



**San Francisco**  
**Water Power Sewer**

Services of the San Francisco Public Utilities Commission

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**Date:** June 25, 2024

**To:** Commissioner Tim Paulson, President  
Commissioner Anthony Rivera, Vice President  
Commissioner Newsha K. Ajami  
Commissioner Kate H. Stacy

**Through:** Dennis J. Herrera, General Manager *(DJH)*

**From:** Nancy L. Hom, Chief Financial Officer and Assistant  
General Manager, Business Services *(NLH)*

**Subject:** **SFPUC FY 2023-24 Third Quarter Budgetary Report through March 2024**

The FY 2023-24 third quarter budgetary reports are attached for the three Enterprises and CleanPowerSF, with high-level changes to revenues and expenses summarized in the following table:

**FY 2023-24 Operations**

	Beginning Available Fund Balance	Fund Balance Budgeted to be (Used)	Projected Sources	Projected Uses (excluding Capital)	Net Operating Results Surplus / (Shortfall)	Mid-year Adjustments to Fund Balance	Projected Year End Available Fund Balance
Water	211.4	-	(16.7)	13.2	(3.6)	(9.8)	198.0
Wastewater	155.7	-	(20.9)	36.2	15.2	-	170.9
Power	179.3	(35.4)	12.8	50.7	63.6	6.9	214.4
CleanPowerSF	90.1	-	0.1	41.8	41.9	-	132.0

**Summary:**

- Positive year end operating results projected for Wastewater, Power, CleanPowerSF and a shortfall for Water.
- *Water & Wastewater:* Overall year end revenues are down from Quarter 2 due to lower usage from a longer wet season.
- *Water:* Retail revenues are projected to be below budget. The FY2023-24 budget was adopted assuming the 5% drought surcharge would remain in effect. It was removed May of 2023. The surcharge accounted for approximately \$14.1 million in revenue. This is offset by \$8.1 million in state grant funding for

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Mayor

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President

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**Dennis J. Herrera**  
General Manager

**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.



arrearages and discount programs from the pandemic, a slight surplus from wholesale sales, lower labor costs due to vacant positions, savings from debt refunding and a general reserve which was budgeted to go unspent.

Additionally, fund balance is projected to be reduced by \$9.8M due to legal settlements. Such settlements can be paid from fund balance per Appropriation Ordinance No. 165-20 (section 10.10).

- *Wastewater*: Similar to Water, revenues are projected to be below budget. The FY 2023-24 budget was adopted assuming the 5% drought surcharge would remain in effect. The surcharge accounted for approximately \$18.8 million. Additionally, multiple stormwater-only parcels currently have no existing service agreements and remain uncollected. This is offset by \$11.6 million in state grant funding for arrearages and discount programs from the pandemic, lower labor costs due to vacant positions and a general reserve that was budgeted to go unspent.
- *Power*: Overall projected yearend results are higher than budget, similar to quarter two.
  - Wholesale revenues are projected to exceed the budget due to higher sales from resource adequacy combined with higher generation.
  - On the expense side, large savings are projected for power purchases due to higher generation, avoiding \$18M in additional power purchases. Also, \$12M in savings from distribution costs resulting from PG&E's error in calculations discovered by Power staff, \$3M in savings from transmission and related CAISO costs, and \$4M in savings from resource adequacy. This is partially offset by a one-time opportunistic \$4M payment for Cost of Ownership fee to PG&E to save on future operating costs. The remaining savings are a result of budgeted contingency projected to be unspent.
- *CleanPowerSF*: Revenues are projected to meet budget due higher interest income and slightly higher wholesale sales, offset by lower retail sales due to final rates being set lower vs. the budget. In addition, power prices have lowered since quarter two resulting in a surplus in the power purchase budget, along with general reserve which was budgeted to go unspent.
- All enterprises are projected to meet financial policy minimums and coverage ratios at year end.

If you have questions, please contact me at [NHom@swater.org](mailto:NHom@swater.org).

cc:

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Attachments:

Appendix A Water Enterprise  
Appendix B Wastewater Enterprise  
Appendix C Hetch Hetchy Water & Power, including the Power  
Enterprise  
Appendix D CleanPowerSF

Appendix A

**WATER ENTERPRISE OPERATING FUNDS**  
**FY 2023-24 3rd Quarter - Budgetary Basis, Funds 25940, 25950, 25960, 25990, 26570, 26600 & 26603**  
 (\$ Millions)

	<b>FY 2023-24</b>				
	<b>FY 2022-23 Actuals</b>	<b>Original Budget</b>	<b>Revised Budget (includes carryforwards)</b>	<b>Projection (current year spending)</b>	<b>Variance (Projection vs Revised Budget)</b>
<b>Sources</b>					
Retail Water Sales	310.3	346.7	347.1	322.6	(24.5) <b>A</b>
Wholesale Water Sales	253.5	318.2	318.2	320.8	2.6 <b>B</b>
Interest Income	6.8	1.1	1.1	6.8	5.7 <b>C</b>
Rental Income	13.7	13.6	13.6	13.6	-
Miscellaneous Income	26.8	17.0	17.5	15.0	(2.4) <b>D</b>
Departmental Transfer Adjustment	-	(46.3)	(46.3)	(46.3)	-
Federal Bond Interest Subsidy	21.3	20.8	20.8	22.8	1.9 <b>E</b>
Appropriated/Budgeted Use of Fund Balance	-	-	79.5	79.5	-
<b>Total Sources</b>	<b>632.3</b>	<b>671.2</b>	<b>751.5</b>	<b>734.8</b>	<b>(16.7)</b>
<b>Operating Uses</b>					
Personnel	105.7	114.9	114.6	113.6	1.0 <b>F</b>
Non-Personnel Services	20.9	21.2	34.9	34.9	-
Materials and Supplies	20.4	19.1	23.1	23.1	-
Equipment	3.2	2.6	8.4	8.4	-
Overhead (SFPUC Bureaus)	55.1	66.1	77.2	77.2	-
Services of Other Departments	25.6	27.6	29.5	29.5	-
Debt Service	306.6	333.7	333.7	327.4	6.2 <b>G</b>
General Reserve	-	5.9	5.9	-	5.9 <b>H</b>
<b>Total Operating Uses</b>	<b>537.4</b>	<b>591.2</b>	<b>627.3</b>	<b>614.2</b>	<b>13.2</b>
<b>Net Operating Results</b>	<b>94.9</b>			<b>120.6</b>	<b>(3.6)</b>
<b>Other Impacts to Operating Budget</b>					
	<b>FY 2022-23 Actuals</b>	<b>Current Year Transfers from Operating</b>	<b>Total Available Funds</b>	<b>Projection (current &amp; future years spending)</b>	<b>Project Closeouts</b>
Capital Projects	57.8	45.6	191.2	191.2	-
Facilities Maintenance/Programmatic	31.7	34.4	78.3	78.3	-
Legal Settlements	-	-	-	9.8	(9.8) <b>J</b>
<b>Total Adjustments to Operating Fund Balance</b>	<b>\$ 89.4</b>	<b>\$ 79.9</b>	<b>\$ 269.5</b>	<b>\$ 279.3</b>	<b>\$ (9.8)</b>
<b>Available Fund Balance as of Fiscal Year-End</b>	<b>\$ 211.4</b>			<b>\$ 198.0</b>	
<b>Available Fund Balance, % of Operating Uses (K) 25-68%</b>	<b>80.5%</b>			<b>54.3%</b>	
<b>Debt Service Coverage (Year-End Budgetary Basis)</b>					
Indenture Basis (includes Available Fund Balance) (L) ≥ 1.35	<b>1.53</b>	<b>1.79</b>			<b>1.57</b>
Current Basis (M) ≥ 1.10	<b>1.22</b>	<b>1.16</b>			<b>1.11</b>

## Appendix A

### WATER ENTERPRISE OPERATING FUNDS FY 2023-24 3rd Quarter - Budgetary Basis, Funds 25940, 25950, 25960, 25990, 26570, 26600 & 26603 (\$ Millions)

#### **Revenue Variances**

- A. The FY 2023-24 budget was adopted assuming the 5% drought surcharge would remain in effect. The surcharge accounted for approximately \$14.1 million in revenues. Retail sales projected at 51.7 MGD, a 6.3% decrease from budgeted volumes of 55.2 MGD. Includes \$8.1 million in state grant funding for arrearages and discount programs during pandemic.
- B. The FY 2023-24 wholesale budget was adopted assuming higher volumetric rate of \$5.30. The adopted rate was subsequently set at \$5.21, or 1.7% lower, due to higher water sale projections due to the end of drought restrictions. This decrease is offset by projected wholesale sales of 122.8 MGD, 0.7% higher than budgeted
- C. Assumed interest rate of 1.5% is higher than budget of 0.5%.
- D. Miscellaneous income is just above budget.
- E. Includes federal subsidy on 525 Golden Gate COPs.

#### **Expenditure Variances**

- F. Savings due to vacant positions.
- G. Debt Service variance due to the issuance of 2023CD refunding bonds and delay of interest payment for the Mt Tunnel SRF loan.
- H. \$5.9M in general reserve due to higher sources than uses.
- I. \$0.5M has been added from the General Fund to support research on sea level rise and groundwater impacts in the Hunters Point Shipyard.
- J. \$9.8M in expected legal settlements.

#### **Other Notes**

- K. Calculated as Ending Available Fund Balance (including additions to General Reserve) as a percent of Operating Uses plus Facilities Maintenance/Programmatic Uses. SFPUC's Fund Balance Reserve Policy requires this to be within a range of 25-68%.
- L. Calculated as ratio between (a) Total Sources plus Beginning Available Fund Balance plus Capacity Charges, less Operating Uses less Facilities Maintenance/Programmatic, excluding all revenues and expenses related to the 525 Golden Gate COPs, and (b) Debt Service. The Indenture requires this ratio to be a minimum of 1.25 times, and SFPUC's Debt Service Coverage Policy requires this ratio to be a minimum of 1.35 times.
- M. Calculated as ratio between (a) Total Sources plus any appropriated fund balance, plus Capacity Charges, less Operating Uses less Facilities Maintenance/Programmatic, excluding all revenues and expenses related to the 525 Golden Gate COPs, and (b) Debt Service. SFPUC's Debt Service Coverage Policy requires this ratio to be a minimum of 1.10 times.

Appendix B

WASTEWATER ENTERPRISE OPERATING FUNDS  
 FY 2023-24 3rd Quarter - Budgetary Basis, Funds 20160, 20170 & 20550  
 (\$ Millions)

	FY 2022-23 Actuals	FY 2023-24			
		Original Budget	Revised Budget (includes carryforwards)	Projection (current year spending)	Variance (Projection vs Revised Budget)
<b>Sources</b>					
Sewer Service Charges	360.8	415.4	415.8	388.1	(27.7) A
Interest Income	7.6	1.7	1.7	8.1	6.5 B
Miscellaneous Income	7.9	3.8	3.8	3.7	(0.2) C
Federal Bond Interest Subsidy	3.5	3.4	3.4	3.9	0.5 D
Appropriated/Budgeted Use of Fund Balance		-	26.4	26.4	-
<b>Total Sources</b>	<b>379.8</b>	<b>424.2</b>	<b>451.0</b>	<b>430.1</b>	<b>(20.9)</b>
<b>Operating Uses</b>					
Personnel	76.1	87.6	87.6	82.1	5.4 E
Non-Personnel Services	25.5	28.0	31.2	31.2	-
Materials and Supplies	14.1	13.2	16.3	16.3	-
Equipment	1.4	2.0	7.7	7.7	-
Overhead (SFPUC Bureaus)	32.9	39.0	45.8	45.8	-
Services of Other Departments	38.4	38.8	41.1	41.1	-
Debt Service	98.6	98.0	98.0	95.1	2.9 F
General Reserve		27.8	27.8	-	27.8 G
<b>Total Operating Uses</b>	<b>287.1</b>	<b>334.5</b>	<b>355.6</b>	<b>319.4</b>	<b>36.2</b>
<b>Net Operating Results</b>	<b>92.7</b>			<b>110.6</b>	<b>\$ 15.2</b>
<b>Other Impacts to Operating Budget</b>					
	FY 2022-23 Actuals	Current Year Transfers from Operating	Total Available Funds	Projection (current & future years spending)	Project Closeouts
Capital Projects	71.6	81.3	263.2	263.2	-
Facilities Maintenance/Programmatic	7.2	8.4	13.6	13.6	-
<b>Total Adjustments to Operating Fund Balance</b>	<b>\$ 78.8</b>	<b>\$ 89.7</b>	<b>\$ 276.8</b>	<b>\$ 276.8</b>	<b>\$ -</b>
<b>Available Fund Balance as of Fiscal Year-End</b>	<b>\$ 155.7</b>				<b>\$ 170.9</b>
<b>Available Fund Balance, % of Operating Uses (H) 25-68%</b>	<b>79.6%</b>				<b>71.8%</b>
<b>Debt Service Coverage (Year-End Budgetary Basis)</b>					
Indenture Basis (includes Available Fund Balance) (I) ≥ 1.35	<b>3.09</b>	<b>3.50</b>			<b>3.62</b>
Current Basis (J) ≥ 1.10	<b>2.01</b>	<b>1.89</b>			<b>2.21</b>

## Appendix B

### WASTEWATER ENTERPRISE OPERATING FUNDS FY 2023-24 3rd Quarter - Budgetary Basis, Funds 20160, 20170 & 20550 (\$ Millions)

#### **Revenue Variances**

- A.** The FY 2023-24 budget was adopted assuming the 5% drought surcharge would remain in effect. The surcharge accounted for approximately \$18.8 million in revenues. In addition, some stormwater-only parcels have not yet been billed pending confirmation of responsible account holders. Billable volumes projected at 42.4 MGD, a 4.0% decrease from budgeted volumes of 44.2 MGD. Includes \$11.6 million in state grant funding for arrearages and discount programs during the pandemic.
- B.** Assumed interest rate of 1.5% is higher than budget of 0.5%.
- C.** Miscellaneous income lower than budget due to lower permit fees and reduced fees during collections moratorium.
- D.** Includes federal subsidy on 525 Golden Gate COPs, which was not budgeted.

#### **Expenditure Variances**

- E.** Salary savings reflect vacant positions.
- F.** Debt service variance mainly due the issuance of the 2023C refunding of 2018C, offset by refunding savings from the issuance of the 2023B refunding bonds and defeasance of the 2021A and 2021B Revenue Notes.
- G.** \$27.8M in general reserve due to higher sources than uses.

#### **Other Notes**

- H.** Calculated as Ending Available Fund Balance (including additions to General Reserve) as a percent of Operating Uses plus Facilities Maintenance/Programmatic Uses. SFPUC's Fund Balance Reserve Policy requires this to be within a range of 25-68%.
- I.** Calculated as ratio between (a) Total Sources plus Beginning Available Fund Balance plus Capacity Charges, less Operating Uses less Facilities Maintenance/Programmatic (excluding all revenues and expenses related to the 525 Golden Gate COPs), and (b) Debt Service. The Indenture requires this ratio to be a minimum of 1.25 times, and SFPUC's Debt Service Coverage Policy requires this ratio to be a minimum of 1.35 times.
- J.** Calculated as ratio between (a) Total Sources plus any appropriated fund balance plus Capacity Charges, less Operating Uses less Facilities Maintenance/Programmatic (excluding all revenues and expenses related to the 525 Golden Gate COPs), and (b) Debt Service. SFPUC's Debt Service Coverage Policy requires this ratio to be a minimum of 1.10 times.

Appendix C

HETCH HETCHY WATER & POWER OPERATING FUNDS  
 FY 2023-24 3rd Quarter - Budgetary Basis - 24970, 24980, 24990  
 (\$ Millions)

	FY 2023-24				
	FY 2022-23 Actuals	Original Budget	Revised Budget (includes carryforwards)	Projection (current year spending)	Variance (Projection vs Revised Budget)
<b>Sources</b>					
Electric Sales - Retail	159.6	169.1	175.8	172.7	(3.1) A
Electric Sales - Wholesale	48.8	31.7	31.7	46.3	14.6 B
Water Sales - Transfer from Water Department	49.6	46.3	46.3	46.3	-
Natural Gas & Steam - City Work Orders	24.6	24.7	24.7	18.8	(5.9) C
Interest Income	5.6	1.1	1.1	7.3	6.2 D
Federal Interest Subsidy - Power Bonds	0.2	0.4	0.4	0.4	-
Miscellaneous Income	4.8	4.0	4.0	5.0	1.0 E
Appropriated/Budgeted Use of Fund Balance	40.5	35.4	82.2	82.2	-
<b>Total Sources</b>	<b>333.7</b>	<b>312.7</b>	<b>366.1</b>	<b>379.0</b>	<b>12.8</b>
<b>Operating Uses</b>					
Personnel	50.6	54.5	54.5	54.5	-
Non-Personnel Services	36.1	43.8	71.0	71.0	-
Power Purchases, Transmission Distribution & Related Charges	77.9	127.0	134.8	89.9	44.8 F
Natural Gas & Steam	24.6	24.7	24.7	18.8	5.9 G
Materials and Supplies	3.8	3.5	4.2	4.2	-
Equipment	1.2	2.6	8.5	8.5	-
Overhead (SFPUC Bureaus)	21.2	25.0	29.0	29.0	-
Services of Other Departments	8.8	8.6	9.5	9.5	-
Debt Service	3.5	3.8	3.8	3.8	-
General Reserve	-	-	-	-	-
<b>Total Operating Uses</b>	<b>227.8</b>	<b>293.4</b>	<b>340.0</b>	<b>289.3</b>	<b>50.7</b>
<b>Net Operating Results</b>	<b>105.9</b>			<b>89.7</b>	<b>63.6</b>
<b>Other Impacts to Operating Budget</b>					
	FY 2022-23 Actuals	Current Year Transfers from Operating	Total Available Funds	Projection (current & future years spending)	Project Closeouts
Legal Settlements	-	-	1.9	1.9	-
Facilities Maintenance/Programmatic	15.2	14.3	19.2	19.2	-
Capital projects	13.5	5.0	76.0	69.1	6.9 H
<b>Total Adjustments to Operating Fund Balance</b>	<b>28.7</b>	<b>19.3</b>	<b>97.1</b>	<b>90.2</b>	<b>6.9</b>
<b>Available Fund Balance as of Fiscal Year-End</b>	<b>179.3</b>				<b>214.4</b>
<b>Available Fund Balance, % of Operating Uses (I) 25-68%</b>	<b>74.9%</b>				<b>88.0%</b>
<b>Debt Service Coverage... Year-End Budgetary Basis</b>					
Indenture Basis (includes Available Fund Balance) (J) ≥ 1.35	56.46	59.39			66.70
Current Basis (K) ≥ 1.10	18.97	3.34			28.85

### **Revenue Variances**

- A.** Retail sales are slightly below budget.
- B.** Wholesale sales are higher than budget mainly due to higher attribute and resource adequacy sales.
- C.** Gas and steam sales below budget due to lower usage. Revenue reduction is offset by equivalent cost savings.
- D.** Interest income forecasted to increase from budget due to higher interest rate than assumed.
- E.** Miscellaneous income projected to exceed budget primarily due to Distributed Antenna System admin fees not budgeted.

### **Expenditure Variances**

- F.** Savings are due to a favorable water year, avoiding \$18M in additional power purchases, \$12M in savings from Distribution costs resulting from PG&E's error in calculations discovered by Power staff, \$3M in savings from Transmission and related CAISO costs, and \$4M in savings for Resource Adequacy. This is partially offset by a one-time opportunistic \$4M payment for Cost of Ownership fee to PG&E. The remaining savings are a result of budgeted contingency projected to be unspent.
- G.** Gas and steam sales below budget due to lower usage. Revenue reduction is offset by equivalent cost savings.
- H.** Project savings due to closeout of Rim Fire Project.

### **Other Notes**

- I.** Calculated as Ending Available Fund Balance (including additions to General Reserve) as a percent of Operating Uses plus Facilities Maintenance/Programmatic Uses. SFPUC's Fund Balance Reserve Policy requires this to be within a range of 25-68%.
- J.** Calculated as ratio between (a) Total Sources plus Beginning Available Fund Balance, less Operating Uses, less Facilities Maintenance/Programmatic (excluding all revenues and expenses related to the 525 Golden Gate COPs, Natural Gas and Steam and Treasure Island), and (b) Debt Service. The Indenture requires this ratio to be a minimum of 1.25 times, and SFPUC's Debt Service Coverage Policy requires this ratio to be a minimum of 1.35 times.
- K.** Calculated as ratio between (a) Total Sources plus any appropriated fund balance, plus Capacity Charges, less Operating Uses less Facilities Maintenance/Programmatic, (excluding all revenues and expenses related to the 525 Golden Gate COPs, Natural Gas and Steam and Treasure Island), and (b) Debt Service. SFPUC's Debt Service Coverage Policy requires this ratio to be a minimum of 1.10 times.

**Appendix D**  
**CleanPowerSF**  
**FY 2023-24 3rd Quarter - Budgetary Basis - 24750, 24761, 24762, 24765 & 24870**  
**(\$ Millions)**

	FY 2023-24				
	FY 2022-23 Actuals	Original Budget	Revised Budget (includes carryforwards)	Projection (current year spending)	Variance (Projection vs Revised Budget)
<b>Operating Sources</b>					
Electric Sales - Green Product	299.7	338.4	338.4	308.3	(30.1)
Electric Sales - SuperGreen Product	25.6	28.9	28.9	54.4	25.5
Wholesale Sales	3.6	1.6	1.6	4.6	3.0
<b>Subtotal - Electric Revenues</b>	<b>329.0</b>	<b>368.9</b>	<b>368.9</b>	<b>367.3</b>	<b>(1.6) A</b>
Interest Income	1.7	0.6	0.6	2.3	1.7 B
Miscellaneous Income	0.0	-	-	-	-
Appropriated/Budgeted Use of Fund Balance	16.8	-	26.4	26.4	-
<b>Total Sources</b>	<b>347.4</b>	<b>369.6</b>	<b>396.0</b>	<b>396.0</b>	<b>0.1</b>
<b>Operating Uses</b>					
Personnel	5.0	8.1	8.1	6.8	1.3 C
Overhead	5.1	6.1	6.7	6.7	-
Non Personnel Services	10.7	12.0	12.9	12.9	-
Materials & Supplies	0.0	0.2	0.2	0.2	-
Power Purchases, Transmission Distribution & Related Charge	264.3	305.3	323.6	315.8	7.8 D
Services of Other Departments	3.5	4.2	5.1	5.1	-
Debt Service	-	-	-	-	-
General Reserve	-	32.7	32.7	-	32.7 E
<b>Total Operating Uses</b>	<b>288.7</b>	<b>368.6</b>	<b>389.4</b>	<b>347.6</b>	<b>41.8</b>
<b>Net Operating Results</b>	<b>58.7</b>			<b>48.4</b>	<b>41.9</b>
<b>Other Impacts to Operating Budget</b>					
	FY 2022-23 Actuals	Current Year Transfers from Operating	Total Available Funds	Projection (current & future years spending)	Project Closeouts
Programmatic	0.8	0.2	5.8	5.8	-
Capital Projects	1.5	0.8	5.3	5.3	-
<b>Total Adjustments to Operating Fund Balance</b>	<b>2.3</b>	<b>0.9</b>	<b>11.1</b>	<b>11.1</b>	<b>-</b>
<b>Available Fund Balance as of Fiscal Year-End</b>	<b>90.1</b>				<b>132.0 F</b>
<b>Available Fund Balance, % of Operating Uses (G) %</b>	<b>31.1%</b>				<b>37.3%</b>

**Revenue Variances**

A. Retail revenues are driven lower by final rates being slightly lower than budgeted rates, offset by higher wholesale revenues.

B. Interest income forecasted to increase from budget due to higher interest rate than assumed, as well as interest earnings from APX collateral.

**Expenditure Variances**

C. Salary savings due to vacant positions.

D. Power Purchases variance driven by lower wholesale energy costs partially offset by increasing renewable and resource adequacy market costs.

E. General Reserve was intentionally budgeted and planned to go unspent to build reserves.

**Other Notes**

F. Available fund balance at fiscal year end is calculated within this report by taking beginning fund balance, less any fund balance budgeted to be used as a source, and adding the projected variances as well as project closeouts. As the CleanPowerSF Trust Fund is a continuing fund, amounts budgeted therein will automatically roll forward to the following year and will not be closed out to fund balance. As such, variances related to revenues, purchase of power, and general reserves will not close out to fund balance at the end of the year without manual intervention. However as those funds are not considered restricted and CleanPowerSF may choose to close them out to fund balance, we are presenting them here as part of fund balance.

G. Calculated as Ending Available Fund Balance as a percent of Operating Uses plus Facilities Maintenance/Programmatic Uses. Per SFPUC's Fund Balance Reserve Policy adopted in April 2022, CleanPowerSF is required to build its fund balance reserve to a minimum of 41% (150 days) and a target of 49% (180 days) of operating expenditures within three fiscal years (June 30, 2025) of Fiscal Year Ending 2022.