—	—	—	—
2055	—	—	—	—	—	—	—	—
2056	—	—	—	—	—	—	—	—
2057	—	—	—	—	—	—	—	—
2058	—	—	—	—	—	—	—	—
2059	—	—	—	—	—	—	—	—
2060	—	—	—	—	—	—	—	—
2061	—	—	—	—	—	—	—	—
2062	—	—	—	—	—	—	—	—
Total	\$ 6,500	313,580	16,170	17,615	150,895	61,330	85,335	49,200

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
 Water - Future Principal and Interest Payments
 (Excludes Commercial Paper)
 (Dollars in Thousands)

Principal Payments									
Payments Due for FY Ended		2020E	2020F	2020G	2020H	2023A	2023B	2023C	2023D
2026	\$	595	1,210	7,525	565	—	—	—	—
2027		660	1,245	5,380	580	—	—	—	1,775
2028		680	1,265	6,445	590	—	—	—	865
2029		705	270	1,550	600	7,150	1,320	12,425	5,740
2030		725	1,335	4,505	610	7,515	1,390	12,100	3,260
2031		3,650	3,665	2,985	1,635	7,900	1,460	7,225	2,645
2032		3,760	3,580	11,015	2,690	8,310	1,535	25,000	5,540
2033		3,865	5,870	2,250	2,745	8,735	1,615	27,385	7,140
2034		3,980	5,835	—	2,810	9,180	1,695	57,660	640
2035		4,090	6,145	1,140	105	9,650	1,780	39,135	—
2036		4,205	6,295	325	3,015	10,145	1,875	56,570	375
2037		340	815	1,200	395	10,665	1,970	50,640	—
2038		4,720	6,180	1,235	3,245	11,215	2,070	39,380	—
2039		19,720	6,355	1,275	3,340	11,790	2,175	43,820	—
2040		20,280	6,540	1,315	3,435	12,395	2,290	45,720	—
2041		20,860	6,730	1,355	3,535	13,030	2,405	31,360	—
2042		21,455	6,925	1,395	3,635	13,700	2,530	32,670	—
2043		5,325	7,295	1,440	3,090	14,400	2,660	2,820	—
2044		5,485	7,530	1,490	3,190	15,140	2,795	2,965	—
2045		5,645	7,765	—	3,290	15,935	2,945	—	—
2046		5,815	8,015	—	3,395	16,795	3,100	—	—
2047		5,990	8,265	—	3,505	17,700	3,270	—	—
2048		6,170	8,535	—	3,615	18,655	3,445	—	—
2049		—	—	—	—	19,660	3,630	—	—
2050		—	—	—	—	20,720	3,825	—	—
2051		—	—	—	—	21,840	4,030	—	—
2052		—	—	—	—	23,015	4,250	—	—
2053		—	—	—	—	24,255	4,480	—	—
2054		—	—	—	—	—	—	—	—
2055		—	—	—	—	—	—	—	—
2056		—	—	—	—	—	—	—	—
2057		—	—	—	—	—	—	—	—
2058		—	—	—	—	—	—	—	—
2059		—	—	—	—	—	—	—	—
2060		—	—	—	—	—	—	—	—
2061		—	—	—	—	—	—	—	—
2062		—	—	—	—	—	—	—	—
Total	\$	148,720	117,665	53,825	53,615	349,495	64,540	486,875	27,980

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
Water - Future Principal and Interest Payments
(Excludes Commercial Paper)
(Dollars in Thousands)

Principal Payments

Payments Due for FY Ended	2025A	2025B	2025C	2025D	2025E	2025F	Total Principal Payments
2026	\$ 33,260	3,005	1,435	—	—	20,415	142,795
2027	23,800	3,205	1,535	—	—	24,585	151,940
2028	23,540	3,370	1,615	—	—	25,810	161,349
2029	11,380	4,610	1,695	—	—	27,095	179,512
2030	35,015	3,725	1,780	—	—	28,445	187,964
2031	57,990	4,190	890	—	—	29,865	196,539
2032	40,040	3,145	—	—	—	31,355	205,142
2033	38,470	70	—	—	—	32,915	208,022
2034	41,425	100	—	—	—	34,560	216,020
2035	48,680	—	2,705	—	—	36,280	226,132
2036	38,450	—	—	—	—	38,095	236,592
2037	21,225	5,400	2,585	—	—	39,995	247,261
2038	13,495	535	—	—	—	41,990	241,183
2039	9,385	565	—	—	—	44,085	247,137
2040	9,850	595	—	—	—	46,285	257,251
2041	5,670	625	—	—	—	48,500	216,548
2042	5,955	650	—	—	—	—	174,322
2043	3,115	525	565	—	—	—	131,823
2044	3,275	555	590	—	—	—	136,852
2045	915	585	620	—	—	—	105,304
2046	960	615	650	—	—	—	110,164
2047	1,005	650	685	—	—	—	115,256
2048	1,060	680	725	—	—	—	120,600
2049	—	—	—	—	—	—	128,605
2050	—	—	—	—	—	—	134,855
2051	—	—	—	—	—	—	141,427
2052	—	—	—	60,440	—	—	98,646
2053	—	—	—	32,785	30,790	—	103,365
2054	—	—	—	64,715	32,450	—	108,335
2055	—	—	—	68,030	34,200	—	113,518
2056	—	—	—	78,535	36,040	—	125,980
2057	—	—	—	—	—	—	11,525
2058	—	—	—	—	—	—	5,281
2059	—	—	—	—	—	—	—
2060	—	—	—	—	—	—	—
2061	—	—	—	—	—	—	—
2062	—	—	—	—	—	—	—
Total	\$ 467,960	37,400	18,075	304,505	133,480	550,275	5,187,245

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
 Water - Future Principal and Interest Payments
 (Excludes Commercial Paper)
 (Dollars in Thousands)

Interest Payments								
Payments Due for FY Ended	State Revolving Fund Loans	COPs 2009D Before Subsidy	2010G Before Subsidy	2016A	2016B	2016C	2017D	2017E
2026	\$ —	5,431	24,427	20,294	1,209	8,117	8,575	2,090
2027	—	5,201	24,427	18,689	894	7,925	7,524	1,709
2028	1,643	4,961	24,427	16,578	639	7,719	6,420	1,347
2029	3,089	4,710	24,427	14,204	464	7,497	5,261	1,004
2030	2,999	4,450	24,427	12,329	279	7,260	4,044	613
2031	2,908	4,176	24,427	11,273	87	7,007	3,061	220
2032	2,816	3,887	24,042	10,631	—	6,738	2,599	20
2033	2,723	3,585	23,255	9,847	—	6,448	2,075	—
2034	2,629	3,271	22,433	8,966	—	6,137	1,521	—
2035	2,535	2,944	21,572	8,274	—	5,809	843	—
2036	2,439	2,602	20,672	7,675	—	5,463	149	—
2037	2,342	2,247	19,729	6,553	—	5,098	—	—
2038	2,244	1,875	18,743	4,771	—	4,712	—	—
2039	2,145	1,489	17,712	2,916	—	4,306	—	—
2040	2,046	1,084	16,633	986	—	3,883	—	—
2041	1,945	664	15,504	—	—	3,443	—	—
2042	1,843	223	14,323	—	—	2,985	—	—
2043	1,740	—	13,087	—	—	2,499	—	—
2044	1,636	—	11,793	—	—	1,983	—	—
2045	1,529	—	10,441	—	—	1,445	—	—
2046	1,424	—	9,027	—	—	884	—	—
2047	1,317	—	7,546	—	—	298	—	—
2048	1,208	—	5,997	—	—	—	—	—
2049	1,098	—	4,377	—	—	—	—	—
2050	988	—	2,682	—	—	—	—	—
2051	876	—	907	—	—	—	—	—
2052	762	—	—	—	—	—	—	—
2053	648	—	—	—	—	—	—	—
2054	533	—	—	—	—	—	—	—
2055	416	—	—	—	—	—	—	—
2056	298	—	—	—	—	—	—	—
2057	178	—	—	—	—	—	—	—
2058	57	—	—	—	—	—	—	—
2059	—	—	—	—	—	—	—	—
2060	—	—	—	—	—	—	—	—
2061	—	—	—	—	—	—	—	—
2062	—	—	—	—	—	—	—	—
Total	51,054	52,800	427,037	153,986	3,572	107,656	42,072	7,003

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
Water - Future Principal and Interest Payments
(Excludes Commercial Paper)
(Dollars in Thousands)

Interest Payments								
Payments Due for FY Ended	2017F	2019A	2019B	2019C	2020A	2020B	2020C	2020D
2026	\$ 303	10,422	551	600	7,295	3,066	3,413	1,476
2027	258	10,372	548	598	7,295	3,067	3,413	1,476
2028	211	10,331	546	595	7,295	3,066	3,414	1,476
2029	161	10,307	543	592	7,295	3,066	3,414	1,476
2030	116	10,269	541	589	7,295	3,066	3,414	1,476
2031	71	10,207	538	586	7,295	3,066	3,414	1,476
2032	24	9,883	535	583	7,295	3,066	3,414	1,476
2033	—	9,557	513	558	7,295	3,066	3,414	1,476
2034	—	9,497	470	511	7,295	3,066	3,414	1,476
2035	—	9,441	425	463	7,295	3,067	3,413	1,476
2036	—	9,061	377	411	7,295	3,067	3,413	1,476
2037	—	8,265	324	353	7,295	3,067	3,413	1,476
2038	—	7,347	270	294	7,295	3,067	3,413	1,476
2039	—	6,662	213	232	7,295	3,067	3,413	1,476
2040	—	6,231	155	168	7,295	3,067	3,413	1,476
2041	—	5,411	94	103	7,295	3,067	3,413	1,476
2042	—	4,184	32	35	7,295	3,067	3,413	1,476
2043	—	2,686	—	—	7,294	3,067	3,413	1,476
2044	—	906	—	—	7,294	3,066	3,413	1,475
2045	—	—	—	—	7,026	2,959	3,294	1,425
2046	—	—	—	—	6,471	2,737	3,049	1,318
2047	—	—	—	—	5,892	2,500	2,787	1,205
2048	—	—	—	—	5,131	2,181	2,435	1,053
2049	—	—	—	—	3,917	1,672	1,871	809
2050	—	—	—	—	2,400	1,027	1,153	498
2051	—	—	—	—	814	349	391	169
2052	—	—	—	—	—	—	—	—
2053	—	—	—	—	—	—	—	—
2054	—	—	—	—	—	—	—	—
2055	—	—	—	—	—	—	—	—
2056	—	—	—	—	—	—	—	—
2057	—	—	—	—	—	—	—	—
2058	—	—	—	—	—	—	—	—
2059	—	—	—	—	—	—	—	—
2060	—	—	—	—	—	—	—	—
2061	—	—	—	—	—	—	—	—
2062	—	—	—	—	—	—	—	—
Total	\$ 1,144	151,039	6,675	7,271	170,254	71,689	79,834	34,520

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
 Water - Future Principal and Interest Payments
 (Excludes Commercial Paper)
 (Dollars in Thousands)

Interest Payments									
Payments Due for FY Ended		2020E	2020F	2020G	2020H	2023A	2023B	2023C	2023D
2026	\$	4,234	3,211	970	1,454	17,921	3,309	23,294	1,399
2027		4,217	3,199	908	1,448	17,921	3,309	23,294	1,355
2028		4,198	3,183	834	1,441	17,921	3,309	23,294	1,289
2029		4,178	3,172	778	1,432	17,742	3,276	22,983	1,124
2030		4,158	3,159	727	1,422	17,376	3,209	22,370	899
2031		4,096	3,114	661	1,402	16,990	3,137	21,887	751
2032		3,991	3,046	524	1,361	16,585	3,063	21,081	546
2033		3,884	2,946	390	1,304	16,159	2,984	19,772	229
2034		3,773	2,815	366	1,242	15,711	2,901	17,646	35
2035		3,659	2,675	352	1,208	15,240	2,814	15,226	19
2036		3,542	2,524	334	1,169	14,746	2,723	12,833	9
2037		3,478	2,434	312	1,126	14,225	2,627	10,153	—
2038		3,406	2,334	274	1,075	13,678	2,526	7,902	—
2039		3,061	2,156	235	981	13,103	2,420	5,941	—
2040		2,496	1,973	195	885	12,500	2,308	3,946	—
2041		1,915	1,784	154	785	11,863	2,191	2,274	—
2042		1,317	1,589	126	683	11,195	2,067	955	—
2043		936	1,376	67	583	10,492	1,937	219	—
2044		775	1,143	22	484	9,754	1,801	74	—
2045		611	903	—	382	8,957	1,654	—	—
2046		444	654	—	277	8,098	1,495	—	—
2047		270	398	—	169	7,192	1,328	—	—
2048		91	134	—	57	6,238	1,152	—	—
2049		—	—	—	—	5,232	966	—	—
2050		—	—	—	—	4,172	770	—	—
2051		—	—	—	—	3,055	564	—	—
2052		—	—	—	—	1,878	347	—	—
2053		—	—	—	—	637	118	—	—
2054		—	—	—	—	—	—	—	—
2055		—	—	—	—	—	—	—	—
2056		—	—	—	—	—	—	—	—
2057		—	—	—	—	—	—	—	—
2058		—	—	—	—	—	—	—	—
2059		—	—	—	—	—	—	—	—
2060		—	—	—	—	—	—	—	—
2061		—	—	—	—	—	—	—	—
2062		—	—	—	—	—	—	—	—
Total	\$	62,730	49,922	8,229	22,370	326,581	60,305	255,144	7,655

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
Water - Future Principal and Interest Payments
(Excludes Commercial Paper)
(Dollars in Thousands)

Interest Payments										
Payments Due for FY Ended	2025A	2025B	2025C	2025D	2025E	2025F	Federal Interest Subsidy	Total Interest Payments Net of Subsidy	Total Principal & Interest Payments	
2026	\$ 23,446	1,868	903	13,492	6,210	23,692	(9,854)	212,818	355,613	
2027	21,109	1,640	794	15,224	7,009	25,677	(9,778)	210,722	362,662	
2028	19,926	1,474	715	15,224	7,009	24,417	(9,699)	205,203	366,552	
2029	19,054	1,277	633	15,225	7,009	23,094	(9,617)	198,870	378,382	
2030	17,908	1,066	545	15,225	7,009	21,706	(9,531)	190,415	378,379	
2031	15,599	870	479	15,226	7,008	20,248	(9,440)	181,840	378,379	
2032	13,148	686	457	15,226	7,008	18,718	(9,218)	173,231	378,373	
2033	11,185	606	457	15,226	7,008	17,111	(8,859)	164,214	372,236	
2034	9,188	602	456	15,226	7,008	15,424	(8,484)	154,595	370,615	
2035	6,935	599	389	15,226	7,008	13,653	(8,094)	144,466	370,598	
2036	4,757	599	321	15,225	7,008	11,794	(7,682)	134,002	370,594	
2037	3,265	464	256	15,224	7,008	9,841	(7,253)	123,322	370,583	
2038	2,397	316	192	15,224	7,008	7,792	(6,805)	112,826	354,009	
2039	1,824	288	191	15,224	7,008	5,640	(6,337)	102,661	349,798	
2040	1,344	258	192	15,225	7,008	3,381	(5,848)	92,300	349,551	
2041	956	229	192	15,225	7,007	1,112	(5,336)	82,766	299,314	
2042	665	197	192	15,225	7,007	—	(4,801)	75,293	249,615	
2043	439	167	178	15,225	7,007	—	(4,319)	69,569	201,392	
2044	279	140	148	15,225	7,007	—	(3,893)	64,525	201,377	
2045	174	112	118	15,224	7,007	—	(3,446)	59,815	165,119	
2046	127	82	86	15,225	7,008	—	(2,979)	55,427	165,591	
2047	78	50	52	15,226	7,008	—	(2,490)	50,826	166,082	
2048	27	17	18	15,226	7,008	—	(1,980)	45,993	166,593	
2049	—	—	—	15,226	7,008	—	(1,444)	40,732	169,337	
2050	—	—	—	15,226	7,008	—	(885)	35,039	169,894	
2051	—	—	—	15,225	7,008	—	(299)	29,059	170,486	
2052	—	—	—	13,714	7,007	—	—	23,708	122,354	
2053	—	—	—	11,385	6,198	—	—	18,986	122,351	
2054	—	—	—	8,947	4,538	—	—	14,018	122,353	
2055	—	—	—	5,628	2,789	—	—	8,833	122,351	
2056	—	—	—	1,963	946	—	—	3,207	129,187	
2057	—	—	—	—	—	—	—	178	11,703	
2058	—	—	—	—	—	—	—	57	5,338	
2059	—	—	—	—	—	—	—	—	—	
2060	—	—	—	—	—	—	—	—	—	
2061	—	—	—	—	—	—	—	—	—	
2062	—	—	—	—	—	—	—	—	—	
Total	\$ 173,830	13,607	7,964	435,757	202,887	243,300	(158,371)	3,079,516	8,266,761	

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
Wastewater - Future Principal and Interest Payments
(Excludes Commercial Paper)
(Dollars in Thousands)

Principal Payments							
Payments Due for FY Ended	State Revolving Fund Loans	WIFIA Loans	COPs Series 2009D	2010B	2013B	2016A	2016B
2026	\$ 6,419	—	937	8,000	—	6,055	1,705
2027	10,884	—	977	8,270	—	6,365	1,795
2028	11,036	—	1,019	8,560	—	6,690	1,885
2029	11,191	—	1,061	8,860	—	7,035	1,980
2030	11,348	—	1,105	9,180	—	7,395	2,085
2031	11,508	—	1,152	9,520	—	7,775	2,190
2032	11,670	—	1,202	9,875	—	8,170	2,305
2033	11,834	—	1,253	10,250	—	8,590	2,420
2034	12,000	—	1,307	10,640	—	9,030	2,545
2035	12,170	—	1,362	11,045	—	9,495	2,675
2036	12,341	—	1,420	11,470	—	9,980	2,815
2037	12,515	—	1,482	11,910	—	10,495	2,960
2038	12,691	—	1,545	12,365	—	10,975	3,095
2039	12,870	—	1,612	12,845	—	11,425	3,220
2040	13,052	—	1,681	13,340	—	11,890	3,350
2041	13,236	2,645	1,752	13,855	20,390	12,375	3,490
2042	13,423	5,435	1,828	—	35,625	12,880	3,630
2043	13,613	5,636	—	—	37,080	13,405	3,780
2044	13,805	48,078	—	—	—	13,955	3,935
2045	14,000	49,215	—	—	—	14,520	4,095
2046	14,198	50,367	—	—	—	15,115	4,260
2047	14,399	51,603	—	—	—	15,730	4,435
2048	14,603	73,613	—	—	—	—	—
2049	12,785	75,593	—	—	—	—	—
2050	12,959	81,381	—	—	—	—	—
2051	11,420	83,534	—	—	—	—	—
2052	11,302	86,060	—	—	—	—	—
2053	11,447	88,315	—	—	—	—	—
2054	11,594	90,730	—	—	—	—	—
2055	5,111	93,160	—	—	—	—	—
2056	5,182	95,610	—	—	—	—	—
2057	—	98,220	—	—	—	—	—
2058	—	100,919	—	—	—	—	—
2059	—	101,061	—	—	—	—	—
2060	—	40,729	—	—	—	—	—
2061	—	41,554	—	—	—	—	—
2062	—	31,194	—	—	—	—	—
Total	\$ 366,606	\$ 1,394,652	22,695	169,985	93,095	229,345	64,650

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
Wastewater - Future Principal and Interest Payments
(Excludes Commercial Paper)
(Dollars in Thousands)

Principal Payments								
Payments Due for FY Ended		2018A	2018B	2021A	2021B	2022B	2023A	2023B
2026	\$	6,915	5,610	—	—	10,175	—	—
2027		7,270	3,500	—	—	10,695	22,000	—
2028		7,645	6,200	—	—	11,245	25,500	9,500
2029		8,035	6,520	—	—	11,825	44,250	16,370
2030		8,445	6,855	—	—	12,425	46,650	17,090
2031		8,880	7,205	—	—	13,065	49,045	17,970
2032		9,335	7,575	—	—	13,735	41,760	15,725
2033		9,815	7,960	—	—	14,440	34,740	12,730
2034		10,315	8,375	—	—	15,185	36,255	13,650
2035		10,845	8,800	—	—	15,965	38,405	14,075
2036		11,400	9,255	—	—	—	41,560	30,350
2037		11,985	9,730	—	—	—	20,820	23,320
2038		12,600	10,225	—	—	—	21,895	12,325
2039		13,245	10,750	—	—	—	23,035	10,000
2040		13,880	10,500	—	—	—	24,230	10,000
2041		14,510	10,980	—	—	—	24,070	—
2042		15,170	11,480	—	—	—	17,695	—
2043		15,860	12,005	—	—	—	18,655	—
2044		11,445	8,665	23,905	3,340	—	—	—
2045		—	—	25,130	3,515	—	—	—
2046		—	—	26,420	3,695	—	—	—
2047		—	—	27,775	3,885	—	—	—
2048		—	—	29,050	4,080	—	—	—
2049		—	—	30,235	4,290	—	—	—
2050		—	—	31,470	4,510	—	—	—
2051		—	—	32,755	4,745	—	—	—
2052		—	—	34,095	4,985	—	—	—
2053		—	—	—	—	—	—	—
2054		—	—	—	—	—	—	—
2055		—	—	—	—	—	—	—
2056		—	—	—	—	—	—	—
2057		—	—	—	—	—	—	—
2058		—	—	—	—	—	—	—
2059		—	—	—	—	—	—	—
2060		—	—	—	—	—	—	—
2061		—	—	—	—	—	—	—
2062		—	—	—	—	—	—	—
Total	\$	207,595	162,190	260,835	37,045	128,755	530,565	203,105

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
Wastewater - Future Principal and Interest Payments
(Excludes Commercial Paper)
(Dollars in Thousands)

Principal Payments						
Payments Due for FY Ended	2023C	2024A	2024B	2024C	2024D	Total Principal Payments
2026	\$ —	—	—	—	—	45,816
2027	—	—	—	—	—	71,756
2028	—	431,110	8,210	10,510	1,630	540,740
2029	—	—	4,055	3,280	510	124,972
2030	—	—	—	7,135	1,110	130,823
2031	—	—	—	7,500	1,165	136,975
2032	—	—	—	8,060	1,250	130,662
2033	—	—	10,050	—	—	124,082
2034	—	—	10,550	—	—	129,852
2035	—	—	11,075	—	—	135,912
2036	—	—	11,635	—	—	142,226
2037	—	—	10,545	—	—	115,762
2038	—	—	21,130	1,735	265	120,846
2039	—	—	—	23,450	3,725	126,177
2040	—	—	—	25,755	4,005	131,683
2041	—	—	—	19,640	3,055	139,998
2042	—	—	—	20,105	3,130	140,401
2043	—	—	—	21,120	3,280	144,434
2044	7,255	—	—	19,175	2,985	156,543
2045	29,200	—	—	19,155	2,980	161,810
2046	30,390	—	—	17,550	2,730	164,725
2047	31,630	—	—	15,690	2,435	167,582
2048	32,920	—	—	16,055	2,500	172,821
2049	34,265	—	—	17,965	2,795	177,928
2050	—	—	—	38,555	5,995	174,870
2051	—	—	—	40,995	6,525	179,974
2052	—	—	—	42,265	6,725	185,432
2053	—	—	—	51,045	8,125	158,932
2054	—	—	—	52,760	8,395	163,479
2055	—	—	—	60,220	9,580	168,071
2056	—	—	—	—	—	100,792
2057	—	—	—	—	—	98,220
2058	—	—	—	—	—	100,919
2059	—	—	—	—	—	101,061
2060	—	—	—	—	—	40,729
2061	—	—	—	—	—	41,554
2062	—	—	—	—	—	31,194
Total	\$ 165,660	431,110	87,250	539,720	84,895	5,179,753

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
Wastewater - Future Principal and Interest Payments
(Excludes Commercial Paper)
(Dollars in Thousands)

Interest Payments*								
Payments Due for FY Ended	State Revolving Fund Loans *	WIFIA Loans	COPs 2009D Before Subsidy	2010B Before Subsidy	2013B	2016A	2016B	2018A
2026	\$ 3,172	5,190	1,436	9,409	3,724	9,963	2,809	9,498
2027	5,009	10,381	1,375	8,992	3,724	9,683	2,729	9,144
2028	4,856	10,381	1,312	8,550	3,724	9,356	2,637	8,771
2029	4,701	10,380	1,246	8,084	3,724	9,013	2,541	8,379
2030	4,544	10,380	1,177	7,592	3,724	8,652	2,439	7,967
2031	4,384	10,380	1,104	7,073	3,724	8,273	2,333	7,533
2032	4,223	19,980	1,027	6,523	3,724	7,875	2,220	7,078
2033	4,059	23,764	948	5,945	3,724	7,455	2,101	6,599
2034	3,892	23,764	865	5,344	3,724	7,015	1,977	6,096
2035	3,723	23,764	779	4,720	3,724	6,552	1,847	5,567
2036	3,552	23,764	689	4,073	3,724	6,066	1,710	5,011
2037	3,378	23,764	594	3,397	3,723	5,553	1,565	4,426
2038	3,201	23,764	496	2,690	3,723	5,071	1,430	3,813
2039	3,022	23,764	393	1,957	3,723	4,623	1,303	3,166
2040	2,841	23,764	286	1,194	3,723	4,157	1,172	2,557
2041	2,656	23,764	175	402	3,316	3,672	1,035	1,989
2042	2,469	23,618	59	—	2,196	3,167	893	1,396
2043	2,280	23,418	—	—	742	2,641	745	775
2044	2,087	23,058	—	—	—	2,094	590	228
2045	1,893	22,228	—	—	—	1,524	430	—
2046	1,694	21,375	—	—	—	932	265	—
2047	1,493	20,501	—	—	—	314	89	—
2048	1,289	19,529	—	—	—	—	—	—
2049	1,082	18,305	—	—	—	—	—	—
2050	909	17,031	—	—	—	—	—	—
2051	733	15,683	—	—	—	—	—	—
2052	585	14,296	—	—	—	—	—	—
2053	440	12,867	—	—	—	—	—	—
2054	293	11,398	—	—	—	—	—	—
2055	144	9,886	—	—	—	—	—	—
2056	73	8,334	—	—	—	—	—	—
2057	—	6,738	—	—	—	—	—	—
2058	—	5,097	—	—	—	—	—	—
2059	—	3,409	—	—	—	—	—	—
2060	—	1,909	—	—	—	—	—	—
2061	—	1,083	—	—	—	—	—	—
2062	—	340	—	—	—	—	—	—
Total	\$ 78,677	571,051	13,961	85,945	62,110	123,651	34,860	99,993

(Continued)

May not total due to rounding.

* Interest and fees include debt admin fees for the Clarifier SRF loan and North Point Facility SRF Loan.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
Wastewater - Future Principal and Interest Payments
(Excludes Commercial Paper)
(Dollars in Thousands)

Interest Payments*								
Payments Due for FY Ended	2018B	2021A	2021B	2022B	2023A	2023B	2023C	
2026	\$ 7,969	11,466	1,852	6,183	26,635	9,655	6,626	
2027	7,742	11,466	1,853	5,662	26,085	9,655	6,626	
2028	7,499	11,466	1,852	5,113	24,898	9,418	6,627	
2029	7,181	11,466	1,852	4,536	23,154	8,771	6,626	
2030	6,847	11,466	1,853	3,930	20,881	7,935	6,626	
2031	6,495	11,466	1,852	3,293	18,489	7,058	6,626	
2032	6,126	11,466	1,853	2,623	16,219	6,216	6,626	
2033	5,737	11,466	1,853	1,919	14,306	5,504	6,626	
2034	5,329	11,466	1,853	1,178	12,531	4,845	6,626	
2035	4,899	11,466	1,853	399	10,665	4,151	6,626	
2036	4,448	11,466	1,853	—	8,666	3,091	6,626	
2037	3,974	11,465	1,853	—	7,106	1,849	6,626	
2038	3,475	11,466	1,852	—	6,038	1,058	6,626	
2039	2,950	11,465	1,852	—	4,915	600	6,626	
2040	2,419	11,466	1,852	—	3,734	200	6,626	
2041	1,882	11,465	1,852	—	2,496	—	6,626	
2042	1,320	11,466	1,852	—	1,422	—	6,627	
2043	733	11,465	1,853	—	490	—	6,627	
2044	217	10,868	1,769	—	—	—	6,481	
2045	—	9,642	1,597	—	—	—	5,753	
2046	—	8,353	1,416	—	—	—	4,561	
2047	—	6,999	1,227	—	—	—	3,320	
2048	—	5,723	1,028	—	—	—	2,029	
2049	—	4,538	818	—	—	—	685	
2050	—	3,303	600	—	—	—	—	
2051	—	2,018	369	—	—	—	—	
2052	—	681	125	—	—	—	—	
2053	—	—	—	—	—	—	—	
2054	—	—	—	—	—	—	—	
2055	—	—	—	—	—	—	—	
2056	—	—	—	—	—	—	—	
2057	—	—	—	—	—	—	—	
2058	—	—	—	—	—	—	—	
2059	—	—	—	—	—	—	—	
2060	—	—	—	—	—	—	—	
2061	—	—	—	—	—	—	—	
2062	—	—	—	—	—	—	—	
Total	\$ 87,242	258,509	42,294	34,836	228,730	80,006	142,100	

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
Wastewater - Future Principal and Interest Payments
(Excludes Commercial Paper)
(Dollars in Thousands)

Interest Payments								
Payments Due for FY Ended	2024A	2024B	2024C	2024D	Federal Interest Subsidy	Total Interest Payments Net of Subsidy	Total Principal & Interest Payments	
2026	\$ 20,068	4,286	26,986	4,245	(3,579)	167,593	213,409	
2027	20,068	4,285	26,985	4,245	(3,422)	172,287	244,043	
2028	10,034	4,095	26,723	4,203	(3,255)	158,260	699,000	
2029	—	3,811	26,379	4,150	(3,079)	142,915	267,887	
2030	—	3,718	26,118	4,109	(2,894)	137,064	267,887	
2031	—	3,718	25,752	4,053	(2,699)	130,907	267,882	
2032	—	3,718	25,363	3,992	(2,492)	134,360	265,022	
2033	—	3,476	25,162	3,961	(2,275)	132,330	256,412	
2034	—	2,980	25,162	3,961	(2,049)	126,559	256,411	
2035	—	2,454	25,162	3,962	(1,815)	120,498	256,410	
2036	—	1,895	25,162	3,962	(1,572)	114,186	256,412	
2037	—	1,340	25,162	3,962	(1,317)	108,420	224,182	
2038	—	537	25,118	3,956	(1,051)	103,263	224,109	
2039	—	—	24,489	3,856	(776)	97,928	224,105	
2040	—	—	23,259	3,663	(488)	92,425	224,108	
2041	—	—	22,124	3,484	(191)	86,747	226,745	
2042	—	—	21,130	3,330	(20)	80,925	221,326	
2043	—	—	20,100	3,171	—	75,040	219,474	
2044	—	—	19,092	3,014	—	69,498	226,041	
2045	—	—	18,134	2,865	—	64,066	225,876	
2046	—	—	17,216	2,722	—	58,534	223,259	
2047	—	—	16,385	2,593	—	52,921	220,503	
2048	—	—	15,592	2,470	—	47,660	220,481	
2049	—	—	14,741	2,337	—	42,506	220,434	
2050	—	—	13,328	2,117	—	37,288	212,158	
2051	—	—	11,339	1,804	—	31,946	211,920	
2052	—	—	9,258	1,473	—	26,418	211,850	
2053	—	—	6,925	1,102	—	21,334	180,266	
2054	—	—	4,330	689	—	16,710	180,189	
2055	—	—	1,506	240	—	11,776	179,847	
2056	—	—	—	—	—	8,407	109,199	
2057	—	—	—	—	—	6,738	104,958	
2058	—	—	—	—	—	5,097	106,016	
2059	—	—	—	—	—	3,409	104,470	
2060	—	—	—	—	—	1,909	42,638	
2061	—	—	—	—	—	1,083	42,637	
2062	—	—	—	—	—	340	31,534	
Total	\$ 50,170	40,313	594,182	93,691	(32,974)	2,689,347	7,869,100	

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
 Power - Future Principal and Interest Payments
 (Excludes Commercial Paper)
 (Dollars in Thousands)

Principal Payments										
Payments Due for FY Ended	COPs Series 2009D	Qualified Energy Conservation Bonds 2011	2015A	2015B	New Clean Renewable Energy Bonds 2015	2021A	2021B	2023A	Total Principal Payments	
2026	\$ 483	576	—	945	152	1,455	620	—	4,231	
2027	503	582	830	150	154	1,530	650	1,075	5,474	
2028	524	294	1,020	—	156	1,605	685	1,445	5,729	
2029	546	—	1,075	—	159	1,690	715	1,820	6,005	
2030	569	—	1,125	—	161	1,775	750	1,920	6,300	
2031	594	—	1,185	—	163	1,860	790	2,015	6,607	
2032	619	—	1,240	—	165	1,945	825	2,130	6,924	
2033	644	—	1,305	—	83	2,035	860	2,325	7,252	
2034	673	—	1,370	—	—	2,115	905	2,525	7,588	
2035	702	—	1,435	—	—	2,200	950	2,655	7,942	
2036	731	—	1,510	—	—	2,290	995	2,785	8,311	
2037	763	—	1,585	—	—	2,385	1,045	2,915	8,693	
2038	796	—	1,665	—	—	2,480	1,090	3,065	9,096	
2039	830	—	1,745	—	—	2,585	1,140	3,220	9,520	
2040	865	—	1,835	—	—	2,690	1,185	3,385	9,960	
2041	901	—	1,925	—	—	2,800	1,240	3,560	10,426	
2042	942	—	2,020	—	—	2,915	1,290	3,745	10,912	
2043	—	—	2,125	—	—	3,030	1,345	3,935	10,435	
2044	—	—	2,230	—	—	3,155	1,405	4,135	10,925	
2045	—	—	2,340	—	—	3,285	1,465	4,350	11,440	
2046	—	—	2,460	—	—	3,420	1,525	4,570	11,975	
2047	—	—	—	—	—	3,560	4,160	4,805	12,525	
2048	—	—	—	—	—	3,705	4,330	5,050	13,085	
2049	—	—	—	—	—	3,855	4,505	5,315	13,675	
2050	—	—	—	—	—	4,010	4,695	5,580	14,285	
2051	—	—	—	—	—	4,175	4,885	5,870	14,930	
2052	—	—	—	—	—	4,345	5,085	6,170	15,600	
2053	—	—	—	—	—	—	—	16,350	16,350	
2054	—	—	—	—	—	—	—	17,190	17,190	
2055	—	—	—	—	—	—	—	—	—	
2056	—	—	—	—	—	—	—	—	—	
2057	—	—	—	—	—	—	—	—	—	
2058	—	—	—	—	—	—	—	—	—	
2059	—	—	—	—	—	—	—	—	—	
2060	—	—	—	—	—	—	—	—	—	
2061	—	—	—	—	—	—	—	—	—	
2062	—	—	—	—	—	—	—	—	—	
Total	\$ 11,685	1,452	32,025	1,095	1,193	72,895	49,135	123,905	293,385	

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
Power - Future Principal and Interest Payments
 (Excludes Commercial Paper)
 (Dollars in Thousands)

Interest Payments											
Payments Due for FY Ended	COPs 2009D Before Subsidy	QECBs 2011 Before Subsidy	2015A	2015B	NCREBs 2015 Before Subsidy	2021A	2021B	2023A	Federal Interest Subsidy	Total Interest Payments Net of Subsidy	Total Principal & Interest Payments
2026	\$ 739	62	1,593	25	53	2,979	2,000	6,195	(323)	13,323	17,554
2027	709	35	1,576	3	47	2,905	1,969	6,168	(289)	13,123	18,597
2028	675	7	1,534	—	39	2,826	1,935	6,105	(253)	12,868	18,597
2029	641	—	1,482	—	32	2,744	1,900	6,024	(233)	12,590	18,595
2030	606	—	1,427	—	25	2,658	1,864	5,930	(216)	12,294	18,594
2031	568	—	1,369	—	17	2,576	1,825	5,832	(199)	11,988	18,595
2032	530	—	1,308	—	9	2,490	1,784	5,728	(182)	11,667	18,591
2033	488	—	1,245	—	2	2,401	1,747	5,617	(162)	11,338	18,590
2034	446	—	1,178	—	—	2,318	1,712	5,496	(146)	11,004	18,592
2035	400	—	1,108	—	—	2,231	1,674	5,366	(132)	10,647	18,589
2036	354	—	1,034	—	—	2,142	1,636	5,230	(117)	10,279	18,590
2037	307	—	957	—	—	2,048	1,595	5,088	(101)	9,894	18,587
2038	255	—	876	—	—	1,951	1,552	4,938	(84)	9,488	18,584
2039	203	—	790	—	—	1,849	1,507	4,781	(67)	9,063	18,583
2040	147	—	701	—	—	1,744	1,461	4,616	(49)	8,620	18,580
2041	90	—	607	—	—	1,634	1,412	4,442	(30)	8,155	18,581
2042	31	—	508	—	—	1,520	1,362	4,260	(10)	7,671	18,583
2043	—	—	405	—	—	1,401	1,309	4,068	—	7,183	17,618
2044	—	—	296	—	—	1,277	1,254	3,865	—	6,692	17,617
2045	—	—	181	—	—	1,149	1,197	3,654	—	6,181	17,621
2046	—	—	62	—	—	1,014	1,137	3,431	—	5,644	17,619
2047	—	—	—	—	—	875	1,023	3,196	—	5,094	17,619
2048	—	—	—	—	—	730	853	2,950	—	4,533	17,618
2049	—	—	—	—	—	578	677	2,691	—	3,946	17,621
2050	—	—	—	—	—	421	493	2,419	—	3,333	17,618
2051	—	—	—	—	—	257	301	2,132	—	2,690	17,620
2052	—	—	—	—	—	87	102	1,831	—	2,020	17,620
2053	—	—	—	—	—	—	—	1,268	—	1,268	17,618
2054	—	—	—	—	—	—	—	430	—	430	17,620
2055	—	—	—	—	—	—	—	—	—	—	—
2056	—	—	—	—	—	—	—	—	—	—	—
2057	—	—	—	—	—	—	—	—	—	—	—
2058	—	—	—	—	—	—	—	—	—	—	—
2059	—	—	—	—	—	—	—	—	—	—	—
2060	—	—	—	—	—	—	—	—	—	—	—
2061	—	—	—	—	—	—	—	—	—	—	—
2062	—	—	—	—	—	—	—	—	—	—	—
Total	\$ 7,189	104	20,237	28	224	46,805	37,281	123,751	(2,593)	233,026	526,411

May not total due to rounding.

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 economy growth is growing in a steady pace. The City benefits from a highly skilled, educated, and professional labor force. Key industries include AI, technology, tourism, real estate, banking and finance, retailing, apparel design and manufacturing. 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.

San Francisco median homes sale prices in 2024 was \$1.6 million and have increased to over \$1.7 million as of September 2025, according to San Francisco Real Estate COMPASS October 2025 report. Personal income per capita for 2025 is \$176,317 and a typical home cost over 9 times the typical income, continuing to be one of the higher home price-to-income ratio in the nation.

San Francisco Population and Income

The City had a population estimated at 835,987 as of fiscal year 2025. 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 2020-2024		
Fiscal Year	Population ¹	Per Capita Personal Income ²
2021	815,498	\$159,135
2022	814,176	153,970
2023	819,151	162,763
2024	827,526	172,123
2025	835,987	176,317

¹2025 population was estimated by multiplying the estimated 2024 population by the 2023 to 2024 population growth rate. Fiscal years 2021 to 2024 data were updated from last year's ACFR with newly available data.

²Per capita personal income for 2025 was estimated by dividing the estimated personal income for 2024 by the reported population in 2024. Fiscal years 2021 to 2024 data were updated from last year's ACFR with newly available data. FY2025 was estimated by multiplying the latest quarterly State income by 1,000 and dividing by the estimated 2024 population.

Source: Office of the Controller, City and County of San Francisco

San Francisco Conventions and Tourism

According to the San Francisco Travel Association (the “Travel Association”), a non-profit membership organization, San Francisco Airport served over 52 million passengers, up 4.1% from 2023. 23.06 million of these visitors spent over \$9.2 billion in 2024 and generated \$604.6 million in tax revenue for the city. Average hotel rate in 2024 was \$227.51 and occupancy was 62.1%. It is forecast for 2025, travel to San Francisco is expected to reach 23.3 million visitors with major events like NBA ALL-Start Weekend, Game Developers Conference and Dreamforce.

San Francisco Employment

According to the data from California Employment Development Department, the City's unemployment rate increased by 0.6% in 2025. This increase is slightly higher than the State of California rate increase of 0.5% in 2025.

Tables below summarizes information on the civilian labor, employment, and unemployment in the City; and employment by industry from calendar years 2020 to 2024.

CITY AND COUNTY OF SAN FRANCISCO Civilian Labor Force, Employment, and Unemployment ¹ June 2024 and 2025 ²					
Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate
June 2025	San Francisco	510,200	488,600	21,600	4.2%
	State	19,771,500	18,633,900	1,137,600	5.8%
June 2024	San Francisco	550,200	530,300	19,900	3.6%
	State	19,293,300	18,265,300	1,028,000	5.3%

¹Labor force data reflects the March 2024 benchmark.

²Data 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 2020-2024 ¹					
	2020	2021	2022	2023	2024
Total Farm	200	300	300	200	200
Total Nonfarm	696,300	698,700	754,200	743,500	722,000
Professional & Business Services	200,900	200,600	217,000	203,800	190,300
Leisure & Hospitality	59,100	57,000	75,600	82,000	81,500
Government	98,200	101,300	106,500	108,500	110,600
Educational & Health Services	91,500	93,900	96,500	99,600	101,300
Trade, Transportation & Utilities	73,200	70,100	70,600	66,400	64,400
Financial Activities	60,300	61,000	61,700	59,200	54,800
Information	54,600	58,200	67,500	63,900	62,000
Manufacturing & Construction	36,600	33,800	34,800	35,900	32,900
Other Services	22,100	23,100	24,300	24,400	24,400
Total All Industries	696,500	699,000	754,500	743,700	722,200

¹Data reflects the March 2024 benchmark and 2022 is updated with newly available data.

Source: California Employment Development Department, Labor Market Information Division.

The table below list 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
10,000 and more Employees	
City and County of San Francisco	City Government
Salesforce Inc.	Customer Relationship Management Software
United Airlines	Airline Carrier
University of California, San Francisco	Health Sciences University and Medical Center
5,000 - 9,999 Employees	
San Francisco Unified School District (SFUSD)	Public Education
Sutter Health	Health Care System
Wells Fargo Bank	Financial Services
1,000 - 4,999 Employees	
Accenture	Professional Services and Technology Consulting
Adobe Inc.	Digital media and marketing
Allied Universal	Security Systems, Guarding Services
Autodesk Inc.	3D Design Software
Bank of America	Financial Services
Cisco Systems Inc.	Technology, Networking, Security and Digital
DoorDash Inc.	On-demand logistics platform for local commerce
First Republic Bank	Financial Services
iRhythm Technologies Inc.	Medical Technology
Kaiser Permanente	Health Care System
Lyft Inc.	Ride-Sharing Service
Uber Technologies Inc.	Ride-Sharing Service

Source: Calendar year 2023 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 2020 through 2024. Total retail sales increased in 2024 by approximately \$2.9 billion compared to 2020.

CITY AND COUNTY OF SAN FRANCISCO Taxable Sales - Calendar Years 2020-2024 ¹ (\$ in Thousands)					
	2020	2021	2022	2023	2024
Building Material/Garden Equipment/Supplies	\$ 642,104	685,895	691,182	636,795	571,945
Clothing and Clothing Accessories Stores	1,163,031	1,587,968	1,746,756	1,576,178	1,515,683
Food and Beverage Stores	746,455	722,410	768,428	794,715	792,042
Food Services and Drinking Places	2,081,728	2,953,373	4,266,095	4,537,493	4,612,261
Gasoline Stations	304,977	432,768	612,261	553,559	494,260
General Merchandise Stores	560,059	667,930	691,405	628,274	629,358
Home Furnishings and Appliance Stores	768,022	919,239	940,945	790,701	760,261
Motor Vehicle and Parts Dealers	593,476	625,719	575,323	590,487	585,619
Other Retail Stores ²	2,690,590	2,508,494	2,633,438	2,500,262	2,443,268
Retails Stores Total	\$ 9,550,442	11,103,796	12,925,833	12,608,464	12,404,697
All Other Outlets not listed above	4,839,281	5,503,318	6,685,573	6,493,613	6,368,626
Total All Outlets	\$ 14,389,723	16,607,114	19,611,406	19,102,077	18,773,323

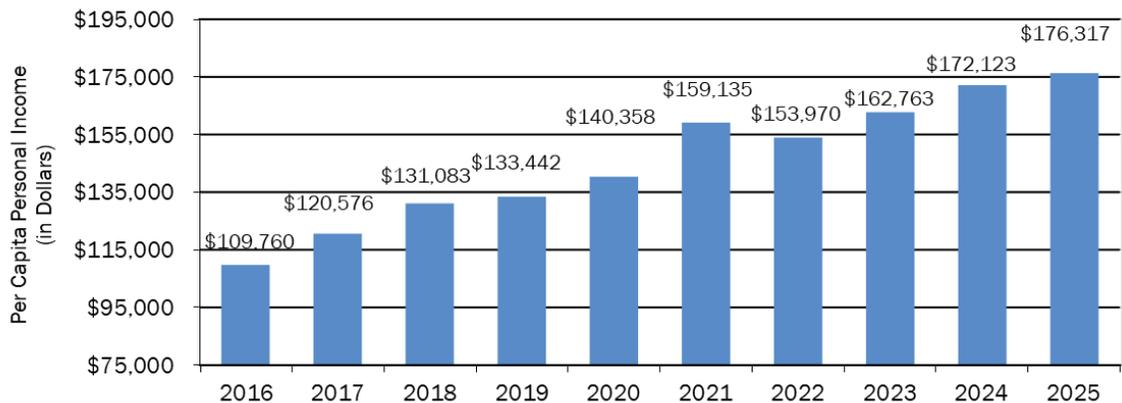
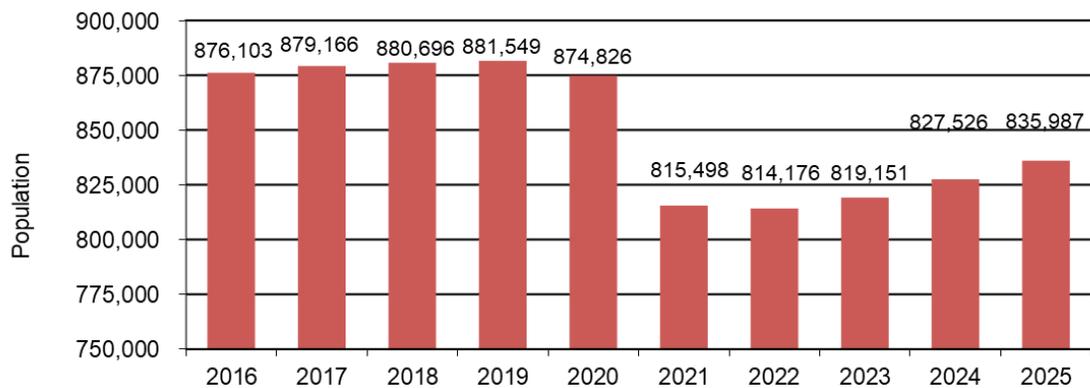
¹Most recent annual data available and may not total due to rounding.

²Other 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 2016 to 2025

Year	Population ¹	Personal Income (In Thousands) ²	Per Capita Personal income ³
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	874,826	122,788,484	140,358
2021	815,498	129,774,521	159,135
2022	814,176	125,357,765	153,970
2023	819,151	133,327,237	162,763
2024	827,526	142,436,595	172,123
2025	835,987 ⁴	147,398,559 ⁵	176,317 ⁶



¹Data from US Census Bureau. Fiscal years 2020 to 2024 were updated from last year's Annual Comprehensive Financial Report (ACFR) with newly available data.

²Data from US Bureau of Economic Analysis. Fiscal years 2022 to 2024 were updated from last year's ACFR with newly available data.

³Data from US Bureau of Economic Analysis. Fiscal years 2020 to 2024 were updated from last year's ACFR with newly available data.

⁴2025 population was calculated by multiplying the estimated 2024 population by the 2022 to 2023 population growth rate.

⁵Personal income was estimated by assuming that its percentage of state personal income in fiscal years 2025 remained at the 2023 level of 4.19 percent.

⁶Per capita personal income for 2025 was estimated by dividing the estimated personal income for 2024 by the reported population in 2024. 2025 was estimated by multiplying the latest quarterly State income by 1,000 and dividing by the estimated 2025 population.

Source: Office of the Controller, City and County of San Francisco.

Demographic & Economic Information
San Francisco City and County Principal Employers

Employer	2023 ¹			2014 ²		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
City and County of San Francisco	36,822	1	7.4 %	26,207	1	4.1 %
University of California, San Francisco	29,475	2	5.9	20,600	2	3.2
Salesforce Inc.	11,953	3	2.4	5,000	6	0.8
United Airlines	10,000	4	2.0	—	—	—
San Francisco Unified School District	9,047	5	1.8	8,497	3	1.3
Sutter Health	6,134	6	1.2	—	—	—
Wells Fargo Bank	5,886	7	1.2	8,300	4	1.3
Kaiser Permanente	4,676	8	0.9	3,500	10	0.5
Allied Universal	3,827	9	0.8	—	—	—
Uber Technologies, Inc	3,413	10	0.7	—	—	—
California Pacific Medical Center	—	—	—	5,837	5	0.9
Gap, Inc.	—	—	—	4,438	7	0.7
Pacific Gas & Electric Corporation	—	—	—	4,297	8	0.7
State of California	—	—	—	4,078	9	0.6
Total	121,233		24.3 %	90,754		14.1 %
Total City Employment³			499,542			639,400

¹The latest data is from calendar year 2023. Data is obtained from the San Francisco Business Times Book of Lists.

²Data based on fiscal year 2015 Annual Comprehensive Financial Report.

³Data 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 2016 to 2025

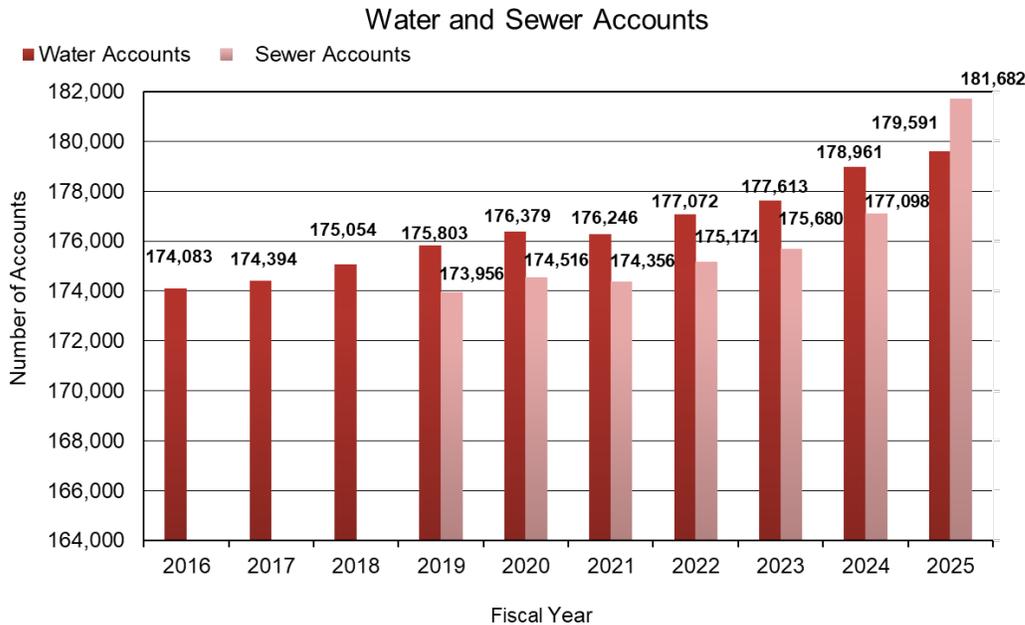
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water Account Types										
Retail - San Francisco										
Multi-Family Residential	41,369	41,594	42,101	42,482	42,849	43,360	43,693	44,020	44,280	44,494
Single-Family Residential	110,050	110,118	110,153	110,413	110,584	110,113	110,485	110,659	111,445	111,631
Commercial	20,320	20,344	20,429	20,512	20,509	20,306	20,399	20,423	20,690	20,890
Industrial	81	80	80	81	77	75	72	69	71	71
Municipal	1,885	1,882	1,915	1,939	1,985	2,019	2,049	2,067	2,100	2,131
Subtotal	173,705	174,018	174,678	175,427	176,004	175,873	176,698	177,238	178,586	179,217
Retail - Other										
Commercial	85	83	86	87	87	86	87	86	87	88
Municipal	1	1	1	1	1	1	1	1	1	2
Other	3	3	3	2	2	2	2	2	2	—
Residential	211	211	208	208	207	206	206	208	207	206
Subtotal	300	298	298	298	297	295	296	297	297	296
Wholesale										
Private utilities	22	22	22	22	22	22	22	22	22	22
Public utilities	56	56	56	56	56	56	56	56	56	56
Subtotal	78	78	78	78	78	78	78	78	78	78
Total water accounts	174,083	174,394	175,054	175,803	176,379	176,246	177,072	177,613	178,961	179,591
Sewer Account Types										
Retail & Resale*										
Multi-Family Residential	36,293	36,323	36,326	36,387	36,467	36,528	36,595	36,603	36,660	36,679
Single-Family Residential	111,137	111,268	111,385	111,681	111,869	111,398	111,786	111,995	112,795	112,993
Commercial ²	15,411	15,388	15,494	24,465	24,721	24,941	25,278	25,564	26,002	26,438
Municipal ²	738	751	763	1,109	1,150	1,182	1,208	1,218	1,233	1,251
Suburban (Watershed Keepers)	8	8	8	8	7	7	7	6	4	4
Unmetered Properties ¹	No data prior to fiscal year 2019				302	300	297	294	404	4,317
Total sewer accounts	163,587	163,738	163,976	173,956	174,516	174,356	175,171	175,680	177,098	181,682

¹Beginning in fiscal year 2019, Unmetered properties accounts are included. Unmetered properties are charged only for management of stormwater runoff. Includes both municipal and commercial accounts. Increase in fiscal year 2025 related to implementation of citywide stormwater portion of sewer bill.

²Large 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.

³Increase in residential and commercial accounts in fiscal year 2024, mainly due to additional stormwater accounts.

Source: San Francisco Public Utilities Commission Customer Care and Billing System and Rate Schedules.



Demographic & Economic Information
 Summary of Hetchy Water, Hetchy Power and CleanPowerSF Accounts by Type of Customer
 Fiscal Years Ended 2016 to 2025

Hetchy Water										
Accounts	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Upcountry Water Sales	6	5	5	5	5	5	5	5	5	5

Source: San Francisco Public Utilities Commission Customer Care and Billing System.

Hetchy Power										
Electric Meters	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
City Agencies	1,494	1,491	1,511	1,499	1,512	1,489	1,522	1,546	1,564	1,559
Non-City Agencies*	1,090	1,536	1,996	2,209	2,526	3,858	3,551	4,654	5,439	6,860
Moccasin/City of Riverbank	41	39	38	37	37	36	35	36	38	42
Modesto/Turlock Irrigation Districts	2	2	2	2	2	2	2	2	2	—
Total accounts**	2,627	3,068	3,547	3,747	4,077	5,385	5,110	6,238	7,043	8,461
Gas and Steam Meters										
Nature Gas	359	351	355	352	352	352	355	356	356	360
Steam	12	12	12	12	12	12	12	12	10	11
Total accounts	371	363	367	364	364	364	367	368	366	371

*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.

**The decrease in accounts from fiscal years 2021 to 2022 is due to corrections to the customer type during the new billing system transition. New accounts from affordable housing units contributed to the increase from fiscal years 2022 to 2025.

Source: San Francisco Public Utilities Commission Power Enterprise Customer To Meter Billing System. Fiscal year 2020 and prior was from Utility Star Billing System.

CleanPowerSF										
Account	2016	2017	2018	2019	2020	2021	2022*	2023	2024	2025
Residential	364	69,492	74,160	343,807 ^	351,219 ^	352,835	356,443	365,800	354,294	357,998
Commercial										
Small Commercial Service	6,256	6,169	6,422	27,750	27,368	27,044	26,569	26,961	26,099	26,071
Medium Commercial Service	541	504	688	2,428	2,381	2,272	2,124	2,050	1,845	1,790
Large Commercial Service	299	314	336	1,812	1,887	1,859	1,819	2,016	2,080	2,096
Agricultural	—	3	7	25	25	25	27	22	35	38
Street and Outdoor Lighting	—	—	—	306	299	297	297	305	311	324
Commercial Subtotal	7,096	6,990	7,453	32,321	31,960	31,497	30,836	31,354	30,370	30,319
Total accounts	7,460	76,482	81,613	376,128	383,179	384,332	387,279	397,154	384,664	388,317

^Increase is from completion of citywide enrollment.

*Fiscal year 2022 data was as of November 2022.

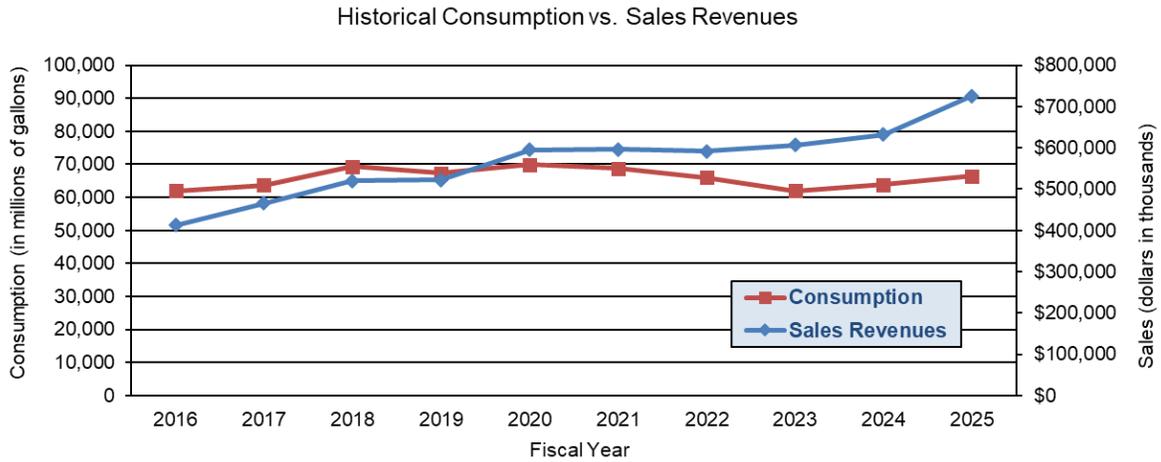
Source: Calpine's customer snapshot reports.

Demographic & Economic Information
 Water Accounts and Billings
 Fiscal Years Ended 2016 to 2025
 (Dollars in Thousands)

Fiscal Year	Number of Consumer Accounts	Water Consumed (CCF)*	Water Consumed (MG)**	Service Charges Billed (\$)	Water Charges Billed (\$)	Total Amount Billed (\$)
2016	174,083	82,783,466	61,922	37,125	375,020	412,145
2017	176,379	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	91,994,567	68,812	50,391	545,521	595,912
2022	177,072	88,243,491	66,006	53,820	537,588	591,408
2023	177,613	82,862,373	61,982	54,062	553,100	607,162
2024	178,961	85,367,087	63,853	55,140	576,389	631,529
2025	179,591	88,829,037	66,444	60,492	665,348	725,840

*Hundred cubic feet = 748 gallons
 **Millions of gallons

Source: Summary of Annual Water Sales reports, San Francisco Public Utilities Commission Customer Care and Billing System.



Demographic & Economic Information
Historical Water Sales in Hundred Cubic Feet
Fiscal Years Ended 2016 to 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2025 % of Total
Retail Customers											
Multi-Family Residential	10,511,291	10,730,224	11,088,325	11,001,321	11,377,523	11,091,058	10,652,590	10,623,605	10,608,337	11,081,037	12.5%
Single-Family Residential	6,674,624	6,765,508	6,954,084	6,766,191	7,051,008	7,101,350	6,413,178	6,085,256	5,989,644	6,237,685	7.0%
Commercial ¹	8,486,990	8,286,580	8,539,377	8,145,347	7,391,713	5,152,409	5,761,374	6,065,939	5,982,433	6,186,712	7.0%
Industrial	94,178	92,846	86,555	84,142	73,296	43,251	47,821	46,458	40,247	44,015	0.1%
Municipal ^{3,4}	1,252,031	1,519,354	1,582,906	1,592,205	1,652,984	1,387,438	1,388,349	1,224,514	1,337,141	1,483,142	1.7%
Suburban Retail ³	1,556,586	1,397,568	1,524,511	1,426,850	1,474,800	1,368,225	1,329,569	1,337,597	1,414,370	1,423,676	1.6%
Retail water sales	28,575,700	28,792,080	29,775,758	29,016,056	29,021,324	26,143,731	25,592,881	25,383,369	25,372,172	26,456,267	29.9%
Wholesale Customers											
California Water Service ²	11,442,469	11,853,307	13,437,872	12,823,623	14,158,729	14,422,994	14,163,074	12,855,814	12,658,135	12,901,287	14.5%
Hayward Municipal Water	5,979,616	6,281,522	7,101,954	6,821,848	6,929,989	7,098,350	6,854,523	6,301,398	6,430,378	6,663,423	7.5%
City of Sunnyvale	3,816,230	3,966,024	4,615,487	4,281,432	4,602,280	4,745,166	4,336,157	3,948,671	4,646,165	5,017,350	5.7%
Alameda County Water District	2,924,129	3,039,722	3,875,669	3,745,166	3,788,287	4,638,801	4,575,609	4,721,709	4,865,627	4,920,338	5.5%
City of Palo Alto	4,006,084	4,382,560	4,859,576	4,600,987	4,757,199	4,785,384	4,709,184	4,210,399	4,366,041	4,543,561	5.1%
City of Redwood City	3,484,888	3,764,419	4,109,993	3,945,340	4,269,768	4,180,327	3,862,674	3,521,880	3,748,266	3,828,505	4.3%
City of Mountain View	3,285,167	3,374,726	3,679,915	3,551,507	3,706,595	3,857,685	3,600,525	3,288,144	3,600,443	3,754,173	4.2%
City of Milpitas	2,199,649	2,361,244	2,544,956	2,504,392	2,956,102	2,618,214	2,332,408	2,193,250	2,590,051	2,518,820	2.8%
City of San Jose	1,990,436	2,017,559	2,198,147	2,104,452	2,065,632	2,052,823	1,975,039	1,850,941	1,909,985	1,947,586	2.2%
Estero Municipal Improvement District	1,755,953	1,869,684	2,064,667	1,966,799	2,115,607	2,101,149	1,887,409	1,715,469	1,820,120	1,847,956	2.1%
All Other Wholesale Customers ²	13,323,145	13,466,407	14,425,326	14,635,791	15,123,615	15,349,943	14,354,008	12,871,329	13,359,704	14,429,771	16.2%
Wholesale water sales	54,207,766	56,377,174	62,913,562	60,981,337	64,473,803	65,850,836	62,650,610	57,479,004	59,994,915	62,372,770	70.1%
Total water sales	82,783,466	85,169,254	92,689,320	89,997,393	93,495,127	91,994,567	88,243,491	82,862,373	85,367,087	88,829,037	100.0%
% Change from prior year	-10.6%	2.9%	8.8%	-2.9%	3.9%	-1.6%	-4.1%	-6.1%	3.0%	4.1%	
Number of accounts	174,083	174,394	175,054	175,803	176,379	176,246	177,072	177,613	178,961	179,591	
Retail	174,005	174,316	174,976	175,725	176,301	176,168	176,994	177,535	178,883	179,513	
Wholesale	78	78	78	78	78	78	78	78	78	78	

¹Includes Docks and Ships under Commercial.

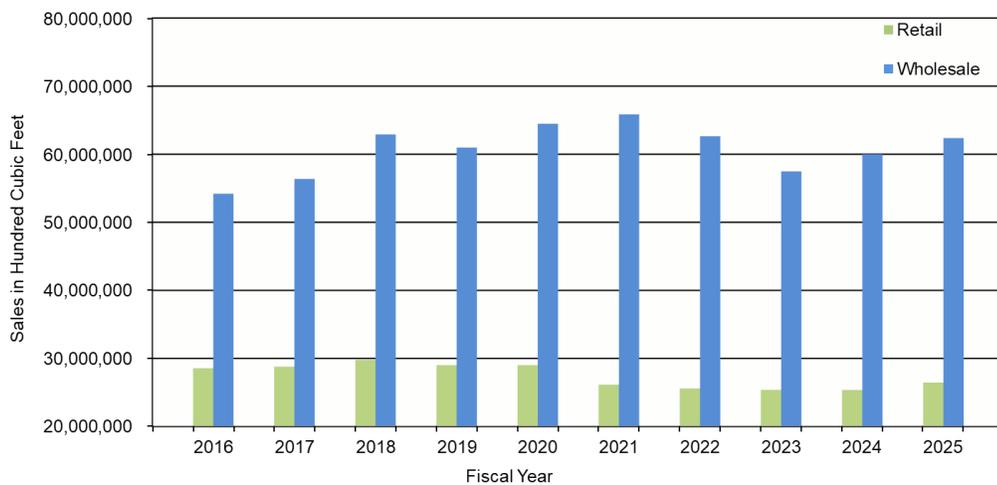
²From fiscal year 2016 onward, California Water Service Company, Daly City, and San Bruno are participating in the conjunctive use groundwater program. These customers receive a bill credit for regional water system usage in-lieu of groundwater pumping. Totals reported in this table exclude water credited under the conjunctive use program.

³Master-metered Treasure Island water sales were included under Suburban Retail from fiscal years 2013 to 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 leases. 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.

⁴Beginning 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 2016 to 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2025 % of Total
Retail Customers											
Multi-Family Residential	21.5	22.0	22.7	22.5	23.3	22.7	21.9	21.8	21.7	22.7	12.5%
Single-Family Residential	13.6	13.9	14.3	13.9	14.4	14.6	13.1	12.5	12.2	12.8	7.0%
Commercial ¹	17.3	17.0	17.5	16.7	15.1	10.6	11.8	12.4	12.2	12.7	7.0%
Industrial	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1%
Municipal ^{3,4}	2.6	3.1	3.2	3.3	3.4	2.8	2.8	2.5	2.7	3.0	1.7%
Suburban Retail ³	3.2	2.9	3.1	2.9	3.0	2.8	2.7	2.7	2.9	2.9	1.6%
Retail water sales	58.4	59.1	61.0	59.5	59.4	53.6	52.4	52.0	51.8	54.2	29.9%
Wholesale Customers*											
California Water Service ²	23.4	24.3	27.5	26.3	29.0	29.6	29.0	26.4	25.9	26.4	14.5%
Hayward Municipal Water	12.2	12.9	14.6	14.0	14.2	14.5	14.0	12.9	13.1	13.7	7.5%
Alameda County Water District	6.0	6.2	7.9	7.7	7.7	9.5	9.4	9.7	9.9	10.3	5.7%
City of Sunnyvale	7.8	8.1	9.5	8.8	9.4	9.7	8.9	8.1	9.5	10.1	5.5%
City of Palo Alto	8.2	9.0	10.0	9.4	9.7	9.8	9.6	8.6	8.9	9.3	5.1%
City of Redwood City	7.1	7.7	8.4	8.1	8.8	8.6	7.9	7.2	7.7	7.8	4.3%
City of Mountain View	6.7	6.9	7.5	7.3	7.6	7.9	7.4	6.7	7.4	7.7	4.2%
City of Milpitas	4.5	4.8	5.2	5.1	6.1	5.4	4.8	4.5	5.3	5.2	2.8%
City of San Jose	4.1	4.1	4.5	4.3	4.2	4.2	4.1	3.8	3.9	4.0	2.2%
Estero Municipal Improvement District	3.6	3.8	4.2	4.0	4.3	4.3	3.9	3.5	3.7	3.8	2.1%
All Other Wholesale Customers ²	27.3	27.6	29.6	30.0	31.0	31.5	29.5	26.4	27.3	29.6	16.2%
Wholesale water sales	110.9	115.4	128.9	125.0	132.0	135.0	128.5	117.8	122.6	127.9	70.1%
Total water sales	169.3	174.5	189.9	184.5	191.4	188.6	180.9	169.8	174.4	182.1	100.0%
% Change from prior year	-10.6%	2.9%	8.8%	-2.9%	3.9%	-1.6%	-4.1%	-6.1%	3.0%	4.1%	
Number of accounts	174,083	174,394	175,054	175,803	176,379	176,246	177,072	177,613	178,961	179,591	
Retail	174,005	174,316	174,976	175,725	176,301	176,168	176,994	177,535	178,883	179,513	
Wholesale	78	78	78	78	78	78	78	78	78	78	

¹Includes Docks and Ships under Commercial.

²From 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.

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⁴Beginning 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 2016 to 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2025 % of Total
Retail Customers											
Multi-Family Residential	7,862	8,026	8,294	8,229	8,510	8,296	7,968	7,946	7,935	8,289	12.5%
Single-Family Residential	4,993	5,061	5,202	5,061	5,274	5,312	4,797	4,552	4,480	4,666	7.0%
Commercial ¹	6,348	6,198	6,387	6,093	5,529	3,854	4,310	4,537	4,475	4,628	7.0%
Industrial	70	69	65	63	55	32	36	35	30	33	0.1%
Municipal ^{3,4}	937	1,136	1,184	1,191	1,236	1,038	1,038	916	1,000	1,109	1.7%
Suburban Retail ³	1,164	1,045	1,140	1,067	1,103	1,023	995	1,001	1,058	1,065	1.6%
Retail water sales	21,374	21,535	22,272	21,704	21,707	19,555	19,144	18,987	18,978	19,790	29.9%
Wholesale Customers*											
California Water Service ²	8,559	8,866	10,052	9,592	10,591	10,788	10,594	9,616	9,468	9,650	14.5%
Hayward Municipal Water	4,473	4,699	5,312	5,103	5,184	5,310	5,127	4,713	4,810	4,984	7.5%
Alameda County Water District	2,187	2,274	2,899	2,801	2,834	3,470	3,423	3,532	3,639	3,753	5.7%
City of Sunnyvale	2,855	2,967	3,452	3,203	3,443	3,549	3,243	2,954	3,475	3,680	5.5%
City of Palo Alto	2,997	3,278	3,635	3,442	3,558	3,579	3,522	3,149	3,266	3,399	5.1%
City of Redwood City	2,607	2,816	3,074	2,951	3,194	3,127	2,889	2,634	2,804	2,864	4.3%
City of Mountain View	2,457	2,524	2,753	2,657	2,773	2,886	2,693	2,460	2,693	2,808	4.2%
City of Milpitas	1,645	1,766	1,904	1,873	2,211	1,958	1,745	1,641	1,937	1,884	2.8%
City of San Jose	1,489	1,509	1,644	1,574	1,545	1,536	1,477	1,385	1,429	1,457	2.2%
Estero Municipal Improvement District	1,313	1,399	1,544	1,471	1,582	1,572	1,412	1,283	1,361	1,382	2.1%
All Other Wholesale Customers ²	9,966	10,073	10,790	10,948	11,312	11,482	10,737	9,628	9,993	10,793	16.2%
Wholesale water sales	40,548	42,171	47,059	45,615	48,227	49,257	46,862	42,995	44,875	46,654	70.1%
Total water sales	61,922	63,706	69,331	67,319	69,934	68,812	66,006	61,982	63,853	66,444	100.0%
% Change from prior year	-10.6%	2.9%	8.8%	-2.9%	3.9%	-1.6%	-4.1%	-6.1%	3.0%	4.1%	
Number of accounts											
Retail	174,083	176,379	175,054	175,803	176,379	176,246	177,072	177,613	178,961	179,591	
Wholesale	78	78	78	78	78	78	78	78	78	78	

¹Includes Docks and Ships under Commercial.

²From 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.

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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**



- | | |
|--|---------------------------------------|
| 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 2016 to 2025
(Dollars in Thousands)

Customer Type	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Multiple-Family Residential										
Number of accounts	41,369	41,594	42,101	42,482	42,849	43,360	43,693	44,020	44,280	44,494
Billings	\$ 74,055	83,180	91,994	97,879	109,461	115,888	121,922	125,529	125,973	137,949
Single-Family Residential										
Number of accounts	110,050	110,118	110,153	110,413	110,584	110,113	110,485	110,659	111,445	111,631
Billings	\$ 54,209	60,424	66,304	69,840	78,329	85,094	84,328	83,030	84,394	92,182
Commercial¹										
Number of accounts	20,320	20,344	20,429	20,512	20,509	20,306	20,399	20,423	20,690	20,890
Billings	\$ 63,080	67,748	74,720	76,950	76,586	59,883	71,480	76,805	75,775	82,273
Industrial										
Number of accounts	81	80	80	81	77	75	72	69	71	71
Billings	\$ 677	736	738	796	765	528	612	614	546	632
Municipal²										
Number of accounts	1,885	1,882	1,916	1,939	1,985	2,019	2,049	2,067	2,100	2,131
Billings	\$ 9,274	11,999	13,147	14,253	15,901	14,541	16,224	15,279	16,982	17,047
Suburban Retail										
Number of accounts	300	298	297	298	297	295	296	297	297	296
Billings	\$ 7,845	8,836	10,466	10,313	11,127	11,113	11,668	12,693	13,728	14,950
Wholesale										
Number of accounts	78	78	78	78	78	78	78	78	78	78
Billings	\$ 203,005	233,356	262,764	252,521	303,340	308,865	285,174	270,653	314,131	380,807
Total										
Number of accounts	174,083	174,394	175,054	175,803	176,379	176,246	177,072	177,613	178,961	179,591
Billings	\$ 412,145	466,279	520,133	522,552	595,509	595,912	591,408	607,162	631,529	725,840
Percentage of Revenue										
Residential	31.1%	30.8%	30.4%	32.1%	31.5%	33.7%	34.9%	34.3%	33.3%	31.7%
Non-residential ³	19.6%	19.2%	19.0%	19.6%	17.5%	14.4%	16.9%	17.4%	16.9%	15.8%
Wholesale	49.3%	50.0%	50.6%	48.3%	51.0%	51.9%	48.2%	48.3%	49.8%	52.5%
Total Percentage of Revenue	100.0%									

¹Includes Docks and Ships and Builders and Contractors under Commercial.

²Beginning in fiscal year 2017, Treasure Island and Harding Park recycled water revenues are included in Municipal.

³All 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 Customer Care and Billing System.

Demographic & Economic Information
Wastewater Accounts, Billings & Discharge by Type of Customer
Fiscal Years Ended 2016 to 2025
(Dollars in Thousands)

Customer Type	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Multiple-Family Residential											
Number of accounts	36,293	36,323	36,326	36,387	36,467	36,528	36,595	36,603	36,660	36,679	
Hundred cubic feet	9,854,965	9,996,526	10,282,601	10,222,770	10,536,087	10,262,890	9,909,343	9,919,161	9,870,025	10,329,095	
Millions of gallons per day	20.1	20.2	21.1	20.9	21.5	21.0	20.3	20.3	20.2	21.2	
Billings	\$ 101,730	110,829	126,789	133,454	146,548	153,611	161,553	167,375	170,687	190,696	
Single-Family Residential											
Number of accounts	111,137	111,268	111,385	111,681	111,869	111,398	111,786	111,995	112,795	112,993	
Hundred cubic feet	5,993,115	6,058,304	6,228,159	6,067,155	6,324,480	6,369,781	5,753,733	5,469,845	5,394,310	5,603,875	
Millions of gallons per day	12.2	12.3	12.8	12.4	13.0	13.1	11.8	11.2	11.0	11.5	
Billings	\$ 61,177	66,661	76,534	79,971	89,688	95,297	96,687	96,545	99,207	113,853	
Commercial ²											
Number of accounts	15,411	15,388	15,494	24,465	24,721	24,941	25,278	25,564	26,002	26,438	
Hundred cubic feet	7,366,932	7,171,298	7,230,465	6,978,016	6,246,081	4,154,011	4,818,146	5,131,013	5,100,817	5,243,376	
Millions of gallons per day	15.1	15.1	14.8	14.3	12.8	8.5	9.9	10.5	10.4	10.7	
Billings	\$ 77,387	80,968	89,803	91,069	86,650	61,071	78,207	86,205	89,669	99,077	
Municipal ^{1,2}											
Number of accounts	738	751	763	1,109	1,150	1,182	1,208	1,218	1,233	1,251	
Hundred cubic feet	588,044	578,015	589,621	585,833	545,917	420,610	476,957	465,494	520,411	524,667	
Millions of gallons per day	1.2	1.2	1.2	1.2	1.1	0.9	1.0	1.0	1.1	1.1	
Billings	\$ 5,965	7,586	7,163	9,002	8,885	7,605	8,829	9,197	10,825	13,550	
Suburban Retail (Watershed Keepers)											
Number of accounts	8	8	8	8	7	7	7	6	4	4	
Hundred cubic feet	200	221	321	217	216	203	62	150	200	68	
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	2	4	3	3	3	2	3	4	1	
Unmetered Properties*											
Number of accounts	No data prior to fiscal year 2019			306	302	302	297	294	404	4,317	
Hundred cubic feet				N/A	N/A						
Millions of gallons per day				N/A	N/A						
Billings				\$ 82	112	117	118	110	78	663	
Total											
Number of accounts	163,587	163,738	163,976	173,956	174,516	174,358	175,171	175,680	177,098	181,682	
Hundred cubic feet	23,803,256	23,804,362	24,331,167	23,853,991	23,652,781	21,207,495	20,958,241	20,985,663	20,885,763	21,701,081	
Millions of gallons per day	48.6	48.8	49.9	48.8	48.4	43.5	43.0	43.0	42.7	44.5	
Billings	\$ 246,261	266,046	300,293	313,581	331,886	317,704	345,396	359,435	370,470	417,840	
Percentage of Revenue											
Residential	66.2%	66.7%	67.7%	68.1%	71.2%	78.3%	74.8%	73.4%	72.9%	72.9%	
Non-residential	33.8%	33.3%	32.3%	31.9%	28.8%	21.7%	25.2%	26.6%	27.1%	27.1%	
Total Percentage of Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

¹Beginning in fiscal year 2017, Treasure Island revenues are included under Municipal.

²Large 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.

*Beginning in fiscal year 2019, Unmetered properties accounts are included. Unmetered properties are charged only for management of stormwater runoff. Includes both municipal and commercial accounts. Increase in fiscal year 2025 related to implementation of citywide stormwater portion of sewer bill

Source: San Francisco Public Utilities Commission Customer Care and Billing System.

Demographic & Economic Information

Historical Hetchy Water Sales

Fiscal Years Ended 2016 to 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sales*										
Groveland Community Services District	\$ 163,525	168,757	168,377	147,448	160,626	188,208	155,032	139,593	113,887	152,140
Lawrence Livermore	1,836,447	211,771	630,097	132,893	36,863	2,627,028	3,214,043	2,776,239	2,935,237	3,655,036
State of California	9,429	11,430	13,625	13,392	13,139	11,135	12,422	13,948	9,340	16,470
Other Residential Customers	14,368	15,680	14,726	7,943	1,425	3,469	3,979	3,889	5,803	7,093
Water Assessment	36,600,000	34,600,000	32,600,000	33,578,000	34,585,000	44,149,000	45,815,000	49,636,000	46,266,000	49,240,643
Total sales	\$ 38,623,769	35,007,638	33,426,825	33,879,676	34,797,053	46,978,840	49,200,476	52,569,669	49,330,267	53,071,382
Consumption (hundred cubic feet)**										
Groveland Community Services District	161,249	154,319	166,624	143,437	158,037	188,595	151,839	134,734	106,254	148,635
Lawrence Livermore	282,531	28,389	81,029	14,267	2,543	266,323	298,585	251,881	262,692	311,793
State of California [^]	1,230	1,302	1,459	1,346	1,235	960	996	1,119	1,031	1,268
Other Residential Customers	2,152	2,085	1,803	1,986	2,454	2,258	2,105	2,069	2,131	2,823
Total consumption	447,162	186,095	250,915	161,036	164,269	458,136	453,525	389,803	372,108	464,519

Note: May not total due to rounding.

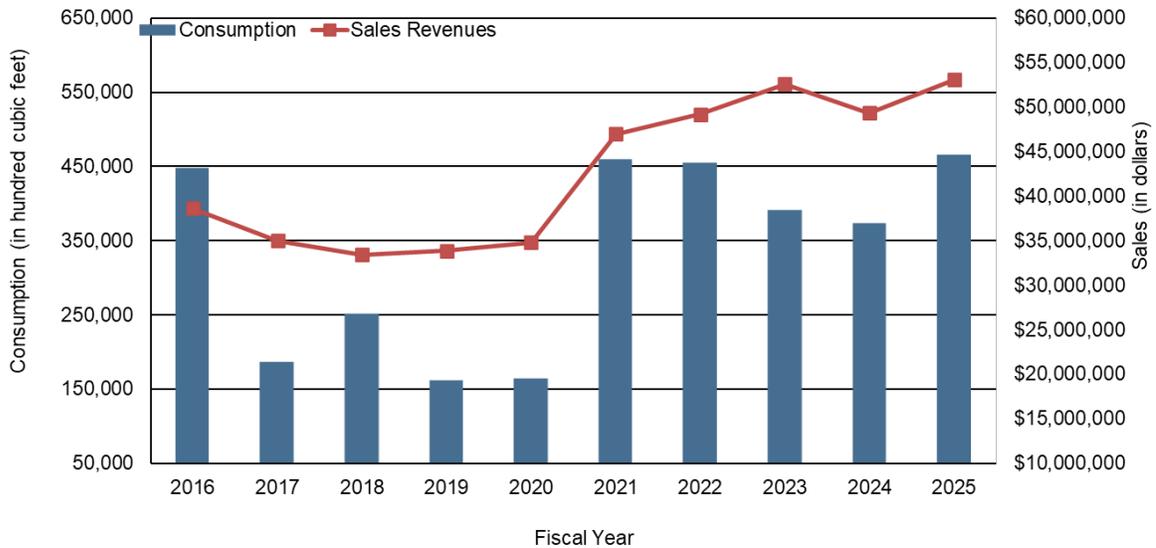
[^]Fiscal year 2024, consumption data updated to reflect reported revenue amounts.

Sources:

*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.

Historical Consumption vs. Sales Revenues



Demographic & Economic Information
Historical Hetchy Power Electric Sales
Fiscal Years Ended 2016 to 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sales (Megawatt hours)										
General Fund Rate Subsidized [~]	373,114	366,880	375,327	366,867	348,157	303,588	331,968	337,995	336,353	335,357
Enterprise Rate [~]	495,272	484,070	471,554	477,477	452,951	404,810	422,200	433,999	447,918	449,876
Wholesale market Power Sales (Megawatt) [@]	N/A	N/A	N/A	N/A	N/A	110,000	—	—	95,000	—
Western Systems Power Pool [#]	9,520	29,050	15,900	—	84,574	43	—	—	54,000	—
Modesto/Turlock Irrigation Districts ^o	377,981	152,321	46,651	—	—	—	—	—	—	—
Non-city Agencies [*]	99,568	95,297	112,157	146,527	133,805	128,945	132,250	144,908	154,542	156,700
Moccasin/City of Riverbank	30,451	9,114	9,650	8,235	7,220	7,672	20,939	22,881	13,519	5,733
Total sales	1,385,906	1,136,732	1,031,239	999,106	1,026,707	955,058	907,357	939,783	1,101,332	947,666
Purchases**										
Generation [~]	113,154	808	188,052	157,227	58,477	6,598	6,505	46,806	162,669	188,239
Total purchases/generation	1,532,068	1,726,072	1,302,461	1,212,348	1,287,848	975,790	1,223,074	1,300,487	1,396,271	1,165,017
Sales (Dollars in thousands)***										
General Fund Rate Subsidized [~]	\$ 22,151	23,668	26,591	28,766	28,990	28,095	34,154	45,276	54,335	64,413
Enterprise Rate [~]	65,897	67,627	67,598	73,224	74,895	68,696	81,707	81,105	79,700	90,300
Wholesale market Power Sales [@]	N/A	N/A	N/A	N/A	N/A	468	—	1,157	2,750	1,589
Western Systems Power Pool [#]	157	755	688	—	2,780	1	—	—	3,783	—
Modesto/Turlock Irrigation Districts ^o	13,634	7,700	2,612	—	—	—	—	—	—	—
Non-city Agencies [*]	15,610	16,350	19,359	23,258	22,255	22,902	24,753	29,582	32,047	37,749
Moccasin/City of Riverbank	1,095	550	577	539	625	887	2,377	2,524	1,775	879
Total sales	\$ 118,544	116,650	117,425	125,787	129,545	121,049	142,991	159,644	174,390	194,930
Purchases**	\$ 5,546	1,859	8,671	11,832	7,381	6,271	6,430	7,971	15,549	25,115

*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.

#WSPP includes only energy sales. Excludes sales to CleanPowerSF and CAISO.

oPurchase agreement ended in December 2017.

Source: San Francisco Public Utilities Commission Power Enterprise Customer To Meter Billing System.

Fiscal year 2020 and prior was from Utility Star Billing System.

Demographic & Economic Information
Historical CleanPowerSF Electric Sales
Fiscal Years Ended 2016 to 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Power Sales (Megawatt hours)*										
Residential	163	148,220	233,515	433,541	1,236,988 ^	1,295,948	1,217,861	1,265,771	1,171,777	1,099,099
Commercial										
Small Commercial Service	14,985	111,618	116,296	484,704	463,977	398,230	411,281	402,982	388,592	443,929
Medium Commercial Service	14,129	92,718	88,924	417,703	402,651	331,389	362,464	359,687	333,164	271,379
Large Commercial Service	12,999	93,968	118,327	797,052	870,886	853,230	869,320	860,008	991,559	1,159,799
Agricultural	—	42	1,293	6,043	6,004	7,453	8,835	6,402	6,845	9,319
Street and Outdoor Lighting	—	—	38	1,452	1,515	1,477	1,467	1,395	803	3,586
Commercial Subtotal	42,113	298,346	324,878	1,706,954	1,745,033	1,591,779	1,653,367	1,630,474	1,720,963	1,888,012
Total Power Sales	42,276	446,566	558,393	2,140,495	2,982,021	2,887,727	2,871,228	2,896,245	2,892,740	2,987,111
Sales (Dollars in thousands)*										
Residential	\$ 14	10,782	15,993	30,787	102,434 ^	98,172	109,135	149,734	160,263	165,769
Commercial										
Small Commercial Service	1,226	8,649	8,716	38,830	38,314	29,289	36,411	44,609	47,740	60,903
Medium Commercial Service	1,386	7,278	6,809	34,254	33,505	24,516	33,369	40,497	39,927	35,479
Large Commercial Service	1,109	6,860	8,611	62,595	67,963	58,170	74,068	89,017	114,449	145,534
Agricultural	—	3	59	329	326	366	581	543	626	975
Street and Outdoor Lighting	—	—	3	113	105	91	111	147	120	510
Commercial Subtotal	3,721	22,790	24,198	136,121	140,213	112,432	144,540	174,813	202,862	243,401
Total Sales	\$ 3,735	33,572	40,191	166,908	242,647	210,604	253,675	324,547	363,125	409,170
Average Sale (in Dollars per Kilowatt hour)										
Residential	\$ 0.08334	0.07274	0.06849	0.07101	0.08281	0.07575	0.08961	0.11829	0.13677	0.15082
Commercial										
Small Commercial Service	0.08181	0.07749	0.07495	0.08011	0.08258	0.07355	0.08853	0.11070	0.12285	0.13719
Medium Commercial Service	0.09812	0.07850	0.07657	0.08201	0.08321	0.07398	0.09206	0.11259	0.11984	0.13074
Large Commercial Service	0.08530	0.07300	0.07277	0.07853	0.07804	0.06818	0.08520	0.10351	0.11542	0.12548
Agricultural	—	—	0.04563	0.05444	0.05430	0.04911	0.06576	0.08482	0.09145	0.10462
Street and Outdoor Lighting	—	—	0.07256	0.07782	0.06931	0.06161	0.07566	0.10538	0.14944	0.14222
Commercial Subtotal	0.08836	0.07639	0.07448	0.07974	0.08035	0.07063	0.08742	0.10722	0.11788	0.12892
Total Average Sales	\$ 0.08834	0.07518	0.07198	0.07798	0.08137	0.07293	0.08835	0.11206	0.12553	0.13698

^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

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 2016 to 2025

Enterprises and Bureaus	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water Enterprise										
City Distribution & Water Administration	268	276	291	304	307	300	314	312	310	315
Natural Resources	82	84	85	86	87	89	91	95	94	97
Water Quality	81	82	83	85	85	85	86	86	88	98
Water Resources	24	23	23	23	23	22	23	22	23	24
Water Supply & Treatment	229	232	232	229	229	231	239	239	240	237
Total Water	684	697	714	727	731	727	753	754	755	771
Wastewater Enterprise										
Administration	14	12	12	12	13	12	18	14	15	26
Source Control & Wastewater Labs	66	65	66	59	60	59	58	61	62	58
Environmental Engineering	53	54	54	58	58	59	60	62	60	62
Maintenance	141	137	138	135	135	141	149	152	152	163
Bayside Operations	115	114	114	111	113	112	112	104	105	94
Planning & Regulation	47	46	47	46	46	32	33	34	33	23
Sewer Collection Operations	51	51	51	59	59	63	65	79	81	72
Total Wastewater	487	479	482	480	484	478	495	506	508	498
Hetch Hetchy Water and Power Enterprise										
Hetchy Water										
Water Project Operations	207	203	206	211	216	217	218	214	216	219
Hetchy Power*										
Energy Services	30	29	30	27	28	—	—	—	—	—
Long Range Planning & Light, Heat, and Power	51	52	52	54	54	109	111	121	127	145
Power Administration	23	20	21	21	21	—	—	—	—	—
Subtotal Hetchy Power	104	101	103	102	103	109	111	121	127	145
Total Hetch Hetchy Water and Power	311	304	309	313	319	326	329	335	343	364
CleanPowerSF										
Administration	Data not available - CleanPower	9	11	13	19	26	36	32	33	37
Total CleanPowerSF		9	11	13	19	26	36	32	33	37
Bureaus										
Business Services Admin, AIC [#] , Audit and Financial Services	71	73	73	73	73	72	74	77	77	88
Customer Services	106	103	103	104	104	103	103	110	112	107
Communications	22	22	22	21	21	21	21	21	21	23
General Manager and Others [^]	11	12	13	18	19	21	28	30	30	26
Strategic Planning, Real Estate Services, and Community Benefits	18	18	18	17	17	22	23	24	25	30
Human Resource Services	59	58	58	58	58	62	69	72	73	83
Information Technology Services	78	78	78	78	78	79	81	80	84	93
Infrastructure	389	385	385	380	376	377	374	375	375	381
Total Bureaus	754	749	750	749	746	757	773	789	797	831
Total SFPUC annually budgeted positions	2,236	2,238	2,266	2,282	2,299	2,314	2,386	2,416	2,436	2,501
Annual Salary Ordinance Positions (AAO) ~	2,456	2,473	2,493	2,542	2,557	2,599	2,657	2,720	2,745	2,836

*Beginning fiscal year 2021, Hetchy Power positions are reported under Long Range Planning and Light, Heat, and Power.

[#]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.

[^]FTEs were added for 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 2016 to 2025

Water	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water mains (miles) ^	1,718	1,717	1,718	1,719	1,719	1,719	1,719	1,719	1,724	1,725
Water main breaks repaired	136	102	133	168	142	161	191	208	120	138
New service installations	710	1,162	733	628	610	543	428	496	372	315
Meter installed and replaced ~	1,395	2,209	1,888	1,699	1,817	1,835	718	871	1,170	4,051
Responses to fire alarms	20	20	24	13	12	16	14	23	12	10
Production and Consumption (millions of gallons)										
Water production	64,454	68,995	73,330	71,272	75,034	73,767	68,271	64,446	68,558	70,363
Average daily production	176	189	201	195	205	202	187	177	187	193
Maximum daily production	242	283	272	275	277	274	237	241	241	255
Water consumption	61,932	63,706	69,331	67,319	69,934	68,812	66,005	61,981	63,853	66,444
Average daily consumption	169.2	174.6	190.0	184.5	190.9	188.6	180.8	169.8	174.4	182.2
Watershed area (acres)										
Alameda	37,314	37,314	37,314	37,314	38,306	38,306	38,944	38,944	38,944	38,944
Peninsula	22,854	22,854	22,854	22,854	22,854	22,854	22,854	22,854	22,854	22,854
Total	60,168	60,168	60,168	60,168	61,160	61,160	61,798	61,798	61,798	61,798
Reservoir storage (millions of gallons)*										
Calaveras@	8,774	11,986	8,220	13,026	20,390	19,170	19,533	24,952	29,347	26,845
Crystal Springs	17,103	17,385	16,192	17,015	16,940	16,711	16,251	17,565	15,795	15,803
Pilarcitos	783	872	773	838	849	622	776	827	843	718
San Andreas	5,786	5,935	5,587	5,483	5,381	5,123	5,113	5,223	4,643	4,698
San Antonio	14,927	14,576	13,263	14,835	14,434	14,917	14,587	15,872	16,252	15,515
Total	47,373	50,754	44,035	51,197	57,994	56,543	56,260	64,439	66,880	63,579
Treatment plant average capacity (millions of gallons)										
Harry Tracy **	35.9	45.3	33.2	38.0	34.7	31.7	29.9	29.2	33.2	29.5
Sunol Valley	27.0	39.6	16.5	26.1	11.1	6.9	22.6	29.3	35.4	35.2
Total	62.9	84.9	49.7	64.1	45.8	38.6	52.5	58.5	68.6	64.7

*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 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.

^The decrease in fiscal year 2017 is mainly related to Pilarcitos Aqueduct. The increase in fiscal year 2024 mainly related to new potable main installed. The increase in fiscal year 2025 mainly related to the Geary Blvd upgrade project.

@The Increase of water in the reservoir storage started in fiscal year 2019 due to the completion of the new Calaveras dam.

~The increase in fiscal year 2025 mainly due to aging infrastructure meter replacements.

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 2016 to 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Wastewater	Data not available FY2019 and prior									
Collection System pipes (miles) [@]					1,123	1,125	1,131	1,131	1,139	1,139
Sanitary sewers (miles) [@]	993	993	993	993	N/A	N/A	N/A	N/A	N/A	N/A
Transport/storage sewers (miles) [@]	17	17	17	17	N/A	N/A	N/A	N/A	N/A	N/A
Sewer breaks repaired	1,520	1,481	912	819	810	531	920	769	719	835
Inspection performed (miles)	80	93	135	215	191	61	56	55	78	90
Sewer replaced (miles)	19.5	13.6	11.0	11.4	15.2	8.9	3.8	8.1	10.1	6.7
Responses to customer calls	10,863	8,260	8,410	7,885	8,510	6,779	6,929	10,283	8,970	7,165
Treatment plant/ facilities average daily flow (millions of gallons per day)										
Oceanside plant	16.0	18.4	15.3	16.5	14.5	13.9	13.9	16.2	15.3	13.9
North Point plant	7.1	11.8	2.7	4.2	1.1	0.9	2.4	4.7	3.3	2.4
Southeast plant	65.4	74.7	61.9	70.2	56.1	48.7	52.2	63.9	61.2	56.7
Yerba Buena & Treasure Island	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.4	0.4	0.5
Total	88.8	105.2	80.2	91.3	72.0	63.8	68.8	85.2	80.2	73.5
Hetchy Water										
Watershed area (square miles)										
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
Total	652	652	652	652	652	652	652	652	652	652
Reservoir storage (millions of gallons)*										
Hetch Hetchy	117,424	111,755	117,231	113,020	116,653	101,808	115,948	107,925	117,359	116,974
Lake Eleanor	8,677	7,610 [△]	8,186	8,677	8,398	8,429	8,614	7,883	8,740	8,709
Lake Lloyd (Cherry)	88,478	77,951	83,067	87,829	86,332	82,150	85,989	83,869	87,888	86,561
Total	214,579	197,316	208,484	209,526	211,383	192,387	210,551	199,677	213,987	212,244
Hetchy Power										
Hydroelectric generation (megawatt hours)										
Holm	654,952	919,492	431,659	508,060	538,201	339,180	535,177	553,559	613,428	479,346
Kirkwood	528,724	482,996	510,888	401,779	422,278	328,410	390,066	438,612	491,090	400,549
Moccasin	338,005	319,691	356,004	295,766	325,194	304,325	294,705	305,464	286,649	275,630
Moccasin Low-Head #	1,359	— [^]	— ^{**}	—	—	—	—	—	—	3,184
Total	1,523,040	1,722,179	1,298,551	1,205,605	1,285,673	971,915	1,219,948	1,297,635	1,391,167	1,158,709

[@]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 year 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, and 2017 to 2024.

[^]The increase in fiscal year 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

Major Water and Sewer Customer Accounts by Revenue Fiscal Years Ended 2016 to 2025 (Dollars in Thousands)

Customer Type	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water Wholesale Customers										
California Water Service Company	\$ 48,792	57,541	63,489	60,859	66,944	67,781	64,447	70,051	74,681	82,226
Hayward Municipal Water System	21,475	28,613	32,316	31,103	31,518	32,130	30,880	29,140	35,828	43,825
Alameda County Water District	13,847	14,366	16,947	16,849	17,609	21,089	20,509	24,485	27,606	30,622
City of Sunnyvale	15,600	17,810	21,265	19,800	21,029	21,460	19,768	20,375	25,779	30,110
City of Palo Alto	16,946	19,975	21,985	21,134	21,773	21,705	21,323	21,671	24,600	27,689
City of Redwood City	14,661	17,169	18,781	18,190	19,408	18,948	17,758	18,241	20,941	23,282
City of Mountain View	13,750	15,340	16,791	16,248	16,790	17,415	16,358	16,895	20,068	22,645
City of Milpitas	9,389	10,722	11,509	11,494	13,284	11,897	10,997	11,307	14,168	15,226
City of Daly City	8,804	12,555	13,076	12,642	12,642	12,288	12,288	12,288	11,866	14,672
ESD/San Jose Municipal Water System	8,222	9,307	10,182	9,652	9,576	9,410	8,940	9,404	10,674	11,855
Water Retail Customers										
San Francisco International Airport	\$ 3,220	3,907	4,452	4,880	4,748	3,685	4,420	5,298	6,048	6,566
Lawrence Livermore National Laboratory	1,836	211	631	133	N/A	2,636	3,214	2,776	2,935	3,655
NASA Shared Services Center (NSSC)	1,347	1,741	2,514	2,243	2,481	2,924	2,399	2,457	2,765	3,003
University of California, San Francisco	1,435	1,534	1,689	1,694	2,185	2,304	2,529	2,419	2,279	2,958
Parkmerced Investors Properties, LLC	1,449	1,678	1,840	2,088	2,372	1,878	2,615	2,345	2,472	2,612
Golden Gate National Cemetery	839	836	946	900	1,320	1,557	1,663	1,573	1,731	1,801
Recreation & Parks Department	578	1,393	1,397	1,353	2,679	2,481	2,927	1,432	1,697	1,492
San Francisco State University	N/A	N/A	N/A	N/A	N/A	N/A	N/A	896	997	1,068
NRG Energy Center San Francisco	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	991
Menlo Country Club	785	785	833	786	951	1,012	859	859	792	958
Sewer Retail Customers										
Parkmerced Investors Properties, LLC	\$ 2,248	2,493	2,790	3,098	3,477	2,779	3,878	3,476	3,730	3,953
University of California, San Francisco	2,266	2,068	2,360	2,414	2,852	3,068	3,378	3,152	3,255	3,869
1169 Market	579	640	743	694	614	651	894	1,185	1,246	1,439
San Francisco State University	618	648	860	810	803	496	804	881	1,019	1,170
NRG Energy Center San Francisco	874	926	970	1,043	889	653	632	817	617	976
Bayside Village Association	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	811
The Stonestown Properties	N/A	N/A	595	722	761	831	617	628	573	807
Public Health Department	1,041	1,334	1,547	1,461	1,635	1,513	1,091	1,534	1,773	736
Fillmore Center Associate, LP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	717
T8 Urban Housing Associates, LLC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	556	657

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 Customer Care and Billing System.

Operating Information
Major Electric Retail and Wholesale Customer Accounts by Revenue
Fiscal Years Ended 2016 to 2025
(Dollars in Thousands)

Customer Type	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Retail Customers										
San Francisco International Airport	\$ 42,687	43,070	43,434	44,574	46,248	41,626	51,110	46,604	45,996	52,042
Municipal Transportation Agency	7,631	8,193	8,594	8,249	7,758	6,353	9,607	14,489	17,431	20,724
Administrative Services Agency	5,419	5,442	5,743	9,739	9,919	8,707	9,356	11,644	13,487	15,249
SFPUC - Wastewater Enterprise	9,847	10,397	9,979	10,687	10,531	10,522	10,898	13,451	12,566	14,314
SFPUC - Water Enterprise	7,954	8,950	8,592	9,369	9,831	10,130	10,796	10,662	10,655	13,262
Department of Public Health	2,842	3,125	3,470	4,837	5,228	5,723	6,358	7,298	8,785	10,340
San Francisco Unified School District	2,214	2,285	2,394	2,252	2,193	1,929	3,068	4,092	5,055	5,844
Recreation and Parks Department	N/A	N/A	N/A	N/A	1,167	1,145	1,145	2,075	2,561	3,009
Port of San Francisco	1,941	1,983	2,294	2,236	2,061	1,639	3,156	3,634	3,330	2,966
Port Tenants	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,162	2,196
Wholesale Customers										
CleanPowerSF (per WSPP)	\$ 367	1,893	See below of details					5,846	13,521	8,634
Energy	N/A	N/A	3,284	580	299	31	32	5,275	3,517	520
Other	N/A	N/A	217	2,446	40	2,425	1,557	571	10,004	8,114
Western Systems Power Pool # (Exclude CPSF)	\$ 157	755	See below for details					1,157	6,533	1,589
Energy	N/A	N/A	668	—	2,780	1	—	—	3,783	—
Other	N/A	N/A	—	—	325	468	—	1,157	2,750	1,589
Modesto Irrigation District	6,345	8,003	2,422	N/A						
Turlock Irrigation District	8,615	387	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

#Fiscal years 2023 to 2025 excludes sales to CleanPowerSF and CAISO. Other includes wholesale market power sales.
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 Customer To Meter Billing System. Fiscal year 2020 and prior was from Utility Star Billing System.

Operating Information
Performance Measures
Fiscal Year 2025

	Target	Projection	Actual
1. Reliable Service and Assets			
Number of dry weather main sewer overflows per 100 miles of main sewer	<3	1	1
Number of in-city service connections without water for more than 4 hours due to an unplanned outage	1	2	1
Percent of streetlight outages complying with 48-hour SFPUC response goal; complex streetlights evaluated	100.00%	95.00%	97.00%
System renewal and replacement rates for in-City water distribution mains	15 miles	8.4 miles	9.1 miles
System renewal and replacement rates for Wastewater pipelines	13.8 miles	13.8 miles	6.5 miles
2. Organizational Excellence			
Number of cybersecurity incidents	0	1	1
Percent of Technology Systems compliant with San Francisco Mayor Executive Directive 21-02.2 (constant detection and response to cyberattacks)	90.00%	99.00%	96.00%
Percent of agency-wide staff trained in cybersecurity	100.00%	90.00%	94.00%
3. Effective Workforce			
Number of promotions	350	350	171
Time to hire (days)	90	90	88
4. Financial Sustainability			
Typical Customer Affordability Metric: The average individually-metered residential bill as a percentage of the 40th percentile income (second quintile income)	< 3.00%	1.70%	1.70%
Low-Income Customer Affordability Metric: The average individually-metered residential bill as a percentage of the 20th percentile income (lowest quintile income)	< 7.00%	4.10%	4.10%
Average residential Power bill as a percent of median income in San Francisco	0.73%	0.90%	0.70%
Power debt service coverage - Indentured Coverage	1.35x	4.87	23.78
Wastewater debt service coverage - Indentured Coverage	1.35x	2.02	3.64
Water debt service coverage - Indentured Coverage	1.35x	1.27	2.17
5. Stakeholder and Community Interest			
Number of adults and children who have participated in transformative engagement through SFPUC sponsored education programs	3,500	3,500	6,817
Percent of eligible customers enrolled in California Alternate Rates for Energy (CARE) for CleanPowerSF Customers	90% or more	72.40%	72.15%
Percent of Eligible electric customers receiving low-income discount rate	55.00%	53.00%	51.00%
Percent of eligible households enrolled in Water and Sewer Customer Assistance Program (CAP)	20.00%	22.65%	22.58%
6. Environmental Stewardship			
Average water used by San Francisco residential customers (Gallons Per Capita Per Day - gpcd)	50 or less	43.7	42.1
Gallons of stormwater removed annually from the combined sewer system by green infrastructure (Million Gallons MG)	293 MG	296 MG	293 MG
Percent of biogas going to beneficial uses - Oceanside Plant	0.00%	0.00%	0.00%
Percent of biogas going to beneficial uses - Southeast Plant	75.00%	45.00%	40.00%
Percent of CleanPowerSF customer account retention rate	90% or more	93.00%	91.25%
Percent of water supplied by alternative sources to system as a whole	3.40%	2.80%	2.90%

Source: SFPUC Strategic Plan

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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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 photo: Moccasin Reservoir and Powerhouse and Penstocks

Back photo: Southeast Wastewater Treatment Plant Biosolids Digester Facilities Project

Photos by: Robin Scheswohl

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