



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

Sustaining the resources entrusted to our care.

Annual Comprehensive Financial Report

Fiscal Years Ended June 30, 2021 and 2020





San Francisco
Water Power Sewer

Services of the San Francisco Public Utilities Commission

The San Francisco Public Utilities Commission

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

**Annual Comprehensive Financial Report
For the Fiscal Years Ended
June 30, 2021 and 2020**

Prepared by SFPUC Financial Services

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

**Nancy L. Hom
Deputy Chief Financial Officer**



Photo by: Robin Scheswohl

Kubota pipes are earthquake resistant ductile iron pipe, which bends but does not break during earthquakes are installed to ensure a reliable water supply to Zuckerberg San Francisco General Hospital.



The San Francisco Public Utilities Commission

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Photo by: Sabrina Wong

Installing waterproof drywall on roof of Southeast Community Center on Evans Street.

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Financial Authority and Policies

Accounting Systems, Policies, and Internal Controls

Achievement Awards from Government Finance Officers Association



Photo by: Sabrina Wong

Treasure Island Redevelopment Project: A view of Bay Bridge from Avenue of the Palms on Treasure Island.

SAN FRANCISCO PUBLIC UTILITIES COMMISSION GENERAL MANAGER'S TRANSMITTAL LETTER

February 25, 2022

Dear Customers and Stakeholders,

Despite the far-reaching impacts of the coronavirus pandemic in the past fiscal year, the San Francisco Public Utility Commission (SFPUC) sustained its mission and continued to provide our customers with high-quality, reliable water, power, and wastewater services 24 hours a day, seven days a week. We activated a business continuity plan at the outset of the pandemic to help the agency respond to the impacts of the pandemic, take steps to recover, and reimagine how we continue to deliver reliable water, power, and wastewater services in a post-pandemic future.

Many of our staff deployed as Disaster Service Workers to support citywide COVID-19 response efforts. During fiscal year 2020-21, the SFPUC provided 194 deployments to the City of San Francisco's COVID Command Center. Of this number, 130 served within the City's Department Operations Center, a critically important coordination point for agency resources to support emergencies.

Our agency was swift to reassign available SFPUC assets to support the City's overall pandemic response. Every enterprise within our agency served and supported a role in response, recovery, and currently, in reimagining how we will serve our customers in the future.

The Water Enterprise deployed temporary emergency manifolds for some of San Francisco's most vulnerable populations in highly effected neighborhoods like the Tenderloin district. To fulfill longer-term needs, the SFPUC collaborated with many agencies to identify and assess sites before installing permanent drink tap stations in San Francisco, and this work is ongoing. When there was a global supply chain shortage of personal protective equipment and resources during the early days of the pandemic, the Water Quality team's labs produced their own hand sanitizer. The team also produced disinfectant for agency-wide use that reduced the time to fully disinfect a facility and conserved paper towel use.

The Power Enterprise made great strides in reimagining the customer experience. Hetchy Power launched a new billing system and an updated online portal for customers. The first solar plus battery storage project was completed, promoting resiliency in the power grid, and serving as a model for future installations. CleanPowerSF continued to make progress on its plan to provide affordable 100% renewable energy to all customers by 2025 – five years ahead of schedule. Importantly, the SFPUC continued its efforts to expand public power service in San Francisco, which will help deliver safe, reliable, clean power to new and existing customers.

Through Hetchy Power, the SFPUC helped the City respond and recover from the financial challenges of the COVID-19 pandemic by saving its municipal customers a projected \$37 million in 2020 compared to the alternative offered by Pacific Gas & Electric. For those ratepayers who experienced financial hardships because of the pandemic, the agency provided a temporary 30 percent discount to eligible Hetchy Power residential customers through the SFPUC Emergency Community Assistance Program.¹

London N. Breed
Mayor

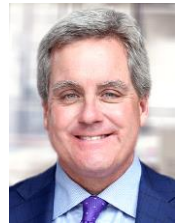
Anson Moran
President

Newsha Ajami
Vice President

Sophie Maxwell
Commissioner

Tim Paulson
Commissioner

Dennis J. Herrera
General Manager



¹ Hetchy Power Customers projected to save more than \$35 million this year during COVID-19 pandemic.

The Wastewater Enterprise continued to sample for SARS-CoV-2 fragments in wastewater, collaborating with the University of California at Berkeley and Stanford University. The ongoing field work will contribute to the expanding field of wastewater epidemiology, further providing data for this field of study and assessment at the state and federal level.

In addition to providing customer assistance and bill relief programs, the SFPUC supported San Francisco's COVID-19 response by activating the Southeast Community Facility at 1800 Oakdale as a vaccination and testing site. To date, more than 7,000 community members have received COVID vaccination, testing and social support services at the facility.

By prioritizing the ongoing maintenance and upgrades of our water, wastewater, and power infrastructure including the multi-billion-dollar, citywide Sewer System Improvement Program (SSIP), the SFPUC supported financial resilience and economic recovery. We have offered job training and contracting opportunities to the local community, kept people working, and have made steady progress on improving our system. We continue to prioritize hiring local workers and apprentices to further support the communities we serve during these challenging times.

The SFPUC also continues to support the community in other ways. We broke ground on a 40,000 square foot state-of-the-art community center at 1550 Evans Avenue in the Bayview Hunter's Point community, designed to be a central hub for the local community to gather, learn, play, and grow.

Our agency embraced remote work early in the pandemic in March 2020. To ensure operations could continue without disruption or interruption, the SFPUC analyzed resource needs, the distribution of remote work equipment, and other support our employees needed. As we work to recover from the pandemic, and return employees to the workplace, the SFPUC is envisioning the future of work.

We may not know what the future of work will look like, but are considering various options, including those that could look very different than pre-pandemic. Regardless of the outcome, the health and safety of our employees will remain a top priority so we can continue to provide our customers with reliable, high-quality water, power, and wastewater services 24/7.

We would like to express appreciation to the Mayor, the Board of Supervisors, and our Commission for their continued support of our achievements in responsible financial management, financial transparency, and reporting excellence.

On behalf of the SFPUC, I am pleased to present the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021.

Respectfully submitted,

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

Dennis J. Herrera
General Manager
San Francisco Public Utilities Commission

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



SFPUC Headquarter 525 Golden Gate Avenue
Photo by: Robin Scheswohl

The **San Francisco Public Utilities Commission (SFPUC)**, a 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.

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

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

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. This system encompasses more than 1,250 miles of distribution pipelines, as well as 12 in-City reservoirs and eight water tanks with a total storage capacity of approximately 413 million gallons. Since June 2011, the Water Enterprise has operated the City’s Emergency Firefighting Water System (EFWS), formerly known as the Auxiliary Water Supply System (AWSS), an independent, high-pressure water supply system for fire suppression.

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

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

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

San Francisco wastewater and stormwater flows are treated at three facilities: the Southeast Treatment Plant, the Oceanside Treatment Plant, and the North Point Wet Weather Facility, the last of which is operated only in wet weather. The sewer system currently can handle up to an average of 70 million gallons per day (MGD) in dry weather and can treat up to 575 MGD in wet weather. The Wastewater Enterprise operates 27 pump stations, 36 discharge points, and massive underground transport/storage structures around the City that have storage capacity up to 200 million gallons. We operate, clean, inspect, and maintain more than 1,000 miles of sewer pipes. We regularly monitor areas of the San Francisco shoreline for water quality where water recreation is common and provide water quality reports to the public using our 24-hour hotline, website, and e-newsletters.

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

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

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

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

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

Hetchy Power customers include San Francisco International Airport (SFO), libraries, police stations, City Hall, San Francisco Municipal Transportation Agency (SFMTA), San Francisco Port Authority, Treasure

Island, Hunter's Point Shipyard, and the Transbay Transit Center. Hetchy Power also owns, operates, and maintains approximately 60% of the streetlights in the City. Finally, Hetchy Power provides electrical maintenance services, energy efficiency programs, and distributed generation services to our customers.

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

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

Mission, Vision, and Values

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

SFPUC value sustainability as a fundamental business principle, showcased 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 results 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 2021

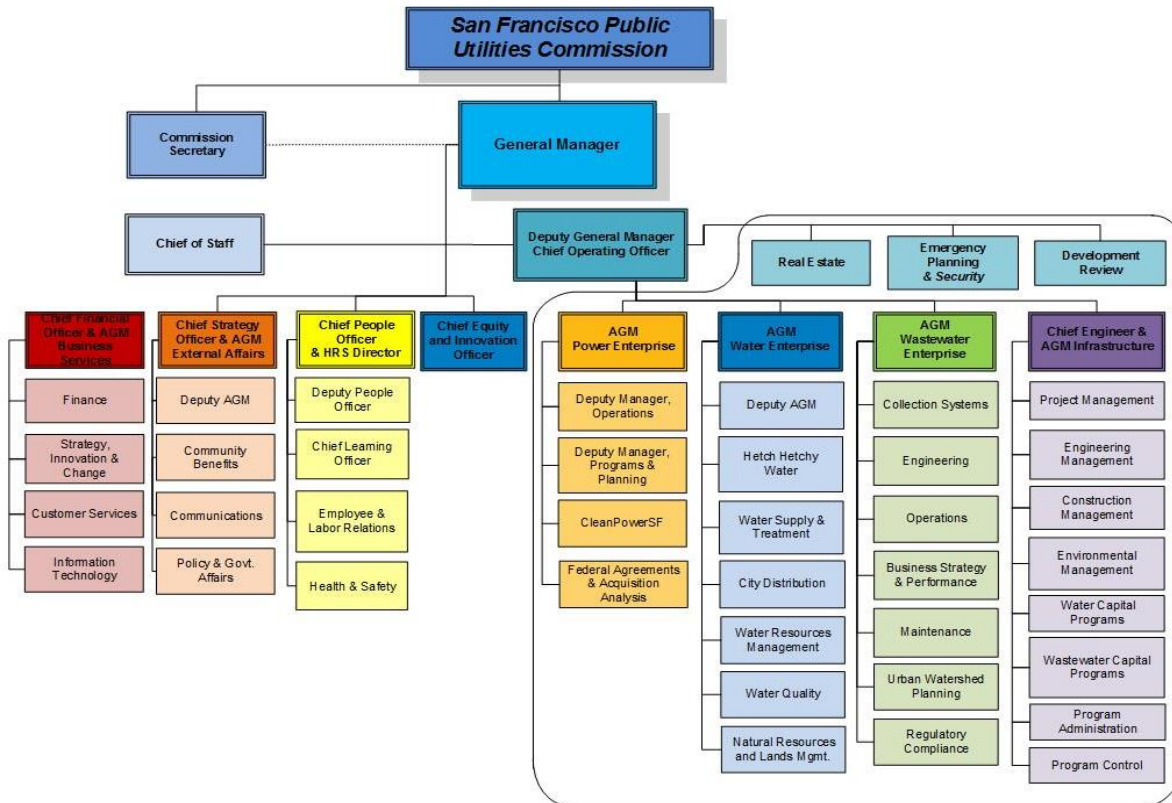
San Francisco Mayor and Public Utilities Commission Members

London N. Breed Mayor	Sophie Maxwell President	Tim Paulson Commissioner	Newsha Ajami Commissioner
	Anson Moran Vice President	Ed Harrington Commissioner	Francesca Vietor Former Vice President (July 2020 to September 2020)

Structure

The SFPUC is comprised of three utility enterprises, the Water Enterprise, Wastewater Enterprise, and the Power Enterprise, which is operated within Hetch Hetchy Water and Power and CleanPowerSF. The Bureaus, comprised of Business Services, External Affairs, Human Resources Services, Equity and Innovation, and Infrastructure, which provide critical support services and oversight to the Enterprises. Business Services Bureau includes Finance, Strategy, Innovation and Change, Customer Services, and Information Technology. External Affairs/Chief Strategy Office Bureau includes Community Benefits, Communications, Policy and Government Affairs. Human Resources Services includes Employee and Labor Relations, Health and Safety. Infrastructure/Chief Engineer Bureau includes Project Management, Engineering Management, Construction Management, Environmental Management, Water Capital Programs, Wastewater Capital Programs, Program Administration and Program Control. The Office of the General Manager oversees the three bureaus (Business Services, External Affairs and Human Resources Services) and Chief of Staff. The Office of the Deputy General Manager oversees the three enterprises, Infrastructure Bureau, Development Review, Real Estate and Emergency Planning and Security.

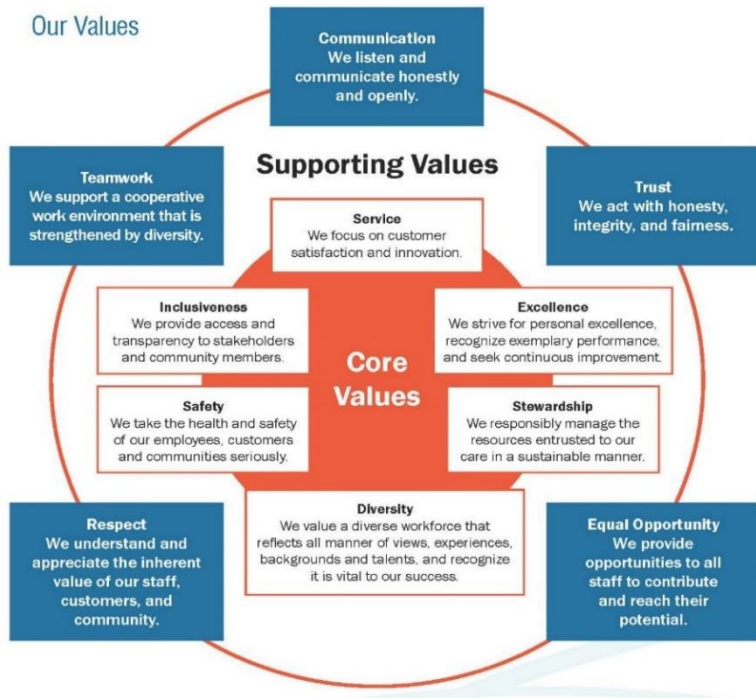
Organizational Chart



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

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

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



The goals are as follows:

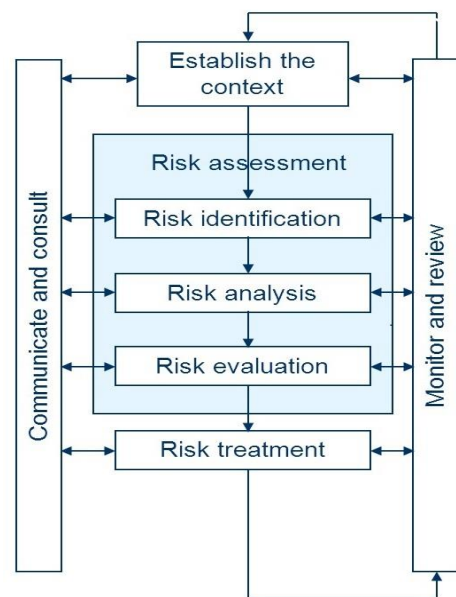
- Reliable service and assets;
- Organizational excellence;
- Effective workforce;
- Financial sustainability;
- Stakeholder and community interest; and
- Environmental stewardship.

Each Goal has one or more Executive Champions who have worked across the Enterprises, Infrastructure, and the Bureaus to develop performance measures including target and baseline metrics. There is a Lead Strategist for each of the six goal area who will carry the vision of their respective goal area will report biannually to the Goal Champions on progress of achieving the performance measures consistent

with the target/baseline. At the end of the fiscal year, each Goal Champion is required to report performance measured against the target/baseline. More details of the 2020 SFPUC Strategic plan are available at <https://sfpuc.org/about-us/policies-plans/agency-strategic-plan> and the Performance Measures in the Operating Information section of this report.

Enterprise Risk Management Framework

The SFPUC helps ensure successful implementation of our Mission, Vision, and Values by integrating the principles of Enterprise Risk Management (ERM) into organizational culture and strategic decision making. In planning for our future, the ERM framework promotes a culture where risks are identified, assessed, prioritized, and managed to minimize threats hindering us from achieving our goals; and to maximize opportunities benefiting the SFPUC. Accountability and transparency are promoted through assignment of identified risks to owners, and routine reporting of mitigation status to senior management. The ERM framework is a continuous process that strengthens organizational structure and culture through communication and awareness, by adding value to the strategic decision-making process. The Risk Management division of the Strategy, Innovation and Change Bureau, provides strategic 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 the ISO 31000 standard for Risk Management for the Hetchy Power and CleanPowerSF program as the framework implementing and maturing ERM. The framework supports a systematic and proactive approach to identify and analyze 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. The ERM process allows for a transparent flow of information throughout the enterprise and program, providing visibility of risks and issues to stakeholders across the business so that they can be discussed and managed openly.

Senior management in the Power Enterprise is deeply involved in the monitoring process and meets on a periodic basis to discuss immediate, emerging, and high priority risks; while a larger meeting of internal stakeholders is convened semi-annually to discuss broader risks across the enterprise. During these stakeholder discussions, new risks can be proposed and vetted for inclusion in the risk registry or existing risks retired if they no longer pose a threat to business objectives. Risks are profiled, and a risk register is retained in a risk management software application; which further assigns accountability and provides ongoing monitoring. Overall, the monitoring process established by the Power Enterprise and CleanPowerSF provides the ability for senior management to remain agile when responding to priority risks without being siloed in the decision-making process.

The 2020 SFPUC Strategic Plan, by way of the strategic goal of Financial Sustainability, endeavors to formalize enterprise risk management across the organization. ERM will continue to be applied in various areas of the organization. Previous successes include the Business Services Bureau, Emergency Planning and Security, and specific project-related programs.

The SFPUC also engages other methodologies as part of a comprehensive process for risk management. This includes the SFPUC Purchased Insurance Program, a portfolio of insurance policies acquired to mitigate various liability risks in mission critical assets, operational and financial. ERM benefitted this strategic process as a guide for senior management to assess and identify areas where risks were transferred through the purchase of insurance. Realized benefits include total property insurance reimbursements of nearly \$8.3 million related to the August 2013 “Rim Fire”, a large-scale wildfire that damaged and destroyed SFPUC mission critical assets in the Stanislaus National Forest. Other risk management activities include contractual risk review and advisement for the Infrastructure Project Management Bureau and Contract Management Bureau for construction, professional and general service contracts. SFPUC Risk Management also collaborates with the Office of the Administrator’s City Risk Management for citywide risk management initiatives.

Risk Categories

Strategic *Trends in Economy & Society*

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

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

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

Operational *People, Processes & Systems or Controls*

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

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

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

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

Our property insurance policy covers select Mission Critical Power Assets for all risks (e.g. fire, flood up to \$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.

On March 16, 2020, as a result of the COVID-19 pandemic, Mayor Breed announced a Public Health Order requiring that San Francisco residents remain in place except for essential needs and services. All businesses deemed non-essential were directed to shutter until further notice, causing an immediate and significant impact on City revenues. To ensure the City could re-tool the FY 2020-21 and 2021-22 budget to incorporate the impact of the pandemic, the budget cycle was extended through September 2020, and was not adopted until October 2020. In addition, the second year of the fixed two-year budget cycle was reopened due to continued uncertainty surrounding the COVID-19 pandemic. The purpose of the mid-cycle update was to ensure that the SFPUC would continue to balance the budget and maintain financial sustainability. Limited changes for mission critical items were made, and the agency rebalanced the budget around updated revenue projections.

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 2022 Operating Budgets

The SFPUC annual budgets, including debt service and cash-funded capital, as well as operation programs total \$1.48 billion and \$1.43 billion for fiscal years 2022 and 2021, respectively. The operating programs include regular operating costs, maintenance of utility facilities and lands, as well as support services, like management, business services, planning, regulatory compliance, communication, and planned debt service for each of the Enterprise. Despite overall revenue growth trends, the budget includes a forecast of volumetric utility assumptions which incorporate the significant negative impact due to the COVID-19 pandemic. 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 2022 \$1.48 billion operating budget, the Water Enterprise accounts for \$633.3 million to fund the operations and maintenance of the SFPUC water system; Wastewater Enterprise's operating budget of \$404.5 million funds the operations and maintenance of the SFPUC's sewer system. Hetch Hetchy Water and Power's operating budget of \$218.8 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 \$226.5 million funds the operations and power purchases. Detailed budget information is available on our website <https://sfpuc.org/about-us/reports/operating-and-capital-budgets>.

Fiscal Year 2022 Capital Budgets

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

Total approved fiscal year 2022 capital budgets were \$789.4 million, including \$212.7 million for the Water Enterprise, \$408.3 million for the Wastewater Enterprise, \$166.0 million for Hetch Hetchy Water and Power Enterprise and \$2.4 million for CleanPowerSF. The major capital investment for the Water Enterprise included Regional Water Supply and Storage Program and Watersheds and Land Management and Local Buildings and Grounds Improvements and Water Conveyance/Distribution System. The Water Supply and Storage Program includes upgrades to structures to meet the State Division of Safety of Dams requirements and projects to increase regional water supply diversification and explore alternative methods for expanding water sources. Watershed and Land Management program improve and/or protect the water quality and/or ecological resources impacted by the operations of the SFPUC water system. Projects include the repair, replacement and maintenance of roads, fences, or trails and the acquisition of easements or properties to meet these purposes. Local Buildings and Grounds Improvements includes improvements at Central Distribution Division (CDD) facilities and structures, and a new CDD headquarters at 2000 Marin to address life safety standards

for seismic events, building codes requirements and facilities that are past useful life. Local Water Conveyance and Distribution program includes funding to install, replace and renew the local water distribution system.

The Wastewater Enterprise's major capital investment includes the Treatment Facilities and Stormwater Management/Flood Control from the Sewer System Improvement Program (SSIP) and the Collection System-Sewer Improvement programs from the Renewal and Replacement Program (R&R). The Treatment Facilities projects include the Bayside Biosolids (Digester) project for improvements to the combined sewer transport storage and near shore combined sewer discharge structures, and improvements to the liquid treatment at various plants. The Stormwater Management/Flood Control includes work on drainage basins, green infrastructure, flood resilience, and the Green infrastructure Stormwater Management Grant Program. The R&R Collection System-Sewer Improvement Program is to maintain the existing functionality of the sewage collection system and includes planned and emergency repairs and replacement of structurally inadequate sewers.

The Hetch Hetchy Water and Power's major capital investment includes the Transmission/Distribution Improvement project, and Water infrastructure program. The Transmission/Distribution Improvements include the San Francisco Airport (SFO) Substation Improvements to plan, design, and construct needed upgrades at the substations. Water Infrastructure program include concept, development, design, and upgrades for operating, managing, and maintaining the Hetchy Water Infrastructure. The CleanPowerSF major capital investment includes the development of new renewable energy (solar photovoltaic) and battery storage projects on select SFPUC sites as well as development and implementation of new customer programs project for programs supporting demand response, electric mobility, local renewable energy generation, and building decarbonization technologies.

Ten-Year Financial Plan

The SFPUC prepares an annual updated Ten-Year Financial Plan as required by the City and County of San Francisco Charter Section 8B.123. The Ten-Year Financial Plan is a summary of projected revenues, expenditures, fund balances, and financial ratios for each enterprise over a rolling 10-year period. The Plan projections are based on current Mayor and Commission policies, goals and objectives. For the ten year plan fiscal year 2022, these projections also include assumptions based on the severe impacts caused by the COVID-19 pandemic, the shelter-in-place order and resulting economic recession. A key objective is to promote SFPUC's Strategic Plan goal of Financial Sustainability by estimating future revenue requirements and financial ratios while providing a view of resulting rates changes. Consolidating these key financial indicators into the Plan serves to inform the SFPUC's long-term planning decisions, such as the biennial operating and capital budgets, long-range capital planning and capital financing strategies.

Ten-Year Capital Plan

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

SFPUC fiscal years 2022 through 2031 Ten-Year Capital Plan totals \$9.1 billion. Water Enterprise is approximately \$2.0 billion, to include the addition of new 10th year, to with investments divided between regional and local (in-city predominately). Projects include Local Water Conveyance, Local Buildings and Grounds Improvements and Regional Water Supply and Storage. Wastewater Enterprise is approximately \$5.4 billion which mainly includes the R&R program for the Collection System and SSIP such as Biosolid-Digester Project and Central Bayside System Improvement. Hetchy Water and Hetchy Power's is approximately \$1.6 billion is to fund up-county water/power projects and local power projects

such as O’Shaughnessy Dam Outlet Works and other Hetchy Power projects such as Power Distribution Services. CleanPowerSF is approximately \$76 million to fund the development of new renewable energy (solar photovoltaic) and battery storage projects.

Financial Transparency, Reporting and Auditing Process

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

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

The SFPUC’s financial statements have been audited by KPMG LLP, an independent registered public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the SFPUC for the fiscal years ended June 30, 2021 and 2020 are fairly presented in conformity with GAAP, and are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statements presentation. The independent auditors rendered an unmodified “clean” opinion on the SFPUC’s financial statements for the fiscal year ended June 30, 2021 since 2008. The independent auditors’ report is presented as the first component of the financial section of this report. Management’s Discussion and Analysis (MDA) is presented after the independent auditors’ report, and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement MDA and should be read in conjunction with it.

Financial Authority and Policies

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

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

Accounting Systems, Policies, and Internal Controls

In developing and maintaining the accounting systems, consideration is given by the administration as to the adequacy of internal controls. Internal controls are designed to provide reasonable, but not absolute, assurance. The SFPUC's management is responsible for establishing and maintaining a system of internal controls designed to safeguard the enterprises' assets from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in accordance with GAAP. For the fiscal year ended June 30, 2021, the independent auditors noted no matters involving internal controls over financial reporting that would be considered a material weakness for Water, Wastewater and Hetch Hetchy Water and Power and CleanPowerSF.

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

Achievement Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the SFPUC for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This was the 12th 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, 2020

Christopher P. Morill

Executive Director/CEO

Financial Section

Independent Auditors' Report

Management's Discussion and Analysis (Unaudited)

Basic Financial Statements

Statements of Net Position – Proprietary Funds

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

Statements of Cash Flows – Proprietary Funds

Notes to Basic Financial Statements

Required Supplementary Information (Unaudited)

Schedules of the Proportionate Share of the Net Pension Liability

Schedules of Employer Contributions – Pension Plan

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

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

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

Supplementary Information (Proprietary Funds)

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

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

Independent Auditors' Report on Internal Control

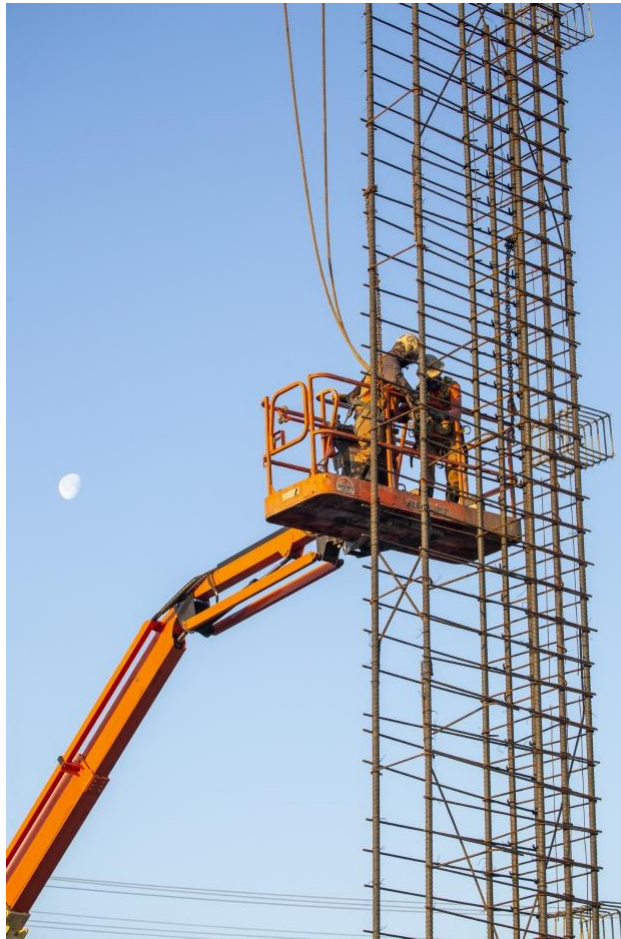


Photo by: Robin Scheswohl

Removing the connections/hooks used to lift the rebar cage at the Southeast Treatment Plant



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

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of each major fund of the San Francisco Public Utilities Commission (SFPUC), a department of the City and County of San Francisco, California, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the SFPUC's basic financial statements as listed in the tables of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of each major fund for SFPUC, as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in Note 1, the financial statements of SFPUC are intended to present the financial position, the changes in financial position and, where applicable, cash flows of only that portion of the business-type activities of each major fund of the City that is attributable to the transactions of SFPUC. They do not purport to,



and do not, present fairly the financial position of the City as of June 30, 2021 and 2020, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 17 – 68 and required supplementary information, as listed in the accompanying table of contents (collectively referred to as RSI) on pages 165 – 170 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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 audit 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise SFPUC's basic financial statements. The introductory section, supplementary information and statistical section as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2022 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.

KPMG LLP

San Francisco, California
February 25, 2022

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Management's Discussion and Analysis (Unaudited)
June 30, 2021 and 2020
(Dollars in thousands, unless otherwise stated)

This section presents management's analysis of the San Francisco Public Utilities Commission's (SFPUC or the Commission) financial condition and activities as of and for the fiscal years ended June 30, 2021 and 2020. 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.

In May 2016, SFPUC launched CleanPowerSF, a Community Choice Aggregation (CCA) program into operation, pooling the electricity demands of their residents and businesses for the purpose of buying electricity on behalf of those customers. CleanPowerSF provides San Francisco with new clean energy alternatives, with its objectives to reduce greenhouse gas emissions, and to provide the City and County of San Francisco's (the City) energy consumers with renewable electricity supplies at competitive rates. The SFPUC intends CleanPowerSF to be financially independent, with ability to set rates and charges with adequate revenues, and to issue debt to support its operations and future projects. CleanPowerSF is discretely presented as a fund of the Hetch Hetchy Water and Power and CleanPowerSF Enterprise starting fiscal year 2017.

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

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

Organization and Business

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

Water Enterprise

As the third largest municipal water agency in California, the Water Enterprise collects, transmits, treats, and distributes high quality drinking water to a total population of approximately 2.7 million people, including retail customers in the City and wholesale customers located in San Mateo, Santa Clara, and Alameda Counties. The Water Enterprise sold approximately 189 million gallons of water per day in the year ended June 30, 2021. Approximately three-quarter of the water delivered by the Water Enterprise is to wholesale customers. Retail customers use the remaining one-quarter and are primarily San Francisco consumers, including residential, commercial, industrial, and governmental users. Wholesale customers include cities, water districts, one private utility, and one non-profit university. Service to these customers is provided pursuant to the 25-year Amended and Restated Water Supply Agreement (WSA), commenced on July 1, 2009, which established the basis for determining the costs of wholesale service.

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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 1,125 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, 2021, the Wastewater Enterprise serves 147,926 residential accounts, which discharge about 16.6 million units of sanitary flow per year (measured in hundreds of cubic feet, or ccf) and 26,430 non-residential accounts, which discharge about 4.6 million ccf per year. These reflected decreases of 2.2 million units in non-residential accounts and 0.3 million units in residential accounts compared to prior year due to the COVID-19 public health precaution.

Hetchy Water

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

Hetchy Power

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

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

Hetch Hetchy Joint for Hetchy Water and Hetchy Power

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

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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

The core business of CleanPowerSF is to provide greener electricity generation to residential and commercial consumers in San Francisco. Through CleanPowerSF, SFPUC seeks to achieve several complementary goals, including affordable and competitive electricity generation rates, a diverse electricity resource portfolio that is comprised of renewable and other clean sources of supply, and high-quality customer service.

Overview of the Financial Statements

The Department's financial statements include the following:

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

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

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

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

Fund Financial Statements

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

COVID-19

On February 25, 2020, the Mayor issued a Proclamation declaring a local emergency to exist in connection with the imminent spread within the City of the novel coronavirus ("COVID-19"). On March 16, 2020, the City's Health Officer issued a stay safe at home order, Health Officer Order No. C19-07 (the "Stay Safe At Home Order"), requiring most people and City employees to remain in their homes subject to certain exceptions including obtaining essential goods (such as food and necessary supplies), and requiring the closure of nonessential businesses. In addition, Section 2 of the second supplement to the emergency

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
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proclamation authorizes the SFPUC to suspend (a) discontinuation or shut off of water, sewer, and power services for residents and businesses in the City for non-payment of water, sewer, and power bills, (b) the return of delinquent CleanPowerSF Customers to Pacific Gas & Electric Company (PG&E) generation service for failure to pay CleanPowerSF charges and (c) the imposition of late payment penalties or fees for delinquent water, sewer and power bills through July 11, 2020. The proclamation was extended on December 8, 2020 through June 30, 2021 and then again on April 27, 2021 through March 31, 2022 for Water Enterprise, Wastewater Enterprise, and Hetchy Power. For CleanPowerSF, the suspension was extended to September 30, 2021. This proclamation did not have a material effect on the operations of the SFPUC.

Financial Analysis

Financial Highlights for Fiscal Year 2021

Department-wide Business Type Activities

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

Water

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

Wastewater

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

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Management's Discussion and Analysis (Unaudited)
June 30, 2021 and 2020
(Dollars in thousands, unless otherwise stated)

Hetchy Water

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

Hetchy Power

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

CleanPowerSF

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

Financial Highlights for Fiscal Year 2020

Department-wide Business Type Activities

- Total assets of SFPUC exceeded total liabilities by \$2,480,962.
- Net position increased by \$243,561 or 9.9% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$537,951 or 6.2% to \$9,199,044.
- Operating revenues increased by \$129,905 or 10.7% to \$1,348,763.
- Operating expenses increased by \$122,218 or 13.2% to \$1,049,402.

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Water

- Total assets of the Water Enterprise exceeded total liabilities by \$448,825.
- Net position increased by \$98,877 or 18.2% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$141,887 or 2.6% to \$5,530,545.
- Current and other assets increased by \$96,743 or 16.0% mainly due to increased receivables from other governments and cash from operating activities.
- Operating revenues increased by \$40,960 or 7.6% to \$583,351.
- Operating expenses increased by \$41,023 or 11.5% to \$398,117.

Wastewater

- Total assets of the Wastewater Enterprise exceeded total liabilities by \$1,273,337.
- Net position increased by \$63,793 or 5.2% during the year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$340,484 or 12.5% to \$3,062,288.
- Operating revenues increased by \$13,047 or 3.9% to \$344,128.
- Operating expenses increased by \$2,446 or 0.9% to \$262,259.

Hetchy Water

- Total assets of Hetchy Water exceeded total liabilities by \$206,283.
- Net position increased by \$9,862 or 4.9% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$11,679 or 7.8% to \$160,782.
- Operating revenues, excluding interest and investment income, and other non-operating revenues, increased by \$948 or 2.8% to \$34,953.
- Operating expenses, excluding other non-operating expenses, decreased by \$5,432 or 10.8% to \$44,873.

Hetchy Power

- Total assets of Hetchy Power exceeded total liabilities by \$459,800.
- Net position increased by \$19,892 or 4.5% during the fiscal year.
- Capital assets, net of accumulated depreciation and amortization, increased by \$43,901 or 10.9% to \$445,429.
- Operating revenues, excluding interest and investment income, and other non-operating revenues, decreased by \$2,690 or 1.9% to \$140,871.
- Operating expenses, excluding interest expenses, other non-operating expenses, and amortization of premium, discount, and issuance costs, increased by \$25,439 or 20.7% to \$148,127.

CleanPowerSF

- Total assets of CleanPowerSF exceeded total liabilities by \$92,717.
- Net position increased by \$51,137 or 127.8% during the fiscal year.
- CleanPowerSF had no capital assets, net of accumulated depreciation and amortization, as of June 30, 2020.
- Operating revenues, excluding interest and investment income, and other non-operating revenues, increased by \$77,640 or 46.3% to \$245,460.
- Operating expenses, excluding interest expense increased by \$58,742 or 42.8% to \$196,026.

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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, 2021, 2020, and 2019

	<u>2021*</u>	<u>2020*</u>	<u>2019*</u>	<u>2021 - 2020 Change</u>	<u>2020 - 2019 Change</u>
Total assets:					
Current and other assets	\$ 1,555,134	1,615,614	1,818,271	(60,480)	(202,657)
Capital assets, net of accumulated depreciation and amortization	9,864,186	9,199,044	8,661,093	665,142	537,951
Total assets	<u>11,419,320</u>	<u>10,814,658</u>	<u>10,479,364</u>	<u>604,662</u>	<u>335,294</u>
Deferred outflows of resources:					
Unamortized loss on refunding of debt	155,082	144,378	139,387	10,704	4,991
Pensions	113,149	115,744	97,016	(2,595)	18,728
Other post-employment benefits	61,590	43,100	20,903	18,490	22,197
Total deferred outflows of resources	<u>329,821</u>	<u>303,222</u>	<u>257,306</u>	<u>26,599</u>	<u>45,916</u>
Liabilities:					
Current liabilities:					
Bonds	133,308	119,435	125,512	13,873	(6,077)
Certificates of participation	4,160	3,955	3,765	205	190
Commercial paper	859,051	633,828	503,558	225,223	130,270
State revolving fund loans	4,150	2,458	1,239	1,692	1,219
Other liabilities	382,476	346,217	285,428	36,259	60,789
Subtotal current liabilities	<u>1,383,145</u>	<u>1,105,893</u>	<u>919,502</u>	<u>277,252</u>	<u>186,391</u>
Long-term liabilities:					
Bonds	6,497,701	6,247,401	6,390,220	250,300	(142,819)
Certificates of participation	134,020	138,310	142,442	(4,290)	(4,132)
State revolving fund loans	211,816	159,362	86,793	52,454	72,569
Other liabilities	740,703	682,730	659,005	57,973	23,725
Subtotal long-term liabilities	<u>7,584,240</u>	<u>7,227,803</u>	<u>7,278,460</u>	<u>356,437</u>	<u>(50,657)</u>
Total liabilities:					
Bonds	6,631,009	6,366,836	6,515,732	264,173	(148,896)
Certificates of participation	138,180	142,265	146,207	(4,085)	(3,942)
Commercial paper	859,051	633,828	503,558	225,223	130,270
State revolving fund loans	215,966	161,820	88,032	54,146	73,788
Other liabilities	1,123,179	1,028,947	944,433	94,232	84,514
Total liabilities	<u>8,967,385</u>	<u>8,333,696</u>	<u>8,197,962</u>	<u>633,689</u>	<u>135,734</u>
Deferred inflows of resources:					
Related to pensions	10,321	62,629	58,298	(52,308)	4,331
Other post-employment benefits	35,126	19,824	22,240	15,302	(2,416)
Total deferred inflows of resources	<u>45,447</u>	<u>82,453</u>	<u>80,538</u>	<u>(37,006)</u>	<u>1,915</u>
Net position:					
Net investment in capital assets	2,271,638	2,194,130	2,147,756	77,508	46,374
Restricted for debt service	48,677	17,285	18,617	31,392	(1,332)
Restricted for capital projects	22,319	49,635	26,906	(27,316)	22,729
Unrestricted	393,675	440,681	264,891	(47,006)	175,790
Total net position	<u>\$ 2,736,309</u>	<u>2,701,731</u>	<u>2,458,170</u>	<u>34,578</u>	<u>243,561</u>

* Eliminated interfund payables and receivables of \$0, \$1,800 and \$3,731 working capital loan between Hetchy Power and CleanPowerSF and \$739, \$847 and \$954 between Wastewater and Hetchy Power for the 525 Golden Gate Avenue Headquarters construction cost in fiscal years 2021, 2020 and 2019, 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, 2021, 2020, and 2019					
	2021	2020	2019	2021 - 2020	2020 - 2019
				Change	Change
Total assets:					
Current and other assets	\$ 732,316	701,206	604,463	31,110	96,743
Capital assets, net of accumulated depreciation and amortization	5,587,799	5,530,545	5,388,658	57,254	141,887
Total assets	<u>6,320,115</u>	<u>6,231,751</u>	<u>5,993,121</u>	<u>88,364</u>	<u>238,630</u>
Deferred outflows of resources:					
Unamortized loss on refunding of debt	154,991	144,189	139,061	10,802	5,128
Pensions	64,797	67,084	55,465	(2,287)	11,619
Other post-employment benefits	37,762	27,583	13,142	10,179	14,441
Total deferred outflows of resources	<u>257,550</u>	<u>238,856</u>	<u>207,668</u>	<u>18,694</u>	<u>31,188</u>
Liabilities:					
Current liabilities:					
Revenue bonds and Capital Appreciation Bonds	108,500	94,080	100,899	14,420	(6,819)
Certificates of participation	2,970	2,824	2,688	146	136
Commercial paper	105,862	362,354	161,336	(256,492)	201,018
State revolving fund loans	1,667	—	—	1,667	—
Other liabilities	152,871	134,563	132,251	18,308	2,312
Subtotal current liabilities	<u>371,870</u>	<u>593,821</u>	<u>397,174</u>	<u>(221,951)</u>	<u>196,647</u>
Long-term liabilities:					
Revenue and capital appreciation bonds	4,886,275	4,601,215	4,709,678	285,060	(108,463)
Certificates of participation	95,692	98,754	101,704	(3,062)	(2,950)
State revolving fund loans	105,740	73,271	—	32,469	73,271
Other liabilities	442,371	415,865	402,782	26,506	13,083
Subtotal long-term liabilities	<u>5,530,078</u>	<u>5,189,105</u>	<u>5,214,164</u>	<u>340,973</u>	<u>(25,059)</u>
Total liabilities:					
Revenue and capital appreciation bonds	4,994,775	4,695,295	4,810,577	299,480	(115,282)
Certificates of participation	98,662	101,578	104,392	(2,916)	(2,814)
Commercial paper	105,862	362,354	161,336	(256,492)	201,018
State revolving fund loans	107,407	73,271	—	34,136	73,271
Other liabilities	595,242	550,428	535,033	44,814	15,395
Total liabilities	<u>5,901,948</u>	<u>5,782,926</u>	<u>5,611,338</u>	<u>119,022</u>	<u>171,588</u>
Deferred inflows of resources:					
Related to pensions	4,885	34,894	33,330	(30,009)	1,564
Other post-employment benefits	21,315	11,772	13,983	9,543	(2,211)
Total deferred inflows of resources	<u>26,200</u>	<u>46,666</u>	<u>47,313</u>	<u>(20,466)</u>	<u>(647)</u>
Net position:					
Net investment in capital assets	517,302	527,856	563,457	(10,554)	(35,601)
Restricted for debt service	45,586	15,916	16,193	29,670	(277)
Restricted for capital projects	22,319	43,122	—	(20,803)	43,122
Unrestricted	64,310	54,121	(37,512)	10,189	91,633
Total net position	<u>\$ 649,517</u>	<u>641,015</u>	<u>542,138</u>	<u>8,502</u>	<u>98,877</u>

Water Net Position, Fiscal Year 2021

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

Current and other assets are primarily comprised of restricted and unrestricted balances of cash, receivables for water deliveries and services, interfund receivables due from other governmental agencies, and inventory. They also include receivables, which represent cumulative amounts due from the wholesale

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customers to match revenues with the Water Enterprise's costs of providing service (the Balancing Account), in accordance with the provisions set forth in the WSA effective July 1, 2009. Balances are applied to future year rates. As of June 30, 2021, the Water Enterprise owed the wholesale customers \$60,864, which was mainly due to higher water demand by the wholesale customers. This amount was recorded as a liability in accordance with the 2009 agreement. See Note 10, Water Supply Agreement, for additional details.

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

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

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

Total liabilities increased by \$119,022 or 2.1% which is due to increases of \$299,480 in outstanding revenue bonds mainly due to the issuance of 2020 Series ABCD and 2020 Series EFGH bonds, \$38,284 in net pension liability based on actuarial report, \$34,136 increase in State Revolving Funds Loan payable due to additional loans relating to the SF Westside Recycled Water project, \$25,956 in general liability based on actuarial report, \$3,650 in accrued payroll, vacation and sick leave mainly due to actuarial estimates, 3% increase of cost of living adjustment (COLA), and more days in current year-end payroll accrual compared to prior year-end accrual, \$2,921 in restricted and unrestricted payables due to higher accruals as compared to prior year mainly for the Information Technology project and 19th Ave. Infrastructure Improvement project, and \$792 in unearned revenues mainly due to additional customer credit balances from overpayments. These increases were offset by decreases of \$256,492 in commercial paper primarily due to refunding from the 2020 Series ABCD bonds, \$14,913 in other post-employment benefits obligations from actuarial estimates, \$6,557 in interest payable mainly due to refunding from the 2020 Series EFGH Bonds, \$3,993 in the Wholesale Balancing Account due to higher demand from the wholesale customers (see Note 10 for details), \$2,916 in certificates of participation from repayments and amortization of premium, \$674 in due to other City departments from payments made for legal services

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provided by the City Attorney and projects performed by the Department of Public Works for Sidewalk Inspection and Repair projects, \$346 in workers' compensation based on actuarial estimates, and \$306 in pollution remediation liability as a result of additional expenditures incurred for the Lake Merced Pacific Rod and Gun Club and 17th and Folsom sites (see Note 15(d) for details).

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

Water Net Position, Fiscal Year 2020

For the year ended June 30, 2020, the Water Enterprise's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$641,015. Total net position increased from prior year by \$98,877 or 18.2% (see Table 1A). The increase in net position was the result of an increase of \$269,818 in assets and deferred outflows of resources offset by an increase of \$170,941 in liabilities and deferred inflows of resources.

Current and other assets are primarily comprised of restricted and unrestricted balances of cash, receivables for water deliveries and services, interfund receivables due from other governmental agencies, and inventory. This also includes receivables, which represent cumulative amounts due from the wholesale customers to match revenues with the Water Enterprise's costs of providing service (the Balancing Account), in accordance with the provisions set forth in the WSA effective July 1, 2009. Balances are applied to future year rates. As of June 30, 2020, the Water Enterprise owed the wholesale customers \$64,857, which was mainly due to lower water demand by the wholesale customers. This amount was recorded as a liability in accordance with the 2009 agreement. See Note 10, Water Supply Agreement, for additional details.

During the fiscal year 2020, current and other assets increased by \$96,743 or 16.0%. The increases included \$73,271 due from the State Water Resources Control Board (SWRCB) State Revolving Funds Loan relating to the SF Recycled Water project, \$18,866 in restricted and unrestricted cash and investments mainly due to higher cash collections from customers, \$4,810 in charges for services receivable mainly due to an 8% rate increase, \$1,336 in prepaid charges, advances and other receivables mainly for prepaid expenses of software licensing and membership fees, and \$351 in inventory as a result of more purchases than issuances during the fiscal year. These increases were offset by decreases of \$1,393 in interest receivable for interest allocation due to lower rates, \$390 mainly due from the Office of Economic and Workforce Development for custom work projects, \$88 due from other governments for grants relating to water efficiency, and \$20 in restricted interest and other receivables from lower federal interest subsidy receivables compared to prior year.

Capital assets, net of accumulated depreciation and amortization, increased by \$141,887 or 2.6% mainly from the property transfer of 639 Bryant Street for 2000 Marin Street and from construction and capital improvement activities. The largest portion of the Water Enterprise's net position of \$527,856 or 82.3% represents net investment in capital assets (see Capital Assets section of the MDA for more information), which decreased by \$35,601 or 6.3% from prior year's \$563,457; as explained by a \$177,488 increase in liabilities related to capital assets mainly from the issuance of commercial paper, offset by an increase of \$141,887 in capital assets in buildings, structures, and improvements and construction in progress mainly from assets placed into service and pending year end fixed assets entries.

Deferred outflows of resources increased by \$31,188 due to a \$14,441 increase from other post-employment benefits (OPEB) obligations, and \$11,619 increase relating to pensions based on actuarial reports. Unamortized loss on refunding increased by \$5,128 from the issuance of the 2010 Series ABC revenue bonds.

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Total liabilities increased by \$171,588 or 3.1% which is explained by increases of \$201,018 from additional commercial paper issuances, \$73,271 in State Revolving Funds Loan payable relating to the SF Recycled Water project, \$12,913 in other post-employment benefits obligations from actuarial assumptions, \$4,464 in interest payable mainly from the issuance of 2019 Series ABC revenue bonds, \$3,068 in accrued payroll, vacation and sick leave due to more days in current year end payroll accrual compared to prior year end accrual and 3% cost of living adjustment (COLA), \$2,704 in net pension liability based on actuarial report, \$674 due to other City departments primarily for legal services provided by the City Attorney and projects performed by the Department of Public Works for Sidewalk Inspection and Repair projects, and \$28 in the Wholesale Balancing Account (see Note 10 for details). These increases were offset by decreases of \$113,253 in outstanding revenue bonds due to refunding of principal from the issuance of 2019 Series ABC revenue bonds, principal repayments and premium and discount amortization, \$4,014 in restricted and unrestricted payables mainly due to lower retained contracts payable, \$2,814 in outstanding certificates of participation due to repayment and amortization of premium, \$2,029 in principal of capital appreciation bonds from repayment offset by accretions, \$1,921 in unearned revenues mainly due to reduced custom work deposits, \$1,162 in workers' compensation based on actuarial estimates, \$742 in general liability based on actuarial report, and \$617 in pollution remediation liability due to additional expenditures incurred in the current year for the Lake Merced and 17th and Folsom sites (see Note 15(d) for details).

Deferred inflows of resources decreased by \$647 due to a \$2,211 decrease in OPEB obligations, offset by a \$1,564 increase relating to pensions based on actuarial report.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021 - 2020</u> <u>Change</u>	<u>2020 - 2019</u> <u>Change</u>
Total assets:					
Current and other assets	\$ 354,789	473,620	821,796	(118,831)	(348,176)
Capital assets, net of accumulated depreciation and amortization	3,606,850	3,062,288	2,721,804	544,562	340,484
Total assets	<u>3,961,639</u>	<u>3,535,908</u>	<u>3,543,600</u>	<u>425,731</u>	<u>(7,692)</u>
Deferred outflows of resources:					
Unamortized loss on refunding of debt	91	189	326	(98)	(137)
Pensions	30,219	30,422	26,886	(203)	3,536
Other post-employment benefits	15,109	10,065	4,669	5,044	5,396
Total deferred outflows of resources	<u>45,419</u>	<u>40,676</u>	<u>31,881</u>	<u>4,743</u>	<u>8,795</u>
Liabilities:					
Current liabilities:					
Revenue bonds	22,880	23,240	22,085	(360)	1,155
Certificates of participation	785	747	711	38	36
Commercial paper	638,518	207,939	291,498	430,579	(83,559)
State revolving fund loans	2,483	2,458	1,239	25	1,219
Other liabilities	147,038	148,585	101,156	(1,547)	47,429
Subtotal current liabilities	<u>811,704</u>	<u>382,969</u>	<u>416,689</u>	<u>428,735</u>	<u>(33,720)</u>
Long-term liabilities:					
Revenue bonds	1,567,042	1,598,493	1,630,524	(31,451)	(32,031)
Certificates of participation	25,302	26,112	26,892	(810)	(780)
State revolving fund loans	106,076	86,091	86,793	19,985	(702)
Other liabilities	184,938	168,906	164,316	16,032	4,590
Subtotal long-term liabilities	<u>1,883,358</u>	<u>1,879,602</u>	<u>1,908,525</u>	<u>3,756</u>	<u>(28,923)</u>
Total liabilities:					
Revenue bonds	1,589,922	1,621,733	1,652,609	(31,811)	(30,876)
Certificates of participation	26,087	26,859	27,603	(772)	(744)
Commercial paper	638,518	207,939	291,498	430,579	(83,559)
State revolving fund loans	108,559	88,549	88,032	20,010	517
Other liabilities	331,976	317,491	265,472	14,485	52,019
Total liabilities	<u>2,695,062</u>	<u>2,262,571</u>	<u>2,325,214</u>	<u>432,491</u>	<u>(62,643)</u>
Deferred inflows of resources:					
Related to pensions	2,148	16,892	16,157	(14,744)	735
Other post-employment benefits	7,265	4,185	4,967	3,080	(782)
Total deferred inflows of resources	<u>9,413</u>	<u>21,077</u>	<u>21,124</u>	<u>(11,664)</u>	<u>(47)</u>
Net position:					
Net investment in capital assets	1,253,789	1,183,288	1,133,662	70,501	49,626
Restricted for debt service	2,992	1,227	1,279	1,765	(52)
Restricted for capital projects	–	–	18,505	–	(18,505)
Unrestricted	45,802	108,421	75,697	(62,619)	32,724
Total net position	<u>\$ 1,302,583</u>	<u>1,292,936</u>	<u>1,229,143</u>	<u>9,647</u>	<u>63,793</u>

Wastewater Net Position, Fiscal Year 2021

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

During the fiscal year 2021, current and other assets decreased by \$118,831 or 25.1%. The decrease was mainly due to a decrease of \$136,773 in restricted and unrestricted cash and investments largely

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

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

Total liabilities increased by \$432,491 or 19.1%. As of June 30, 2021, total outstanding balance of \$2,363,086 for revenue bonds payable, commercial paper, certificates of participation, and SRF loans represented 87.7% of total liabilities, an increase of \$418,006 or 21.5%. The increase was mainly due to \$435,450 additional commercial paper issuance and \$22,467 SRF loan to fund the OSP Digester Gas Utilization Upgrade, the SEP 521/522 and Disinfection Upgrade, and the Lake Merced Green Infrastructure projects offset by \$31,316 in debt repayments and \$8,595 in amortization of premium during the year. Other liabilities of \$331,976 such as payables to vendors, contractors, and other government agencies for goods and services under contractual agreements and employees, increased by \$14,485 or 4.6%, due to increases of \$17,511 in net pension liability based on actuarial report, \$3,912 in employee related benefits including vacation, workers' compensation, and accrued payroll mainly due to actuarial estimates, 3% increase of cost of living adjustment (COLA), and more days in current year-end payroll accrual compared to prior year-end accrual, \$822 in general liability based on actuarial estimates, \$130 in customer credit balances mainly due to overpayments, and \$26 in liens payable. These increases were offset by decreases of \$7,472 in other post-employment benefits obligations based on actuarial report, \$145 in bond and loan interest payable due to lower outstanding debt principal and lower interest rates, \$135 in restricted and unrestricted payable due to higher voucher payments than vouchers generated, and \$109 in payable to Hetch Hetchy Power due to payment for the 525 Golden Gate Living Machine System, \$54 decrease in deposit from PG&E due to expenses incurred for the Cross Bore Project, and \$1 interfund payable to City Attorney's Office. Deferred inflows of resources decreased by \$11,664 due to \$14,744 decrease in pensions based on actuarial report offset by \$3,080 increase in other post-employment benefits based on actuarial report.

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Wastewater Net Position, Fiscal Year 2020

For the year ended June 30, 2020, the Wastewater Enterprise's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,292,936. The Wastewater Enterprise's total net position increased by \$63,793 or 5.2% as a result of increases of \$49,626 in net investment in capital assets and \$32,724 in unrestricted net position, offset by decreases of \$18,505 in restricted for capital projects and \$52 in restricted for debt service (see Table 1B).

During the fiscal year 2020, current and other assets decreased by \$348,176 or 42.4%. The decrease was mainly due to a decrease of \$309,289 in restricted and unrestricted cash and investments mainly due to increased spending for the Sewer System Improvement Program (SSIP) and debt principal and interest repayment. Other decreases included \$39,043 in receivables from the State Water Resources Control Board (SWRCB) consisting of \$36,152 in cash receipts for disbursements claim relating to the Southeast Plant (SEP) 521/522 and Disinfection Upgrade Project, \$1,508 unreimbursed State Revolving Fund (SRF) claim, and \$1,383 in cash receipts for the retention balance relating to the Stormwater Flood Management projects. The other decreases included \$3,313 in restricted and unrestricted interest and other receivable due to lower cash balance in pooled cash fund, \$30 in custom work interfund receivables mainly due to collection from the Department of Public Works (DPW) for the Mission Bay South and Hunters Point Projects, and \$21 in charges for services. These decreases in current and other assets were offset by increases of \$3,265 in reimbursement receivables from SWRCB for the SEP 521/522 and Disinfection Upgrade and Lake Merced projects, \$192 in inventory as there were more purchases than issuances during the year and \$63 in prepaid charges.

Capital assets, net of accumulated depreciation and amortization, increased by \$340,484 or 12.5% reflecting an increase in construction and capital improvement activities. The largest portion of the Wastewater Enterprise's net position of \$1,183,288 or 91.5%, represents net investment in capital assets (see Capital Assets section of the MDA for more information). Deferred outflows of resources increased by \$8,795 mainly due to increases of \$5,396 in other post-employment benefits and \$3,536 in pensions based on actuarial report offset by \$137 in amortization of the 2013 Series A bonds loss on refunding.

Total liabilities decreased by \$62,643 or 2.7%. As of June 30, 2020, total outstanding balance of \$1,945,080 for revenue bonds payable, commercial paper, certificates of participation, and SRF loans represented 86.0% of total liabilities, a decrease of \$114,662 or 5.6%. The decrease was mainly due to \$111,984 in debt repayments, \$8,824 in amortization of premium during the year, and \$1,508 loan reduction for the SRF SEP 521/522 and Disinfection Upgrade unreimbursed disbursements claim, offset by \$4,390 additional commercial paper issuance and \$3,264 SRF loan to fund for the SEP 521/522 and Disinfection Upgrade and Lake Merced projects. Other liabilities of \$317,491 such as payables to vendors, contractors, and other government agencies for goods and services under contractual agreements, increased by \$52,019 or 19.6%, due to increases of \$44,336 in restricted and unrestricted payable to vendors and contractors due to higher capital project spending, \$4,616 in other post-employment benefits obligations based on actuarial report, \$2,632 in employee related benefits including vacation, workers' compensation, and accrued payroll mainly due to actuarial estimates, 3% increase of cost of living adjustment (COLA), and more days in current year-end accrual compared to prior year-end accrual, \$1,198 in net pension liability based on actuarial report, \$621 in customer credit balances mainly due to overpayments, \$300 in pollution remediation liability due to increased estimated cleanup liabilities for the toxic sediments at Yosemite Creek, and \$1 interfund payable to City Attorney's Office. These increases were offset by decreases of \$1,070 in bond and loan interest payable due to lower outstanding debt principal, \$477 in general liability based on actuarial estimates, \$107 in payable to Hetch Hetchy Power due to payment for the 525 Golden Gate Living Machine System, and \$31 decrease in deposit from PG&E due to expenses incurred for the Cross Bore Project. Deferred inflows of resources decreased by \$47 due to \$782

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decrease in other post-employment benefits based on actuarial report offset by \$735 increase in pensions based on actuarial report.

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

Table 1C - A
Proprietary Fund - Hetchy Water
Comparative Condensed Net Position
June 30, 2021, 2020, and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021 - 2020</u> <u>Change</u>	<u>2020 - 2019</u> <u>Change</u>
Total assets:					
Current and other assets	\$ 98,151	92,711	94,432	5,440	(1,721)
Capital assets, net of accumulated depreciation and amortization	177,481	160,782	149,103	16,699	11,679
Total assets	<u>275,632</u>	<u>253,493</u>	<u>243,535</u>	<u>22,139</u>	<u>9,958</u>
Deferred outflows of resources:					
Pensions	7,799	7,950	6,447	(151)	1,503
Other post-employment benefits	3,725	2,332	1,343	1,393	989
Total deferred outflows of resources	<u>11,524</u>	<u>10,282</u>	<u>7,790</u>	<u>1,242</u>	<u>2,492</u>
Liabilities:					
Current liabilities	15,857	6,769	6,726	9,088	43
Long-term liabilities	43,561	40,441	38,123	3,120	2,318
Total liabilities	<u>59,418</u>	<u>47,210</u>	<u>44,849</u>	<u>12,208</u>	<u>2,361</u>
Deferred inflows of resources:					
Related to pensions	988	4,335	3,874	(3,347)	461
Other post-employment benefits	2,085	1,195	1,429	890	(234)
Total deferred inflows of resources	<u>3,073</u>	<u>5,530</u>	<u>5,303</u>	<u>(2,457)</u>	<u>227</u>
Net position:					
Net investment in capital assets	177,481	160,782	149,103	16,699	11,679
Restricted for capital projects	-	6,513	8,401	(6,513)	(1,888)
Unrestricted	47,184	43,740	43,669	3,444	71
Total net position	<u>\$ 224,665</u>	<u>211,035</u>	<u>201,173</u>	<u>13,630</u>	<u>9,862</u>

Hetchy Water Net Position, Fiscal Year 2021

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

Capital assets, net of accumulated depreciation and amortization, increased by \$16,699 or 10.4% to \$177,481 primarily from construction and capital improvement activities for the Mountain Tunnel

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Improvement Project and Repair & Replacement Life Extension Program, and additions of facilities, improvements, machinery, and equipment. Deferred outflows of resources increased by \$1,242 due to an increase of \$1,393 in OPEB based on actuarial reports offset by a decrease of \$151 in pensions.

Hetchy Water's total liabilities increased by \$12,208 or 25.9% to \$59,418, as explained by increases of \$5,778 in restricted payables to vendors and contractors mainly due to higher year-end expense accruals for capital projects, \$5,168 in net pension liability based on actuarial report, \$3,304 in unrestricted payables mainly for license and permit fees to National Park Service, \$626 in employee related benefits including workers' compensation, vacation, sick leave and accrued payroll mainly due to an extra day in current year-end payroll accrual when compared to prior year and a 3% cost of living adjustment increase in December 2020, and \$4 increase in rental deposits. The increases were offset by decreases of \$1,906 in OPEB obligations based on actuarial assumptions, \$493 in grant advance due to recognition of Rim Fire grant revenue, \$240 in payable due to the City Attorney's Office for unbilled legal services, and \$33 in general liability based on actuarial estimates.

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

Hetchy Water Net Position, Fiscal Year 2020

Hetchy Water's net position of \$211,035 increased by \$9,862 or 4.9% resulting from an increase of \$12,450 in total assets and deferred outflows of resources, offset by an increase of \$2,588 in total liabilities and deferred inflows of resources (see Table 1C-A). Decrease of \$1,721 in current and other assets was attributed to decreases of \$1,166 in cash and investment with City Treasury mainly due to reduced project spending, \$336 in State grant receivable mainly from reimbursement related to disaster emergency recoveries for the Lower Cherry Aqueduct Project, \$308 in interest receivables due to lower annualized interest rate, \$50 decrease in charges for services receivables mainly due to lower consumption from Lawrence Livermore National Laboratory, and \$11 decrease in inventory due to more issuance than purchase during the fiscal year. The decrease was offset by increases of \$104 in due from the City Attorney's Office for legal services, and \$46 in prepaid charges, advances, and other receivables, of which \$448 in pending Rim Fire insurance recoveries and \$36 in rental receivables; offset by decreases of \$434 in vendor prepayment mainly for Don Pedro Reservoir operating license and \$4 in amortization of the advance paid to the Recreation and Parks Department for the Civic Center Garage.

Capital assets, net of accumulated depreciation and amortization, increased by \$11,679 or 7.8% to \$160,782 primarily due to additions of facilities, improvements, machinery, and equipment. Deferred outflows of resources increased by \$2,492 due to increases of \$1,503 in pensions and \$989 in other post-employment benefits (OPEB) based on actuarial reports.

Hetchy Water's total liabilities increased by \$2,361 or 5.3% to \$47,210, as explained by increases of \$1,087 in net pension liability based on actuarial report, \$946 in OPEB obligations based on actuarial assumptions, \$450 in employee related benefits including workers' compensation, vacation, sick leave and accrued payroll mainly due to more days in current year-end payroll accrual when compared to prior year, coupled with a 3% increase of cost of living adjustment (COLA), \$334 in general liability based on actuarial estimates, \$240 in payable due to the City Attorney's Office for unbilled legal services, and \$4 in unearned revenue mainly due to \$7 increase in rental deposits, offset by a decrease of \$3 in sales tax payables. The increases were offset by a decrease of \$700 in restricted and unrestricted payables to vendors and contractors due to lower capital spending.

Deferred inflows of resources increased by \$227 due to an increase of \$461 related to pensions, offset by a decrease of \$234 in OPEB based on actuarial reports.

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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, 2021, 2020, and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021 - 2020</u>	<u>2020 - 2019</u>
				<u>Change</u>	<u>Change</u>
Total assets:					
Current and other assets	\$ 249,275	228,845	* 239,222	*	20,430
Capital assets, net of accumulated depreciation and amortization	492,056	445,429	401,528	46,627	43,901
Total assets	<u>741,331</u>	<u>674,274</u>	<u>640,750</u>	<u>67,057</u>	<u>33,524</u>
Deferred outflows of resources:					
Pensions	9,531	9,716	7,879	(185)	1,837
Other post-employment benefits	4,552	2,850	1,641	1,702	1,209
Total deferred outflows of resources	<u>14,083</u>	<u>12,566</u>	<u>9,520</u>	<u>1,517</u>	<u>3,046</u>
Liabilities:					
Current liabilities:					
Bonds	1,928	2,115	2,528	(187)	(413)
Certificates of participation	405	384	366	21	18
Commercial paper	114,671	63,535	50,724	51,136	12,811
Other liabilities	49,431	33,218	28,346	16,213	4,872
Subtotal current liabilities	<u>166,435</u>	<u>99,252</u>	<u>81,964</u>	<u>67,183</u>	<u>17,288</u>
Long-term liabilities:					
Bonds	44,384	47,693	50,018	(3,309)	(2,325)
Certificates of participation	13,026	13,444	13,846	(418)	(402)
Other liabilities	55,350	54,085	52,247	1,265	1,838
Subtotal long-term liabilities	<u>112,760</u>	<u>115,222</u>	<u>116,111</u>	<u>(2,462)</u>	<u>(889)</u>
Total liabilities:					
Bonds	46,312	49,808	52,546	(3,496)	(2,738)
Certificates of participation	13,431	13,828	14,212	(397)	(384)
Commercial paper	114,671	63,535	50,724	51,136	12,811
Other liabilities	104,781	87,303	80,593	17,478	6,710
Total liabilities	<u>279,195</u>	<u>214,474</u>	<u>198,075</u>	<u>64,721</u>	<u>16,399</u>
Deferred inflows of resources:					
Related to pensions	1,207	5,298	4,734	(4,091)	564
Other post-employment benefits	2,548	1,461	1,746	1,087	(285)
Total deferred inflows of resources	<u>3,755</u>	<u>6,759</u>	<u>6,480</u>	<u>(3,004)</u>	<u>279</u>
Net position:					
Net investment in capital assets	323,066	322,204	301,534	862	20,670
Restricted for debt service	99	142	1,145	(43)	(1,003)
Unrestricted	149,299	143,261	143,036	6,038	225
Total net position	<u>\$ 472,464</u>	<u>465,607</u>	<u>445,715</u>	<u>6,857</u>	<u>19,892</u>

* Included \$1,800 and \$3,731 working capital loan to CleanPowerSF in fiscal years 2020 and 2019, respectively.

Hetchy Power Net Position, Fiscal Year 2021

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

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Hetchy Power temporarily suspend collection procedures and utility shutoffs for past due accounts to help customers with financial hardship due to COVID-19. Restricted interest and other receivables increased by \$11,632 mainly due to vendor prepayment to PG&E for the Bay Corridor Project.

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

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

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

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

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Hetchy Power Net Position, Fiscal Year 2020

Hetchy Power's net position of \$465,607 increased by \$19,892 or 4.5% resulting from an increase of \$36,570 in total assets and deferred outflows of resources, offset by an increase of \$16,678 in total liabilities and deferred inflows of resources (see Table 1C-B). Current and other assets decreased by \$10,377 or 4.3%, of which \$8,184 decrease in cash and investment with/outside City Treasury due primarily to increase in operating and capital spending. Charges for services receivable decreased by \$2,837 due to decreases of \$1,138 in billings, \$1,127 in lower year-end accrual for California Independent System Operator (CAISO) Congestion Revenue Right (CRR) credits as related to prior year, and \$572 increase in allowance for uncollectible due to higher past due balances as a result of the Mayor's emergency declaration that Hetch Hetchy temporarily suspended collection procedures for past due accounts to help customers with financial hardship due to COVID-19. Prepaid charges, advances, and other receivables decreased by \$1,379 due to payment of \$2,209 billing credits from Western Area Power Administration, and \$13 in amortization of the advance paid to the Recreation and Parks Department for the Civic Center Garage, offset by increases of \$615 in receivables for the Distributed Antenna System (DAS) program due to higher billings, \$173 in vendor prepayment for license and permit fees, \$44 in rental receivables, and \$11 in custom work receivables for the Sunnydale Housing Projects. Interest receivables decreased by \$800 due to lower annualized interest rate. These decreases were offset by an increase of \$1,588 in due from other City departments, of which \$3,981 was a receivable from the Treasure Island Development Authority (TIDA) in connection of an upgraded submarine power cable for the Treasure Island to increase service capacity and \$331 from the City Attorney's Office for legal services; offset by repayments of \$2,000 from CleanPowerSF for working capital loan net of accrued interest of \$69, \$506 for the Sustainable Energy Account, \$108 from the Wastewater Enterprise for the Living Machine System, \$105 from the Recreation and Parks Department for Energy Efficiency Projects, and \$74 from the Department of Public Works for Hunters Point Shipyard Development, and Transbay Folsom Street Improvement custom work projects. State and Federal grants receivables increased by \$1,043 due to disaster emergency recoveries for the 2018 Moccasin Storm Project, Early Intake Switchyard Project and Rim Fire Project, and \$192 increase in inventory due to more purchase than issuance during the fiscal year.

Capital assets, net of accumulated depreciation and amortization, increased by \$43,901 or 10.9% to \$445,429 primarily from construction and capital improvement activities. Deferred outflows of resources increased by \$3,046 due to increases of \$1,837 in pensions and \$1,209 in other post-employment benefits (OPEB) based on actuarial reports.

Hetchy Power's total liabilities of \$214,474 increased by \$16,399 or 8.3%. As of June 30, 2020, outstanding debts increased by \$9,689 and was attributable to \$12,811 in commercial paper issuance for Hetchy Power facilities, offset by decreases of \$2,894 in bonds and certificates of participation principal repayments and \$228 in amortization of premium and discount. Other liabilities of \$87,303, such as payables to vendors, contractors, and other government agencies for goods and services under contractual agreements, increased by \$6,710 or 8.3%, mainly attributable to increases of \$3,239 in restricted and unrestricted payables to vendors and contractors due to higher capital spending, \$1,329 in net pension liability based on actuarial report, \$1,157 in OPEB obligations based on actuarial assumptions, \$747 in employee related benefits including workers' compensation, vacation, sick leave and accrued payroll mainly due to more days in current year-end payroll accrual when compared to prior year, coupled with a 3% increase of COLA, \$250 increase in due to other City departments, including \$231 to the City Attorney's Office for unbilled legal services and \$19 to the Port of San Francisco for Pier 70 Shoreside Power Project, and \$169 in general liability based on actuarial estimates. These increases were offset by a decrease of \$147 in unearned revenue, of which \$446 in customer deposits from retail and commercial customers and \$74 in sales tax, utility, and electric energy surcharge tax payables, offset by increases of \$360 in deposits from custom work projects, \$11 in prepayments for the DAS program, and \$2 from prepaid rent. Interest payable decreased by \$34 due to lower bond and loan outstanding.

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Deferred inflows of resources increased by \$279 due to a \$564 increase in pensions, offset by a decrease of \$285 in OPEB based on actuarial reports.

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

Table 1C - C
Proprietary Fund - CleanPowerSF
Comparative Condensed Net Position
June 30, 2021, 2020, and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021 - 2020</u>	<u>2020 - 2019</u>
				<u>Change</u>	<u>Change</u>
Total assets:					
Current and other assets	\$ 121,342	121,879	63,044	(537)	58,835
Total assets	<u>121,342</u>	<u>121,879</u>	<u>63,044</u>	<u>(537)</u>	<u>58,835</u>
Deferred outflows of resources:					
Pensions	803	572	339	231	233
Other post-employment benefits	442	270	108	172	162
Total deferred outflows of resources	<u>1,245</u>	<u>842</u>	<u>447</u>	<u>403</u>	<u>395</u>
Liabilities:					
Current liabilities	17,389	24,991 *	17,056	(7,602)	7,935
Long-term liabilities	15,112	4,171	6,116 *	10,941	(1,945)
Total liabilities	<u>32,501</u>	<u>29,162</u>	<u>23,172</u>	<u>3,339</u>	<u>5,990</u>
Deferred inflows of resources:					
Related to pensions	1,093	1,210	203	(117)	1,007
Other post-employment benefits	1,913	1,211	115	702	1,096
Total deferred inflows of resources	<u>3,006</u>	<u>2,421</u>	<u>318</u>	<u>585</u>	<u>2,103</u>
Net position:					
Unrestricted	87,080	91,138	40,001	(4,058)	51,137
Total net position	<u>\$ 87,080</u>	<u>91,138</u>	<u>40,001</u>	<u>(4,058)</u>	<u>51,137</u>

* Included \$1,800 and \$3,731 working capital loan from Hetchy Power in fiscal year 2020 and 2019, respectively.

CleanPowerSF Net Position, Fiscal Year 2021

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

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

Total liabilities of \$32,501 increased by \$3,339 or 11.4%, which was mainly explained by \$9,000 in cash collateral received for power purchase agreement (see Note 15(a)), \$1,203 in net pension liability based on actuarial report, \$712 in OPEB obligations based on actuarial assumptions, and an increase of \$200 in employee related benefits including vacation, sick leave and accrued payroll mainly due to an extra day in current year-end payroll accrual when compared to prior year, and a 3% cost of living adjustment increase

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in December 2020. Other increases in unearned revenues, refunds, and other, include \$90 from net energy metering credits to retail and commercial customers, \$86 from customer prepayments, and \$4 from utility and electric energy surcharge tax payable. These increases were offset by decreases of \$6,047 in payables to vendors and contractors mainly from lower power purchases, \$1,809 due to other City departments (\$1,800 final working capital loan repayment to Hetchy Power and \$9 to City Attorney's Office for unbilled legal services), and \$100 in general liability based on actuarial estimates.

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

CleanPowerSF Net Position, Fiscal Year 2020

CleanPowerSF's net position of \$91,138 increased by \$51,137 or 127.8%, resulting from an increase of \$59,230 in total assets and deferred outflows of resources, offset by an increase of \$8,093 in total liabilities and deferred inflows of resources (see Table 1C-C). Increase in total assets was \$58,835 due to \$58,678 in cash and investment with City Treasury from higher electricity sales, \$216 in prepaid charges, advances, and other receivables mainly due to higher vendor prepayments for purchased electricity, and \$18 increase in interest receivable due to higher average cash balance. Charges for services receivables decreased by \$77 due to increase of \$1,225 in allowance for uncollectible attributable to higher past due balances as a result of the Mayor's emergency declaration that Hetch Hetchy temporarily suspended collection procedures for past due accounts to help customers with financial hardship due to COVID-19, offset by \$1,148 increase in billings from higher consumption.

Deferred outflows of resources increased by \$395 due to increases of \$233 in pensions and \$162 in OPEB based on actuarial reports.

Total liabilities of \$29,162 increased by \$5,990 or 25.9%, which was explained by \$5,696 in payables to vendors and contractors for goods and services under contractual agreements as a result of higher power purchases, \$955 in OPEB obligations based on actuarial assumptions, \$735 in net pension liability based on actuarial report, \$306 in unearned revenue, of which \$306 from net energy metering credits to retail and commercial customers, and \$13 from utility and electric energy surcharge tax payables, offset by a decrease of \$13 from customers' prepayments. Employee related benefits including vacation, sick leave and accrued payroll increased by \$121 mainly due to more days in current year-end payroll accrual when compared to prior year, coupled with a 3% increase of COLA. General liability increased by \$99 based on actuarial estimates. The increases were offset by a decrease of \$1,922 in due to other City departments, including \$2,000 working capital loan repayment to Hetchy Power, net of \$69 accrued interest, and \$9 to City Attorney's Office for unbilled legal services.

Deferred inflows of resources increased by \$2,103 due to a \$1,096 increase in OPEB and a \$1,007 increase in pensions based on actuarial reports.

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Results of Operations

Department-wide Business Type Activities

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

Table 2
Business Type Activities
Comparative Condensed Activities
Years ended June 30, 2021, 2020, and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021 - 2020</u> <u>Change</u>	<u>2020 - 2019</u> <u>Change</u>
Revenues:					
Charges for services	\$ 1,259,466	1,303,411	1,172,573	(43,945)	130,838
Rents and concessions	13,800	13,135	13,989	665	(854)
Other operating revenues	27,182	32,217	32,296	(5,035)	(79)
Interest and investment (loss) income	(1,004)	32,103	46,639	(33,107)	(14,536)
Net gain from transfer of assets	—	—	619	—	(619)
Other non-operating revenues	72,337	129,198	51,864	(56,861)	77,334
Total revenues	<u>1,371,781</u>	<u>1,510,064</u>	<u>1,317,980</u>	<u>(138,283)</u>	<u>192,084</u>
Expenses:					
Operating expenses	1,149,934	1,049,402	927,184	100,532	122,218
Interest expenses	221,456	237,271	224,867	(15,815)	12,404
Amortization of premium, discount, refunding loss, and issuance costs	(16,498)	(22,627)	(23,722)	6,129	1,095
Non-operating expenses	3,582	1,652	3,766	1,930	(2,114)
Total expenses	<u>1,358,474</u>	<u>1,265,698</u>	<u>1,132,095</u>	<u>92,776</u>	<u>133,603</u>
Change in net position before transfers and capital contributions	<u>13,307</u>	<u>244,366</u>	<u>185,885</u>	<u>(231,059)</u>	<u>58,481</u>
Capital contributions	4,180	—	—	4,180	—
Transfers from the City and County of San Francisco	38,465	15,500	25,722	22,965	(10,222)
Transfers to the City and County of San Francisco	(21,374)	(16,305)	(24,362)	(5,069)	8,057
Net transfers and capital contributions	<u>21,271</u>	<u>(805)</u>	<u>1,360</u>	<u>22,076</u>	<u>(2,165)</u>
Change in net position	<u>34,578</u>	<u>243,561</u>	<u>187,245</u>	<u>(208,983)</u>	<u>56,316</u>
Net position at beginning of year	<u>2,701,731</u>	<u>2,458,170</u>	<u>2,270,925</u>	<u>243,561</u>	<u>187,245</u>
Net position at end of year	<u>\$ 2,736,309</u>	<u>2,701,731</u>	<u>2,458,170</u>	<u>34,578</u>	<u>243,561</u>

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

	2021	2020	2019	2021 - 2020 Change	2020 - 2019 Change
Revenues:					
Charges for services	\$ 550,306	550,753	509,703	(447)	41,050
Rents and concessions	12,911	12,124	13,010	787	(886)
Other operating revenues	18,395	20,474	19,678	(2,079)	796
Interest and investment income	340	10,517	15,650	(10,177)	(5,133)
Other non-operating revenues	45,874	94,734	32,399	(48,860)	62,335
Total revenues	627,826	688,602	590,440	(60,776)	98,162
Expenses:					
Operating expenses	448,843	398,117	357,094	50,726	41,023
Interest expenses	184,606	191,246	177,998	(6,640)	13,248
Amortization of premium, discount, refunding loss, and issuance costs	(7,782)	(13,752)	(17,788)	5,970	4,036
Non-operating expenses	2,208	529	1,388	1,679	(859)
Total expenses	627,875	576,140	518,692	51,735	57,448
Change in net position before transfers and capital contributions	(49)	112,462	71,748	(112,511)	40,714
Capital contributions	4,180	–	–	4,180	–
Transfers from the City and County of San Francisco	21,025	1,220	1,200	19,805	20
Transfers to the City and County of San Francisco	(16,654)	(14,805)	(20,334)	(1,849)	5,529
Net transfers and capital contributions	8,551	(13,585)	(19,134)	22,136	5,549
Change in net position	8,502	98,877	52,614	(90,375)	46,263
Net position at beginning of year	641,015	542,138	489,524	98,877	52,614
Net position at end of year	\$ 649,517	641,015	542,138	8,502	98,877

Water Results of Operations, Fiscal Year 2021

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

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

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

Transfers in of \$21,025 from the City included \$20,040 for the Emergency Firefighting Water System and \$985 from the General Fund for Native Plant Garden project and low income assistance programs. Transfers out of \$16,654 included \$16,000 to Hetch Hetchy Water to fund various upcountry water projects, \$622 to the Arts Commission for arts enrichment fund for the SF Recycled Water, Sunol Valley Water Improvement and Mountain Tunnel Improvement projects, and \$32 to the Office of the City Administrator for the Water Enterprise's contribution to the Surety Bond Program. Capital contribution of \$4,180 was received for water pipeline assets from the Department of Public Works in the current year.

Water Results of Operations, Fiscal Year 2020

The Water Enterprise's total revenues of \$688,602 for the year represented an increase of \$98,162 or 16.6% from prior year (see Table 2A). Increases included \$62,335 from other non-operating revenues, \$41,050 from charges for services, and \$796 from other operating revenues. These increases were offset by decreases of \$5,133 in interest and investment income, and \$886 from rents and concessions.

Charges for services were \$550,753, an increase of \$41,050 or 8.1% due to an adopted rate increase of 8.0% for retail customers beginning July 1, 2019 coupled with a 5.7% increase in consumption by wholesale customers. Rents and concessions were \$12,124, a decrease of \$886 or 6.8% mainly from termination of leases. Other operating revenues were \$20,474, an increase of \$796 or 4.0% due to an 8.0% rate increase offset by a decrease in capacity fee revenues. Interest and investment income were \$10,517, a decrease of \$5,133 or 32.8% due to lower annualized interest rates. Other non-operating revenues were \$94,734, an increase of \$62,335 or 192.4% mainly due to a one-time gain of \$63,600 from the property transfer of 639 Bryant Street for 2000 Marin Street in San Francisco, CA.

The Water Enterprise's total expenses were \$576,140, an increase of \$57,488 or 11.1%. Operating expenses were \$398,117, an increase of \$41,023 or 11.5% due to increases of \$21,413 in depreciation and amortization due to additional capital assets placed into service in the prior year, \$8,447 in general administrative and other mainly from reduced capitalization of buildings, structures and improvements and equipment purchases and higher capital project expenses, \$8,349 in personnel services primarily due to cost of living adjustments, pension and OPEB obligations based on actuarial reports, \$1,377 in services provided by other departments mainly from higher water assessment fees paid to Hetch Hetchy Water, \$808 in contractual services mainly from consulting and maintenance services, \$629 in materials and supplies mainly for building and construction supplies. Interest expenses increased by \$13,248 from reduced interest capitalization for capital projects. Amortization of bond premium, discount, refunding loss and issuance costs decreased by \$4,036 due to issuance of 2019 Series ABC revenue bonds which

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refunded 2010 Series F, 2011 Series A, 2011 Series B, 2011 Series C, and 2012 Series A bonds. Non-operating expenses decreased by \$859 mainly from reduced rebates paid to customers.

Transfers in of \$1,220 were from the General Fund for low income assistance programs and pathway improvements to Miraloma Park. Transfers out of \$14,805 included \$14,000 to Hetch Hetchy Water to fund various upcountry capital projects, \$558 to the Arts Commission for arts enrichment, \$215 to the San Francisco Municipal Transportation Agency for water conservation projects, and \$32 to the Office of the City Administrator for the Surety Bond Program.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021 - 2020</u> <u>Change</u>	<u>2020 - 2019</u> <u>Change</u>
Revenues:					
Charges for services	\$ 318,236	331,721	317,761	(13,485)	13,960
Rents and concessions	642	664	702	(22)	(38)
Other operating revenues	8,787	11,743	12,618	(2,956)	(875)
Interest and investment (loss) income	(1,187)	12,137	20,701	(13,324)	(8,564)
Net gain from transfer of assets	—	—	619	—	(619)
Other non-operating revenues	4,911	5,596	5,545	(685)	51
Total revenues	<u>331,389</u>	<u>361,861</u>	<u>357,946</u>	<u>(30,472)</u>	<u>3,915</u>
Expenses:					
Operating expenses	292,220	262,259	259,813	29,961	2,446
Interest expenses	34,862	43,216	43,803	(8,354)	(587)
Amortization of premium, refunding loss, and issuance costs	(8,497)	(8,647)	(5,697)	150	(2,950)
Non-operating expenses	409	52	1,013	357	(961)
Total expenses	<u>318,994</u>	<u>296,880</u>	<u>298,932</u>	<u>22,114</u>	<u>(2,052)</u>
Change in net position before transfers	<u>12,395</u>	<u>64,981</u>	<u>59,014</u>	<u>(52,586)</u>	<u>5,967</u>
Transfers from the City and County of San Francisco	1,440	280	—	1,160	280
Transfers to the City and County of San Francisco	(4,188)	(1,468)	(3,996)	(2,720)	2,528
Net transfers	<u>(2,748)</u>	<u>(1,188)</u>	<u>(3,996)</u>	<u>(1,560)</u>	<u>2,808</u>
Change in net position	<u>9,647</u>	<u>63,793</u>	<u>55,018</u>	<u>(54,146)</u>	<u>8,775</u>
Net position at beginning of year	1,292,936	1,229,143	1,174,125	63,793	55,018
Net position at end of year	<u>\$ 1,302,583</u>	<u>1,292,936</u>	<u>1,229,143</u>	<u>9,647</u>	<u>63,793</u>

Wastewater Results of Operations, Fiscal Year 2021

The Wastewater Enterprise's total revenues were \$331,389 a decrease of \$30,472 or 8.4% from prior year (see Table 2B). Charges for services decreased by \$13,485 or 4.1% mainly due to a sanitary flow decrease of 2,474,116 ccf or 10.2% from residential and non-residential customers and \$2,172 increase in allowance for doubtful accounts as there were more sewer charge receivables aging over 120 days attributable to the suspension of collection efforts in response to the COVID-19 emergency proclamation issued by the City Mayor offset by an average 8% adopted rate increase. Interest and investment income decreased by \$13,324 or 109.8% due to lower pooled and fiscal agent cash balances, and a lower annualized interest rate. Other operating revenues decreased by \$2,956 or 25.2% mainly due to decreases of \$2,186 in capacity fees resulting from a 25.2% decrease in average permit price and a 7.9% decrease in permits issued as only essential construction projects were allowed due to SF Health Order related to COVID-19 and \$770 in other operating revenues to other City departments such as the Real Estate, Human Services Agency, and Academy of Science due to the COVID-19 shelter in place order. Other non-operating

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revenues decreased by \$685 mainly due to decreases of \$667 in miscellaneous revenue largely attributed to \$642 receipts from California State Parks Foundation for a project at Yosemite Slough Site in prior year, \$20 in gain from sale of assets, and \$22 in Federal Emergency Management Agency (FEMA) grant relating to COVID-19 offset by \$27 increase in federal interest subsidy. Rents and concessions decreased by \$22 or 3.3% mainly due to the COVID-19 past due rent collection suspension as approved by the Commission.

Total expenses were \$318,994, an increase of \$22,114 or 7.4% due to increases of \$29,961 in operating expenses, \$357 in City grants program expenses as there were more expenses incurred for community-based organization services, and \$150 decrease in amortization, refunding loss, and issuance cost due to \$230 decrease in bond premium offset by decreases of \$40 in issuance cost, and \$40 in refunding loss amortization offset by a decrease of \$8,354 in interest expenses due to lower interest rate compared to prior year and a decrease in outstanding bond principal balance. The increase of \$29,961 in operating expenses was mainly due to increases of \$20,866 in general and administrative and other operating expenses mainly due to higher capital project expenses related to the SSIP Biosolids Digester Project, \$9,051 in depreciation expense due to more capitalized assets put in service, \$1,004 in services provided by other departments mainly for Department of Public Works general administration and building repair services, General Services Agency (GSA) facilities management services, and City risk management services, and \$100 in materials and supplies mainly due to water sewage treatment supplies for Bayside Operations. These increases were offset by a decrease of \$564 in personnel services mainly due \$7,873 decrease in other post-employment benefits based on actuarial report offset by increases of \$4,574 in expenses related to pension due to increase in retirement contribution rates, \$2,051 in salaries and fringe benefits due to a 3% increase in cost of living adjustment (COLA), and \$684 in workers' compensation claims. Other decrease included \$496 in contractual services mainly due to lower professional and specialized services.

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

Wastewater Results of Operations, Fiscal Year 2020

The Wastewater Enterprise's total revenues were \$361,861, an increase of \$3,915 or 1.1% from prior year (see Table 2B). Charges for services increased by \$13,960 or 4.4% mainly due to an average 7% adopted rate increase, offset by a sanitary flow decrease of 215,896 ccf or 0.9% from residential and non-residential customers. Other non-operating revenues increased slightly by \$51 mainly due to \$642 in miscellaneous revenue largely due to receipts from California State Parks Foundation for a project at Yosemite Slough Site, \$38 gain from sale of assets in current year, \$14 in federal interest subsidy, and \$11 in Federal Emergency Management Agency (FEMA) grant relating to COVID-19, offset by a decrease of \$391 in biofuel revenue as the SFGreasecycle Program ended in prior year, grants received in prior year of \$234 from the State for the stormwater flood management projects and \$29 from the Green Infrastructure Leadership Exchange. These increases were offset by a decrease of \$8,564 or 41.4% in interest and investment income due to lower pooled and fiscal agent cash balances and lower annualized interest rate. Other operating revenues decreased by \$875 mainly due to \$981 decrease in capacity fees resulting from a 16% decrease in permits issued and increase in uncollectible allowance, offset by \$106 increase in charges for services to other City departments such as the Recreation and Park and San Francisco General Hospital, \$619 gain from transfer of assets in prior year, and \$38 decrease or 5.4% in rents and concessions mainly due to \$56 catch-up billing adjustment in prior year for a lease at Southeast Water Pollution Control Plant offset by \$18 increase in rental revenue from tenants with 3% consumer price index average rate increase.

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Total expenses were \$296,880, a decrease of \$2,052 or 0.7% due to decreases of \$2,950 in amortization of premium, refunding loss, and issuance cost due to decrease of \$2,760 in issuance cost attributable to bond series 2018 ABC issuance in prior year, decrease of \$36 in refunding loss and increase of \$154 in bond premium, \$961 in other non-operating expenses mainly due to \$987 loss from sale of assets in prior year offset by \$26 increase in City grants program expenses as there were more expenses incurred for community-based organization services, and \$587 decrease in interest expenses mainly due to more capitalization of interest expense for fixed assets in the current year. These decreases were offset by an increase of \$2,446 in operating expenses. The increase of \$2,446 in operating expenses was mainly due to \$10,320 increase in personnel services due to 3% increase in COLA, increase in retirement contribution rates and expenses related to pension and other post-employment benefits, \$2,934 in depreciation expense due to more capitalized assets put in service, \$680 in services provided by other departments mainly for legal services, street cleaning, neighborhood beautification, and risk management services, and \$317 in contractual services mainly due to higher professional and specialized services. These increases were offset by decreases of \$10,943 in general and administrative and other operating expenses mainly due to higher capitalization of capital project spending and prior year higher capital project expense related to the Southeast Plant Improvement Project and \$862 in materials and supplies mainly due to water sewage treatment supplies for Bayside Operations.

Net transfers of \$1,188 included transfer out of \$1,436 to the San Francisco Art Commission for integrated artworks at the Headworks Facility and \$32 to the Office of the City Administrator for the Surety Bond Program, offset by \$240 transfer in from General Fund for the Central Shop Relocation Project contingency release and \$40 for the Sidewalk Garden Grants Project.

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

Table 2C - A
Proprietary Fund - Hetchy Water
Comparative Condensed Activities
Years ended June 30, 2021, 2020, and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021 - 2020</u> <u>Change</u>	<u>2020 - 2019</u> <u>Change</u>
Revenues:					
Charges for services	\$ 46,979	34,797	33,880	12,182	917
Rents and concessions	111	156	125	(45)	31
Interest and investment (loss) income	(232)	1,932	2,670	(2,164)	(738)
Other non-operating revenues	1,352	3,861	3,013	(2,509)	848
Total revenues	<u>48,210</u>	<u>40,746</u>	<u>39,688</u>	<u>7,464</u>	<u>1,058</u>
Expenses:					
Operating expenses	50,517	44,873	50,305	5,644	(5,432)
Non-operating expenses	63	11	—	52	11
Total expenses	<u>50,580</u>	<u>44,884</u>	<u>50,305</u>	<u>5,696</u>	<u>(5,421)</u>
Change in net position before transfers	(2,370)	(4,138)	(10,617)	1,768	6,479
Transfers from the City and County of San Francisco	16,000	14,000	20,000	2,000	(6,000)
Change in net position	13,630	9,862	9,383	3,768	479
Net position at beginning of year	211,035	201,173	191,790	9,862	9,383
Net position at end of year	<u>\$ 224,665</u>	<u>211,035</u>	<u>201,173</u>	<u>13,630</u>	<u>9,862</u>

Hetchy Water Results of Operations, Fiscal Year 2021

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

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

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

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

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

Hetchy Water Results of Operations, Fiscal Year 2020

Hetchy Water's total revenues were \$40,746, an increase of \$1,058 or 2.7% from prior year's revenues (see Table 2C-A). Increases included \$917 from charges for services, \$848 from other non-operating revenues, and \$31 from rents and concessions. These increases were offset by a decrease of \$738 in interest and investment income.

Charges for services were \$34,797, an increase of \$917 or 2.7% due to increased water assessment fees from the Water Enterprise to fund upcountry water-related costs. Rents were \$156, an increase of \$31 or 24.8% mainly from cottage rental revenue. Other non-operating revenues were \$3,861, an increase of \$848 or 28.1% mainly due to payment of \$995 from Rim Fire insurance recoveries, offset by decreases of \$125 collections from State grants related to 2018 Moccasin Storm Project and Lower Cherry Aqueduct Project, \$18 in overhead charges and \$4 decrease in net gain from sale of fixed assets and scrap. Interest and investment income were \$1,932, a decrease of \$738 or 27.6% mainly due to lower unrealized gains attributed to decrease in market value in cash and investments with City Treasury.

Total operating expenses, excluding other non-operating expenses were \$44,873, a decrease of \$5,432 or 10.8%. The decrease was attributed to \$8,831 in other operating expenses mainly due to reduced capital spending and \$104 in depreciation and amortization related to building, structure and equipment. These decreases were offset by increases of \$2,597 in personnel services resulting from cost of living adjustments, higher retirement contribution rates, higher pension obligations based on actuarial reports and increased personnel and fringe benefit costs, \$437 in contractual services mainly from increased engineering services, \$231 in services provided by other departments mainly due to higher light, heat, and

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power charges, \$204 in water and sewage treatment supplies for water facilities, and \$34 in general and administrative expenses mainly due to higher judgements and claims based on actuarial estimates.

Other non-operating expenses increased by \$11 due to payments to community-based organization programs. Transfer in of \$14,000 was received from the Water Enterprise to fund upcountry projects.

As a result of the above activities, net position for the year ended June 30, 2020 increased by \$9,862 or 4.9% compared to prior year.

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

Table 2C - B
Proprietary Fund - Hetchy Power
Comparative Condensed Activities
Years ended June 30, 2021, 2020, and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021 - 2020</u> <u>Change</u>	<u>2020 - 2019</u> <u>Change</u>
Revenues:					
Charges for services	\$ 136,247	140,680	143,409	(4,433)	(2,729)
Rents and concessions	136	191	152	(55)	39
Interest and investment income	24	5,746	6,883	(5,722)	(1,137)
Other non-operating revenues	19,273	25,006	10,907	(5,733)	14,099
Total revenues	<u>155,680</u>	<u>171,623</u>	<u>161,351</u>	<u>(15,943)</u>	<u>10,272</u>
Expenses:					
Operating expenses	145,638	148,127	122,688	(2,489)	25,439
Interest expenses	1,970	2,740	2,936	(770)	(196)
Amortization of premium, discount, and issuance costs	(219)	(228)	(237)	9	9
Non-operating expenses	902	1,060	1,365	(158)	(305)
Total expenses	<u>148,291</u>	<u>151,699</u>	<u>126,752</u>	<u>(3,408)</u>	<u>24,947</u>
Change in net position before transfers	7,389	19,924	34,599	(12,535)	(14,675)
Transfers from the City and County of San Francisco	-	-	4,522	-	(4,522)
Transfers to the City and County of San Francisco	(532)	(32)	(32)	(500)	-
Net transfers	<u>(532)</u>	<u>(32)</u>	<u>4,490</u>	<u>(500)</u>	<u>(4,522)</u>
Change in net position	6,857	19,892	39,089	(13,035)	(19,197)
Net position at beginning of year	465,607	445,715	406,626	19,892	39,089
Net position at end of year	<u>\$ 472,464</u>	<u>465,607</u>	<u>445,715</u>	<u>6,857</u>	<u>19,892</u>

Hetchy Power Results of Operations, Fiscal Year 2021

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

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

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interest earned from lower interest rates and cash balance, unrealized loss, and \$1,031 from interest accrued for Treasure Island submarine power cable in prior year.

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

Total operating expenses, excluding interest expenses, other non-operating expenses, and amortization of premium, discount, and issuance costs, decreased by \$2,489 or 1.7%, to \$145,638. The decrease was primarily due to \$6,138 in purchased electricity and transmission, distribution, and other power costs due to lower electricity sales, \$289 in services provided by other departments mainly due to lower bureau support costs, \$270 in material and supplies due to lower equipment maintenance, and \$96 decrease in depreciation and amortization for machinery and equipment. The decreases were offset by increases of \$1,704 in general and administrative expenses mainly due to higher litigation expenses, \$1,572 in other operating expenses mainly due to higher capital spending, \$984 in contractual services mainly from new in-city inventory warehouse rental at Pier 23 in San Francisco, and \$44 in personnel services resulting from cost of living adjustments, higher retirement contribution rates, higher pension obligations based on actuarial reports, and increased personnel and fringe benefit costs.

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

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

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

Hetchy Power Results of Operations, Fiscal Year 2020

Hetchy Power's total revenues were \$171,623, an increase of \$10,272 or 6.4% from prior year's revenues (see Table 2C-B). Increases included \$14,099 from other non-operating revenues and \$39 from rents and concessions. The increases were offset by decreases of \$2,729 from charges for services and \$1,137 from interest and investment income.

Charges for services were \$140,680, a decrease of \$2,729 or 1.9% was attributed to decreases of \$4,213 in sale of electricity to retail, wholesale and Treasure Island customers due to COVID-19 and California Independent System Operator (CAISO) Congestion Revenue Right (CRR) credits, and \$709 in resale of capacity related to electric system reliability compliance product, offset by an increase of \$2,193 in sales to

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other City departments mainly due to average rate increase. Rents were \$191, an increase of \$39 or 25.7% mainly from cottage rental revenue. Interest and investment income were \$5,746, a decrease of \$1,137 or 16.5% mainly due to \$1,073 in interest earned resulting from lower interest rates and \$1,023 in unrealized gains attributed to decrease in market value in cash and investments with City Treasury, offset by an increase of \$959 in interest accrued in connection of an upgraded submarine power cable for the Treasure Island. Other non-operating revenues were \$25,006, increase of \$14,099 or 129.3% mainly due to \$6,920 from Low Carbon Fuel Standard (LCFS) credit sales revenue, \$4,825 from the Power System Impact Mitigation Project, \$1,610 in fees collected from the Distributed Antenna System (DAS) program, \$1,479 in State and Federal grants related to disaster emergency recoveries for the 2018 Moccasin Storm Project, Early Intake Switchyard Project and Rim Fire Project, \$341 in Cap and Trade revenues, \$92 reimbursement for the Central Subway Project, \$52 in annual license fee received from the Transbay Cable Project, \$42 in damage claims, and \$12 in overhead charges. These increases were offset by decreases of \$705 in Rim Fire insurance recoveries from prior year, \$330 in miscellaneous revenue from completion of Hunters Point Projects, \$195 in settlement received from prior year, \$41 in Federal interest subsidy due to lower debt outstanding, and \$3 in net gain from sale of fixed assets, scrap, and waste.

Total operating expenses, excluding interest expenses, other non-operating expenses, and amortization of premium, discount, and issuance costs, increased by \$25,439 or 20.7% to \$148,127. The increase was attributed to \$16,130 in other operating expenses mainly due to lower capitalization of project expense, \$3,129 in personnel services resulting from cost of living adjustments, higher retirement contribution rates, higher pension obligations based on actuarial reports and increased personnel and fringe benefit costs, \$1,656 in contractual services mainly for equipment maintenance and property rent, \$1,588 in materials and supplies mainly explained by prior year recognition of material and supplies to inventory for the in-city warehouse, \$1,394 in purchased electricity and transmission, distribution and other power costs mainly due to wheeling charge rate increase, \$1,239 in depreciation and amortization related to additional building, structure and equipment placed in service, and \$710 in general and administrative expenses mainly due to judgements and claims based on actuarial estimates. These increases were offset by a decrease of \$407 in services of other departments mainly due to legal services provided by City Attorney. Interest expenses were \$2,740, a decrease of \$196 or 6.7% mainly due to higher capitalized interest. Amortization of premium and discount slightly decreased by \$9 or 3.8% to \$228.

Other non-operating expenses were \$1,060, a decrease of \$305 or 22.3% due to \$354 in loss from sale of fixed assets in prior year, offset by an increase of \$49 in payments for GoSolarSF Incentive Program and community-based organization programs. Transfer out of \$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, 2020 increased by \$19,892 or 4.5% compared to prior year.

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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 Activities
Years ended June 30, 2021, 2020, and 2019

	2021	2020	2019	2021 - 2020 Change	2020 - 2019 Change
Revenues:					
Charges for services	\$ 207,698	245,460	167,820	(37,762)	77,640
Interest and investment income	51	1,771	735	(1,720)	1,036
Other non-operating revenues	927	1	—	926	1
Total revenues	<u>208,676</u>	<u>247,232</u>	<u>168,555</u>	<u>(38,556)</u>	<u>78,677</u>
Expenses:					
Operating expenses	212,716	196,026	137,284	16,690	58,742
Interest expenses	18	69	130	(51)	(61)
Total expenses	<u>212,734</u>	<u>196,095</u>	<u>137,414</u>	<u>16,639</u>	<u>58,681</u>
Change in net position	(4,058)	51,137	31,141	(55,195)	19,996
Net position at beginning of year	91,138	40,001	8,860	51,137	31,141
Net position at end of year	<u>\$ 87,080</u>	<u>91,138</u>	<u>40,001</u>	<u>(4,058)</u>	<u>51,137</u>

CleanPowerSF Results of Operations, Fiscal Year 2021

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

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

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

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CleanPowerSF Results of Operations, Fiscal Year 2020

CleanPowerSF's total revenues were \$247,232, a \$78,677 or 46.7% increase over prior year (see Table 2C-C). Charges for services increased by \$77,640 or 46.3% mainly due to \$74,099 increased electricity sales to retail and commercial customers, and \$3,541 from capacity sales to Hetchy Power and other entities. Consumption increased to 1,010,934 MWh or 51% and number of customer accounts have grown from 376,787 to 383,895 as of June 2020. Interest and investment income increased by \$1,036 or 141% due to \$638 in interest earned resulting from higher average cash balance and \$398 in unrealized gains attributed to increase in market value in cash and investments with City Treasury. Other non-operating revenue increased by \$1 due to termination fees from customers.

Total operating expenses, excluding interest expenses were \$196,026, an increase of \$58,742 or 42.8% from prior year. The increase was due to \$51,932 in purchased electricity and transmission, distribution and other power costs as a result of higher electricity sales, \$3,308 in personnel services resulting from cost of living adjustments, higher retirement contribution rates, higher pension obligations based on actuarial reports and increased personnel and fringe benefit costs, \$2,771 in professional and contractual services mainly from services provided by Calpine Energy Solution for customer billings, \$1,142 in general and administrative mainly from increased taxes, license, and permits fees, \$63 in other operating expenses mainly from the Neighborhood Steward Program Project and \$6 in materials and supplies. These increases were offset by a decrease of \$480 in services provided by other departments mainly explained by lower mail services and support provided by Hetchy Power for administrative services. Interest expenses were \$69, a decrease of \$61 or 46.9% due to lower outstanding balance for the working capital loan from Hetchy Power.

As a result of the above activities, net position for the year ended June 30, 2020 increased by \$51,137 or 127.8% compared to prior year.

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, 2021, 2020, and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021 - 2020</u> <u>Change</u>	<u>2020 - 2019</u> <u>Change</u>
Facilities, improvements, machinery, and equipment	\$ 7,595,329	7,419,330	7,167,172	175,999	252,158
Intangible assets	35,102	32,528	34,853	2,574	(2,325)
Land and rights-of-way	154,001	155,089	71,228	(1,088)	83,861
Construction work in progress	2,079,754	1,592,097	1,387,840	487,657	204,257
Total	<u>\$ 9,864,186</u>	<u>9,199,044</u>	<u>8,661,093</u>	<u>665,142</u>	<u>537,951</u>

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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, 2021, 2020, and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021 - 2020</u> <u>Change</u>	<u>2020 - 2019</u> <u>Change</u>
Facilities, improvements, machinery, and equipment	\$ 4,948,186	4,928,438	4,890,207	19,748	38,231
Intangible assets	2,763	4,089	5,816	(1,326)	(1,727)
Land and rights-of-way	104,248	105,336	30,029	(1,088)	75,307
Construction work in progress	532,602	492,682	462,606	39,920	30,076
Total	<u>\$ 5,587,799</u>	<u>5,530,545</u>	<u>5,388,658</u>	<u>57,254</u>	<u>141,887</u>

Water Capital Assets, Fiscal Year 2021

The Water Enterprise has net capital assets of \$5,587,799 invested in a broad range of utility capital assets as of June 30, 2021 (see Table 3A). The investment in capital assets includes land, facilities, improvements, water treatment plants, aqueducts, water transmission, distribution mains, water storage facilities, pump stations, water reclamation facilities, machinery, and equipment. The Water Enterprise's net revenue and long term debt are used to finance capital investments. Capital assets, net of accumulated depreciation and amortization, increased by \$57,524 from the prior year. Construction work in progress increased by \$39,920 primarily due to additions from the SF Recycled Water project, Sunol Long Term Improvements and Regional Groundwater Storage and Recovery projects. Facilities, improvements, machinery, and equipment increased by \$19,748 mainly attributable to the San Andreas Pipeline Number 2 and Water Main Replacement projects. Intangible assets decreased by \$1,326 due to \$1,601 in amortization, offset by \$143 addition for information technology and \$132 addition for automated meter reading system. Land decreased by \$1,088 as the result of sale of the Wool Ranch property in the Alameda Creek Watershed and reimbursement of land costs for 2000 Marin Street, San Francisco, CA.

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

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

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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, 2021 include the following:

San Andreas Pipeline Number 2 Replacement - 4 Segments in San Bruno	\$ 43,340
Water Main Replacement - WD-2692 Geary Blvd/36th/48th/Point Lobos Ave	9,329
Water Main Replacement - WD-2719 22nd/Valencia St./Potrero Ave	8,004
New Water Utility Services	7,992
Alameda Creek Watershed Fish Passage Facilities	7,465
Water Main Replacement - WD-2766 Taraval Street	7,328
Water Main Replacement - WD-2793 Geary Blvd/Cleary Ct./Market St.	6,655
Other items individually below \$5,000	7,242
Total	<u>\$ 162,455</u>

See Note 4 for additional information about capital assets.

Water System Improvement Program (WSIP)

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

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

Water Capital Assets, Fiscal Year 2020

The Water Enterprise has net capital assets of \$5,530,545 invested in a broad range of utility capital assets as of June 30, 2020 (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 \$141,887 from the prior year. Land increased by \$75,307 mainly as the result of a property transfer related to 639 Bryant Street for 2000 Marin Street completed in the fiscal year. Facilities, improvements, machinery, and equipment increased by \$38,231 mainly attributable to Sunol Corp Yard, Water Main Replacement, and Alameda Creek Watershed projects. Construction work in progress increased by \$30,076 primarily due to additions from Recycled Water project, San Andreas Pipeline replacement, and Watershed and Environmental Improvement program. Intangible assets decreased by \$1,727 due to \$2,101 amortization, offset by increases of \$374 from Microsoft SharePoint software and IBM Maximo software improvements.

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Major additions to construction work in progress during the year ended June 30, 2020 include the following:

SF Recycled Water Project	\$ 46,912
San Andreas Pipeline Number 2 Replacement	27,817
Watershed and Environmental Improvement Program	13,117
Regional Groundwater Storage & Recovery	11,864
Calaveras Dam Replacement	11,119
Water Main Replacement - Van Ness Avenue/Market/Lombard Streets	8,120
New Water Utility Services	7,908
Sunol Long Term Improvements	7,222
San Francisco Groundwater Supply	6,647
Renew Water Utility Services	6,276
Peninsula Water System Improvements	5,922
Water Main Replacement - 16th Street	5,769
Other project additions individually below \$5,000	61,734
Total	<u>\$ 220,427</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, 2020 include the following:

Sunol Corp Yard - Administration Building	\$ 32,965
Water Main Replacement - Van Ness Avenue/Market/Lombard Streets	20,692
Water Main Replacement - 16th Street	9,104
Alameda Creek Watershed Fish Passage Facilities	8,597
Sunol Corp Yard - Shop Building #1	8,543
Irving Street Pipeline	7,926
New Water Utility Services	7,908
Renew Water Utility Services	6,276
Sunol Corp Yard - Shop Building #4	5,847
Other items individually below \$5,000	70,874
Total	<u>\$ 178,732</u>

See Note 4 for additional information about capital assets.

Water System Improvement Program

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, 2020. 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, 2020, 35 local projects were completed, and the completion date was June 3, 2020. For regional projects,

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42 are completed and the expected completion date is May 2023. Additional details regarding the WSIP are available at <https://sfpuc.org/construction-contracts/water-infrastructure-improvements>.

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, 2021, 2020, and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021 - 2020</u> <u>Change</u>	<u>2020 - 2019</u> <u>Change</u>
Facilities, improvements, machinery, and equipment	\$ 2,214,227	2,104,332	1,916,979	109,895	187,353
Intangible assets	7,407	3,046	3,183	4,361	(137)
Land and rights-of-way	44,572	44,572	36,018	—	8,554
Construction work in progress	1,340,644	910,338	765,624	430,306	144,714
Total	<u>\$ 3,606,850</u>	<u>3,062,288</u>	<u>2,721,804</u>	<u>544,562</u>	<u>340,484</u>

Wastewater Capital Assets, Fiscal Year 2021

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

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

Southeast Plant Biosolids and Digester Facilities Project	\$ 259,938
Southeast Plant New Headworks Grit Removal and Influent Pump Station	110,472
Southeast Community Center	47,373
Southeast Plant Power Feed and Primary Switchgear Upgrades	18,881
Mariposa Pump Station & Force Main	11,031
Oceanside Plant Digester Gas Handling Utilization	8,856
Seismic Reliability - Phase 1	7,647
Public Works Various Locations Number 35 Infrastructure Improvements	7,134
As-Needed Spot Sewer Replacement Number 40	7,101
Ocean Beach Project	6,727
Force Main Rehabilitation at Embarcadero and Jackson Streets	6,615
Facility-Wide Distributed Control System Upgrade	5,998
Van Ness Bus Rapid Transit Sewer Improvements	5,482
As-Needed Spot Sewer Replacement No. 38	4,972
Public Works Various Locations Number 40 Infrastructure Improvements	4,918
Southeast Plant 062 Archimedes Screw Pump	4,697
Taraval Sewer Improvements	4,070
As-Needed Main Sewer Replacement Number 7	4,043
Other project additions individually below \$4,000	93,864
Total	<u>\$ 619,819</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, 2021 include the following:

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

See Note 4 for additional information about capital assets.

Sewer System Improvement Program (SSIP)

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

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

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Wastewater Capital Assets, Fiscal Year 2020

The Wastewater Enterprise has capital assets of \$3,062,288, net of accumulated depreciation and amortization, invested in a broad range of utility capital assets as of June 30, 2020 (see Table 3B). This amount represents an increase of \$340,484, or 12.5% from prior fiscal year. The investment in capital assets includes land, buildings, improvements, wastewater treatment plants, sewer pipes and mains, underground transport and storage boxes, pump stations, machinery, and equipment. Facilities, improvements, machinery, and equipment increased by \$187,353 or 9.8%, construction work in progress increased by \$144,714 or 18.9%, and land and rights-of-way increased by \$8,554 or 23.7% due to the Rankin Street land purchase, offset by a decrease of \$137 or 4.3%, in intangible assets due to amortization.

Major additions to construction work in progress during the year ended June 30, 2020 include the following:

Southeast Plant Biosolids and Digester Facilities Project	\$ 116,761
Southeast Plant New Headworks Grit Removal and Influent Pump Station	69,287
Southeast Community Center	14,708
Seismic Reliability - Phase 1	13,066
Oceanside Plant Digester Gas Handling Utilization	11,087
As-Needed Spot Sewer Replacement No. 38	10,501
Southeast Plant Water System Improvements	9,206
Program Management	9,088
Public Works Lombard Street Infrastructure Improvements	7,729
Mariposa Pump Station & Force Main	7,411
Islais Creek Outfall	7,401
Geary Bus Rapid Transit Sewer Improvements	6,013
Southeast Plant 062 Archimedes Screw Pump	5,236
Richmond Early Implementation Project	5,211
Channel Tunnel/Bayside Drainage	5,180
Public Works Various Locations Pavement Number 37	4,966
Van Ness Bus Rapid Transit Sewer Improvements	4,674
Public Works Various Locations Number 39 Infrastructure Improvements	4,639
As-Needed Main Sewer Replacement #7	4,385
Ocean Beach Project	4,255
Westside Pump Station Reliability Improvements	4,245
Taraval Sewer Improvements	4,174
Other project additions individually below \$4,000	76,575
Total	<u>\$ 405,798</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, 2020 include the following:

Southeast Plant Water System Improvements	\$ 64,526
Griffith Pump Station Improvements	20,305
Oceanside Plant Condition Assessment Repairs	15,440
Seismic Reliability - Phase 1	14,317
As Needed Spot Sewer Replacement Number 38	12,136
Islais Creek Outfall	9,206
Southeast Plant 740 Digester Gas Upgrade	8,688
Various Locations Sewer Replacement Number 3	8,245
Public Works Various Locations Pavement Number 37	7,123
Public Works Filbert Other Street Infrastructure Improvements	5,784
Public Works Various Locations Number 28 Infrastructure Improvements	5,772
Various Locations Sewer Replacement Number 5	5,013
Oceanside Plant Building 620 Digester Recirculation Pump	4,965
Westside Pump Station Reliability Improvements	4,756
5th/North/6th Division Street Combined Sewer Discharge	4,691
Public Works Evans Avenue Infrastructure Improvements	4,538
As Needed Main Sewer Replacement Number 7	4,385
Public Works As Needed Number 11 Infrastructure Improvements	4,284
Public Works Irving Street Phase 2 Infrastructure Improvements	4,115
Public Works Clayton Other Street Infrastructure Improvements	3,950
46th/47th/48th Avenues Sewer Replacement	3,149
Wastewater 16th Street Sewer Replacement	3,080
Oceanside Plant Facility Ventilation System	3,042
Other project additions individually below \$3,000	28,880
Total	<u>\$ 250,390</u>

See Note 4 for additional information about capital assets.

Sewer System Improvement Program

The SSIP includes three phases over 20 years to improve the existing wastewater system. In March 2016, the refined program scope and budget increased from \$6.9 billion to \$7.0 billion endorsed by the Commission along with the baseline for scope, schedule, and budget for phase I, II, and III projects.

As of June 30, 2020, 32 projects or 45.7% totaling \$324 million were completed, with 15 projects in pre-construction phase, 17 projects in construction phase, and 6 projects in close-out phase. The SEP Existing Digester Gas Handling Improvements was completed on February 28, 2020 with reported project expenditures of \$15.5 million. The goal of this project is to cost effectively integrate the digester gas handling system at the SEP, improve the reliability of the cogeneration facility, and provide backup fuel source for the boilers. The SEP New Headworks Facility-SCOPE II.A is on-going construction. The project is reported at 82.7% completion and forecasted final completion is on November 14, 2020. Program expenditures as of June 30, 2020 totaled \$1,079.0 million. Additional details regarding the SSIP are available at <https://sfpub.org/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, 2021, 2020, and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021 - 2020</u> <u>Change</u>	<u>2020 - 2019</u> <u>Change</u>
Facilities, improvements, machinery, and equipment \$	128,335	122,433	97,250	5,902	25,183
Intangible assets	10,581	10,789	10,996	(208)	(207)
Land and rights-of-way	3,232	3,232	3,232	-	-
Construction work in progress	35,333	24,328	37,625	11,005	(13,297)
Total	<u>\$ 177,481</u>	<u>160,782</u>	<u>149,103</u>	<u>16,699</u>	<u>11,679</u>

Hetchy Water Capital Assets, Fiscal Year 2021

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

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

See Note 4 for additional information about capital assets.

Hetchy Water Capital Assets, Fiscal Year 2020

Hetchy Water has capital assets of \$160,782, net of accumulated depreciation and amortization, invested in a broad range of utility capital assets as of June 30, 2020 (see Table 3C-A). This amount represents an increase of \$11,679 or 7.8%, primarily due to an increase of \$25,183 in facilities, improvements, machinery, and equipment, offset by decreases of \$13,297 in construction work in progress, and \$207 in amortization of intangible assets.

For the year ended June 30, 2020, Hetchy Water's major additions to construction work in progress totaled \$17,669. Major depreciable facilities, improvements, intangible assets, machinery, and equipment placed in service totaled \$30,249 (see Table 3E).

See Note 4 for additional information about capital assets.

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

Table 3C - B
Proprietary Fund - Hetchy Power
Capital Assets, Net of Accumulated Depreciation and Amortization
As of June 30, 2021, 2020, and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021 - 2020</u> <u>Change</u>	<u>2020 - 2019</u> <u>Change</u>
Facilities, improvements, machinery, and equipment	\$ 304,581	264,127	262,736	40,454	1,391
Intangible assets	14,351	14,604	14,858	(253)	(254)
Land and rights-of-way	1,949	1,949	1,949	-	-
Construction work in progress	171,175	164,749	121,985	6,426	42,764
Total	<u>\$ 492,056</u>	<u>445,429</u>	<u>401,528</u>	<u>46,627</u>	<u>43,901</u>

Hetchy Power Capital Assets, Fiscal Year 2021

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

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

See Note 4 for additional information about capital assets.

Hetchy Power Capital Assets, Fiscal Year 2020

Hetchy Power has capital assets of \$445,429, net of accumulated depreciation and amortization, invested in utility capital assets as of June 30, 2020 (see Table 3C-B). This amount represents an increase of \$43,901 or 10.9%, primarily due to increases of \$42,764 in construction work in progress and \$1,391 in facilities, improvements, machinery, and equipment; offset by a decrease of \$254 in amortization of intangible assets.

For the year ended June 30, 2020, Hetchy Power's major additions to construction work in progress totaled \$70,125. Major depreciable facilities, improvements, intangible assets, machinery, and equipment placed in service totaled \$16,860 (see Table 3E).

See Note 4 for additional information about capital assets.

CleanPowerSF Capital Assets

CleanPowerSF had no capital assets as of June 30, 2021 and 2020.

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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 year ended June 30, 2021 and 2020 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, 2021

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

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Table 3E
Proprietary Funds – Hetchy Water and Hetchy Power
Major Additions to Construction Work in Progress and Facilities, Improvements,
Intangible Assets, Machinery, and Equipment Placed in Service
Year ended June 30, 2020

	<u>Hetchy Water</u>	<u>Hetchy Power</u>	<u>Total 2020</u>
Bay Corridor Project	\$ —	16,789	16,789
2018 Moccasin Storm	8,966	—	8,966
Power Asset Acquisition Analysis	—	8,580	8,580
Van Ness - Bus Rapid Transit	—	8,557	8,557
Other Powerhouse Projects	—	7,687	7,687
Mountain Tunnel Improvement Project	2,477	3,027	5,504
Warnerville Substation Rehabilitation	—	5,067	5,067
Other project additions individually below \$5,000	6,226	20,418	26,644
Additions to Construction Work in Progress	<u>\$ 17,669</u>	<u>70,125</u>	<u>87,794</u>
San Joaquin Pipeline Replacement	\$ 7,315	—	7,315
Moccasin Creek Downstream Channel Improvements	5,055	—	5,055
Lower Cherry Aqueduct Rehabilitation	4,442	—	4,442
Kirkwood Penstock	—	3,668	3,668
Moccasin Spillway Facilities	3,141	—	3,141
Guardrail & Pavement	1,376	1,681	3,057
Intervening Facilities	—	2,335	2,335
Early Intake Switchyard Slope Hazard Mitigation	—	2,219	2,219
Other project additions individually below \$2,000	8,920	6,957	15,877
Facilities, Improvements, Intangible Assets, Machinery, and Equipment Placed in Service	<u>\$ 30,249</u>	<u>16,860</u>	<u>47,109</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, 2021, 2020, and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021 - 2020 Change</u>	<u>2020 - 2019 Change</u>
Revenue bonds	\$ 6,624,720	6,358,056	6,503,164	266,664	(145,108)
Clean Renewable Energy Bonds 2008	823	1,231	1,639	(408)	(408)
Capital appreciation bonds	—	—	2,029	—	(2,029)
Commercial paper	859,051	633,828	503,558	225,223	130,270
Certificates of participation	138,180	142,265	146,207	(4,085)	(3,942)
State revolving fund loans	215,966	161,820	88,032	54,146	73,788
Qualified Energy Conservation Bonds 2011	3,687	4,229	4,765	(542)	(536)
New Clean Renewable Energy Bonds	1,779	3,320	4,135	(1,541)	(815)
Total	<u>\$ 7,844,206</u>	<u>7,304,749</u>	<u>7,253,529</u>	<u>539,457</u>	<u>51,220</u>

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Water Debt Administration

As of June 30, 2021, the Water Enterprise had \$5,306,706 total debt outstanding, an increase of \$74,208 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, 2021, 2020, and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021 - 2020</u>	<u>2020 - 2019</u>
				Change	Change
Revenue bonds	\$ 4,994,775	4,695,295	4,808,548	299,480	(113,253)
Capital appreciation bonds	—	—	2,029	—	(2,029)
Commercial paper	105,862	362,354	161,336	(256,492)	201,018
Certificates of participation	98,662	101,578	104,392	(2,916)	(2,814)
State revolving fund loans	107,407	73,271	—	34,136	73,271
Total	<u>\$ 5,306,706</u>	<u>5,232,498</u>	<u>5,076,305</u>	<u>74,208</u>	<u>156,193</u>

The increase of \$299,480 in revenue bonds was due to increases of \$1,011,155 from the issuance of 2020 Series ABCD revenue bonds and 2020 Series EFGH revenue refunding bonds, \$73,542 in bond premium from the issuance of 2020 Series ABCD revenue bonds, and \$10 from amortization of discount. These increases were offset by decreases of \$625,080 from the refunding of various revenue bonds by the 2020 Series EFGH refunding revenue bonds, \$76,440 from principal repayment, \$57,820 from refunding of premium, and \$25,887 from amortization of premium. The increase of \$34,136 in State revolving funds loans was from \$49,546 additional loan proceeds and reimbursement request for the SF Westside Recycled Water project, offset by \$15,410 due to \$15,000 for the grant portion received and \$410 of disallowed reimbursement request from the program. The decrease of \$2,916 in certificates of participation was \$2,824 from repayment and \$92 from amortization of premium. The Water Enterprise had \$79,251 in tax-exempt and \$26,611 in taxable commercial paper as of June 30, 2021, and \$335,793 in tax-exempt and \$26,561 in taxable commercial paper as of June 30, 2020. The decrease of \$256,492 was due to \$272,820 from refunding of tax-exempt commercial paper by the 2020 Series ABCD revenue bonds, offset by additional issuances of \$16,278 in tax-exempt and \$50 in taxable commercial paper.

Credit Ratings and Bond Insurance – The Water Enterprise carried underlying ratings of “Aa2” and “AA-” from Moody’s and Standard & Poor’s (S&P) at June 30, 2021, and “Aa2” and “AA-” from Moody’s and Standard & Poor’s (S&P) at June 30, 2020, respectively.

Debt Service Coverage – Pursuant to the Amended and Restated Indenture, the Water Enterprise is required to collect sufficient net revenues each fiscal year, together with any Water Enterprise funds (except Bond Reserve Funds), which are available for payment of debt service and are not budgeted to be expended, at least equal to 1.25 times annual debt service for said fiscal year. During fiscal years 2021 and 2020, the Water Enterprise’s net revenues, together with fund balances available to pay debt service and not budgeted to be expended, were sufficient to meet the rate covenant requirements under the Water Enterprise’s Amended and Restated Indenture (see Note 9).

Debt Authorization – Pursuant to the Charter Section 8B.124, the Water Enterprise can incur indebtedness upon two-thirds vote of the Board of Supervisors, as approved by voters in Proposition E in November 2002. As of June 30, 2021, the Board of Supervisors has authorized the issuance of \$4,617,099 in revenue bonds under Proposition E, with \$3,660,525 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, 2021, \$1,499,230 of the \$1,628,000

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Proposition A authorized bonds were issued. The Water Enterprise is also authorized to issue up to \$500,000 in commercial paper.

Cost of Debt Capital – The Water Enterprise's outstanding long-term debt has coupon interest rates ranging from 0.3% to 7.0% as of June 30, 2021 and 2020. The Water Enterprise's short-term debt has interest rates ranging from 0.1% to 0.3% during fiscal year 2021, and 0.2% to 2.2% during fiscal year 2020.

Wastewater Debt Administration

As of June 30, 2021, 2020, and 2019, the Wastewater Enterprise's debt from revenue bonds, commercial paper, certificates of participation, and State revolving fund loans were \$2,363,086, \$1,945,080, and \$2,059,742, respectively, as shown in Table 4B. More detailed information about the Wastewater Enterprise's debt activity is presented in Notes 6, 7, 8 and 9 to the financial statement.

Table 4B
Proprietary Fund – Wastewater
Outstanding Debt, Net of Unamortized Costs
As of June 30, 2021, 2020, and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021 - 2020</u>	<u>2020 - 2019</u>
				<u>Change</u>	<u>Change</u>
Revenue bonds	\$ 1,589,922	1,621,733	1,652,609	(31,811)	(30,876)
Commercial paper	638,518	207,939	291,498	430,579	(83,559)
Certificates of participation	26,087	26,859	27,603	(772)	(744)
State revolving fund loans	108,559	88,549	88,032	20,010	517
Total	<u>\$ 2,363,086</u>	<u>1,945,080</u>	<u>2,059,742</u>	<u>418,006</u>	<u>(114,662)</u>

The increase of \$418,006 was mainly due to \$435,450 issuance of commercial paper and \$22,468 of State Revolving Fund loans for the OSP Digester Gas Utilization Upgrade, SEP 521/522 and Disinfection Upgrade and Lake Merced Green Infrastructure projects, offset by \$31,316 repayment of outstanding debt and \$8,596 of premium amortizations.

Credit Ratings and Bond Insurance – As of June 30, 2021 and 2020, the Wastewater Enterprise carried underlying ratings of “Aa2” and “AA” from Moody's and Standard & Poor's (S&P), respectively.

Debt Service Coverage – Pursuant to the Indenture for the Wastewater bonds, the Wastewater Enterprise covenants to collect sufficient net revenues each fiscal year, together with any Wastewater Enterprise funds (except Bond Reserve Funds) that are available for payment of debt service and are not budgeted to be expended, at least equal to 1.25 times annual debt service for said fiscal year. During fiscal years 2021 and 2020, the Wastewater Enterprise's net revenues, together with fund balances available to pay debt service and not budgeted to be expended, were sufficient to meet the rate covenant requirements under the Indenture (see Note 9).

Debt Authorization – Pursuant to the Charter Section 8B.124, the Wastewater Enterprise can incur indebtedness upon two-thirds vote of the Board of Supervisors. As of June 30, 2021, the Wastewater Enterprise had \$3,791,781 in combined debt issuance authorization from the Board of Supervisors under Proposition E, with \$2,735,709 issued against this authorization. The Wastewater Enterprise has a \$750,000 authorized commercial paper program, with \$638,518 in tax-exempt commercial paper outstanding as of June 30, 2021 and \$207,939 in tax-exempt commercial paper outstanding as of June 30, 2020.

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Cost of Debt Capital – The coupon interest rates on the Wastewater Enterprise's outstanding revenue bonds ranged from 1.0% to 5.8%, with a blended true interest cost of 3.4%, after factoring in federal interest subsidy receipts on Build America Bonds at June 30, 2021. The 2009 Series C certificates of participation carried coupon interest rates from 2.0% to 5.0% and 2009 Series D certificates of participation carried coupon interest rates from 6.4% to 6.5% in fiscal years 2021 and 2020, respectively. The interest rates on short-term debt ranged from 0.1% to 0.2% as of end of fiscal year 2021 and from 0.2% to 1.9% during fiscal year 2020. The State revolving fund loans (CWSRF loans) carried interest rates ranging from 0.8% to 1.8% for a weighted average of 1.4% as of end of fiscal year 2021.

Hetchy Water Debt Administration

Hetchy Water did not have debt outstanding as of June 30, 2021 and 2020. 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, 2021 and 2020, Hetchy Power had outstanding debt of \$174,414 and \$127,171, 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, 2021, 2020, and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2021 - 2020</u> Change	<u>2020 - 2019</u> Change
Clean Renewable Energy Bonds 2008	\$ 823	1,231	1,639	(408)	(408)
Certificates of Participation 2009 Series C	838	1,235	1,619	(397)	(384)
Certificates of Participation 2009 Series D (BABs)	12,593	12,593	12,593	–	–
Qualified Energy Conservation Bonds 2011	3,687	4,229	4,765	(542)	(536)
New Clean Renewable Energy Bonds 2012	–	130	713	(130)	(583)
New Clean Renewable Energy Bonds 2015	1,779	3,190	3,422	(1,411)	(232)
2015 Series A Revenue Bonds	35,297	35,444	35,585	(147)	(141)
2015 Series B Revenue Bonds	4,726	5,584	6,422	(858)	(838)
Commercial Paper	114,671	63,535	50,724	51,136	12,811
Total	<u>\$ 174,414</u>	<u>127,171</u>	<u>117,482</u>	<u>47,243</u>	<u>9,689</u>

The increase of \$47,243 was mainly due to an increase of \$51,136 in commercial paper issuance, offset by \$2,402 in principal repayments, \$1,272 in return of unspent bond proceeds for 2015 NCREBs, and \$219 in amortization of premium and discount.

Credit Ratings and Bond Insurance – The Power Enterprise's 2015 Series AB Power Revenue Bonds have been rated "AA-" by Fitch Inc and "AA" by Standard and Poor's (S&P) as of June 30, 2021 and 2020, 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.

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Debt Service Coverage – Pursuant to the Indenture, the Power Enterprise is required to collect sufficient net revenues each fiscal year, together with any Available Funds (except Bond Reserve Funds) which include unappropriated fund balances and reserves, and cash and book value of investments held by the Treasurer for the Hetchy Power, that the SFPUC reasonably expects would be available, to pay principal and interest becoming due and payable on all outstanding bonds as provided in the Indenture, less any refundable credits, at least equal to 1.25 times annual debt service for said fiscal year. The Series 2015 AB power revenue bonds represent the first series of senior lien revenue bonds of Hetchy Power. Pursuant to Power's Master Trust Indenture, senior lien debt service coverage excludes debt service on subordinate obligations, such as Hetchy Power's existing CREBS, NCREBs, and QECBs. Because interest on the Series 2015 AB power revenue bonds was capitalized, Hetchy Power was not obligated to make debt service payments on the Series 2015 AB power revenue bonds until fiscal year 2018. Therefore, Hetchy Power did not calculate and report the Indenture-based debt service coverage ratio prior to fiscal year 2018. During fiscal year 2021, the Power Enterprise's net revenues, together with fund balances available to pay debt service and not budgeted to be expended, were sufficient to meet the rate covenant requirements under the Power Enterprise's Indenture (see Note 9).

Debt Authorization – Pursuant to Charter Section 9.107(6), the Power Enterprise can incur indebtedness upon three-fourths vote of the Board of Supervisors, for the purpose of the reconstruction or replacement of existing water facilities and electric power facilities, or combinations thereof, under the jurisdiction of the Public Utilities Commission. Pursuant to Charter Section 9.107(8), the Power Enterprise can issue revenue bonds, without voter approval, upon an affirmative vote of the Board of Supervisors, for the purpose of the acquisition, construction, installation, equipping, improvement, 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, 2021 and 2020, \$39,555 of Hetchy Power revenue bonds were issued against existing authorization of \$535,699 and \$392,728, respectively.

Cost of Debt Capital – The Power Enterprise's outstanding long-term senior lien debt consists of the 2015 Series AB Power Revenue Bonds issued in May 2015, which are the first series of bonds issued under the Master Indenture and are senior in lien to all the other Power Enterprise's outstanding debt obligations. Coupon interest rates range from 3.0% to 5.0%. The Power Enterprise has previously issued and incurred debt service on Tax Credit Bonds and certificates of participation, which constitute subordinate obligations. Interest rates on the Tax Credit Bonds, which include QECBs and NCREBs, ranging from 1.2% to 1.5% (net of the federal tax subsidy). Certificates of participation carried interest rates ranging from 2.0% to 6.5%. The Power Enterprise's short-term debt issued under its commercial paper program has interest rates ranging from 0.1% to 0.2% and 0.2% to 4.0% during fiscal years 2021 and 2020, respectively.

CleanPowerSF Debt Administration

CleanPowerSF did not have debt outstanding as of June 30, 2021 and 2020.

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Rates and Charges

Water and Wastewater Enterprises

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

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

Pursuant to the City and County of San Francisco Charter Section 8B.125, an independent rate study is performed at least once every five years. In compliance with City Charter section 8B.125, a rate study was completed in April 2018 and resulted in an approved four-year water and wastewater rate increase from July 1, 2018 through June 30, 2022. The SFPUC Rates Schedules and Fees is available at <https://sfpuc.org/accounts-services/water-power-and-sewer-rates>.

Water Enterprise

Wholesale Customers

The WSA prescribes the rate setting process for the wholesale water rates. The WSA has a 25-year term, beginning on July 1, 2009, with two 5-year extension options. The WSA was amended and restated on December 11, 2018 by the SFPUC. The contract changed the rate basis by which the capital cost recovery is determined from a "utility basis" to a "cash basis," resulting in the repayment of the cost of capital over the life of the debt funding of those assets rather than the life of the asset. The WSA requires the rate be calculated and set annually and include a reconciliation between prior year revenues and expenses. Refer to Note 10 of the notes to financial statements for further discussion on the balancing account of the wholesale customers.

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Water Enterprise

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

Ten-year Average Rate Adjustments		
Effective date	Retail	Wholesale³
July 1, 2012	12.5 ¹ %	11.4 %
July 1, 2013	6.5 ¹	(16.4)
July 1, 2014	12.0 ²	19.6
July 1, 2015	12.0 ²	28.0
July 1, 2016	10.0 ²	9.3
July 1, 2017	7.0 ²	—
July 1, 2018	9.0 ⁴	—
July 1, 2019	8.0 ⁴	—
July 1, 2020	7.0 ⁴	—
July 1, 2021	7.0 ⁴	—

¹ Five-year retail rate increases adopted and effective July 1, 2009.
² Four-year retail rate increases adopted and effective July 1, 2014.
³ Wholesale rates adopted annually; no increase for wholesale rates effective July 1, 2017; no increase projected through June 30, 2022 from 10 Year Financial Plan.
⁴ Four-year retail rate increases adopted and effective July 1, 2018.

Wastewater Enterprise

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

Ten-year Average Rate Adjustments	
Effective Date	Rate
July 1, 2012	5.0 ¹ %
July 1, 2013	5.0 ¹
July 1, 2014	5.0 ²
July 1, 2015	5.0 ²
July 1, 2016	7.0 ²
July 1, 2017	11.0 ²
July 1, 2018	7.0 ³
July 1, 2019	7.0 ³
July 1, 2020	8.0 ³
July 1, 2021	8.0 ³

¹ Four-year rate increases adopted and effective July 1, 2009.
² Four-year rate increases adopted and effective July 1, 2014.
³ Four-year rate increases adopted and effective July 1, 2018.

Hetchy Water

Hetchy Water charges for services relates to the storage and delivery of water. Assessment fees from the Water Enterprise, which cover the water-related upcountry costs, were \$44,149 and \$34,585 for the years ended June 30, 2021 and 2020, respectively. In fiscal year 2022, the assessment fees will be \$45,815, an increase of \$1,666 or 3.8% as reflected in the fiscal year 2022 adopted budget.

Hetchy Power

Municipal Rates

Hetchy Power charges for services relates to power generation and electricity delivery to contractual and municipal customers. For municipal power services, customers are typically charged a General Use rate or Enterprise rate. Enterprise rates are charged based on projected PG&E equivalent rates by customer class. General fund department customers are mostly charged a General Use rate, a rate that is currently below

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cost of service. These General Use rates, however, are moving closer towards cost of service and increasing by \$0.01 per kWh on an annual basis beginning July 1, 2020. The General Use rates have been adopted every two years.

On May 10, 2020, the Commission adopted two years of General Use rates effective July 1, 2020 through June 30, 2022. The adopted General Use rate for fiscal years 2021 and 2022 are \$0.08877/kWh and \$0.09877/kWh, respectively. The Power Enterprise continues to develop rates under the cost of service analysis model and has started work on the next power rate study which is projected to be completed in 2022.

Retail Rates

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

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

Pursuant to City and County of San Francisco Charter Section 8B.125, an independent rate study is performed at least once every five years. The rate study is undertaken to examine future revenue requirements and cost-of-service of the Power Enterprise. In fall 2015, SFPUC engaged a consultant to perform a cost-of-service study. The informed rate setting from this study resulted in recommendation and approval by the Commission in the spring 2016 for rates to be effective July 1, 2016. Work is underway on the next power rate study which is projected to be completed in 2022 and provide power rates effective for fiscal year 2023. The SFPUC Rates Schedules and Fees is available at <https://sfpuc.org/accounts-services/water-power-and-sewer-rates>.

CleanPowerSF

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

The CleanPowerSF Rates Schedules are available at <http://cleanpowersf.org/residential> for residential customers and <http://cleanpowersf.org/commercial> for commercial customers.

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CleanPowerSF revenues are adequate to support its own operations; the SFPUC intends that these rates be sufficient to pay for impending projects, and be financially independent from Hetch Hetchy in the future. CleanPowerSF is subject to Section 8B.125 of the City Charter, which requires an independent rate study be performed at least once every five years, and the Commission sets rates and charges for the program. CleanPowerSF rates will be included in the next power rate study which is projected to be completed in 2022.

Request for Information

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

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

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Assets	Business Type Activities – Proprietary Funds													
	Water		Wastewater		Hetchy Water		Hetchy Power		CleanPowerSF		Eliminations		SFPUC Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Current assets:														
Cash and investments with City Treasury.....	\$ 483,827	451,499	281,572	351,915	89,373	79,172	190,719	191,687	90,838	84,192	–	–	1,136,329	1,158,465
Cash and investments outside City Treasury.....	301	353	366	356	1	1	611	1	–	–	–	–	1,279	711
Receivables:														
Charges for services (net of allowance for doubtful accounts of \$5,445, \$5,369, \$0, \$1,258, and \$5,485 in 2021 and \$2,500, \$3,189, \$0, \$591, and \$1,810 in 2020).....	55,473	59,946	33,081	33,749	442	29	19,024	2,967	28,265	34,712	–	–	136,285	131,403
Due from other City departments, current portion.....	248	250	281	190	–	104	7,413	2,874	–	–	(110) A	(1,909) B	7,832	1,509
Due from other governments.....	16	23	–	–	579	2,575	267	1,644	–	–	–	–	862	4,242
Interest	257	1,251	189	983	21	183	125	580	55	215	–	–	647	3,212
Restricted due from other governments.....	49,546	73,271	20,755	3,265	–	–	–	–	–	–	–	–	70,301	76,536
Restricted interest and other receivable (net of allowance for doubtful accounts of \$24, \$68, \$0, \$0 and \$0 in 2021 and \$13, \$38, \$0, \$0 and \$0 in 2020).....	3,983	3,774	2,841	1,864	–	24	11,800	168	–	–	–	–	18,624	5,830
Total current receivables.....	109,523	138,515	57,147	40,051	1,042	2,915	38,629	8,233	28,320	34,927	(110)	(1,909)	234,551	222,732
Prepaid charges, advances, and other receivables, current portion.....	6,147	3,705	877	195	402	512	2,666	2,247	2,184	2,760	–	–	12,276	9,419
Inventory.....	5,937	5,777	2,657	2,476	191	187	1,820	1,609	–	–	–	–	10,605	10,049
Restricted cash and investments outside City Treasury, current portion.....	57,165	16,638	298	11,043	–	–	153	151	–	–	–	–	57,616	27,832
Total current assets.....	662,900	616,487	342,917	406,036	91,009	82,787	234,598	203,928	121,342	121,879	(110)	(1,909)	1,452,656	1,429,208
Non-current assets:														
Restricted cash and investments with City Treasury.....	–	–	–	55,132	6,990	9,768	5,241	8,060	–	–	–	–	12,231	72,960
Restricted cash and investments outside City Treasury, less current portion.....	65,688	80,924	9,898	10,461	–	–	3,690	3,795	–	–	–	–	79,276	95,180
Restricted interest and other receivable, and prepaid (net of allowance for doubtful accounts of \$8, \$29, \$0, \$0, and \$0 in 2021 and \$8, \$29, \$0, \$0, and \$0 in 2020).....	4	4	450	467	–	–	–	–	–	–	–	–	454	471
Charges for services, less current portion (net of allowance for doubtful accounts of \$658, \$569 \$0, \$0, and \$0 in 2021 and \$669, \$577 \$0, \$0, and \$0 in 2020).....	207	204	341	339	–	–	–	–	–	–	–	–	548	543
Prepaid charges, advances, and other receivables, less current portion.....	3,517	3,587	1,183	1,185	152	156	753	767	–	–	–	–	5,605	5,695
Capital assets, not being depreciated and amortized.....	637,529	598,697	1,388,262	957,956	38,571	27,566	174,555	168,129	–	–	–	–	2,238,917	1,752,348
Capital assets, net of accumulated depreciation and amortization.....	4,950,270	4,931,848	2,218,588	2,104,332	138,910	133,216	317,501	277,300	–	–	–	–	7,625,269	7,446,696
Due from other City departments, less current portion.....	–	–	–	–	–	–	4,993	12,295	–	–	(629) A	(738) B	4,364	11,557
Total non-current assets.....	5,657,215	5,615,264	3,618,722	3,129,872	184,623	170,706	506,733	470,346	–	–	(629)	(738)	9,966,664	9,385,450
Total assets.....	6,320,115	6,231,751	3,961,639	3,535,908	275,632	253,493	741,331	674,274	121,342	121,879	(739)	(2,647)	11,419,320	10,814,658
Deferred outflows of resources														
Unamortized loss on refunding of debt.....	154,991	144,189	91	189	–	–	–	–	–	–	–	–	155,082	144,378
Pensions.....	64,797	67,084	30,219	30,422	7,799	7,950	9,531	9,716	803	572	–	–	113,149	115,744
Other post-employment benefits.....	37,762	27,583	15,109	10,065	3,725	2,332	4,552	2,850	442	270	–	–	61,590	43,100
Total deferred outflows of resources.....	\$ 257,550	238,856	45,419	40,676	11,524	10,282	14,083	12,566	1,245	842	–	–	329,821	303,222

(Continued)

- A. Included interfund payables and interfund receivables for fiscal year 2021 of \$739 between Wastewater and Hetchy Power for the 525 Golden Gate Avenue Headquarters construction costs and \$0 working capital loan between Hetchy Power and CleanPowerSF.
B. Included interfund payables and interfund receivables for fiscal year 2020 of \$847 between Wastewater and Hetchy Power for the 525 Golden Gate Avenue Headquarters construction costs and \$1,800 working capital loan between Hetchy Power and CleanPowerSF.

See accompanying notes to basic financial statements.

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	Business Type Activities – Proprietary Funds													
	Water		Wastewater		Hetchy Water		Hetchy Power		CleanPowerSF		Eliminations		SFPUC Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Liabilities														
Current liabilities:														
Accounts payable.....	\$ 16,183	10,574	15,282	20,044	4,262	958	22,909	14,185	15,859	21,906	–	–	74,495	67,667
Accrued payroll.....	9,845	8,491	6,147	5,510	1,042	888	2,596	2,298	291	200	–	–	19,921	17,387
Accrued vacation and sick leave, current portion.....	6,787	6,169	5,811	4,801	1,059	911	1,777	1,596	205	175	–	–	15,639	13,652
Accrued workers' compensation, current portion.....	1,694	1,781	1,198	1,112	197	201	378	384	–	–	–	–	3,467	3,478
Due to other City departments, current portion.....	–	674	110	110	–	240	369	231	–	1,809	(110)	C (1,909) D	369	1,155
Damage claims liability, current portion.....	14,400	4,740	5,892	8,994	218	274	409	705	6	53	–	–	20,925	14,766
Unearned revenues, refunds, and other, current portion.....	18,966	18,174	5,345	5,243	22	18	5,141	4,852	1,028	848	–	–	30,502	29,135
Bond and loan interest payable.....	36,195	42,752	17,271	17,416	–	–	459	508	–	–	–	–	53,925	60,676
Bonds, current portion.....	108,500	94,080	22,880	23,240	–	–	1,928	2,115	–	–	–	–	133,308	119,435
Certificates of participation, current portion.....	2,970	2,824	785	747	–	–	405	384	–	–	–	–	4,160	3,955
Commercial paper.....	105,862	362,354	638,518	207,939	–	–	114,671	63,535	–	–	–	–	859,051	633,828
State revolving funds loans payable, current portion.....	1,667	–	2,483	2,458	–	–	–	–	–	–	–	–	4,150	2,458
Wholesale balancing account, current portion.....	21,538	11,257	–	–	–	–	–	–	–	–	–	–	21,538	11,257
Current liabilities payable from restricted assets.....	27,263	29,951	89,982	85,355	9,057	3,279	15,393	8,459	–	–	–	–	141,695	127,044
Total current liabilities.....	371,870	593,821	811,704	382,969	15,857	6,769	166,435	99,252	17,389	24,991	(110)	(1,909)	1,383,145	1,105,893
Long-term liabilities:														
Other post-employment benefits obligations.....	148,771	163,684	50,711	58,183	14,444	16,350	17,653	19,983	2,909	2,197	–	–	234,488	260,397
Net pension liability.....	216,417	178,133	103,746	86,235	26,645	21,477	32,566	26,249	3,008	1,805	–	–	382,382	313,899
Accrued vacation and sick leave, less current portion.....	7,129	5,451	5,847	4,113	1,126	735	1,840	1,361	195	116	–	–	16,137	11,776
Accrued workers' compensation, less current portion.....	7,134	7,393	5,384	4,939	923	986	1,740	1,816	–	–	–	–	15,181	15,134
Due to other City departments, less current portion.....	–	–	629	739	–	–	–	369	–	–	(629)	C (738) D	–	370
Damage claims liability, less current portion.....	22,323	6,027	10,821	6,897	307	284	699	1,517	–	53	–	–	34,150	14,778
Unearned revenues, refunds, and other, less current portion.....	–	–	–	–	116	609	852	2,790	9,000	–	–	–	9,968	3,399
Bonds, less current portion.....	4,886,275	4,601,215	1,567,042	1,598,493	–	–	44,384	47,693	–	–	–	–	6,497,701	6,247,401
Certificates of participation, less current portion.....	95,692	98,754	25,302	26,112	–	–	13,026	13,444	–	–	–	–	134,020	138,310
State revolving funds loans payable, less current portion.....	105,740	73,271	106,076	86,091	–	–	–	–	–	–	–	–	211,816	159,362
Wholesale balancing account, less current portion.....	39,326	53,600	–	–	–	–	–	–	–	–	–	–	39,326	53,600
Pollution remediation obligations.....	1,271	1,577	7,800	7,800	–	–	–	–	–	–	–	–	9,071	9,377
Total long-term liabilities.....	5,530,078	5,189,105	1,883,358	1,879,602	43,561	40,441	112,760	115,222	15,112	4,171	(629)	(738)	7,584,240	7,227,803
Total liabilities.....	5,901,948	5,782,926	2,695,062	2,262,571	59,418	47,210	279,195	214,474	32,501	29,162	(739)	(2,647)	8,967,385	8,333,696
Deferred inflows of resources														
Related to pensions.....	4,885	34,894	2,148	16,892	988	4,335	1,207	5,298	1,093	1,210	–	–	10,321	62,629
Other post-employment benefits.....	21,315	11,772	7,265	4,185	2,085	1,195	2,548	1,461	1,913	1,211	–	–	35,126	19,824
Total deferred inflows of resources.....	26,200	46,666	9,413	21,077	3,073	5,530	3,755	6,759	3,006	2,421	–	–	45,447	82,453
Net position														
Net investment in capital assets.....	517,302	527,856	1,253,789	1,183,288	177,481	160,782	323,066	322,204	–	–	–	–	2,271,638	2,194,130
Restricted for debt service.....	45,586	15,916	2,992	1,227	–	–	99	142	–	–	–	–	48,677	17,285
Restricted for capital projects.....	22,319	43,122	–	–	–	6,513	–	–	–	–	–	–	22,319	49,635
Unrestricted.....	64,310	54,121	45,802	108,421	47,184	43,740	149,299	143,261	87,080	91,138	–	–	393,675	440,681
Total net position.....	\$ 649,517	641,015	1,302,583	1,292,936	224,665	211,035	472,464	465,607	87,080	91,138	–	–	2,736,309	2,701,731

C. Included interfund payables and interfund receivables for fiscal year 2021 of \$739 between Wastewater and Hetchy Power for the 525 Golden Gate Avenue Headquarters construction costs and \$0 working capital loan between Hetchy Power and CleanPowerSF.
D. Included interfund payables and interfund receivables for fiscal year 2020 of \$847 between Wastewater and Hetchy Power for the 525 Golden Gate Avenue Headquarters construction costs and \$1,800 working capital loan between Hetchy Power and CleanPowerSF.

See accompanying notes to basic financial statements.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Statements of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
June 30, 2021 and 2020
(In thousands)

	Business Type Activities – Proprietary Funds											
	Water		Wastewater		Hetchy Water		Hetchy Power		CleanPowerSF		SFPUC Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Operating revenues:												
Charges for services.....	\$ 550,306	550,753	318,236	331,721	46,979	34,797	136,247	140,680	207,698	245,460	1,259,466	1,303,411
Rents and concessions.....	12,911	12,124	642	664	111	156	136	191	–	–	13,800	13,135
Capacity fees.....	1,326	2,169	3,710	5,896	–	–	–	–	–	–	5,036	8,065
Other revenues.....	17,069	18,305	5,077	5,847	–	–	–	–	–	–	22,146	24,152
Total operating revenues.....	<u>581,612</u>	<u>583,351</u>	<u>327,665</u>	<u>344,128</u>	<u>47,090</u>	<u>34,953</u>	<u>136,383</u>	<u>140,871</u>	<u>207,698</u>	<u>245,460</u>	<u>1,300,448</u>	<u>1,348,763</u>
Operating expenses:												
Personnel services.....	132,528	119,943	90,449	91,013	19,871	16,304	40,756	40,712	7,641	7,920	291,245	275,892
Contractual services.....	15,501	14,523	18,861	19,357	2,415	1,642	8,726	7,742	7,028	7,557	52,531	50,821
Transmission/distribution and other power costs.....	–	–	–	–	–	–	36,711	41,405	1,012	220	37,723	41,625
Purchased electricity.....	–	–	–	–	–	–	5,982	7,426	189,977	174,550	195,959	181,976
Materials and supplies.....	13,175	14,050	9,091	8,991	1,272	1,337	1,990	2,260	26	57	25,554	26,695
Depreciation and amortization.....	144,033	142,228	72,018	62,967	6,009	5,276	15,627	15,723	–	–	237,687	226,194
Services provided by other departments.....	70,235	61,128	38,313	37,309	2,517	1,853	6,137	6,426	3,928	2,728	121,130	109,444
General and administrative and other.....	73,371	46,245	63,488	42,622	18,433	18,461	29,709	26,433	3,104	2,994	188,105	136,755
Total operating expenses.....	<u>448,843</u>	<u>398,117</u>	<u>292,220</u>	<u>262,259</u>	<u>50,517</u>	<u>44,873</u>	<u>145,638</u>	<u>148,127</u>	<u>212,716</u>	<u>196,026</u>	<u>1,149,934</u>	<u>1,049,402</u>
Operating income (loss).....	<u>132,769</u>	<u>185,234</u>	<u>35,445</u>	<u>81,869</u>	<u>(3,427)</u>	<u>(9,920)</u>	<u>(9,255)</u>	<u>(7,256)</u>	<u>(5,018)</u>	<u>49,434</u>	<u>150,514</u>	<u>299,361</u>
Non-operating revenues (expenses):												
Federal and state grants.....	14,829	209	–	–	1,349	2,859	1,483	1,885	–	–	17,661	4,953
Interest and investment income (loss).....	340	10,517	(1,187)	12,137	(232)	1,932	24	5,746	51	1,771	(1,004)	32,103
Interest expenses.....	(184,606)	(191,246)	(34,862)	(43,216)	–	–	(1,970)	(2,740)	(18)	(69)	(221,456)	(237,271)
Amortization of premium, discount, refunding loss, and issuance costs...	7,782	13,752	8,497	8,647	–	–	219	228	–	–	16,498	22,627
Net gain from sale of assets.....	2,556	63,963	18	38	–	4	–	5	–	–	2,574	64,010
Other non-operating revenues.....	28,489	30,562	4,893	5,558	3	998	17,790	23,116	927	1	52,102	60,235
Other Non-operating expenses.....	(2,208)	(529)	(409)	(52)	(63)	(11)	(902)	(1,060)	–	–	(3,582)	(1,652)
Net non-operating revenues (expenses).....	<u>(132,818)</u>	<u>(72,772)</u>	<u>(23,050)</u>	<u>(16,888)</u>	<u>1,057</u>	<u>5,782</u>	<u>16,644</u>	<u>27,180</u>	<u>960</u>	<u>1,703</u>	<u>(137,207)</u>	<u>(54,995)</u>
Change in net position before capital contributions and transfers.....	<u>(49)</u>	<u>112,462</u>	<u>12,395</u>	<u>64,981</u>	<u>(2,370)</u>	<u>(4,138)</u>	<u>7,389</u>	<u>19,924</u>	<u>(4,058)</u>	<u>51,137</u>	<u>13,307</u>	<u>244,366</u>
Capital contributions.....	4,180	–	–	–	–	–	–	–	–	–	4,180	–
Transfers from the City and County of San Francisco.....	21,025	1,220	1,440	280	16,000	14,000	–	–	–	–	38,465	15,500
Transfers to the City and County of San Francisco.....	(16,654)	(14,805)	(4,188)	(1,468)	–	–	(532)	(32)	–	–	(21,374)	(16,305)
Net capital contributions and transfers.....	<u>8,551</u>	<u>(13,585)</u>	<u>(2,748)</u>	<u>(1,188)</u>	<u>16,000</u>	<u>14,000</u>	<u>(532)</u>	<u>(32)</u>	<u>–</u>	<u>–</u>	<u>21,271</u>	<u>(805)</u>
Change in net position.....	<u>8,502</u>	<u>98,877</u>	<u>9,647</u>	<u>63,793</u>	<u>13,630</u>	<u>9,862</u>	<u>6,857</u>	<u>19,892</u>	<u>(4,058)</u>	<u>51,137</u>	<u>34,578</u>	<u>243,561</u>
Net position at beginning of year.....	641,015	542,138	1,292,936	1,229,143	211,035	201,173	465,607	445,715	91,138	40,001	2,701,731	2,458,170
Net position at end of year.....	<u>\$ 649,517</u>	<u>641,015</u>	<u>1,302,583</u>	<u>1,292,936</u>	<u>224,665</u>	<u>211,035</u>	<u>472,464</u>	<u>465,607</u>	<u>87,080</u>	<u>91,138</u>	<u>2,736,309</u>	<u>2,701,731</u>

See accompanying notes to basic financial statements.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Statements of Cash Flows
Proprietary Funds
Years ended June 30, 2021 and 2020
(In thousands)

	Business Type Activities – Proprietary Funds											
	Water		Wastewater		Hetchy Water		Hetchy Power		CleanPowerSF		SFPUC Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Cash flows from operating activities:												
Cash received from customers, including cash deposits.....	\$ 570,041	565,100	327,879	343,966	46,176	34,843	120,981	142,063	223,325	245,843	1,288,402	1,331,815
Cash received from tenants for rent.....	12,542	11,921	362	640	116	127	142	157	–	–	13,162	12,845
Cash paid to employees for services.....	(132,235)	(127,216)	(90,918)	(89,751)	(19,597)	(15,959)	(40,236)	(39,924)	(5,344)	(4,401)	(288,330)	(277,251)
Cash paid to suppliers for goods and services.....	(138,125)	(133,064)	(128,808)	(99,755)	(20,967)	(21,185)	(81,743)	(77,267)	(212,085)	(184,310)	(581,728)	(515,581)
Cash paid for judgments and claims.....	(3,969)	(3,976)	(3,295)	(4,105)	(563)	(343)	(4,361)	(1,572)	(153)	(208)	(12,341)	(10,204)
Net cash provided by (used in) operating activities.....	308,254	312,765	105,220	150,995	5,165	(2,517)	(5,217)	23,457	5,743	56,924	419,165	541,624
Cash flows from non-capital financing activities:												
Cash received from grants.....	14,836	255	–	1,383	3,345	3,195	2,860	842	–	–	21,041	5,675
Cash received from settlements.....	–	914	–	–	–	–	797	–	–	–	797	914
Cash received from license fees.....	–	–	–	–	–	–	3,151	5,712	–	–	3,151	5,712
Cash received from miscellaneous revenues.....	4,643	5,771	831	1,522	3	998	13,427	16,252	927	1	19,831	24,544
Cash paid for rebates, program incentives, and other.....	(2,208)	(529)	(409)	(52)	(63)	(11)	(902)	(1,060)	–	–	(3,582)	(1,652)
Cash paid for Hetchy Power loan interest.....	–	–	–	–	–	–	–	–	(235)	–	(235)	–
Transfers from the City and County of San Francisco.....	21,025	1,220	1,440	280	16,000	14,000	–	–	–	–	38,465	15,500
Transfers to the City and County of San Francisco.....	(16,654)	(14,805)	(4,188)	(1,468)	–	–	(532)	(32)	–	–	(21,374)	(16,305)
Net cash provided by (used in) non-capital financing activities.....	21,642	(7,174)	(2,326)	1,665	19,285	18,182	18,801	21,714	692	1	58,094	34,388
Cash flows from capital and related financing activities:												
Proceeds from sale of capital assets.....	2,647	397	12	38	–	4	–	5	–	–	2,659	444
Proceeds from bond issuance, net of premium, discount, refunding loss, and issuance costs.....	1,000,920	613,002	–	–	–	–	–	–	–	–	1,000,920	613,002
Proceeds from commercial paper borrowings.....	16,328	201,018	435,450	4,390	–	–	51,136	12,811	–	–	502,914	218,219
Proceeds from State revolving fund loans.....	57,861	–	4,811	36,152	–	–	–	–	–	–	62,672	36,152
Principal paid on commercial paper.....	(272,820)	–	(4,871)	(87,949)	–	–	–	–	–	–	(277,691)	(87,949)
Principal paid on long-term debt.....	(704,344)	(720,633)	(23,987)	(22,796)	–	–	(3,674)	(2,894)	–	–	(732,005)	(746,323)
Principal paid on state revolving fund loans.....	–	–	(2,458)	(1,239)	–	–	–	–	–	–	(2,458)	(1,239)
Interest paid on commercial paper.....	(348)	(2,010)	(484)	(4,288)	–	–	(132)	(805)	–	–	(964)	(7,103)
Interest paid on long-term debt.....	(210,276)	(211,864)	(66,654)	(67,775)	–	–	(2,970)	(3,096)	–	–	(279,900)	(282,735)
Interest paid on state revolving fund loans.....	–	–	(1,123)	(787)	–	–	–	–	–	–	(1,123)	(787)
Issuance costs paid on long-term debt.....	(3,032)	(1,913)	–	(40)	–	–	–	–	–	–	(3,032)	(1,953)
Acquisition and construction of capital assets.....	(184,144)	(200,600)	(582,840)	(337,299)	(16,981)	(19,075)	(62,461)	(66,390)	–	–	(846,426)	(623,364)
Federal interest income subsidy.....	23,869	23,894	2,297	4,032	–	–	511	467	–	–	26,677	28,393
Net cash used in capital and related financing activities.....	(273,339)	(298,709)	(239,847)	(477,561)	(16,981)	(19,071)	(17,590)	(59,902)	–	–	(547,757)	(855,243)
Cash flows from investing activities:												
Interest income received.....	4,185	10,001	3,169	15,087	739	1,816	1,986	5,847	802	1,187	10,881	33,938
Proceeds from sale of investment outside City Treasury.....	323,586	347,361	134,955	101,291	–	–	3,968	5,028	–	–	462,509	453,680
Purchase of investments outside City Treasury.....	(323,586)	(297,633)	(134,955)	(92,971)	–	–	(3,968)	(5,028)	–	–	(462,509)	(395,632)
Net cash provided by investing activities.....	4,185	59,729	3,169	23,407	739	1,816	1,986	5,847	802	1,187	10,881	91,986
Increase (decrease) in cash and cash equivalents.....	60,742	66,611	(133,784)	(301,494)	8,208	(1,590)	(2,020)	(8,884)	7,237	58,112	(59,617)	(187,245)
Cash and cash equivalents:												
Beginning of year.....	545,847	479,236	425,690	727,184	88,068	89,658	202,285	211,169	83,527	25,415	1,345,417	1,532,662
End of year.....	\$ 606,589	545,847	291,906	425,690	96,276	88,068	200,265	202,285	90,764	83,527	1,285,800	1,345,417
Reconciliation of cash and cash equivalents to the statements of net position:												
Cash and investments with City Treasury:												
Unrestricted.....	\$ 483,827	451,499	281,572	351,915	89,373	79,172	190,719	191,687	90,838	84,192	1,136,329	1,158,465
Restricted.....	–	–	–	55,132	6,990	9,768	5,241	8,060	–	–	12,231	72,960
Less: Unrealized gain on investments with City Treasury.....	(392)	(3,567)	(228)	(3,217)	(88)	(873)	(149)	(1,409)	(74)	(665)	(931)	(9,731)
Cash and investments outside City Treasury:												
Unrestricted.....	301	353	366	356	1	1	611	1	–	–	1,279	711
Restricted.....	122,853	97,562	10,196	21,504	–	–	3,843	3,946	–	–	136,892	123,012
Cash and cash equivalents at end of year on statements of cash flows... \$	606,589	545,847	291,906	425,690	96,276	88,068	200,265	202,285	90,764	83,527	1,285,800	1,345,417

(Continued)

See accompanying notes to basic financial statements

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Statements of Cash Flows
Proprietary Funds
Years ended June 30, 2021 and 2020
(In thousands)

	Business Type Activities – Proprietary Funds											
	Water		Wastewater		Hetchy Water		Hetchy Power		CleanPowerSF		SFPUC Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:												
Operating income (loss).....	\$ 132,769	185,234	35,445	81,869	(3,427)	(9,920)	(9,255)	(7,256)	(5,018)	49,434	150,514	299,361
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:												
Depreciation and amortization.....	144,033	142,228	72,018	62,967	6,009	5,276	15,627	15,723	—	—	237,687	226,194
Provision for uncollectible accounts.....	2,945	781	2,201	908	—	—	667	572	3,675	1,225	9,488	3,486
Write-off of capital assets and other non-cash items.....	3,810	5,285	4,203	4,728	51	1,062	8,333	11,175	—	—	16,397	22,250
Changes in operating assets and liabilities:												
Receivables:												
Charges for services.....	1,537	(5,585)	(1,506)	(870)	(413)	50	(16,724)	2,265	2,772	(1,148)	(14,334)	(5,288)
Due from other City departments.....	93	323	148	(129)	104	(104)	2,437	(1,627)	—	—	2,782	(1,537)
Prepaid charges, advances, and other.....	(2,385)	(1,343)	(716)	(79)	114	(46)	(12,172)	1,994	576	(216)	(14,583)	310
Inventory.....	(160)	(351)	(181)	(192)	(4)	11	(211)	(192)	—	—	(556)	(724)
Accounts payable.....	5,609	(2,050)	(4,762)	1,912	3,304	358	8,724	65	(6,047)	5,696	6,828	5,981
Accrued payroll.....	1,354	1,548	637	858	154	243	298	494	91	41	2,534	3,184
Other post-employment benefits obligations.....	(15,549)	(3,739)	(9,436)	(1,562)	(2,409)	(277)	(2,945)	(337)	1,242	1,889	(29,097)	(4,026)
Pension obligations.....	10,562	(7,351)	2,970	(1,603)	1,972	45	2,411	56	855	1,509	18,770	(7,344)
Accrued vacation and sick leave.....	2,296	1,520	2,744	1,637	539	258	660	314	109	80	6,348	3,809
Accrued workers' compensation.....	(346)	(1,162)	531	137	(67)	(51)	(82)	(61)	—	—	36	(1,137)
Due to other City departments.....	(674)	674	—	1	(240)	240	(231)	250	(1,592)	(1,991)	(2,737)	(826)
Wholesale balancing account.....	(3,993)	28	—	—	—	—	—	—	—	—	(3,993)	28
Damage claims liability.....	25,956	(742)	822	(477)	(33)	334	(1,114)	169	(100)	99	25,531	(617)
Unearned revenues, refunds, and other liabilities.....	703	(1,916)	102	590	(489)	4	(1,640)	(147)	9,180	306	7,856	(1,163)
Pollution remediation obligations.....	(306)	(617)	—	300	—	—	—	—	—	—	(306)	(317)
Total adjustments.....	175,485	127,531	69,775	69,126	8,592	7,403	4,038	30,713	10,761	7,490	268,651	242,263
Net cash provided by (used in) operating activities.....	\$ 308,254	312,765	105,220	150,995	5,165	(2,517)	(5,217)	23,457	5,743	56,924	419,165	541,624
Noncash transactions:												
Accrued capital asset costs.....	\$ 27,263	29,951	89,982	85,355	9,057	3,279	15,393	8,459	—	—	141,695	127,044
Land acquired through real property exchange.....	—	63,600	—	—	—	—	—	—	—	—	—	63,600
Interfund payables.....	—	674	739	849	—	—	—	—	—	1,800	739	3,323
Interfund receivables.....	—	—	—	—	—	—	739	2,649	—	—	739	2,649
Unrealized (gain) loss on investments.....	(392)	(3,567)	(228)	(3,217)	(88)	(873)	(149)	(1,409)	(74)	(665)	(931)	(9,731)
Capital contributions.....	4,180	—	—	—	—	—	—	—	—	—	4,180	—

See accompanying notes to basic financial statements.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Notes to Basic Financial Statements

June 30, 2021 and 2020

(Dollars in thousands, unless otherwise stated)

(1) Description of Reporting Entity

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

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

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

The SFPUC is a department of the City, and as such, the financial operations of the Water Enterprise, the Wastewater Enterprise, and Hetchy Water and Hetchy Power and CleanPowerSF (Hetch Hetchy) are included in the Annual Comprehensive Financial Report of the City as enterprise funds. These financial statements are intended to present only the financial position, and the changes in financial position and cash flows of only the portion of the City that is attributable to the transactions of the enterprises. They do not purport to, and do not, present fairly the financial position of the City as of June 30, 2021 and 2020, 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 2021, the Water Enterprise sold approximately 68,812 million gallons, i.e., about 189 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.

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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 Wastewater Resolutions require the City to keep separate books of records and accounts of the Wastewater Enterprise.

Hetch Hetchy

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

Approximately 81% 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 remaining 19% of electricity generated is sold to CleanPowerSF and the wholesale electric market. As a result of the 1913 Raker Act, energy produced above the City's Municipal Load is sold first to the Districts to cover their agricultural pumping and municipal load needs and any remaining energy is either sold to other municipalities and/or government agencies (not for resale) or sold into the CAISO. Hetch Hetchy operation is an integrated system of reservoirs, hydroelectric power plants, aqueducts, pipelines, and transmission lines

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

(2) Significant Accounting Policies

(a) *Basis of Accounting and Measurement Focus*

Fund Financial Statements

The accounts of Water, Wastewater, Hetchy Water, Hetchy Power and CleanPowerSF are organized on the basis of a proprietary fund type and are included as enterprise funds of the City. The activities are accounted for with a separate set of self-balancing accounts that comprise the funds' assets, deferred outflows, liabilities, deferred inflows, net position, revenues, and expenses. Enterprise funds account for activities (i) that are financed with debt

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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, capacity fees and other revenues while Hetchy Water, Hetchy Power and CleanPowerSF's operating revenues are defined as charges to customers and rental incomes. Operating expenses include the costs of delivering services, administrative expenses, and depreciation and amortization on capital assets. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

(b) Cash and Cash Equivalents

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

(c) Investments

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

(d) Inventory

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

(e) Capital Assets

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

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(f) Intangible Assets

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

According to the standard, the SFPUC is required to capitalize intangible assets with a useful life extending beyond one reporting period. The SFPUC has established a capitalization threshold of \$100. GASB Statement No. 51 also requires amortization of intangible assets over the benefit period, except for certain assets having an indefinite useful life. Assets with an indefinite useful life generally provide a benefit that is not constrained by legal or contractual limitations or any other external factor, and therefore, are not amortized (see Note 4).

(g) Construction Work in Progress

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

(h) Capitalization of Interest

A portion of the interest cost incurred on capital projects is capitalized on assets that require a period of time for construction or to otherwise prepare them for their intended use. Such amounts are amortized over the useful lives of the assets (see Note 4).

(i) Bond Discount, Premium, and Issuance Costs

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

(j) Accrued Vacation and Sick Leave

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

(k) Workers' Compensation

The SFPUC is self-insured for workers' compensation claims and accrues the estimated cost of those claims, including the estimated cost of incurred but not reported claims (see Note 14(b)).

(l) General Liability

The SFPUC is self-insured for general liability and uninsurable property damage claims. Commercially uninsurable property includes assets that are underground or provide transmission and distribution. Maintained commercial coverage does not cover claims attributed to loss from earthquake, contamination, pollution remediation efforts, and other specific naturally occurring contaminants such as mold. The liability represents an estimate of the cost of all outstanding claims, including adverse loss development, and estimated incurred but not reported claims (see Note 14(a)).

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(m) Arbitrage Rebate Payable

Certain bonds are subject to arbitrage rebate requirements in accordance with regulations issued by the U.S. Treasury Department. The requirements generally stipulate that earnings from the investment of the tax-exempt bond proceeds that exceed related interest costs on the bonds must be remitted to the federal government on every fifth anniversary of each bond issue. The SFPUC did not have arbitrage rebate liability as of June 30, 2021 and 2020.

(n) Refunding of Debt

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

(o) Income Taxes

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

(p) Revenue Recognition

Charges for water, wastewater, and power services are based on usage. Effective July 1, 2013, the majority of residential and non-residential customers are billed on a monthly basis except for building and contractor customers which are billed on a bi-monthly basis by the Water and Wastewater Enterprises. Hetchy Water, Hetchy Power and CleanPowerSF revenues are based on consumption and billing rates. Generally, customers are billed monthly. Revenues earned but unbilled are accrued as charges for services and reflected as a receivable on the Statements of Net Position. The unbilled amounts for the fiscal years ending June 30, 2021 and 2020 are as follow:

Fiscal Years Ending June 30				Hetchy	Hetchy	CleanPowerSF	SFPUC
	Water	Wastewater	Water	Power	Total		
2021	\$ 30,277	14,175	–	13,823	12,600	70,875	
2020	29,876	13,429	–	350	15,730	59,385	

(q) Use of Estimates

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

(r) Eliminations

Eliminations for internal activities between Wastewater, Hetchy Power and CleanPowerSF are made in the *Statements of Net Position*. There were activities requiring eliminations during the fiscal year ended June 30, 2021 and June 30, 2020.

(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

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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 15(d)).

(t) Other Post-employment Benefits (OPEB)

As prescribed under GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*, net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense are actuarially determined on a citywide basis. Net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees attributed to those employees' past service, less the amount of the Retiree Healthcare Trust Fund investments measured at fair value (see Note 12(b)).

(u) New Accounting Standards Adopted in Fiscal Year 2021

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

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Internal Revenue Code section 457 deferred compensation plans. The new standard is effective for periods beginning after June 15, 2021. The SFPUC adopted early the provision of Statement No. 97 in fiscal year 2021, which did not have a significant effect on its financial statements.

- 4) In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. GASB Statement No. 98 updates existing accounting standards by changing the name of the Comprehensive Annual Financial Report to the Annual Comprehensive Financial Report. The new standard is effective for periods ending after December 15, 2021. The SFPUC adopted the provisions of this Statement in fiscal year 2021, which did not have a significant effect on its financial statements.

(v) GASB Statements Implemented in Fiscal Year 2020

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018. The SFPUC adopted the provisions of this Statement in fiscal year 2020.

(w) Future Implementation of New Accounting Standards

- 1) In June 2017, the GASB issued Statement No. 87, *Leases*. GASB Statement No. 87 establishes a single model for lease accounting and requires reporting of certain lease liabilities that currently are not reported. The new standard is effective for periods beginning after June 15, 2021. The SFPUC will implement the provisions of Statement No. 87 in fiscal year 2022.
- 2) In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. The new standard is effective for periods beginning after December 15, 2020. The SFPUC will implement the provisions of Statement No. 89 in fiscal year 2022.
- 3) In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. GASB Statement No. 91 enhances the compatibility and consistency of conduit debt obligation reporting and reporting of related transactions by State and local government issuers. The new standard is effective for periods beginning after December 15, 2021. The SFPUC will implement the provisions of Statement No. 91 in fiscal year 2023.
- 4) In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. GASB Statement No. 92 addresses practice issues that have been identified during implementation and application of certain GASB Statements. The new standard is effective for periods beginning after June 15, 2021. The SFPUC will implement the provisions of Statement No. 92 in fiscal year 2022.
- 5) In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The new standard is effective for periods beginning after June 15, 2021. The SFPUC will implement the provisions of Statement No. 93 in fiscal year 2022.

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- 6) In March 2020, the GASB Issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The new standard is effective for periods beginning after June 15, 2022. The SFPUC will implement the provisions of Statement No. 94 in fiscal year 2023.
- 7) In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) by a government. The new standard is effective for periods beginning after June 15, 2022. The SFPUC will implement the provisions of Statement No. 96 in fiscal year 2023.

(x) **Reclassifications**

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

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

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

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

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

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Department-wide Business Type Activities

Department-wide restricted and unrestricted cash and investments outside City Treasury as of June 30, 2021 and 2020 consist of the following:

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

SFPUC's Cash and Investments outside City Treasury					Fair Value Measurements Using		
Investments	Credit Ratings (S&P/Moody's)	June 30, 2020		Investments exempt from fair value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Unobservable Inputs (Level 3)
		Maturities	Fair Value				
U.S. Treasury Money Market Funds	AAAm/Aaa-mf	< 90 days	\$ 109,764	109,764	—	—	—
Money Market Funds	A-1+/P-1	< 90 days	170	170	—	—	—
Cash and Cash Equivalents	N/A		13,078	13,078	—	—	—
Total Restricted Cash and Investments outside City Treasury			\$ 123,012	123,012	—	—	—
Cash and Cash Equivalents	N/A		711	711	—	—	—
Total Cash and Investments outside City Treasury			\$ 711	711	—	—	—

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

	2021	2020
Current assets:		
Cash and investments with City Treasury	\$ 1,136,329	1,158,465
Cash and investments outside City Treasury	1,279	711
Restricted cash and investments outside City Treasury	57,616	27,832
Non-current assets:		
Restricted cash and investments with City Treasury	12,231	72,960
Restricted cash and investments outside City Treasury	79,276	95,180
Total cash, cash equivalents, and investments	\$ 1,286,731	1,355,148

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
2021	14.5%	27.6%	29.7%	28.2%
2020	30.1%	32.4%	15.6%	21.9%

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Water Enterprise

Restricted assets are held by an independent trustee outside the City's investment pool. The assets are held for the purpose of paying future interest and principal on the bonds and for eligible capital project expenditures. The current balances as of June 30, 2021 and 2020 were \$122,853 and \$97,562, 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, 2021 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, 2020 were "Aaa-mf" and "P-1" by Moody's, and "AAAm" and "A-1+" by S&P. Investment agreements must be with a U.S. bank or trust company that have a rating by Moody's and S&P of "A" or higher, or are guaranteed by any entity with a rating of "A" or higher, at the time the agreement is entered.

The following tables present the Water Enterprise's restricted and unrestricted cash and investments outside City Treasury as of June 30, 2021 and 2020:

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

Investments	Credit Ratings (S&P/Moody's)	June 30, 2020		Investments exempt from fair value	Fair Value Measurements Using		
		Maturities	Fair Value		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Unobservable Inputs (Level 3)
U.S. Treasury Money Market Funds	AAAm/Aaa-mf	< 90 days	\$ 84,463	84,463	-	-	-
Money Market Funds	A-1+/P-1	< 90 days	46	46	-	-	-
Cash and Cash Equivalents	N/A		13,053	13,053	-	-	-
Total Restricted Cash and Investments outside City Treasury			\$ 97,562	97,562	-	-	-
Cash and Cash Equivalents	N/A		353	353	-	-	-
Total Cash and Investments outside City Treasury			\$ 353	353	-	-	-

The restricted cash and investments outside City Treasury as of June 30, 2021 and 2020 included an unrealized gain due to changes in fair value on commercial paper of \$0.

Additional cash outside of the investment pool included revolving fund and cash in transit. The revolving fund has a balance of \$28 as of June 30, 2021 and 2020, respectively, which is held in a commercial bank in non interest bearing checking accounts covered by Federal Deposit Insurance

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Corporation depository insurance. These accounts were established as provided by the City's Administrative Code for revolving fund needs. The cash in transit was \$273 and \$325 as of June 30, 2021 and 2020, respectively.

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

	2021	2020
Current assets:		
Cash and investments with City Treasury	\$ 483,827	451,499
Cash and investments outside City Treasury	301	353
Restricted cash and investments outside City Treasury	57,165	16,638
Non-current assets:		
Restricted cash and investments outside City Treasury	65,688	80,924
Total cash, cash equivalents, and investments	<u>\$ 606,981</u>	<u>549,414</u>

Wastewater Enterprise

The restricted cash for bond reserves is held by an independent trustee outside the City investment pool. The balances as of June 30, 2021 and 2020 were \$10,196 and \$21,504, respectively. Funds held by the trustee established under the 2003 Indenture are invested in "Permitted Investments" as defined in the Indenture. "Permitted Investments" include money market funds registered under the Federal Investment Company Act of 1940 and whose shares are registered under the Federal Securities Act of 1933 and having a rating by S&P of "AAAm-G," "AAAm," or "AAm" and a rating by Moody's of "Aaa," "Aa1," or "Aa2."

The following tables present the Wastewater Enterprise's restricted and unrestricted cash and investments outside City Treasury as of June 30, 2021 and 2020:

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

Wastewater's Cash and Investments outside City Treasury							
Investments	Credit Ratings (S&P/Moody's)	June 30, 2020		Investments exempt from fair value	Fair Value Measurements Using		
		Maturities	Fair Value		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Unobservable Inputs (Level 3)
U.S. Treasury Money Market Funds	AAAm/Aaa-mf	< 90 days	\$ 21,372	21,372	-	-	-
Money Market Funds	A-1+/P-1	< 90 days	124	124	-	-	-
Cash and Cash Equivalents	N/A		8	8	-	-	-
Total Restricted Cash and Investments outside City Treasury			<u>\$ 21,504</u>	<u>21,504</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Cash Equivalents	N/A		356	356	-	-	-
Total Cash and Investments outside City Treasury			<u>\$ 356</u>	<u>356</u>	<u>-</u>	<u>-</u>	<u>-</u>

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The restricted cash and investments outside City Treasury as of June 30, 2021 and 2020 included a \$0 unrealized gain due to changes in fair values on Commercial Paper.

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

	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and investments with City Treasury	\$ 281,572	351,915
Cash and investments outside City Treasury	366	356
Restricted cash and investments outside City Treasury	298	11,043
Non-current assets:		
Restricted cash and investments with City Treasury	-	55,132
Restricted cash and investments outside City Treasury	<u>9,898</u>	<u>10,461</u>
Total cash, cash equivalents, and investments	<u>\$ 292,134</u>	<u>428,907</u>

Hetch Hetchy

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, 2021 and 2020 were \$3,843 and \$3,946, respectively. Hetch Hetchy held all investments in guaranteed investment contracts, treasury and government obligations, commercial paper, corporate bonds, and notes, as well as money market mutual funds consisting of treasury and government obligations. The balance as of June 30, 2021 included 2015 Series A bonds proceeds of \$2,193, certificates of participation proceeds of \$1,115, \$612 held at a commercial bank in a non-interest-bearing checking account that is covered by depository insurance, 2015 Series B bonds proceeds of \$516, and commercial paper of \$19. The balance as of June 30, 2020 included 2015 Series A bonds proceeds of \$2,193, certificates of participation proceeds of \$1,220, 2015 Series B bonds proceeds of \$516, commercial paper of \$17, and \$2 held at a commercial bank in a non-interest-bearing checking account that is covered by depository insurance.

Hetch Hetchy did not have any unrealized gain and loss in the restricted cash and investments outside City Treasury as of June 30, 2021 and 2020.

For fiscal year 2021 and 2020, proceeds from 2015 Series A and B bonds held as restricted cash and investments outside City Treasury in the amount of \$2,709 were invested in U.S. Treasury Money Market with maturity date less than 90 days. The credit ratings of the U.S. Treasury Money Market as of June 30, 2021 and 2020 were "AAAm" by S&P and "Aaa-mf" by Moody's.

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The following tables present the Hetch Hetchy restricted and unrestricted cash and investments outside City Treasury as of June 30, 2021 and 2020:

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

Hetchy Water and Hetchy Power's Cash and Investments outside City Treasury							
Investments	Credit Ratings (S&P/Moody's)	June 30, 2020		Investments exempt from fair value	Fair Value Measurements Using		
		Maturities	Fair Value		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Unobservable Inputs (Level 3)
Hetchy Water							
Cash and Cash Equivalents	N/A		\$ 1	1	—	—	—
Total Cash and Investments outside City Treasury			\$ 1	1	—	—	—
Hetchy Power							
U.S. Treasury Money Market Funds	AAAm/Aaa-mf	< 90 days	\$ 3,929	3,929	—	—	—
Cash and Cash Equivalents	N/A		17	17	—	—	—
Total Restricted Cash and Investments outside City Treasury			\$ 3,946	3,946	—	—	—
Cash and Cash Equivalents	N/A		1	1	—	—	—
Total Cash and Investments outside City Treasury			\$ 1	1	—	—	—

Hetch Water and Hetchy Power and CleanPowerSF cash, cash equivalents, and investments as of June 30, 2021 and 2020 are shown on the accompanying Statements of Net Position as follows:

	Hetchy Water	Hetchy Power	CleanPowerSF	Total 2021
Current assets:				
Cash and investments with City Treasury	\$ 89,373	190,719	90,838	370,930
Cash and investments outside City Treasury	1	611	—	612
Restricted cash and investments outside City Treasury	—	153	—	153
Non-current assets:				
Restricted cash and investments with City Treasury	6,990	5,241	—	12,231
Restricted cash and investments outside City Treasury	—	3,690	—	3,690
Total cash, cash equivalents, and investments	\$ 96,364	200,414	90,838	387,616
	Hetchy Water	Hetchy Power	CleanPowerSF	Total 2020
Current assets:				
Cash and investments with City Treasury	\$ 79,172	191,687	84,192	355,051
Cash and investments outside City Treasury	1	1	—	2
Restricted cash and investments outside City Treasury	—	151	—	151
Non-current assets:				
Restricted cash and investments with City Treasury	9,768	8,060	—	17,828
Restricted cash and investments outside City Treasury	—	3,795	—	3,795
Total cash, cash equivalents, and investments	\$ 88,941	203,694	84,192	376,827

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(4) Capital Assets

Department-wide Business Type Activities

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

Department-wide capital assets as of June 30, 2021 and 2020 consist of the following:

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

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

	2019	Increases	Decreases	2020
Capital assets not being depreciated and amortized:				
Land and rights-of-way	\$ 71,228	83,929	(68)	155,089
Intangible assets	5,162	—	—	5,162
Construction work in progress	1,387,840	714,019	(509,762) *	1,592,097
Total capital assets not being depreciated and amortized	<u>1,464,230</u>	<u>797,948</u>	<u>(509,830)</u>	<u>1,752,348</u>
Capital assets being depreciated and amortized:				
Facilities and improvements	9,939,123	461,421	—	10,400,544
Intangible assets	73,453	374	—	73,827
Machinery and equipment	544,492	14,436	(1,760)	557,168
Total capital assets being depreciated and amortized	<u>10,557,068</u>	<u>476,231</u> *	<u>(1,760)</u>	<u>11,031,539</u>
Less accumulated depreciation and amortization for:				
Facilities and improvements	(2,957,715)	(200,134)	3	(3,157,846)
Intangible assets	(43,762)	(2,699)	—	(46,461)
Machinery and equipment	(358,728)	(23,568)	1,760	(380,536)
Total accumulated depreciation and amortization	<u>(3,360,205)</u>	<u>(226,401)</u>	<u>1,763</u>	<u>(3,584,843)</u>
Total capital assets being depreciated and amortized, net	7,196,863	249,830	3	7,446,696
Total capital assets, net	<u>\$ 8,661,093</u>	<u>1,047,778</u>	<u>(509,827)</u>	<u>9,199,044</u>

* Decrease in construction work in progress is greater than increase in capital assets being depreciated is mainly explained by \$22,250 in capital project writeoffs for Water, Wastewater, Hetchy Water and Hetchy Power. The remaining difference of \$11,281 is related to \$20,328 of construction work in progress transferred to land offset by \$9,047 direct additions to intangible assets and machinery and equipment.

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Water Capital Assets – Water’s capital assets as of June 30, 2021 and 2020 consist of the following:

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

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

	2019	Increases	Decreases	2020
Capital assets not being depreciated and amortized:				
Land	\$ 30,029	75,375	(68)	105,336
Intangible assets	679	–	–	679
Construction work in progress	462,606	220,427	(190,351) *	492,682
Total capital assets not being depreciated and amortized	<u>493,314</u>	<u>295,802</u>	<u>(190,419)</u>	<u>598,697</u>
Capital assets being depreciated and amortized:				
Facilities and improvements	6,088,534	169,799	–	6,258,333
Intangible assets	23,123	374	–	23,497
Machinery and equipment	311,154	8,559	(713)	319,000
Total capital assets being depreciated and amortized	<u>6,422,811</u>	<u>178,732</u>	<u>(713)</u>	<u>6,600,830</u>
Less accumulated depreciation and amortization for:				
Facilities and improvements	(1,297,056)	(126,666)	–	(1,423,722)
Intangible assets	(17,986)	(2,101)	–	(20,087)
Machinery and equipment	(212,425)	(13,461)	713	(225,173)
Total accumulated depreciation and amortization	<u>(1,527,467)</u>	<u>(142,228)</u>	<u>713</u>	<u>(1,668,982)</u>
Total capital assets being depreciated and amortized, net	<u>4,895,344</u>	<u>36,504</u>	<u>–</u>	<u>4,931,848</u>
Total capital assets, net	<u>\$ 5,388,658</u>	<u>332,306</u>	<u>(190,419)</u>	<u>5,530,545</u>

* Decrease in construction work in progress includes \$5,285 in capital project write-offs, mainly related to Daly City Recycle Water, New Fuel Station, and Row Gaps projects. The remaining difference of \$6,334 is related to \$11,774 of construction work in progress transferred to land offset by \$5,440 direct additions to intangible assets and machinery and equipment.

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Wastewater Capital Assets – Wastewater’s capital assets as of June 30, 2021 and 2020 consist of the following:

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

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

	2019	Increases	Decreases	2020
Capital assets not being depreciated and amortized:				
Land and rights-of-way	\$ 36,018	8,554	–	44,572
Intangible assets	3,046	–	–	3,046
Construction work in progress	765,624	405,798	(261,084) *	910,338
Total capital assets not being depreciated and amortized	<u>804,688</u>	<u>414,352</u>	<u>(261,084)</u>	<u>957,956</u>
Capital assets being depreciated and amortized:				
Facilities and improvements	3,171,227	247,802	–	3,419,029
Intangible assets	4,615	–	–	4,615
Machinery and equipment	99,961	2,588	(954)	101,595
Total capital assets being depreciated and amortized	<u>3,275,803</u>	<u>250,390</u> *	<u>(954)</u>	<u>3,525,239</u>
Less accumulated depreciation and amortization for:				
Facilities and improvements	(1,286,210)	(58,620)	–	(1,344,830)
Intangible assets	(4,478)	(137)	–	(4,615)
Machinery and equipment	(67,999)	(4,417)	954	(71,462)
Total accumulated depreciation and amortization	<u>(1,358,687)</u>	<u>(63,174)</u>	<u>954</u>	<u>(1,420,907)</u>
Total capital assets being depreciated and amortized, net	<u>1,917,116</u>	<u>187,216</u>	<u>–</u>	<u>2,104,332</u>
Total capital assets, net	<u>\$ 2,721,804</u>	<u>601,568</u>	<u>(261,084)</u>	<u>3,062,288</u>

* Decrease in construction work in progress is greater than increase in capital assets being depreciated is explained by \$4,728 in capital project write-offs, mainly related to the Collection System Condition Assessment Project, Westside Pump Station Force Main Project, and the Oceanside Plant Improvements Project. The remaining difference of \$5,966 is related to \$8,554 of construction work in progress transferred to land offset by \$2,588 direct additions to intangible assets and machinery and equipment.

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Hetchy Water Capital Assets – Hetchy Water’s capital assets as of June 30, 2021 and 2020 consist of the following:

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

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

	2019	Increases	Decreases	2020
Capital assets not being depreciated and amortized:				
Land and rights-of-way	\$ 3,232	—	—	3,232
Intangible assets	6	—	—	6
Construction work in progress	37,625	17,669	(30,966) *	24,328
Total capital assets not being depreciated and amortized	<u>40,863</u>	<u>17,669</u>	<u>(30,966)</u>	<u>27,566</u>
Capital assets being depreciated and amortized:				
Facilities and improvements	254,630	29,850	—	284,480
Intangible assets	20,522	—	—	20,522
Machinery and equipment	26,932	399	(28)	27,303
Total capital assets being depreciated and amortized	<u>302,084</u>	<u>30,249</u> *	<u>(28)</u>	<u>332,305</u>
Less accumulated depreciation and amortization for:				
Facilities and improvements	(166,017)	(3,860)	3	(169,874)
Intangible assets	(9,532)	(207)	—	(9,739)
Machinery and equipment	(18,295)	(1,209)	28	(19,476)
Total accumulated depreciation and amortization	<u>(193,844)</u>	<u>(5,276)</u>	<u>31</u>	<u>(199,089)</u>
Total capital assets being depreciated and amortized, net	<u>108,240</u>	<u>24,973</u>	<u>3</u>	<u>133,216</u>
Total capital assets, net	<u>\$ 149,103</u>	<u>42,642</u>	<u>(30,963)</u>	<u>160,782</u>

* Decrease in construction work in progress is greater than increase in capital assets being depreciated explained by \$1,062 in capital project write-offs, mainly related to Hetchy Water’s share of 2018 Moccasin Storm Project and Lower Cherry Aqueduct Project. The remaining difference of \$345 was offset by direct additions to machinery and equipment.

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Hetchy Power Capital Assets – Hetchy Power’s capital assets as of June 30, 2021 and 2020 consist of the following:

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

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

	2019	Increases	Decreases	2020
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	121,985	70,125	(27,361) *	164,749
Total capital assets not being depreciated and amortized	<u>125,365</u>	<u>70,125</u>	<u>(27,361)</u>	<u>168,129</u>
Capital assets being depreciated and amortized:				
Facilities and improvements	424,732	13,970	–	438,702
Intangible assets	25,193	–	–	25,193
Machinery and equipment	106,445	2,890	(65)	109,270
Total capital assets being depreciated and amortized	<u>556,370</u>	<u>16,860</u> *	<u>(65)</u>	<u>573,165</u>
Less accumulated depreciation and amortization for:				
Facilities and improvements	(208,432)	(10,988)	–	(219,420)
Intangible assets	(11,766)	(254)	–	(12,020)
Machinery and equipment	(60,009)	(4,481)	65	(64,425)
Total accumulated depreciation and amortization	<u>(280,207)</u>	<u>(15,723)</u>	<u>65</u>	<u>(295,865)</u>
Total capital assets being depreciated and amortized, net	<u>276,163</u>	<u>1,137</u>	<u>–</u>	<u>277,300</u>
Total capital assets, net	<u>\$ 401,528</u>	<u>71,262</u>	<u>(27,361)</u>	<u>445,429</u>

* Decrease in construction work in progress is greater than increase in capital assets being depreciated explained by \$11,175 in capital project write-offs, mainly related to Transmission and Distribution System Improvement Project, Transbay Cable Project, Treasure Island Submarine Project and Alternative Transmission Project. The remaining difference of \$674 was offset by direct additions to machinery and equipment.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) Pronouncements*, requires that interest expense incurred during construction of assets be capitalized.

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Interest included in the construction work in progress and total interest expense incurred during the years ended June 30, 2021 and 2020 are as follows:

	2021			
	Water	Wastewater	Hetchy Power	SFPUC Total
Interest expensed	\$ 184,606	34,862	1,970	221,438
Interest included in construction work in progress	19,461	33,420	1,083	53,964
Total interest incurred	<u>\$ 204,067</u>	<u>68,282</u>	<u>3,053</u>	<u>275,402</u>

	2020			
	Water	Wastewater	Hetchy Power	SFPUC Total
Interest expensed	\$ 191,246	43,216	2,740	237,202
Interest included in construction work in progress	27,164	28,563	1,127	56,854
Total interest incurred	<u>\$ 218,410</u>	<u>71,779</u>	<u>3,867</u>	<u>294,056</u>

(5) Restricted Assets

Department-wide Business Type Activities

The following table summarizes the department-wide restricted assets as of June 30, 2021 and 2020.

	2021	2020
Cash and investments with City Treasury	\$ 12,231	72,960
Cash and investments outside City Treasury	136,892	123,012
Interest and other receivables	89,379	82,837
Total restricted assets	<u>\$ 238,502</u>	<u>278,809</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;

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

In accordance with the Indenture, the bond financing program maintains certain restricted cash and investment balances in trust. Restricted assets held in trust consisted of the following as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash and investments outside City Treasury:		
2010B Water revenue bond fund	\$ 21,492	21,581
2010D Water revenue bond fund	—	2,935
2010E Water revenue bond fund	16,299	16,831
2010G Water revenue bond fund	17,698	17,691
2011A Water revenue bond fund	—	1
2011B Water revenue bond fund	670	670
2011C Water revenue bond fund	140	802
2011D Water revenue bond fund	—	1,981
2012A Water revenue bond fund	1	2,961
2012B Water revenue bond fund	—	807
2012C1 Water revenue refunding bond fund	—	1,181
2012C2 Water revenue refunding bond fund	—	3,399
2015A Water revenue refunding bond fund	—	1
2016B Water revenue bond fund	—	1
2017A Water revenue bond fund	—	363
2017B Water revenue bond fund	—	4,239
2017D Water revenue refunding bond fund	—	1
2019A Water revenue refunding bond fund	—	47
2019B Water revenue refunding bond fund	—	6
2019C Water revenue refunding bond fund	—	2
2020A Water revenue bond fund	7,370	—
2020B Water revenue bond fund	3,097	—
2020C Water revenue bond fund	3,463	—
2020D Water revenue bond fund	1,513	—
2020F Water revenue refunding bond fund	12	—
2020G Water revenue refunding bond fund	22	—
2020H Water revenue refunding bond fund	7	—
2009C Certificates of participation - 525 Golden Gate	1,638	1,816
2009D Certificates of participation - 525 Golden Gate	6,551	7,147
Commercial Paper - Tax Exempt	29,793	15
Commercial Paper - Taxable	34	31
Habitat reserve endowment fund	13,053	13,053
Total cash and investments outside City Treasury	<u>122,853</u>	<u>97,562</u>
Interest and other receivables:		
Water bond construction fund including capacity fee receivables	3,987	3,778
Due from other government for State Revolving Fund	49,546	73,271
Total restricted assets	\$ <u>176,386</u>	<u>174,611</u>

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

Wastewater Restricted Assets

The Master Bond Resolution was discharged upon the issuance of the 2003 Series A Refunding Bonds. Pursuant to the Indenture, which became effective with the issuance of the 2003 Series A

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

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

In accordance with the Indenture, the Wastewater Enterprise maintains certain restricted cash and investment balances in trust. Restricted assets held in trust consisted of the following as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash and investments with City Treasury:		
Wastewater revenue bond construction fund	\$ —	55,132
Cash and investments outside City Treasury:		
2009 Series C Certificates of Participation – 525 Golden Gate	433	480
2009 Series D Certificates of Participation – 525 Golden Gate	1,732	1,890
2010 Series A Wastewater revenue bond fund	3,592	3,621
2010 Series B Wastewater revenue bond fund	4,401	6,493
2018 Series A Wastewater revenue bond fund	—	4,002
2018 Series B Wastewater revenue bond fund	—	3,462
2018 Series C Wastewater revenue bond fund	—	1,424
Commercial Paper - Tax Exempt	38	132
Total cash and investments outside City Treasury	<u>10,196</u>	<u>21,504</u>
Interest and other receivables:		
Wastewater revenue bond construction fund including capacity fee receivables	3,291	2,331
Due from other government for State Revolving Fund	20,755	3,265
Total restricted assets	<u>\$ 34,242</u>	<u>82,232</u>

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

Hetchy Water Restricted Assets

Hetchy Water restricted assets held in trust consist of the following as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Hetchy Water		
Cash and investments with City Treasury:		
Hetch Hetchy bond construction fund	\$ 6,990	9,768
Interest receivable:		
Hetch Hetchy bond construction fund	—	24
Total restricted assets	<u>\$ 6,990</u>	<u>9,792</u>

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

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Hetchy Power Restricted Assets

Pursuant to the Hetchy Power Trust Indenture (the "Indenture"), established in fiscal year 2015, net revenues of the Hetchy Power are pledged first to the 2015 Series AB Bonds, and have a priority lien on the pledge of net revenues to the outstanding CREBs, QECBs, and NCREBs (the "Subordinate Obligations"). The Lease/Purchase Agreements for the Subordinate Obligations pledge the net revenues of the Hetchy Power to these bonds, and such pledge is subordinate in lien to the net revenues pledged for the 2015 Series AB 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 of or interest on any Subordinate Obligations; in each case in any order of priority within this paragraph which may be hereafter established by the SFPUC by resolution;
7. Any additional reconstruction and replacement fund deposits into the reconstruction and replacement fund;
8. Any necessary or desirable capital additions or improvements to the Hetchy Power;
9. Any payment under a Take-or-Pay Power Purchase Agreement that does not constitute an operation and maintenance expense;
10. Any payment under a Swap Agreement that does not constitute a Swap Agreement payment; and
11. Any other lawful purpose of the SFPUC.

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

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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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Hetchy Power		
Cash and investments with City Treasury:		
Hetch Hetchy bond construction fund	\$ 5,241	8,060
Cash and investments outside City Treasury:		
2009 Series C Certificates of Participation – 525 Golden Gate	223	247
2009 Series D Certificates of Participation – 525 Golden Gate	892	973
2015 Series A Revenue Bonds	2,193	2,193
2015 Series B Revenue Bonds	516	516
Commercial Paper	19	17
Total restricted cash and investments outside City Treasury	<u>3,843</u>	<u>3,946</u>
Interest receivable:		
Hetch Hetchy bond construction fund	<u>11,800</u>	<u>168</u>
Total restricted assets	<u>\$ 20,884</u>	<u>12,174</u>

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

(6) Short-Term Debt

Department-wide Business Type Activities

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

	<u>2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>2021</u>
Water	\$ 362,354	16,328	(272,820)	105,862
Wastewater	207,939	435,450	(4,871)	638,518
Hetchy Power	63,535	51,136	–	114,671
SFPUC Total	\$ <u>633,828</u>	<u>502,914</u>	<u>(277,691)</u>	<u>859,051</u>

Water Short-Term Debt

The Commission and the Board of Supervisors have authorized the issuance of up to \$500,000 in commercial paper pursuant to the voter-approved 2002 Proposition E. As of June 30, 2021 and 2020, amounts outstanding under Proposition E were \$105,862 and \$362,354, respectively. Commercial paper interest rates ranged from 0.1% to 2.2%.

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

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*, the Water Enterprise had \$394,138 and \$137,646 in unused authorization as of June 30, 2021 and 2020, respectively. Significant Events of default as specified in the Reimbursement Agreements, or Revolving Credit Agreement include 1. payment defaults 2. material breach of warranty, representation, or other non-remedied breach of covenants as specified in the respective agreements (not cured within applicable grace periods) and 3. bankruptcy and

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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, 2021, there were no such events describe herein.

Wastewater Short-Term Debt

Under the voter approved 2002 Proposition E, the Commission and Board of Supervisors has authorized the issuance of up to \$750,000 in commercial paper for the purpose of reconstructing, expanding, repairing, or improving the Wastewater Enterprise's facilities. The Wastewater Enterprise had \$638,518 and \$207,939 in commercial paper outstanding as of June 30, 2021 and 2020, respectively.

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, the Wastewater Enterprise had \$111,482 and \$542,061 in unused authorization as of June 30, 2021 and 2020, respectively. Significant Events of default as specified in the Reimbursement Agreements, Revolving Credit and Term Loan Agreements, or Revolving Credit Agreements include 1. payment defaults 2. material breach of warranty, representation, or other non-remedied breach of covenants as specified in the respective agreements (not cured within applicable grace periods), and 3. bankruptcy and insolvency events, which may result in all outstanding obligations to be immediately due and payable (unless waived by the respective Bank, if applicable); or issuance of a No-Issuance Notice, reduction in credit to outstanding amount plus interest coverage, and/or termination of the respective agreement. As of June 30, 2021, there were no such events described herein.

Hetchy Water Short-Term Debt

Hetchy Water had no commercial paper outstanding as of June 30, 2021 and 2020.

Hetchy Power Short-Term Debt

Effective March 2019, under Charter Sections 9.107(6) and 9.107(8), and 2018 Proposition A, the Commission and Board of Supervisors authorized the issuance of up to \$250,000 in commercial paper notes for the purpose of reconstructing, replacing, expanding, repairing or improving power facilities of Hetchy Power. Interest rates for the commercial paper ranged from 0.1% to 0.2% and 0.2% to 4.0% in fiscal year 2021 and 2020, respectively. Hetchy Power had \$114,671 and \$63,535 commercial paper outstanding as of June 30, 2021 and 2020, respectively. The Power Enterprise had \$135,329 and \$186,465 in unused authorization as of June 30, 2021 and 2020, respectively.

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*, Significant Events of default as specified in the Reimbursement Agreements include 1. non-payment, 2. material breach of warranty, representation, or other non-remedied breach of covenants as specified in the respective agreements and 3. bankruptcy, which may result in all outstanding obligations to be immediately due and payable (unless waived by the respective Bank, if applicable); or issuance of a No-Issuance Notice, reduction in credit to outstanding amount plus interest coverage, and/or termination of the respective agreement. As of June 30, 2021, there were no such events described herein.

CleanPowerSF Short-Term Debt

CleanPowerSF had no commercial paper outstanding as of June 30, 2021 and 2020.

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(7) Changes in Long-Term Liabilities

Department-wide Long-Term Liability activities for the years ended June 30, 2021 and 2020 are as follows:

	Interest rate	Maturity (Calendar Year)	2020	Additions	Reductions	2021	Due within one year
Revenue Bonds:							
2010A wastewater revenue bonds	4.00 - 5.00 %	2021	\$ 17,210	—	(8,390)	8,820	8,820
2010B water revenue bonds (Build America)	4.00 - 6.00	2040	373,420	—	(11,920)	361,500	12,330
2010B wastewater revenue bonds (Build America)	4.65 - 5.82	2040	192,515	—	—	192,515	—
2010D water revenue refunding bonds	3.00 - 5.00	2021	30,990	—	(30,990)	—	—
2010E water revenue bonds (Build America)	4.90 - 6.00	2040	344,200	—	—	344,200	—
2010G water revenue bonds (Build America)	6.95	2050	351,470	—	—	351,470	—
2011B water revenue bonds	3.50 - 5.00	2041	1,485	—	(730)	755	755
2011C water revenue bonds	3.00 - 5.00	2041	1,620	—	(795)	825	825
2011D water revenue refunding bonds	4.00 - 5.00	2028	19,135	—	(19,135)	—	—
2012A water revenue bonds	4.00 - 5.00	2043	216,540	—	(216,540)	—	—
2012B water revenue bonds	4.00 - 5.00	2043	16,520	—	(16,520)	—	—
2012C1 water revenue refunding bonds	4.00	2031	8,465	—	(8,465)	—	—
2012C2 water revenue refunding bonds	4.00 - 5.00	2032	69,570	—	(69,570)	—	—
2013A wastewater revenue bonds	1.00 - 5.00	2025	44,445	—	(14,850)	29,595	14,060
2013B wastewater revenue bonds	4.00 - 5.00	2042	331,585	—	—	331,585	—
2015A water revenue refunding bonds	2.00 - 5.00	2036	412,380	—	(14,635)	397,745	15,325
2015A Hetchy Power Revenue Bonds	4.00 - 5.00	2045	32,025	—	—	32,025	—
2015B Hetchy Power Revenue Bonds	3.00 - 4.00	2026	5,335	—	(785)	4,550	815
2016A water revenue refunding bonds	4.00 - 5.00	2039	763,005	—	(19,955)	743,050	23,315
2016B water revenue refunding bonds	1.50 - 5.00	2030	95,980	—	(14,455)	81,525	10,015
2016C water revenue bonds	0.87 - 4.19	2046	242,755	—	(5,705)	237,050	5,820
2016A wastewater revenue bonds	4.00 - 5.00	2046	240,580	—	—	240,580	—
2016B wastewater revenue bonds	4.00 - 5.00	2046	67,820	—	—	67,820	—
2017A water revenue bonds	5.00	2047	121,140	—	(94,140)	27,000	—
2017B water revenue bonds	5.00	2047	147,725	—	(114,795)	32,930	—
2017C water revenue bonds	5.00	2047	70,675	—	(54,925)	15,750	—
2017D water revenue refunding bonds	2.00 - 5.00	2035	348,610	—	(890)	347,720	925
2017E water revenue refunding bonds	4.00 - 5.00	2031	48,890	—	—	48,890	—
2017F water revenue refunding bonds	5.00	2031	8,705	—	—	8,705	—
2017G water revenue refunding bonds	2.03 - 2.91	2024	33,280	—	(500)	32,780	820
2018A wastewater revenue bonds	4.00 - 5.00	2043	229,050	—	—	229,050	—
2018B wastewater revenue bonds	5.00	2043	185,950	—	—	185,950	—
2018C wastewater revenue bonds	2.13	2048	179,145	—	—	179,145	—
2019A water revenue refunding bonds	1.81 - 3.47	2043	622,580	—	(6,855)	615,725	24,405
2019B water revenue refunding bonds	3.15 - 3.52	2041	16,450	—	—	16,450	65
2019C water revenue refunding bonds	3.15 - 3.52	2041	17,925	—	—	17,925	75
2020A water revenue bonds	4.00 - 5.00	2050	—	150,895	—	150,895	—
2020B water revenue bonds	5.00	2050	—	61,330	—	61,330	—
2020C water revenue bonds	4.00	2050	—	85,335	—	85,335	—
2020D water revenue bonds	3.00	2050	—	49,200	—	49,200	—
2020E water revenue refunding bonds	2.83 - 2.95	2047	—	341,435	—	341,435	5,900
2020F water revenue refunding bonds	0.26 - 3.15	2047	—	136,880	—	136,880	1,425
2020G water revenue refunding bonds	0.26 - 3.10	2043	—	120,585	—	120,585	5,820
2020H water revenue refunding bonds	0.26 - 3.15	2047	—	65,495	—	65,495	680
Clean Renewable Energy Bonds	0.00	2022	1,265	—	(422)	843	422
Qualified Energy Conservation Bonds	4.74	2027	4,229	—	(542)	3,687	549
New Clean Renewable Energy Bonds 2012	4.74	2020	130	—	(130)	—	—
New Clean Renewable Energy Bonds 2015	4.62	2032	3,190	—	(1,411)	1,779	142
Less issuance discount			(177)	—	24	(153)	—
Add issuance premiums			449,024	73,542	(92,498)	430,068	—
Total revenue bonds payable			6,366,836	1,084,697	(820,524)	6,631,009	133,308
2009C Certificates of Participation (COPs)	2.00 - 5.00	2022	12,490	—	(3,955)	8,535	4,160
2009C COPs issuance premiums			225	—	(130)	95	—
2009D COPs (Build America)	6.36 - 6.49	2041	129,550	—	—	129,550	—
State Revolving Fund Loans (CWSRF Loans) Water	1.00	2051	73,271	49,546	(15,410)	107,407	1,667
State Revolving Fund Loans (CWSRF Loans) Wastewater	0.80 - 1.80	2051	88,549	22,468	(2,458)	108,559	2,483
Other post-employment benefits obligations			260,397	26,291	(52,200)	234,488	—
Net Pension Liability			313,899	164,517	(96,034)	382,382	—
Accrued vacation and sick leave			25,428	18,447	(12,099)	31,776	15,639
Accrued workers' compensation			18,612	4,641	(4,605)	18,648	3,467
Due to Other City departments *			851	—	(482)	369	369
Damage claims liability			29,544	38,914	(13,383)	55,075	20,925
Wholesale balancing account water			64,857	—	(3,993)	60,864	21,538
Pollution remediation obligations			9,377	—	(306)	9,071	—
Unearned revenues, refunds, and other			9,117	28,750	(21,708)	16,159	6,191
Total			\$ 7,403,003	1,438,271	(1,047,287)	7,793,987	209,747

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

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	Interest rate	Maturity (Calendar Year)	2019	Additions	Reductions	2020	Due within one year
Revenue Bonds:							
2009A water revenue bonds	4.00 – 5.25 %	2019	\$ 9,635	–	(9,635)	–	–
2009B water revenue bonds	4.00 – 5.00	2019	9,635	–	(9,635)	–	–
2010A water revenue bonds	2.00 – 5.00	2019	2,530	–	(2,530)	–	–
2010A wastewater revenue bonds	4.00 – 5.00	2021	25,190	–	(7,980)	17,210	8,390
2010B water revenue bonds (Build America)	4.00 – 6.00	2040	384,975	–	(11,555)	373,420	11,920
2010B wastewater revenue bonds (Build America)	4.65 – 5.82	2040	192,515	–	–	192,515	–
2010D water revenue refunding bonds	3.00 – 5.00	2021	47,770	–	(16,780)	30,990	17,640
2010E water revenue bonds (Build America)	4.90 – 6.00	2040	344,200	–	–	344,200	–
2010F water revenue bonds	3.00 – 5.50	2030	23,975	–	(23,975)	–	–
2010G water revenue bonds (Build America)	6.95	2050	351,470	–	–	351,470	–
2011A water revenue bonds	4.25 – 5.00	2019	322,480	–	(322,480)	–	–
2011B water revenue bonds	3.50 – 5.00	2041	17,870	–	(16,385)	1,485	730
2011C water revenue bonds	3.00 – 5.00	2041	19,475	–	(17,855)	1,620	795
2011D water revenue refunding bonds	4.00 – 5.00	2028	19,135	–	–	19,135	–
2012A water revenue bonds	4.00 – 5.00	2043	459,455	–	(242,915)	216,540	–
2012B water revenue bonds	4.00 – 5.00	2043	16,520	–	–	16,520	–
2012C1 water revenue refunding bonds	4.00	2031	8,465	–	–	8,465	–
2012C2 water revenue refunding bonds	4.00 – 5.00	2032	69,570	–	–	69,570	–
2012D water revenue refunding bonds	1.75 – 5.00	2019	12,215	–	(12,215)	–	–
2013A wastewater revenue bonds	1.00 – 5.00	2025	58,550	–	(14,105)	44,445	14,850
2013B wastewater revenue bonds	4.00 – 5.00	2042	331,585	–	–	331,585	–
2015A water revenue refunding bonds	2.00 – 5.00	2036	426,380	–	(14,000)	412,380	14,635
2015A Hetchy Power Revenue Bonds	4.00 – 5.00	2045	32,025	–	–	32,025	–
2015B Hetchy Power Revenue Bonds	3.00 – 4.00	2026	6,090	–	(755)	5,335	785
2016A water revenue refunding bonds	4.00 – 5.00	2039	763,005	–	–	763,005	19,955
2016B water revenue refunding bonds	1.50 – 5.00	2030	104,900	–	(8,920)	95,980	14,455
2016C water revenue bonds	0.87 – 4.19	2046	248,360	–	(5,605)	242,755	5,705
2016A wastewater revenue bonds	4.00 – 5.00	2046	240,580	–	–	240,580	–
2016B wastewater revenue bonds	4.00 – 5.00	2046	67,820	–	–	67,820	–
2017A water revenue bonds	5.00	2047	121,140	–	–	121,140	–
2017B water revenue bonds	5.00	2047	147,725	–	–	147,725	–
2017C water revenue bonds	5.00	2047	70,675	–	–	70,675	–
2017D water revenue refunding bonds	2.00 – 5.00	2035	349,470	–	(860)	348,610	890
2017E water revenue refunding bonds	4.00 – 5.00	2031	48,890	–	–	48,890	–
2017F water revenue refunding bonds	5.00	2031	8,705	–	–	8,705	–
2017G water revenue refunding bonds	2.03 – 2.91	2024	33,780	–	(500)	33,280	500
2018A wastewater revenue bonds	4.00 – 5.00	2043	229,050	–	–	229,050	–
2018B wastewater revenue bonds	5.00	2043	185,950	–	–	185,950	–
2018C wastewater revenue bonds	2.13	2048	179,145	–	–	179,145	–
2019A water revenue refunding bonds	1.81 – 3.47	2043	–	622,580	–	622,580	6,855
2019B water revenue refunding bonds	3.15 – 3.52	2041	–	16,450	–	16,450	–
2019C water revenue refunding bonds	3.15 – 3.52	2041	–	17,925	–	17,925	–
Clean Renewable Energy Bonds	0.00	2022	1,687	–	(422)	1,265	422
Qualified Energy Conservation Bonds	4.74	2027	4,765	–	(536)	4,229	542
New Clean Renewable Energy Bonds 2012	4.74	2020	713	–	(583)	130	130
New Clean Renewable Energy Bonds 2015	4.62	2032	3,422	–	(232)	3,190	236
Less issuance discount			(202)	–	25	(177)	–
Add issuance premiums			512,413	–	(63,389)	449,024	–
Total revenue bonds payable			6,513,703	656,955	(803,822)	6,366,836	119,435
1991 Capital appreciation bonds	0.00	2019	2,029	71	(2,100)	–	–
2009C Certificates of Participation (COPs)	2.00 – 5.00	2022	16,255	–	(3,765)	12,490	3,955
2009C COPs issuance premiums			402	–	(177)	225	–
2009D COPs (Build America)	6.36 – 6.49	2041	129,550	–	–	129,550	–
State Revolving Fund Loans (CWSRF Loans) Water	1.00	2051	–	73,271	–	73,271	–
State Revolving Fund Loans (CWSRF Loans) Wastewater	1.60 – 1.80	2050	88,032	1,756	(1,239)	88,549	2,458
Other post-employment benefits obligations			239,810	41,364	(20,777)	260,397	–
Net Pension Liability			306,846	72,578	(65,525)	313,899	–
Accrued vacation and sick leave			21,619	16,281	(12,472)	25,428	13,652
Accrued workers' compensation			19,749	3,333	(4,470)	18,612	3,478
Due to Other City departments *			350	14,331	(13,830)	851	481
Damage claims liability			30,161	12,700	(13,317)	29,544	14,766
Wholesale balancing account water			64,829	833	(805)	64,857	11,257
Pollution remediation obligations			9,694	300	(617)	9,377	–
Unearned revenues, refunds, and other			8,954	19,215	(19,052)	9,117	5,718
Total			\$ 7,451,983	912,988	(961,968)	7,403,003	175,200

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

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Water Long-Term Liability activities for the years ended June 30, 2021 and 2020 are as follows:

	Interest rate	Maturity (Calendar Year)	2020	Additions	Reductions	2021	Due within one year
Revenue Bonds:							
2010B revenue bonds (Build America)	4.00 - 6.00 %	2040	\$ 373,420	—	(11,920)	361,500	12,330
2010D revenue refunding bonds	3.00 - 5.00	2021	30,990	—	(30,990)	—	—
2010E revenue bonds (Build America)	4.90 - 6.00	2040	344,200	—	—	344,200	—
2010G revenue bonds (Build America)	6.95	2050	351,470	—	—	351,470	—
2011B revenue bonds	3.50 - 5.00	2041	1,485	—	(730)	755	755
2011C revenue bonds	3.00 - 5.00	2041	1,620	—	(795)	825	825
2011D revenue refunding bonds	4.00 - 5.00	2028	19,135	—	(19,135)	—	—
2012A revenue bonds	4.00 - 5.00	2043	216,540	—	(216,540)	—	—
2012B revenue bonds	4.00 - 5.00	2043	16,520	—	(16,520)	—	—
2012C1 revenue refunding bonds	4.00	2031	8,465	—	(8,465)	—	—
2012C2 revenue refunding bonds	4.00 - 5.00	2032	69,570	—	(69,570)	—	—
2015A revenue refunding bonds	2.00 - 5.00	2036	412,380	—	(14,635)	397,745	15,325
2016A revenue refunding bonds	4.00 - 5.00	2039	763,005	—	(19,955)	743,050	23,315
2016B revenue refunding bonds	1.50 - 5.00	2030	95,980	—	(14,455)	81,525	10,015
2016C revenue bonds	0.87 - 4.19	2046	242,755	—	(5,705)	237,050	5,820
2017A revenue bonds	5.00	2047	121,140	—	(94,140)	27,000	—
2017B revenue bonds	5.00	2047	147,725	—	(114,795)	32,930	—
2017C revenue bonds	5.00	2047	70,675	—	(54,925)	15,750	—
2017D revenue refunding bonds	2.00 - 5.00	2035	348,610	—	(890)	347,720	925
2017E revenue refunding bonds	4.00 - 5.00	2031	48,890	—	—	48,890	—
2017F revenue refunding bonds	5.00	2031	8,705	—	—	8,705	—
2017G revenue refunding bonds	2.03 - 2.91	2024	33,280	—	(500)	32,780	820
2019A revenue refunding bonds	1.81 - 3.47	2043	622,580	—	(6,855)	615,725	24,405
2019B revenue refunding bonds	3.15 - 3.52	2041	16,450	—	—	16,450	65
2019C revenue refunding bonds	3.15 - 3.52	2041	17,925	—	—	17,925	75
2020A revenue bonds	4.00 - 5.00	2050	—	150,895	—	150,895	—
2020B revenue bonds	5.00	2050	—	61,330	—	61,330	—
2020C revenue bonds	4.00	2050	—	85,335	—	85,335	—
2020D revenue bonds	3.00	2050	—	49,200	—	49,200	—
2020E revenue refunding bonds	2.83 - 2.95	2047	—	341,435	—	341,435	5,900
2020F revenue refunding bonds	0.26 - 3.15	2047	—	136,880	—	136,880	1,425
2020G revenue refunding bonds	0.26 - 3.10	2043	—	120,585	—	120,585	5,820
2020H revenue refunding bonds	0.26 - 3.15	2047	—	65,495	—	65,495	680
Less issuance discount			(143)	—	10	(133)	—
Add issuance premiums			311,923	73,542	(83,707)	301,758	—
Total revenue bonds payable			4,695,295	1,084,697	(785,217)	4,994,775	108,500
2009C Certificates of Participation (COPs)	2.00 - 5.00	2022	8,918	—	(2,824)	6,094	2,970
2009C COPs issuance premiums			161	—	(92)	69	—
2009D COPs (Build America)	6.36 - 6.49	2041	92,499	—	—	92,499	—
State Revolving Funds Loan	1.00	2051	73,271	49,546	(15,410)	107,407	1,667
Other post-employment benefits obligations			163,684	14,036	(28,949)	148,771	—
Net pension liability			178,133	93,066	(54,782)	216,417	—
Accrued vacation and sick leave			11,620	10,109	(7,813)	13,916	6,787
Accrued workers' compensation			9,174	1,912	(2,258)	8,828	1,694
Damage claims liability			10,767	27,643	(1,687)	36,723	14,400
Wholesale balancing account			64,857	—	(3,993)	60,864	21,538
Pollution remediation obligations			1,577	—	(306)	1,271	—
Total			\$ 5,309,956	1,281,009	(903,331)	5,687,634	157,556

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	Interest rate	Maturity (Calendar Year)	2019	Additions	Reductions	2020	Due within one year
Revenue Bonds:							
2009A revenue bonds	4.00 - 5.25 %	2019	\$ 9,635	—	(9,635)	—	—
2009B revenue bonds	4.00 - 5.00	2019	9,635	—	(9,635)	—	—
2010A revenue bonds	2.00 - 5.00	2019	2,530	—	(2,530)	—	—
2010B revenue bonds (Build America)	4.00 - 6.00	2040	384,975	—	(11,555)	373,420	11,920
2010D revenue refunding bonds	3.00 - 5.00	2021	47,770	—	(16,780)	30,990	17,640
2010E revenue bonds (Build America)	4.90 - 6.00	2040	344,200	—	—	344,200	—
2010F revenue bonds	3.00 - 5.50	2030	23,975	—	(23,975)	—	—
2010G revenue bonds (Build America)	6.95	2050	351,470	—	—	351,470	—
2011A revenue bonds	4.25 - 5.00	2019	322,480	—	(322,480)	—	—
2011B revenue bonds	3.50 - 5.00	2041	17,870	—	(16,385)	1,485	730
2011C revenue bonds	3.00 - 5.00	2041	19,475	—	(17,855)	1,620	795
2011D revenue refunding bonds	4.00 - 5.00	2028	19,135	—	—	19,135	—
2012A revenue bonds	4.00 - 5.00	2043	459,455	—	(242,915)	216,540	—
2012B revenue bonds	4.00 - 5.00	2043	16,520	—	—	16,520	—
2012C1 revenue refunding bonds	4.00	2031	8,465	—	—	8,465	—
2012C2 revenue refunding bonds	4.00 - 5.00	2032	69,570	—	—	69,570	—
2012D revenue refunding bonds	1.75 - 5.00	2019	12,215	—	(12,215)	—	—
2015A revenue refunding bonds	2.00 - 5.00	2036	426,380	—	(14,000)	412,380	14,635
2016A revenue refunding bonds	4.00 - 5.00	2039	763,005	—	—	763,005	19,955
2016B revenue refunding bonds	1.50 - 5.00	2030	104,900	—	(8,920)	95,980	14,455
2016C revenue bonds	0.87 - 4.19	2046	248,360	—	(5,605)	242,755	5,705
2017A revenue bonds	5.00	2047	121,140	—	—	121,140	—
2017B revenue bonds	5.00	2047	147,725	—	—	147,725	—
2017C revenue bonds	5.00	2047	70,675	—	—	70,675	—
2017D revenue refunding bonds	2.00 - 5.00	2035	349,470	—	(860)	348,610	890
2017E revenue refunding bonds	4.00 - 5.00	2031	48,890	—	—	48,890	—
2017F revenue refunding bonds	5.00	2031	8,705	—	—	8,705	—
2017G revenue refunding bonds	2.03 - 2.91	2024	33,780	—	(500)	33,280	500
2019A revenue refunding bonds	1.81 - 3.47	2043	—	622,580	—	622,580	6,855
2019B revenue refunding bonds	3.15 - 3.52	2041	—	16,450	—	16,450	—
2019C revenue refunding bonds	3.15 - 3.52	2041	—	17,925	—	17,925	—
Less issuance discount			(154)	—	11	(143)	—
Add issuance premiums			366,297	—	(54,374)	311,923	—
Total revenue bonds payable			4,808,548	656,955	(770,208)	4,695,295	94,080
1991 Capital appreciation bonds	0.00	2019	2,029	71	(2,100)	—	—
2009C Certificates of Participation (COPs)	2.00 - 5.00	2022	11,606	—	(2,688)	8,918	2,824
2009C COPs issuance premiums			287	—	(126)	161	—
2009D COPs (Build America)	6.36 - 6.49	2041	92,499	—	—	92,499	—
State Revolving Funds Loan	1.00	2051	—	73,271	—	73,271	—
Other post-employment benefits obligations			150,771	25,253	(12,340)	163,684	—
Net pension liability			175,429	39,194	(36,490)	178,133	—
Accrued vacation and sick leave			10,100	9,716	(8,196)	11,620	6,169
Accrued workers' compensation			10,336	1,065	(2,227)	9,174	1,781
Damage claims liability			11,509	709	(1,451)	10,767	4,740
Wholesale balancing account			64,829	833	(805)	64,857	11,257
Pollution remediation obligations			2,194	—	(617)	1,577	—
Total			\$ 5,340,137	807,067	(837,248)	5,309,956	120,851

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

a) Capital Appreciation Bonds

The capital appreciation bonds mature from November 1, 2018 and November 1, 2019. The bonds were insured by Municipal Bond Insurance Association (MBIA) and carried “Aaa” and “AAA” ratings from Moody’s and S&P, respectively. In February 2009, the bonds were further reinsured by National Public Finance Guarantees Corp. (NPFGC) and carried “Baa1” and “A” ratings from Moody’s and S&P, respectively. On May 29, 2013, the SFPUC transferred \$2,500 to U.S. Bank, trustee of the 1991 Series A San Francisco Water Revenue Bonds (the Bonds), for the purpose of replacing the debt service reserve surety policy that had been satisfying the reserve requirement

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of the bonds. The surety policy had been provided by NPFGC. With this transfer, the surety policy is effectively terminated. The amount deposited with the U.S. Bank will continue to satisfy the reserve requirement on the bonds. Interest on the capital appreciation bonds is due upon maturity and is recognized as annual interest expense over the life of the bonds using the interest method. The Water Enterprise has recognized \$2,029 of unpaid principal and interest on the capital appreciation bonds as of June 30, 2019 and has reported it as capital appreciation bonds in the accompanying statements of net position. As of June 30, 2021 and 2020, the balance of unpaid principal and interest on the capital appreciation bonds was \$0.

b) Water Revenue Bonds 2009 Series A

On April 16, 2015, the Water Enterprise issued \$429,600 of the 2015 Series A revenue bonds for the purpose of refunding \$431,860 of the then outstanding 2006 Series A revenue bonds and \$39,030 of the 2009 Series A revenue bonds. The 2015 bonds bear coupon rates of 2.0% and 5.0% and mature serially from 2018 to 2036. The refunded 2009 Series A bonds carried coupon rates of 5.0% and matured serially between 2023 and 2026. Although the refunding resulted in the recognition of a deferred accounting loss of \$6,168, the economic gain was \$2,559 or 6.6% of the refunded principal. The remaining 2009 Series A bonds not refunded included serial and term bonds with interest rates ranging from 4.0% to 5.3%. The Bonds mature through November 1, 2039.

A portion of the proceeds of the 2015 Series A revenue refunding bonds was deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement, dated April 1, 2015, to refund and legally defease a portion of the outstanding 2009 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 consisting of United States Treasury Securities - SLGS. The principal and interest on monies held by the escrow agent will be sufficient to refund and legally defease the 2009 Series A bonds maturing on November 1, 2023 to and including November 1, 2026.

A portion of the proceeds of the 2016 Series A refunding bonds was deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement, dated October 1, 2016, to refund and legally defease a portion of the outstanding 2009 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. The principal and interest on monies held by the escrow agent will be sufficient to refund and legally defease bonds maturing November 1, 2020 through and including November 1, 2022 and November 1, 2026 to and including November 1, 2039. As of June 30, 2021 and 2020, the principal amount of 2009 Series A bonds outstanding was \$0.

c) Water Revenue Bonds 2009 Series B

During fiscal year 2010, the Water Enterprise issued revenue bonds, 2009 Series B in the amount of \$412,000. The purpose of the bonds is to provide \$377,778 in new money for WSIP capital projects, with the balance applied to financing costs and a cash-funded debt service reserve. The bonds were rated "AA-" and "A1" from S&P and Moody's, respectively. The bonds include serial and term bonds with interest rates varying from 4.0% to 5.0%. The bonds mature through November 1, 2039. The 2009 Series B bonds have a true interest cost of 4.5%.

On February 27, 2013, the Wholesale Water Customers BAWSCA made an early repayment of \$356,139 to the Water Enterprise. Prepayment proceeds in the amount of \$24,014 were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement, dated February 27, 2013, to refund and legally defease a portion of the outstanding 2009 Series

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B bonds. This deposit, together with certain other available monies, was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities consisting of United States Treasury Securities - SLGS. The principal and interest on monies held by the escrow agent will be sufficient to partially defease a portion of the 2009 Series B bonds maturing November 1, 2013 through 2018.

A portion of the proceeds of the 2016 Series A refunding bonds was deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement, dated October 1, 2016, to refund and legally defease a portion of the outstanding 2009 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 principal and interest on monies held by the escrow agent will be sufficient to refund and legally defease all of the maturities of the 2009 Series B bonds starting on November 1, 2020 and thereafter. As of June 30, 2021 and 2020, the principal amount of 2009 Series B bonds outstanding was \$0.

d) Water Revenue Bonds 2010 Series AB

In fiscal year 2010, the Water Enterprise issued revenue bonds, 2010 Series ABC in the combined principal amount of \$488,705. The purpose of the bonds is to refund \$14,400 of outstanding 2001 Series A revenue bonds, to provide \$58,748 in proceeds for the Advanced Meter Infrastructure System (AMI) Project and to provide \$364,757 in new money for WSIP capital projects, with the balance applied to financing costs and a cash-funded debt service reserve fund. The bonds were rated "AA-" and "Aa2" from S&P and Moody's, respectively. The bonds included serial and term bonds with interest rates ranging from 2.0% to 6.0%.

The 2010 Series A Bonds in the par amount of \$56,945 were issued as tax-exempt bonds to provide funds for the SFPU's AMI Project and pay financing costs. The 2010 Series A bonds were issued as serial bonds with coupons ranging from 2.0% to 5.0% and have a final maturity of 2030. The Series A bonds have a true interest cost of 3.8%.

On February 27, 2013, the Wholesale Water Customers BAWSCA made an early repayment of \$356,139 to the Water Enterprise. Prepayment proceeds in the amount of \$11,681 were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement, dated February 27, 2013, to refund and legally defease a portion of the outstanding 2010 Series 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 consisting of United States Treasury Securities - SLGS. The principal and interest on monies held by the escrow agent will be sufficient to partially defease a portion of the 2010 Series A bonds maturing November 1, 2013 through 2018.

A portion of the proceeds of the 2016 Series B refunding bonds was deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement, dated October 1, 2016, to refund and legally defease a portion of the outstanding 2010 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. The principal and interest on monies held by the escrow agent will be sufficient to redeem all of the maturities of the 2010 Series A bonds starting on November 1, 2020 and thereafter. As of June 30, 2021 and 2020, the principal amount of 2010 Series A bonds outstanding was \$0.

The 2010 Series B Bonds in the par amount of \$417,720 were issued as taxable Build America Bonds (with Direct Pay Subsidy) to provide \$364,757 in new money for WSIP capital projects and pay financing costs. The 2010 Series B bonds were issued as serial and term bonds with coupons

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ranging from 4.0% to 6.0% and have a final maturity of 2040. The Series B bonds have a true interest cost (net of federal subsidy) of 3.9%. As of June 30, 2021 and 2020, the principal amount outstanding was \$361,500 and \$373,420, respectively.

e) *Water Revenue Bonds 2010 Series DE*

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

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

On February 27, 2013, the Wholesale Water Customers BAWSCA made an early repayment of \$356,139 to the Water Enterprise. \$12,360 of the repayment proceeds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement, dated February 27, 2013, to refund and legally defease a portion of the outstanding 2010 Series D bonds. BAWSCA repayment funds were combined with \$165 from the 2010 Series D Capitalized Interest Account. This deposit, together with certain other available monies, was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities consisting of United States Treasury Securities - SLGS. The principal and interest on monies held by the escrow agent will be sufficient to partially defease a portion of the 2010 Series D bonds maturing November 1, 2015 through 2017. A portion of the proceeds from 2020 Series E and 2020 Series G refunding bonds was deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreements, dated October 1, 2020, to refund and legally defease the outstanding 2010 Series D bonds. These deposits, together with certain other available monies were held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will be sufficient to refund and legally defease all of the maturities of the 2010 Series D bonds starting on November 1, 2021. As of June 30, 2021 and 2020, the principal amount of 2010 Series D bonds outstanding was \$0 and \$30,990, respectively.

The 2010 Series E Bonds in the par amount of \$344,200 were issued as taxable Build America Bonds (with Direct Pay Subsidy) to provide \$300,446 in new money proceeds for WSIP capital projects. The Series E bonds were issued as serial and term bonds with coupons ranging from 4.9% to 6.0% and have a final maturity of 2040. The Series E bonds have a true interest cost (net of federal subsidy) of 3.8%. As of June 30, 2021 and 2020, the principal amount of 2010 Series E bonds outstanding was \$344,200.

f) *Water Revenue Bonds 2010 Series FG*

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

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

On February 27, 2013, the Wholesale Water Customers BAWSCA made an early repayment of \$356,139 to the Water Enterprise. \$3,646 of the repayment proceeds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement, dated February 27, 2013, to refund and legally defease a portion of the outstanding 2010 Series F bonds. BAWSCA repayment funds were combined with \$131 from the 2010 Series F Capitalized Interest Account. This deposit, together with certain other available monies, was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities consisting of United States Treasury Securities - SLGS. The principal and interest on monies held by the escrow agent will be sufficient to partially defease a portion of the 2010 Series F bonds maturing November 1, 2017 and 2018.

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

The \$351,470 Series G bonds were issued as taxable Build America Bonds (with Direct Pay Subsidy) to provide \$288,252 in new money for WSIP capital projects. The Series G bonds were issued as term bonds with a coupon of 7.0% and have a final maturity of 2050. The Series G bonds have a true interest cost (net of federal subsidy) of 4.5%. As of June 30, 2021 and 2020, the principal amount of 2010 Series G bonds outstanding was \$351,470.

g) Water Revenue Bonds 2011 Series ABCD

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

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

A portion of the proceeds of the 2017 Series D and G and 2019 Series A refunding bonds was deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreements, dated December 1, 2017 and December 1, 2019, respectively, to refund and legally defease a portion of the outstanding 2011 Series A bonds. These deposits, together with certain other available monies was held by the escrow agent under the Escrow Agreement and invested in non-

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callable Federal Securities. The principal and interest on monies held by the escrow agent will be sufficient to redeem the maturities of the 2011 Series A bonds starting on November 1, 2020 and thereafter. As of June 30, 2021 and 2020, the principal amount of 2011 Series A bonds outstanding was \$0.

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

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

A portion of the proceeds from the 2017 Series F and 2019 Series B refunding bonds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreements, dated December 1, 2017 and December 1, 2019, respectively, to refund and legally defease a portion of the outstanding 2011 Series B bonds. These deposits, together with certain other available monies was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will be sufficient to redeem the maturities of the 2011 Series B bonds starting on November 1, 2022 and thereafter. As of June 30, 2021 and 2020, the principal amount of 2011 Series B bonds outstanding was \$755 and \$1,485, respectively.

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

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

A portion of the proceeds of the 2017 Series E and 2019 Series C refunding bonds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreements, dated December 1, 2017 and December 1, 2019, respectively, to refund and legally defease a portion of the outstanding 2011 Series C bonds. These deposits, together with certain other available monies were held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will

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be sufficient to redeem the maturities of the 2011 Series C bonds starting on November 1, 2022 and thereafter. As of June 30, 2021 and 2020, the principal amount of 2011 Series C bonds outstanding was \$825 and \$1,620, respectively.

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

A portion of the proceeds of the 2017 Series E refunding bonds was deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement, dated December 1, 2017, to refund and legally defease a portion of the outstanding 2011 Series D bonds. This deposit, together with certain other available monies was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will be sufficient to redeem the maturities of the 2011 Series D bonds starting on November 1, 2022 and thereafter. As of June 30, 2021 and 2020, the principal amount of 2011 Series D bonds outstanding was \$0 and \$19,135, respectively.

h) Water Revenue Bonds 2012 Series AB and C (C1 and C2)

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

The \$591,610 Series A bonds were issued as tax-exempt bonds to provide \$530,000 in new money for WSIP capital projects. The Series A bonds were issued as serial and term bonds with coupons ranging from 4.0% to 5.0% and have a final maturity of 2043. The Series A bonds have a true interest cost of 4.3%. A portion of the proceeds of the 2017 Series D, 2019 Series A, and 2020 Series E refunding bonds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreements, dated December 1, 2017, December 1, 2019, and October 1, 2020 respectively, to refund and legally defease a portion of the outstanding 2012 Series A bonds. These deposits, together with certain other available monies was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will be sufficient to redeem the maturities of the 2012 Series A bonds starting on November 1, 2031 and thereafter. As of June 30, 2021 and 2020, the principal amount of 2012 Series A bonds outstanding was \$0 and \$216,540, respectively.

The \$16,520 Series B bonds were issued as tax-exempt bonds to reimburse the Water Enterprise \$15,750 for costs to settle litigation arising out of certain capital projects of benefit to the Water Enterprise. The Series B bonds were issued as serial and term bonds with coupons ranging from 4.0% to 5.0% and have a final maturity of 2043. The Series B bonds have a true interest cost of 4.1%. A portion of the proceeds of the 2020 Series G refunding bonds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement dated October 1, 2020 to refund and legally defease a portion of the outstanding 2012 Series B bonds. These deposits, together with certain other available monies was held by the escrow agent under the Escrow

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Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will be sufficient to redeem the maturities of the 2012 Series B bonds starting on November 1, 2031 and thereafter. As of June 30, 2021 and 2020, the principal amount of 2012 Series B bonds outstanding was \$0 and \$16,520, respectively.

The \$93,750 Series C bonds were issued as tax-exempt bonds to provide \$101,147 to refund, on a current basis, a portion of the 2001 Series A bonds as well as refund, on an advance basis, a portion of the 2002 Series A bonds. The Series C bonds were issued as serial bonds with coupons ranging from 4.0% to 5.0% and have a final maturity of 2032. The Series C bonds have a true interest cost of 3.7%. A portion of the proceeds of the 2017 Series E and 2020 Series G refunding bonds was deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreements dated December 1, 2017 and October 1, 2020, respectively, to refund and legally defease a portion of the outstanding 2012 Series C bonds. This deposit, together with certain other available monies was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will be sufficient to redeem the maturities of the 2012 Series C bonds starting on November 1, 2025 and thereafter. As of June 30, 2021 and 2020, the principal amount of 2012 Series C bonds outstanding was \$0 and \$78,035, respectively.

i) Water Revenue Refunding Bonds 2012 Series D

In August 2012, the Water Enterprise issued tax-exempt revenue bonds, 2012 Series D in the amount of \$24,040 for the purpose of refunding the remaining portion of the outstanding 2002 Series B bonds maturing on and after November 1, 2013. The bonds carried “Aa3” and “AA-” ratings from Moody’s and S&P, respectively. The 2012 Series D refunding bonds include serial bonds with interest rates ranging from 1.8% to 5.0% and have a final maturity in 2019. The Series D bonds have a true interest cost of 1.34%. Unamortized 2002 Series B bond issuance costs were \$258 at the date of the refunding. The refunding resulted in the recognition of a deferred accounting loss of \$582, \$108 gross debt service savings over the next seven-year terms, and an economic gain of \$1,397 or 5.8% of the refunded principal. As of June 30, 2021 and 2020, the principal amount of 2012 Series D bonds outstanding was \$0.

j) Water Revenue Refunding Bonds 2015 Series A

In April 2015, the Water Enterprise issued tax-exempt revenue bonds, 2015 Series A in the amount of \$429,600 for the purpose of refunding all the outstanding 2006 Series A bonds maturing on and after November 1, 2015 and portion of the outstanding 2009 Series A bonds maturing on and after November 1, 2023. The bonds carried “Aa3” and “AA-” ratings from Moody’s and S&P, respectively. The 2015 Series A bonds include serial bonds with interest rates varying from 2.0% to 5.0% and have a final maturity in 2036. The Series A bonds have a true interest cost of 3.3%. Unamortized 2006 Series A bond issuance costs were \$1,392, and there were no unamortized bond issuance costs for 2009 Series A bonds at the date of the refunding. The refunding resulted in the recognition of a deferred accounting loss of \$25,365, gross debt service savings of \$28,148 over the next 20 two-year terms, and an economic gain of \$48,561 or 10.3% of refunded principal. As of June 30, 2021 and 2020, the principal amount of 2015 Series A bonds outstanding was \$397,745 and \$412,380, respectively.

k) 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,

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2020, a portion of the outstanding 2009 Series B bonds maturing on and after November 1, 2020, and a portion of the outstanding 2010 Series F bonds maturing on and after November 1, 2021. The 2016 Series B bonds were issued for the purpose of refunding, on a current basis, all the outstanding 2006 Series B and Series C bonds, and a portion of the outstanding 2010 Series A bonds maturing on and after November 1, 2020, the bonds carried "Aa3" and "AA-" ratings from Moody's and S&P, respectively. The 2016 Series AB bonds include serial bonds with interest rates varying from 1.5% to 5.0% and have a final maturity in 2039. The Series AB bonds have a true interest cost of 2.9%. Unamortized bond issuance costs at the date of refunding were \$145 for 2006 Series B bonds and \$54 for 2006 Series C bonds. The refunding resulted in the recognition of a deferred accounting loss of \$106,205, gross debt service savings of \$135,966, and an economic gain of \$107,152 or 11.5% of refunded principal. As of June 30, 2021 and 2020, the principal amount of 2016 Series AB bonds outstanding was \$824,575 and \$858,985, respectively.

l) 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, 2021 and 2020, the principal amount of 2016 Series C bonds outstanding was \$237,050 and \$242,755, respectively.

m) 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 have a true interest cost of 3.8%. A portion of the proceeds of the 2020 Series E refunding bonds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement dated October 1, 2020 to refund and legally defease a portion of the outstanding 2017 Series A bonds. These deposits, together with certain other available monies was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will be sufficient to redeem the maturities of the 2017 Series A bonds starting on November 1, 2030 and thereafter. As of June 30, 2021 and 2020, the principal amount of 2017 Series A bonds outstanding was \$27,000 and \$121,140, respectively.

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

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bonds have a true interest cost of 3.8%. A portion of the proceeds of the 2020 Series F refunding bonds were deposited with the trustee, acting as escrow agent under the irrevocable Escrow Agreement dated October 1, 2020 to refund and legally defease a portion of the outstanding 2017 Series B bonds. These deposits, together with certain other available monies was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will be sufficient to redeem the maturities of the 2017 Series B bonds starting on November 1, 2030 and thereafter. As of June 30, 2021 and 2020, the principal amount of 2017 Series B bonds outstanding was \$32,930 and \$147,725, 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 was held by the escrow agent under the Escrow Agreement and invested in non-callable Federal Securities. The principal and interest on monies held by the escrow agent will be sufficient to redeem the maturities of the 2017 Series C bonds starting on November 1, 2030 and thereafter. As of June 30, 2021 and 2020, the principal amount of 2017 Series C bonds outstanding was \$15,750 and \$70,675, respectively.

n) Water Revenue Refunding Bonds 2017 Series DEFG

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

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

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

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

The bonds carried “Aa3” and “AA-” ratings from Moody’s and S&P, respectively. The 2017 Series DEFG bonds include serial bonds with interest rates varying from 2.0% to 5.0% and have a final maturity in 2035. The Series DEFG bonds have a true interest cost of 2.9%. The refunding resulted in the recognition of a deferred accounting loss of \$34,275, gross debt service savings of \$68,942, and an economic gain of \$51,698 or 10.7% of refunded principal. . As of June 30, 2021 and 2020, the principal amount of 2017 Series DEFG bonds outstanding was \$438,095 and \$439,485, respectively.

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o) Water Revenue Refunding Bonds 2019 Series ABC

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

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

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

The bonds carried "Aa2" and "AA-" ratings from Moody's and S&P, respectively. The 2019 Series ABC bonds include serial bonds with interest rates varying from 1.8% to 3.5% and have a final maturity in 2043. The Series ABC bonds have a true interest cost of 3.3%. The refunding resulted in the recognition of a deferred accounting loss of \$17,329, gross debt service savings of \$119,827, and an economic gain of \$92,556 or 14.0% of refunded principal. . As of June 30, 2021 and 2020, the principal amount of 2019 Series ABC bonds outstanding was \$650,100 and \$656,955, respectively.

p) Water Revenue Bonds 2020 Series ABCD

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

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

The \$61,330 Series B bonds were issued as tax-exempt bonds to provide \$69,644 in new money for Water Enterprise capital projects (non-WSIP, Regional). The Series B bonds were issued as term bonds with coupons of 5.0% and have a final maturity of 2050. The Series B bonds have a true interest cost of 3.7%. As of June 30, 2021, 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, 2021, the principal amount of 2020 Series C bonds outstanding was \$85,335.

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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, 2021, the principal amount of 2020 Series D bonds outstanding was \$49,200.

q) *Water Revenue Bonds 2020 Series EFGH*

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

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

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

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

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

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r) 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, 2021. The federal interest subsidy amounts represent 35.0%, excluding sequestration, of the interest for the revenue bond 2010 Series B, E, and G.

Fiscal years ending June 30:	Principal	Interest before subsidy	Federal interest subsidy*	Interest net of subsidy
2022	\$ 108,500	207,724	(21,621)	186,103
2023	125,285	203,067	(21,290)	181,777
2024	135,095	197,481	(20,841)	176,640
2025	140,485	191,563	(20,370)	171,193
2026	151,930	185,085	(19,876)	165,209
2027-2031	855,920	810,584	(90,665)	719,919
2032-2036	1,043,890	590,944	(70,000)	520,944
2037-2041	1,130,175	340,236	(41,112)	299,124
2042-2046	530,145	166,499	(19,364)	147,135
2047-2051	471,725	61,353	(7,098)	54,255
	<u>4,693,150</u>	<u>2,954,536</u>	<u>(332,237)</u>	<u>2,622,299</u>
Less: Current portion	(108,500)			
Less: Unamortized bond discount	(133)			
Add: Unamortized bond premiums	301,758			
Long-term portion as of June 30, 2021	<u>\$ 4,886,275</u>			

* The SFPUC received IRS notice, dated June 29, 2021, that the federal interest subsidies on the 2010 Series B bonds, 2010 Series E bonds, and 2010 Series G bonds are reduced by 5.7%, or a total reduction of \$20,081, due to sequestration over the remaining life of the bonds assuming the sequestration rate will remain the same.

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).

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

In September 2017, the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a Clean Water State Revolving Fund (CWSRF) Loan and Grant to fund the Water Enterprise's SF Westside Recycled Water Project. The CWSRF loan is in the amount of \$186,220, which includes \$15,000 of principal forgiveness, or a grant. It will bear an interest rate of 1.0% for a 30-year term, with loan repayment beginning one year after substantial completion of project construction. The CWSRF loan is secured on a parity lien basis with the Water Enterprise's outstanding revenue bonds. The principal outstanding as of June 30, 2021 was \$107,407. In addition, there was \$15,000 of principal forgiveness. As of June 30, 2020, principal outstanding was \$73,271.

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	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal years ending June 30:			
2022	\$ 1,667	574	2,241
2023	3,222	1,057	4,279
2024	3,254	1,025	4,279
2025	3,287	993	4,280
2026	3,320	960	4,280
2027-2031	17,103	4,294	21,397
2032-2036	17,975	3,422	21,397
2037-2041	18,892	2,505	21,397
2042-2046	19,856	1,541	21,397
2047-2051	18,831	529	19,360
Total	<u>107,407</u>	<u>16,900</u>	<u>124,307</u>
Less: Current portion	<u>(1,667)</u>		
Long-term portion as of June 30, 2021	\$ <u>105,740</u>		

t) 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, 2021, there was no commercial paper outstanding pursuant to this authorization and \$1,499,230 of bonds had been issued in fiscal years 2006, 2010, 2012, 2021 against Prop A. The total authorization against Prop A was \$1,499,230 as of June 30, 2021.

u) 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, 2021, the Board of Supervisors has authorized the issuance of \$4,617,099 in revenue bonds with \$3,660,525 issued against this authorization; and in September 2017, the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a Clean Water State Revolving Fund (CWSRF) Loan and Grant to fund the Water Enterprise's SF Westside Recycled Water Project in the amount of \$186,220 (which includes a \$15,000 grant and \$107,407 in reimbursements requested on the loan as of June 30, 2021). Additionally, \$105,862 and \$362,354 in commercial paper was outstanding pursuant to this authorization as of June 30, 2021 and 2020, respectively.

v) Events of Default and Remedies

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*, significant events of default as specified in the Water Enterprise Indenture (applicable to Water Revenue Bonds, Capital Appreciation Bonds and CWSRF Loan) include 1) Non-payment 2) material breach of warranty, representation or indenture covenants (not cured within applicable grace periods) and 3) bankruptcy and insolvency events, which may result in the Trustee (upon written request by the majority of the owners (by aggregate amount of the bond obligations or of a credit provider), declaring the principal and the interest accrued thereon, and of all Capital Appreciation bonds then outstanding, in the amount of the Accreted Value thereof, to be due and payable immediately. As of June 30, 2021, there were no such events describe herein.

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Wastewater Long-Term Liability activities for the year ended June 30, 2021 and 2020 are as follows:

	Interest rate	Maturity (Calendar Year)	2020	Additions	Reductions	2021	Due within one year
Revenue bonds:							
2010 Series A	4.00 - 5.00 %	2021	\$ 17,210	—	(8,390)	8,820	8,820
2010 Series B (Build America)	4.65 - 5.82	2040	192,515	—	—	192,515	—
2013 Series A	1.00 - 5.00	2025	44,445	—	(14,850)	29,595	14,060
2013 Series B	4.00 - 5.00	2042	331,585	—	—	331,585	—
2016 Series A	4.00 - 5.00	2046	240,580	—	—	240,580	—
2016 Series B	4.00 - 5.00	2046	67,820	—	—	67,820	—
2018 Series A	4.00 - 5.00	2043	229,050	—	—	229,050	—
2018 Series B	5.00	2043	185,950	—	—	185,950	—
2018 Series C	2.13	2048	179,145	—	—	179,145	—
For issuance premiums			133,433	—	(8,571)	124,862	—
Total revenue bonds payable			1,621,733	—	(31,811)	1,589,922	22,880
2009 Series C Certificates of Participation (COPs)	2.00 - 5.00	2022	2,358	—	(747)	1,611	785
2009 Series C COPs issuance premiums			43	—	(25)	18	—
2009 Series D COPs (Build America)	6.36 - 6.49	2041	24,458	—	—	24,458	—
State Revolving Fund Loans (CWSRF Loans)	0.80 - 1.80	2051	88,549	22,468	(2,458)	108,559	2,483
Other post-employment benefits obligations			58,183	6,609	(14,081)	50,711	—
Net pension liability			86,235	42,533	(25,022)	103,746	—
Accrued vacation and sick leave			8,914	5,406	(2,662)	11,658	5,811
Accrued workers' compensation			6,051	2,616	(2,085)	6,582	1,198
Due to Other City departments			849	—	(110)	739	110
Damage claims liability			15,891	6,428	(5,606)	16,713	5,892
Pollution remediation obligations			7,800	—	—	7,800	—
Total			\$ 1,921,064	86,060	(84,607)	1,922,517	39,159

	Interest rate	Maturity (Calendar Year)	2019	Additions	Reductions	2020	Due within one year
Revenue bonds:							
2010 Series A	4.00 - 5.00 %	2021	\$ 25,190	—	(7,980)	17,210	8,390
2010 Series B (Build America)	4.65 - 5.82	2040	192,515	—	—	192,515	—
2013 Series A	1.00 - 5.00	2025	58,550	—	(14,105)	44,445	14,850
2013 Series B	4.00 - 5.00	2042	331,585	—	—	331,585	—
2016 Series A	4.00 - 5.00	2046	240,580	—	—	240,580	—
2016 Series B	4.00 - 5.00	2046	67,820	—	—	67,820	—
2018 Series A	4.00 - 5.00	2043	229,050	—	—	229,050	—
2018 Series B	5.00	2043	185,950	—	—	185,950	—
2018 Series C	2.13	2048	179,145	—	—	179,145	—
For issuance premiums			142,224	—	(8,791)	133,433	—
Total revenue bonds payable			1,652,609	—	(30,876)	1,621,733	23,240
2009 Series C Certificates of Participation (COPs)	2.00 - 5.00	2022	3,069	—	(711)	2,358	747
2009 Series C COPs issuance premiums			76	—	(33)	43	—
2009 Series D COPs (Build America)	6.36 - 6.49	2041	24,458	—	—	24,458	—
State Revolving Fund Loans (CWSRF Loans)	1.60 - 1.80	2050	88,032	1,756	(1,239)	88,549	2,458
Other post-employment benefits obligations			53,567	9,002	(4,386)	58,183	—
Net pension liability			85,037	18,863	(17,665)	86,235	—
Accrued vacation and sick leave			7,277	4,324	(2,687)	8,914	4,801
Accrued workers' compensation			5,914	1,932	(1,795)	6,051	1,112
Due to Other City departments			955	1	(107)	849	110
Damage claims liability			16,368	1,952	(2,429)	15,891	8,994
Pollution remediation obligations			7,500	300	—	7,800	—
Total			\$ 1,944,862	38,130	(61,928)	1,921,064	41,462

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

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(a) Wastewater Revenue Bonds 2010 Series A

During fiscal year 2010, the Wastewater Enterprise issued revenue bonds 2010 Series A in the amount of \$47,050 with interest rates ranging from 4.0% to 5.0%. Proceeds from the bonds were used to redeem \$50,000 in outstanding commercial paper notes, fund a cash debt service reserve fund, and pay the costs of issuing the bonds. The bonds were rated “Aa3” and “AA-” by Moody’s and S&P, respectively at the time of issuance. Bonds mature through October 1, 2021. The true interest cost is 2.9%. As of June 30, 2021 and 2020, the 2010 Series A bonds’ principal amount outstanding was \$8,820 and \$17,210, respectively.

(b) Wastewater Revenue Bonds 2010 Series B

During fiscal year 2010, the Wastewater Enterprise issued revenue bonds 2010 Series B (Federally Taxable – Build America Bonds – Direct Payment) in the amount of \$192,515 with interest rates ranging from 4.7% to 5.8%. Proceeds from the bonds were used to redeem \$53,500 in outstanding commercial paper notes, provide funding for capital projects in the amount of \$112,429, fund a cash debt service reserve fund, and pay financing costs for the bonds. The bonds were rated “Aa3” and “AA-” by Moody’s and S&P, respectively at the time of issuance. Bonds mature through October 1, 2040. The true interest cost is 3.7%. As of June 30, 2021 and 2020, the 2010 Series B bonds’ principal amount outstanding was \$192,515.

(c) Wastewater Revenue Bonds 2013 Series A

In January 2013, the Wastewater Enterprise issued tax-exempt revenue bonds 2013 Series A in the amount of \$193,400 for the purpose of refunding the remaining portion of the outstanding 2003 Series A bonds maturing on and after October 1, 2013. The bonds carried “Aa3” and “AA-” ratings from Moody’s and S&P, respectively at the time of issuance. The 2013 Series A refunding bonds include serial bonds with interest rates varying from 1.0% to 5.0% and have a final maturity in October 2025. The Series A bonds have a true interest cost of 1.2%. The 2013 Series A bonds also refunded the remaining portion of the outstanding state revolving fund loans. The refunding resulted in the recognition of a deferred accounting loss of \$2,986, gross debt service savings of \$35,107 over the next 13 years, and an economic gain of \$32,783 or 15.4% of the refunded principal. As of June 30, 2021 and 2020, the principal amount outstanding of the 2013 Series A bonds was \$29,595 and \$44,445, respectively.

(d) Wastewater Revenue Bonds 2013 Series B

In February 2013, the Wastewater Enterprise issued revenue bonds 2013 Series B in the amount of \$331,585 with interest rates ranging from 4.0% to 5.0%. Proceeds from the bonds were used for Wastewater capital projects, pay off all outstanding Wastewater commercial paper notes, and pay the costs of issuing the bonds. The bonds were rated “Aa3” and “AA-” by Moody’s and S&P, respectively at the time of issuance. Bonds mature through October 1, 2042. The true interest cost is 3.6%. As of June 30, 2021 and 2020, the principal amount outstanding of the 2013 Series B bonds was \$331,585.

(e) Wastewater Revenue Bonds 2016 Series A

In May 2016, the Wastewater Enterprise issued tax-exempt revenue bonds 2016 Series A (Green Bonds) in the amount of \$240,580 with interest rates ranging from 4.0% to 5.0%. Proceeds from the bonds were used for Wastewater capital projects, to pay off \$53,439 of outstanding commercial paper notes, to fund capitalized interest, and pay the costs of issuing the bonds. The bonds carried ratings of “AA” and “Aa3” from S&P and Moody’s, respectively at

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the time of issuance. Bonds mature through October 1, 2046. The bonds have a true interest cost of 3.2%. As of June 30, 2021 and 2020, the principal amount outstanding of the 2016 Series A bonds was \$240,580.

(f) Wastewater Revenue Bonds 2016 Series B

In May 2016, the Wastewater Enterprise issued tax-exempt revenue bonds 2016 Series B in the amount of \$67,820 with interest rates ranging from 4.0% to 5.0%. Proceeds from the bonds were used for Wastewater capital projects, to pay off \$20,560 of outstanding commercial paper notes, to fund capitalized interest, and pay the costs of issuing the bonds. The bonds carried ratings of "AA" and "Aa3" from S&P and Moody's, respectively at the time of issuance. Bonds mature through October 1, 2046. The bonds have a true interest cost of 3.2%. As of June 30, 2021 and 2020, the principal amount outstanding of the 2016 Series B bonds was \$67,820.

(g) Wastewater Revenue Bonds 2018 Series A

In August 2018, the Wastewater Enterprise issued tax-exempt revenue bonds 2018 Series A (SSIP) (Green Bonds) in the amount of \$229,050 with interest rates ranging from 4.0% to 5.0%. Proceeds from the bonds were used for Wastewater capital projects in furtherance of the SFPUC's Sewer System Improvement Program (SSIP), to pay off \$25,000 of outstanding commercial paper notes, to fund capitalized interest, and pay the costs of issuing the bonds. The bonds carried ratings of "AA" and "Aa3" from S&P and Moody's, respectively at the time of issuance. Bonds mature through October 1, 2043. The bonds have a true interest cost of 3.4%. As of June 30, 2021 and 2020, the principal amount outstanding of the 2018 Series A bonds was \$229,050.

(h) Wastewater Revenue Bonds 2018 Series B

In August 2018, the Wastewater Enterprise issued tax-exempt revenue bonds 2018 Series B (Non-SSIP) in the amount of \$185,950 with 5.0% interest rate. Proceeds from the bonds were used for Wastewater capital projects, to fund capitalized interest, and pay the costs of issuing the bonds. The bonds carried ratings of "AA" and "Aa3" from S&P and Moody's, respectively at the time of issuance. Bonds mature through October 1, 2043. The bonds have a true interest cost of 3.5%. As of June 30, 2021 and 2020, the principal amount outstanding of the 2018 Series B bonds was \$185,950.

(i) Wastewater Revenue Bonds 2018 Series C

In August 2018, the Wastewater Enterprise issued tax-exempt revenue bonds 2018 Series C (SSIP) (Green Bonds) in the amount of \$179,145 with 2.1% interest rate. Proceeds from the bonds were used for Wastewater capital projects, to fund capitalized interest, and pay the costs of issuing the bonds. The bonds carried ratings of "AA" and "Aa3" from S&P and Moody's, respectively at the time of issuance. Bonds mature through October 1, 2048. The Initial Mandatory Tender date of the 2018 Series C bonds is October 1, 2023. The bonds have a true interest cost of 3.5%. As of June 30, 2021 and 2020, the principal amount outstanding of the 2018 Series C bonds was \$179,145.

(j) 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, 2021. The interest before subsidy amounts include the interest for 2010 Series A and B, 2013 Series A and B, 2016 Series A and B, and 2018

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Series A, B, and C bonds. The federal interest subsidy amounts represent 35% of the interest, excluding sequestration, for the 2010 Series B revenue bonds.

Fiscal years ending June 30:	Principal	Interest before subsidy	Federal interest subsidy*	Interest net of subsidy
2022	\$ 22,880	63,863	(3,527)	60,336
2023	34,345	62,496	(3,471)	59,025
2024	36,905	62,441	(3,356)	59,085
2025	36,935	62,291	(3,235)	59,056
2026	38,675	60,451	(3,105)	57,346
2027-2031	223,005	270,455	(13,298)	257,157
2032-2036	281,885	206,774	(8,781)	197,993
2037-2041	351,845	130,881	(3,182)	127,699
2042-2046	312,460	53,422	—	53,422
2047-2049	126,125	6,874	—	6,874
	<u>1,465,060</u>	<u>979,948</u>	<u>(41,955)</u>	<u>937,993</u>
Less: Current portion	(22,880)			
Add: Unamortized bond premiums	124,862			
Long-term portion as of June 30, 2021	<u>\$ 1,567,042</u>			

* The SFPUC received IRS notice, dated June 29, 2021, that the federal interest subsidy on the 2010 Series B bonds is reduced by 5.7%, or a total reduction of \$2,536, due to sequestration over the remaining life of the bonds assuming the sequestration rate will remain the same.

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).

(k) Lake Merced Green Infrastructure Project CWSRF Loan

In January 2016, then amended in May 2016, the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a Clean Water State Revolving Fund ("CWSRF") Loan to fund the Lake Merced Green Infrastructure Project of the Sewer System Improvement Program. The aggregate amount of the CWSRF loans is \$7,435. The loan bears an interest rate of 1.6% which was equal to one-half of the State of California's most recent 30-year General Obligation Bond true interest cost at the time the agreement was executed. The CWSRF loan will have a 30-year term, with loan repayment beginning one year after substantial completion of each project's construction; substantial completion is expected by July 2020. The CWSRF loan is secured on a parity lien basis with the Wastewater Enterprise's outstanding revenue bonds. The SFPUC has received loan disbursements to date totaling \$6,116 and a construction period interest of \$166 transferred to principal. As of June 30, 2021 and 2020, the principal amount outstanding of the loan was \$6,282 and \$6,117, respectively.

(l) Southeast Plant (SEP) 521/522 and Disinfection Upgrade Project CWSRF Loan

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

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\$39,741. As of June 30, 2021 and 2020, the principal amount outstanding of the loan was \$38,512 and \$38,193, respectively.

(m) North Point Facility Outfall Rehabilitation Project CWSRF Loan

In September 2017 the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a CWSRF Loan to fund the North Point Facility Outfall Rehabilitation Project of the Sewer System Improvement Program. The aggregate amount of the CWSRF loans is \$20,199. The loan bears an interest rate of 1.8% which was equal to one-half of the State of California's most recent 30-year General Obligation Bond true interest cost at the time the agreement was executed. The CWSRF loan will have a 30-year term, with loan repayment beginning one year after substantial completion of each project's construction, substantial completion occurred in February 2018. The CWSRF loans is secured on a parity lien basis with the Wastewater Enterprise's outstanding revenue bonds. The SFPUC has received proceeds from loan disbursements to date totaling \$17,706. As of June 30, 2021 and 2020 the principal amount outstanding of the loan was \$16,181 and \$16,644, respectively.

(n) 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, 2021 and 2020, the principal amount outstanding of the loan was \$26,829 and \$27,595, respectively.

(o) Oceanside Plant (OSP) Digester Gas Utilization Upgrade Project

In May 2020 the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a CWSRF Loan to fund the OSP Digester Gas Utilization Upgrade Project of the Sewer System Improvement Program. The CWSRF loan is in the amount of \$54,388, which includes \$4,000 of principal forgiveness, or a grant. The loan bears an interest rate of 1.4% which was equal to one-half of the State of California's most recent 30-year General Obligation Bond true interest cost at the time the agreement was executed. The CWSRF loan will have a 30-year term, with loan repayment beginning one year after substantial completion of each project's construction; substantial completion is expected in August 2021. The CWSRF loan is secured on a parity lien basis with the Wastewater Enterprise's outstanding revenue bonds. The SFPUC has received proceeds from loan disbursements to date totaling \$0 and a receivable for reimbursement of \$20,755. As of June 30, 2021 and 2020, the principal amount outstanding of the loan was \$20,755 and \$0, respectively.

(p) Southeast Plant (SEP) Biosolids Digester Facilities Project

In May 2020 the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a CWSRF Loan to fund the SEP Biosolids Digester Facilities Project of the Sewer System Improvement Program. The CWSRF loan is in the amount of \$132,000, which includes \$4,000 of principal forgiveness, or a grant. The loan bears an interest rate of

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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. As of June 30, 2021 and 2020, the principal amount outstanding of the loan was \$0.

(q) Southeast Plant (SEP) New Headworks (Grit) Replacement Project

In May 2021, the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a CWSRF Loan to fund the SEP New Headworks (Grit) Replacement Project of the Sewer System Improvement Program. The CWSRF loan is in the amount of \$112,036. The loan bears an interest rate of 1.1% which was equal to one-half of the State of California’s most recent 30-year General Obligation Bond true interest cost at the time the agreement was executed. The CWSRF loan will have a 30-year term, with loan repayment beginning one year after substantial completion of each project’s construction; substantial completion is expected in March 2024. The CWSRF loan is secured on a parity lien basis with the Wastewater Enterprise’s outstanding revenue bonds. As of June 30, 2021 and 2020, the principal amount outstanding of the loan was \$0.

(r) Future Annual Debt Services of State Revolving Fund Loans (CWSRF Loans)

The future annual debt services relating to the State Revolving Fund Loan to fund the Lake Merced Green Infrastructure Project, the North Point Facility Outfall Rehabilitation Project, the SEP Primary/Secondary Clarifier Upgrade Project, the SEP 521/522 and Disinfection Upgrade Project and the OSP Digester Gas Utilization Upgrade Project outstanding as of June 30, 2021 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal years ending June 30:			
2022	\$ 2,483	1,254	3,737
2023	3,043	1,553	4,596
2024	3,095	1,509	4,604
2025	3,148	1,464	4,612
2026	3,202	1,419	4,621
2027-2031	16,854	6,378	23,232
2032-2036	18,352	5,110	23,462
2037-2041	19,983	3,729	23,712
2042-2046	21,761	2,225	23,986
2047-2051	15,798	659	16,457
2052	840	12	852
Total	<u>108,559</u>	<u>25,312</u>	<u>133,871</u>
Less: Current portion	<u>(2,483)</u>		
Long-term portion as of June 30, 2021	\$ <u>106,076</u>		

(s) WIFIA Loan Agreement-Biosolids Digester Facility Project

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

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State Revolving Fund (“SRF”) Loans entered into with the California State Water Resources Control Board.

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

The SFPUC has not submitted any requests for loan disbursements to date and there is no outstanding loan principal as of June 30, 2021.

(t) WIFIA Loan Agreement-Southeast Treatment Plant Improvements Project

In June 2020 the SFPUC entered into a “Water Infrastructure Finance and Innovation Act (WIFIA) Loan Agreement (WIFIA Loan) with the United States Environmental Protection Agency in the amount of \$513,862. The WIFIA Loan was entered into pursuant to the WIFIA statute authorized by Congress in 2014. The WIFIA Loan will fund 49% of the costs of the Wastewater Enterprise’s SEP New Headworks Replacement Project and additional costs of the revised Biosolids Digester Facility Project plus certain eligible expenses. Payment of the WIFIA Loan will be secured by a senior lien pledge of the Wastewater Enterprise’s net revenues and is on a parity lien basis with the SFPUC’s outstanding Wastewater Revenue Bonds and Clean Water State Revolving Fund (“SRF”) Loans entered into with the California State Water Resources Control Board. The loan will bear a fixed interest rate of 1.45% for a 35-year term, with loan repayment expected to begin in fiscal year 2025, after substantial completion of project construction. The SFPUC has not submitted any requests for loan disbursements to date and there is no outstanding loan principal as of June 30, 2021.

(u) Events of Default and Remedies

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, significant events of default as specified in the Wastewater Enterprise Indenture (applicable to Wastewater Revenue Bonds, SRF Loans, and WIFIA Loan include 1) Non-payment 2) material breach of warranty, representation, or indenture covenants (not cured within applicable grace periods), and 3) bankruptcy and insolvency events, which may result in the Trustee (upon written request by the majority of the owners (by aggregate amount of the bond obligations or of a credit provider), declaring the principal and the interest accrued thereon, to be due and payable immediately. As of June 30, 2021, there were no such events described herein.

Hetchy Water Long-Term Liability activities for the years ended June 30, 2021 and 2020 are as follows:

	2020	Additions	Reductions	2021	Due within one year
Other post-employment benefits obligations \$	16,350	1,818	(3,724)	14,444	—
Net pension liability	21,477	12,119	(6,951)	26,645	—
Accrued vacation and sick leave	1,646	1,034	(495)	2,185	1,059
Accrued workers’ compensation	1,187	18	(85)	1,120	197
Due to Other City departments	240	—	(240)	—	—
Damage claims liability	558	478	(511)	525	218
Unearned revenues, refunds, and other	627	629	(1,118)	138	22
Total	\$ 42,085	16,096	(13,124)	45,057	1,496

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	2019	Additions	Reductions	2020	Due within one year
Other post-employment benefits obligations	\$ 15,404	2,206	(1,260)	16,350	—
Net pension liability	20,390	5,611	(4,524)	21,477	—
Accrued vacation and sick leave	1,388	653	(395)	1,646	911
Accrued workers' compensation	1,238	75	(126)	1,187	201
Due to Other City departments	—	240	—	240	240
Damage claims liability	224	550	(216)	558	274
Unearned revenues, refunds, and other	623	24	(20)	627	18
Total	\$ 39,267	9,359	(6,541)	42,085	1,644

Hetchy Power Long-Term Liability activities for the years ended June 30, 2021 and 2020 are as follows:

	Interest Rate	Maturity (Calendar Year)	2020	Additions	Reductions	2021	Due within one year
Bonds:							
Clean Renewable Energy Bonds	0.00 %	2022	\$ 1,265	—	(422)	843	422
Qualified Energy Conservation Bonds	4.74	2027	4,229	—	(542)	3,687	549
New Clean Renewable Energy Bonds 2012	4.74	2020	130	—	(130)	—	—
New Clean Renewable Energy Bonds 2015	4.62	2032	3,190	—	(1,411)	1,779	142
2015 Series A Revenue Bonds	4.00 - 5.00	2045	32,025	—	—	32,025	—
2015 Series B Revenue Bonds	3.00 - 4.00	2026	5,335	—	(785)	4,550	815
Less issuance discount			(34)	—	14	(20)	—
Add issuance premiums			3,668	—	(220)	3,448	—
Total bonds payable			49,808	—	(3,496)	46,312	1,928
2009 Series C Certificates of Participation (COPs)	2.00 - 5.00	2022	1,214	—	(384)	830	405
2009 Series C COPs issuance premiums			21	—	(13)	8	—
2009 Series D COPs (Build America)	6.36 - 6.49	2041	12,593	—	—	12,593	—
Other post-employment benefits obligations			19,983	2,223	(4,553)	17,653	—
Net pension liability			26,249	14,812	(8,495)	32,566	—
Accrued vacation and sick leave			2,957	1,763	(1,103)	3,617	1,777
Accrued workers' compensation			2,200	95	(177)	2,118	378
Due to Other City departments			600	—	(231)	369	369
Damage claims liability			2,222	4,212	(5,326)	1,108	409
Unearned revenues, refunds, and other			7,642	8,560	(10,209)	5,993	5,141
Total			\$ 125,489	31,665	(33,987)	123,167	10,407

	Interest Rate	Maturity (Calendar Year)	2019	Additions	Reductions	2020	Due within one year
Bonds:							
Clean Renewable Energy Bonds	0.00 %	2022	\$ 1,687	—	(422)	1,265	422
Qualified Energy Conservation Bonds	4.74	2027	4,765	—	(536)	4,229	542
New Clean Renewable Energy Bonds 2012	4.74	2020	713	—	(583)	130	130
New Clean Renewable Energy Bonds 2015	4.62	2032	3,422	—	(232)	3,190	236
2015 Series A Revenue Bonds	4.00 - 5.00	2045	32,025	—	—	32,025	—
2015 Series B Revenue Bonds	3.00 - 4.00	2026	6,090	—	(755)	5,335	785
Less issuance discount			(48)	—	14	(34)	—
Add issuance premiums			3,892	—	(224)	3,668	—
Total bonds payable			52,546	—	(2,738)	49,808	2,115
2009 Series C Certificates of Participation (COPs)	2.00 - 5.00	2022	1,580	—	(366)	1,214	384
2009 Series C COPs issuance premiums			39	—	(18)	21	—
2009 Series D COPs (Build America)	6.36 - 6.49	2041	12,593	—	—	12,593	—
Other post-employment benefits obligations			18,826	2,697	(1,540)	19,983	—
Net pension liability			24,920	6,858	(5,529)	26,249	—
Accrued vacation and sick leave			2,643	1,474	(1,160)	2,957	1,596
Accrued workers' compensation			2,261	261	(322)	2,200	384
Due to Other City departments			350	14,090	(13,840)	600	231
Damage claims liability			2,053	9,182	(9,013)	2,222	705
Unearned revenues, refunds, and other			7,789	5,815	(5,962)	7,642	4,852
Total			\$ 125,600	40,377	(40,488)	125,489	10,267

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CleanPowerSF Long-Term Liability activities for the years ended June 30, 2021 and 2020 are as follows:

	<u>2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>2021</u>	<u>Due within one year</u>
Other post-employment benefits obligations	\$ 2,197	1,605	(893)	2,909	—
Net pension liability	1,805	1,987	(784)	3,008	—
Accrued vacation and sick leave	291	135	(26)	400	205
Damage claims liability	106	153	(253)	6	6
Unearned revenues, refunds, and other	848	19,561	(10,381)	10,028	1,028
Total	<u>\$ 5,247</u>	<u>23,441</u>	<u>(12,337)</u>	<u>16,351</u>	<u>1,239</u>

	<u>2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>2020</u>	<u>Due within one year</u>
Other post-employment benefits obligations	\$ 1,242	2,206	(1,251)	2,197	—
Net pension liability	1,070	2,052	(1,317)	1,805	—
Accrued vacation and sick leave	211	114	(34)	291	175
Damage claims liability	7	307	(208)	106	53
Unearned revenues, refunds, and other	542	13,376	(13,070)	848	848
Total	<u>\$ 3,072</u>	<u>18,055</u>	<u>(15,880)</u>	<u>5,247</u>	<u>1,076</u>

GASB Statement No. 88 Implemented in Fiscal Year 2019

In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. GASB Statement No. 88 establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. This Statement applies to all Hetchy Power bonds and is discussed in each bond hereafter.

(a) Clean Renewable Energy Bonds

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

Significant events of default as specified in the Equipment Lease/Purchase Agreement, include 1. payment defaults, 2. material breach of warranty, representation, or covenants of the Equipment Lease/Purchase Agreement (not cured within applicable grace periods) and 3. bankruptcy and insolvency events, which could cause acceleration of all Rental Payments. Assets constructed by the projects funded from proceeds of this debt obligation are pledged as collateral. As of June 30, 2021, there were no such events described herein.

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The future annual debt service relating to the CREBs outstanding as of June 30, 2021 is as follows:

Fiscal years ending June 30:		<u>Principal</u>
2022	\$	422
2023		<u>421</u>
		843
Less: Current portion		(422)
Less: Unamortized bond discount		<u>(20)</u>
Long-term portion as of June 30, 2021	\$	<u><u>401</u></u>

(b) Qualified Energy Conservation Bonds

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

Significant events of default as specified in the Equipment Lease/Purchase Agreement, include 1) payment defaults 2) material breach of warranty, representation, or covenants of the Equipment Lease/Purchase Agreement (not cured within applicable grace periods) and 3) bankruptcy and insolvency events, which could cause acceleration of all Rental Payments. Assets constructed by the projects funded from proceeds of this debt obligation are pledged as collateral. As of June 30, 2021, there were no such events described herein.

The future annual debt service relating to the QECBs outstanding as of June 30, 2021 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>
2022	\$ 549	168	(119)	49
2023	555	142	(100)	42
2024	562	116	(82)	34
2025	569	89	(63)	26
2026	576	62	(44)	18
2027-2028	876	42	(28)	14
	<u>3,687</u>	<u>619</u>	<u>(436)</u>	<u>183</u>
Less: Current portion	(549)			
Long-term portion as of June 30, 2021	\$ <u><u>3,138</u></u>			

* The SFPUC received IRS notice, dated June 29, 2021, that the federal interest subsidy is reduced by 5.7% or a total reduction of \$26 due to sequestration over the remaining life of the bonds assuming the sequestration rate will remain the same.

(c) New Clean Renewable Energy Bonds 2012

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

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Significant events of default as specified in the Equipment Lease/Purchase Agreement, include 1) payment defaults 2) material breach of warranty, representation, or covenants of the Equipment Lease/Purchase Agreement (not cured within applicable grace periods) and 3) bankruptcy and insolvency events, which could cause acceleration of all Rental Payments. Assets constructed by the projects funded from proceeds of this debt obligation are pledged as collateral. As of June 30, 2021, there were no such events described herein.

(d) New Clean Renewable Energy Bonds 2015

In October 2015, Hetchy Power issued \$4,100 of taxable 2015 NCREBs. The 2015 NCREBs were issued to fund certain qualified clean, renewable energy solar generation facilities at the Marina Middle School and the San Francisco Police Academy. The 2015 NCREBs were non-rated and privately placed with Banc of America Leasing. The net effective interest rate on the 2015 NCREBs, after the federal tax subsidy, is 1.4% through 2033. \$1,272 and \$0 of principal were prepaid in fiscal years 2021 and 2020, respectively.

Significant events of default as specified in the Equipment Lease/Purchase Agreement, include 1) payment defaults 2) material breach of warranty, representation, or covenants of the Equipment Lease/Purchase Agreement (not cured within applicable grace periods) and 3) bankruptcy and insolvency events, which could cause acceleration of all Rental Payments. Assets constructed by the projects funded from proceeds of this debt obligation are pledged as collateral. As of June 30, 2021, there were no such events described herein.

The future annual debt service relating to the 2015 NCREBs outstanding as of June 30, 2021 is as follows:

Fiscal years ending June 30:	Principal	Interest before subsidy	Federal interest subsidy*	Interest net of subsidy
2022	\$ 142	81	(53)	28
2023	146	74	(49)	25
2024	148	67	(44)	23
2025	150	60	(40)	20
2026	152	53	(35)	18
2027-2031	792	159	(105)	54
2032-2033	249	12	(8)	4
	<u>1,779</u>	<u>506</u>	<u>(334)</u>	<u>172</u>
Less: Current portion	<u>(142)</u>			
Long-term portion as of June 30, 2021	<u>\$ 1,637</u>			

* The SFPUC received IRS notice, dated June 29, 2021, that the federal interest subsidy is reduced by 5.7% or a total reduction of \$20 due to sequestration over the remaining life of the bonds assuming the sequestration rate will remain the same.

(e) Power Revenue Bonds 2015 Series A (Green) and Series B

In May 2015, Hetchy Power issued tax-exempt revenue bonds, 2015 Series A (Green) in the amount of \$32,025 with interest rates ranging from 4.0% to 5.0% and 2015 Series B in the amount of \$7,530 with interest rates ranging from 3.0% to 4.0%. Proceeds from the bonds were used to finance reconstruction or replacement of existing facilities of the SFPUC's Hetch Hetchy project, to fund capitalized interest on the 2015 Series AB Bonds, to fund a debt service reserve account for the 2015 Series AB Bonds, and to pay costs of issuance of the 2015 Series AB bonds. The bonds were rated "A+" and "AA-" by S&P and Fitch, respectively. Final maturity for

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2015 Series AB are November 1, 2045 and November 1, 2026, respectively. The true interest cost is 3.95%. As of June 30, 2021 and 2020, the outstanding principal amounts were \$36,575 and \$37,360, respectively.

Significant events of default as specified in the Power Enterprise Indenture (applicable to Power Revenue Bonds) 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, 2021, there were no such events described herein.

The future annual debt service relating to the 2015 Series AB Bonds outstanding as of June 30, 2021 are as follows:

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

Fiscal years ending June 30:	Principal	Interest	Total
2022	\$ —	1,593	1,593
2023	—	1,593	1,593
2024	—	1,593	1,593
2025	—	1,593	1,593
2026	—	1,593	1,593
2027-2031	5,235	7,388	12,623
2032-2036	6,860	5,873	12,733
2037-2041	8,755	3,931	12,686
2042-2046	11,175	1,452	12,627
	<u>32,025</u>	<u>26,609</u>	<u>58,634</u>
Add: Unamortized bond premium	3,272		
Long-term portion as of June 30, 2021	\$ <u>35,297</u>		

Hetchy Power - Power Revenue Bonds 2015 Series B

Fiscal years ending June 30:	Principal	Interest	Total
2022	\$ 815	157	972
2023	850	124	974
2024	880	93	973
2025	910	62	972
2026	945	25	970
2027	150	3	153
	<u>4,550</u>	<u>464</u>	<u>5,014</u>
Less: Current portion	(815)		
Add: Unamortized bond premium	176		
Long-term portion as of June 30, 2021	\$ <u>3,911</u>		

(8) Certificates of Participation Issued for the 525 Golden Gate Avenue Headquarters Building

Department-wide Business Type Activities

In October 2009, the City issued \$167,670 in certificates of participation to fund the headquarters building of the SFPUC at 525 Golden Gate Avenue. The 2009 Series C were issued for \$38,120 and 2009 Series D for \$129,550 as “Build America Bonds” (BABs) on a taxable basis under the 2009 American Recovery and Reinvestment Act. The 2009 Series C certificates carry interest rates ranging from 2.0% to 5.0% and mature on November 1, 2022. The 2009 Series D certificates carry interest

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rates ranging from 6.4% to 6.5% and mature on November 1, 2041. After adjusting for the federal interest subsidy, the true interest cost averages 3.4% and 4.3% for Series C and Series D, respectively.

Under the terms of a memorandum of understanding (MOU) between the City and the SFPUC dated October 1, 2009, the City conveyed the real property to the Trustee, the Bank of New York Mellon Trust Company, N.A., which was replaced by U.S. Bank in March 2014 under a property lease in exchange for the proceeds of the sale of the certificates. The Trustee has leased the property back to the City for the City's use under a project lease. The City is obligated under the project lease to pay base rental payments and other payments to the Trustee each year during the 32-year term of the project lease. The Commission makes annual base rental payments to the City for the building equal to annual debt service on the certificates. It is anticipated these lease costs will be offset with reductions in costs associated with current office rental expense. There are no events of default stated in this memorandum of understanding.

Each of the three enterprises has an ownership interest in the building equal to their projected usage of space as follows: Water (73%), Wastewater (15%), and Hetchy Power (12%). Similarly, each enterprise is responsible for a portion of the annual base rental payment based on their ownership percentages less contributed equity. The percentage share of Base Rental Payments for the enterprises is as follows: Water (71.4%), Wastewater (18.9%), and Hetchy Power (9.7%).

Water Enterprise

The future annual debt services relating to the certificates of participation 2009 Series C and D outstanding as of June 30, 2021 are as follows:

Certificates of Participation 2009 Series C (Tax-Exempt)			
	Principal	Interest	Total
Fiscal years ending June 30:			
2022	\$ 2,970	230	3,200
2023	3,124	78	3,202
	<u>6,094</u>	<u>308</u>	<u>6,402</u>
Less: Current portion	(2,970)		
Add: Unamortized bond premiums	69		
Long-term portion as of June 30, 2021	<u>\$ 3,193</u>		

Certificates of Participation 2009 Series D (Taxable BABs)				
	Principal	Interest before subsidy	Federal interest subsidy*	Interest net of subsidy
Fiscal years ending June 30:				
2022	\$ —	5,968	(1,970)	3,998
2023	—	5,968	(1,970)	3,998
2024	3,267	5,864	(1,935)	3,929
2025	3,402	5,652	(1,865)	3,787
2026	3,545	5,431	(1,792)	3,639
2027-2031	20,099	23,497	(7,755)	15,742
2032-2036	24,751	16,291	(5,377)	10,914
2037-2041	30,523	7,357	(2,428)	4,929
2042	6,912	224	(74)	150
Total		<u>76,252</u>	<u>(25,166)</u>	<u>51,086</u>
Long-term portion as of June 30, 2021	<u>\$ 92,499</u>			

* The SFPUC received IRS notice, dated June 29, 2021, that the federal interest subsidy on the 2009 Series D bonds is reduced by 5.7%, or a total reduction of \$1,521 due to sequestration over the remaining life of the bonds assuming the sequestration rate will remain the same.

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Wastewater Enterprise

The future annual debt services relating to the certificates of participation 2009 Series C and D outstanding as of June 30, 2021 are as follows:

Certificates of Participation 2009 Series C

(Tax-Exempt)	Principal	Interest	Total
Fiscal years ending June 30:			
2022	\$ 785	61	846
2023	826	21	847
	<u>1,611</u>	<u>82</u>	<u>1,693</u>
Less: Current portion	(785)		
Add: Unamortized bond premiums	18		
Long-term portion as of June 30, 2021	<u>\$ 844</u>		

Certificates of Participation 2009 Series D

(Taxable BABs)	Principal	Interest before	Federal interest	Interest net of subsidy
Fiscal years ending June 30:				
2022	\$ —	1,578	(521)	1,057
2023	—	1,578	(521)	1,057
2024	864	1,551	(512)	1,039
2025	900	1,494	(493)	1,001
2026	937	1,436	(474)	962
2027-2031	5,314	6,213	(2,050)	4,163
2032-2036	6,544	4,308	(1,422)	2,886
2037-2041	8,071	1,945	(642)	1,303
2042	1,828	59	(20)	39
Total	<u>24,458</u>	<u>20,162</u>	<u>(6,655)</u>	<u>13,507</u>
Long-term portion as of June 30, 2021	<u>\$ 24,458</u>			

* The SFPUC received IRS notice, dated June 29, 2021, that the federal interest subsidy on the 2009 Series D bonds is reduced by 5.7%, or a total reduction of \$402, due to sequestration over the remaining life of the bonds assuming the sequestration rate will remain the same.

Hetchy Power

The future annual debt services relating to the certificates of participation 2009 Series C and D outstanding as of June 30, 2021 are as follows:

Certificates of Participation 2009 Series C

(Tax-Exempt)	Principal	Interest	Total
Fiscal years ending June 30:			
2022	\$ 405	31	436
2023	425	10	435
	<u>830</u>	<u>41</u>	<u>871</u>
Less: Current portion	(405)		
Add: Unamortized bond premium	8		
Long-term portion as of June 30, 2021	<u>\$ 433</u>		

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Certificates of Participation 2009 Series D (Taxable BABs)	Principal	Interest before subsidy	Federal interest subsidy*	Interest net of subsidy
Fiscal years ending June 30:				
2022	\$ —	812	(268)	544
2023	—	812	(268)	544
2024	445	798	(263)	535
2025	463	769	(254)	515
2026	483	739	(244)	495
2027-2031	2,736	3,199	(1,056)	2,143
2032-2036	3,370	2,218	(732)	1,486
2037-2041	4,155	1,002	(331)	671
2042	941	32	(10)	22
Total		<u>10,381</u>	<u>(3,426)</u>	<u>6,955</u>
Long-term portion as of June 30, 2021	<u>\$ 12,593</u>			

* The SFPUC received IRS notice, dated June 29, 2021, that the federal interest subsidy on the 2009 Series D bonds is reduced by 5.7%, or a total reduction of \$207, due to sequestration over the remaining life of the bonds assuming the sequestration rate will remain the same.

(9) Revenue Pledge

Department-wide Business Type Activities

Department-wide revenue pledge for the years ended June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Bonds issued with revenue pledge	\$ 6,623,446	6,317,406
Clean Water State Revolving Fund (CWSRF) loans with revenue pledge	221,088	164,484
Principal and interest remaining due at the end of the year	10,421,954	10,112,715
Principal and interest paid during the year	335,861	336,750
Net revenues for the year ended June 30	458,054	540,551
Funds available for debt service	808,093	1,044,243

Water Revenue Pledge

The Water Enterprise has pledged future revenues to repay various revenue bonds and State Revolving Fund loans. Proceeds from the revenue bonds and State Revolving Fund loans provided financing for various capital construction projects, and to refund previously issued bonds. The bonds and State Revolving Fund loans are payable solely from revenues of the Water Enterprise through the fiscal year ending 2051.

The original amount of revenue bonds and State Revolving Fund loans issued, total principal and interest remaining, principal and interest paid during fiscal years 2021 and 2020, applicable net revenues and funds available for debt service are as follows:

	<u>2021</u>	<u>2020</u>
Bonds issued with revenue pledge	\$ 4,891,480	4,585,440
Clean Water State Revolving Fund (CWSRF) loans with revenue pledge	107,407	73,271
Principal and interest remaining due at the end of the year	7,771,993	7,388,886
Principal and interest paid during the year	248,427	269,210
Net revenues for the year ended June 30	339,046	339,947
Funds available for debt service	467,738	581,878

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Wastewater Revenue Pledge

The Wastewater 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 payable through fiscal years 2049 and 2052, respectively and are solely from revenues of the Wastewater Enterprise.

The original amount of revenue bonds and State Revolving Fund loans issued, total principal and interest remaining, principal and interest paid during fiscal years 2021 and 2020, applicable net revenues, and funds available for debt service are as follows:

	<u>2021</u>	<u>2020</u>
Bonds issued with revenue pledge	\$ 1,667,095	1,667,095
Clean Water State Revolving Fund (CWSRF) loans with revenue pledge	113,681	91,213
Principal and interest remaining due at the end of the year	2,578,879	2,647,000
Principal and interest paid during the year	82,066	62,797
Net revenues for the year ended June 30	108,399	166,082
Funds available for debt service	306,177	381,804

Hetchy Power Revenue Pledge

Hetchy Power has pledged future power revenues to repay the 2008 CREBs, the 2011 QECBs, the 2012 NCREBs, and the 2015 NCREBs. Additionally, Hetchy Power has pledged future power revenues for 2015 Series AB power revenue bonds. Proceeds from the bonds provided financing for various capital construction and facility energy efficiency projects. The Series 2015 AB power revenue bonds are payable through fiscal year 2046 and are solely payable from net revenues of Hetchy Power on a senior lien basis to the 2008 CREBs, the 2011 QECBs, the 2012 NCREBs, and the 2015 NCREBs.

The original amount of bonds issued, total principal and interest remaining, principal and interest paid during fiscal years 2021 and 2020, applicable net revenues, and funds available for debt service are as follows:

	<u>2021</u>	<u>2020</u>
Bonds issued with revenue pledge	\$ 64,871	64,871
Principal and interest remaining due at the end of the year	71,082	76,829
Principal and interest paid during the year*	5,368	4,743
Net revenues for the year ended June 30	10,609	34,522
Funds available for debt service	34,178	80,561

* Per Indenture, debt service for coverage is calculated using the amount of principal and interest paid during the year for the 2015 series AB power revenue bonds, which has a senior lien on power enterprise revenues; principal and interest paid during the year for the 2015 Series AB power revenue bonds was \$2,567.

(10) Water Wholesale Balancing Account

Water Supply Agreement

From 1984-2009, the Water Enterprise provided water service pursuant to the terms of the 1984 Water Settlement Agreement and Master Water Sales Contract, which established the basis for water rates to be charged to those customers (Wholesale Customers). The Master Water Sales Contract expired on June 30, 2009. The Commission and the Wholesale Customers approved a Water Supply Agreement (WSA) effective July 1, 2009 (the contract was restated

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and amended by the SFPUC on December 11, 2018). The WSA has a 25-year term from July 1, 2009 with two options for five-year extensions. The existing 184 million gallons per day (mgd) Supply Assurance continues under the WSA and no increase in the Supply Assurance will be considered before December 31, 2028. During the period from 2009 to 2028, the WSA limits the quantity of water delivered to Retail Customers and Wholesale Customers from the watersheds to 265 mgd. Under the WSA, annual operating expenses, including debt service on bonds sold to finance regional system improvements and regional capital projects funded from revenues, will be allocated between Retail Customers and Wholesale Customers on the basis of proportionate annual water use. The original WSA stated the Wholesale Customers' share of net book value of existing regional assets as of June 30, 2009 would be recovered on level annual payment over the 25-year term of the WSA at an interest rate of 5.13%. The 25-year term repayment obligation was settled in February 2013. The Wholesale Customers made an early repayment to the Water Enterprise of the outstanding balance of \$356,139 as discussed further in the "BAWSCA Early Repayment" Section 5.03 of the WSA. The WSA continues much of the rate setting, accounting, and dispute resolution provisions contained in the expired contract, and has emergency and drought-pricing adjustment provisions.

Pursuant to the terms of the WSA, the Water Enterprise is required to establish water rates applicable to the Wholesale Customers annually. The wholesale water rates are based on an estimate of the level of revenues necessary to recoup the cost of distributing water to the Wholesale Customers in accordance with the methodology outlined in Article V of the WSA (the Wholesale Revenue Requirement (WRR), previously known as the Suburban Revenue Requirement. During fiscal years ending in 2021 and 2020, the WRR, net of adjustments, charged to such wholesale customers was \$275,992 and \$256,280, respectively. Such amounts are subject to final review by the Wholesale Customers, along with a trailing wholesale balancing account compliance audit of the WRR calculation.

Pursuant to Article VII, Section 7.02 of the WSA, the Water Enterprise is required to re-compute the WRR after the close of each fiscal year based on the actual costs incurred in the delivery of water to the Wholesale Customers. The difference between the wholesale revenues earned during the year and the "actual" WRR is recorded in a separate account (the Balancing Account) and represents the cumulative amount that is either owed to the Wholesale Customers (if the wholesale revenues exceed the WRR) or owed to the City (if the WRR exceeds the wholesale revenues paid). In accordance with Article VI of the WSA, the amount recorded in the Balancing Account shall earn interest at a rate equal to the average rate received by the City during the year on the invested pooled funds of the City Treasury, and shall be taken into consideration in the determination of subsequent wholesale water rates. The Water Enterprise owed the Wholesale Customers \$60,864 and \$64,857 for the years ended June 30, 2021 and 2020, respectively, a decrease of \$3,993. Refer to the compliance audit report for the final balancing account available at <https://sfpuc.org/about-us/reports/audited-financial-statements-reports>.

In addition to advancing funds to acquire the pre-2009 assets as discussed previously, the Water Enterprise has also previously appropriated funds, advanced through rates charged to Retail Customers, for construction of capital projects that were not yet placed into service as of June 30, 2009. Wholesale Customers' share of these construction work in progress costs is calculated in accordance with the provisions in the WSA, including a 10-year repayment term and payment of annual principal and interest rate calculated at 4.0% annually. The total obligation of the Wholesale Customers to the Water Enterprise is estimated at \$9,542, and the level annual payment including principal and interest is approximately \$1,159. The Wholesale Customers made the first annual payment as of June 30, 2015 and will end on June 30, 2024.

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(11) Other Non-Operating Revenues - Hetchy Power Trans Bay Cable Construction and Licensing Fees

In 2007, the Board of Supervisors adopted the resolution to enter into two non-exclusive licenses with the Trans Bay Cable LLC (the Licensee) for the Trans Bay Cable Project. The Licensee proposed to install, operate, and maintain approximately 53 miles of high-voltage direct current transmission cable running from the City of Pittsburg to the City. The first license is a Construction License to install a 400 MW high-voltage transmission line, with a four-year term. The Licensee has paid Hetchy Power \$3,500 in Renewable Energy, Transmission and Grid Reliability. Of this amount, \$1,905 of the payments were spent for study and development of two City-owned transmission projects, a Newark-San Francisco project, and a Potrero-Embarcadero project. In 2020, the Board of Supervisors adopted an ordinance to use \$1,593 of the remaining funds from this license to analyze the proposed purchase of power assets from Pacific Gas & Electric Company. The entire licensing fees were fully spent as of 2020.

The second license is an operational license for operation of the transmission line with 25-year term and an option to renew for 10 years. The Licensee agrees to pay Hetchy Power in excess of \$20,000 in 10 separate installments of \$2,000 annually with adjustments for inflation, as the "San Francisco Electric Reliability Payment" to implement, advance, promote, or enhance policies and projects consistent with City Energy Policies. The project came on line November 29, 2010, and Hetchy Power received the first installment of \$2,000. As of June 30, 2021, cumulative revenues to date of \$22,708 were recorded, with final payment of \$2,574 received in fiscal year 2020. Per agreement, the SFPUC shall consult with Departments of Environment and Public Health, as well as community members, including the Power Plant Task Force, in developing its proposals to the Board of Supervisors on how to spend the San Francisco Electricity Reliability Payment, and shall consider specifically renewable energy, conservation, and environmental health programs, which benefit low-income, at-risk, and environmentally disadvantaged communities. The San Francisco Electricity Reliability Payment shall also be partly used for green jobs training and placement programs, which benefit low-income, at-risk, and environmentally disadvantaged communities. As of June 30, 2021, cumulative expenses of \$9,611 have been incurred, with \$1,254 and \$843 in fiscal years 2021 and 2020, respectively.

(12) Employee Benefits

a) Pension Plan

San Francisco City and County Employees' Retirement System – The SFPUC participates in a cost-sharing multiple-employer defined benefit pension Plan (SFERS Plan). The SFERS Plan is administered by the San Francisco City and County Employees' Retirement System (SFERS). For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, pension expense, information about the fiduciary net position of the SFERS Plan, and additions to/deductions from the SFERS Plan's fiduciary net position have been determined on the same basis as they are reported by the SFERS Plan. Contributions are recognized in the period in which they are due pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Replacement Benefits Plan – The Replacement Benefits Plan (RBP) is a qualified excess benefit plan established in October 1989. Internal Revenue Code Section 415(m) provides for excess benefit arrangements that legally permit benefit payments above the Section 415 limits, provided that the payments are not paid from the SFERS Plan. The RBP allows the City to pay SFERS retirees any portion of the Charter-mandated retirement allowance that exceeds the annual Section 415(b) limit. The RBP plan does not meet the criteria of a qualified trust under

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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 2021</u>	<u>Fiscal Year 2020</u>
Valuation Date (VD)	June 30, 2019 updated to June 30, 2020	June 30, 2018 updated to June 30, 2019
Measurement Date (MD)	June 30, 2020	June 30, 2019
Measurement Period (MP)	July 1, 2019 to June 30, 2020	July 1, 2018 to June 30, 2019

SFERS Plan – The City is an employer of the SFERS Plan with a proportionate share of 94.39% as of June 30, 2020 (measurement date), and 94.13% as of June 30, 2019 (measurement date) a 0.26% increased from prior year. SFPUC's allocation percentage was determined based on its employer contributions divided by the City's total employer contributions for fiscal years 2020 and 2019. The net pension liability, deferred outflows/inflows of resources related to pensions, amortization of deferred outflows/inflows, and pension expense are based on each department's allocated percentage. SFPUC's allocation of the City's proportionate share was 7.46%: 4.21% for Water, 2.03% for Wastewater, 0.52% for Hetchy Water, 0.64% for Hetchy Power and 0.06% for CleanPowerSF as of June 30, 2020 (measurement date). SFPUC's allocation of the City's proportionate share was 7.45%: 4.23% for Water, 2.05% for Wastewater, 0.51% for Hetchy Water, 0.62% for Hetchy Power and 0.04% for CleanPowerSF as of June 30, 2019 (measurement date).

RBP – The Water Enterprise's allocation percentage was determined based on the Water Enterprise's headcount (both active members and retirees) divided by the City's total headcount for fiscal year 2020. 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 0.64% as of the measurement date.

Plan Description – The Plan provides basic service retirement, disability, and death benefits based on specified percentages of defined final average monthly salary and provides annual cost of living adjustments (COLA) after retirement. The Plan also provides pension continuation benefits to qualified survivors. The San Francisco City and County Charter and the Administrative Code are the authorities which establish and amend the benefit provisions and employer obligations of the Plan. The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained on the Retirement System's website <http://mysfers.org> or by writing to the San Francisco City and County Employees' Retirement System, 1145 Market Street, 5th Floor, San Francisco, CA 94103 or by calling (415) 487-7000.

Benefits – The Retirement System provides service retirement, disability, and death benefits based on specified percentages of defined final average monthly salary and annual COLA after retirement. Benefits and refunds are recognized when due and payable in accordance with the terms of the SFERS Plan. The Retirement System pays benefits according to the category of employment and the type of benefit coverage provided by the City and County.

The four main categories of Plan members are:

- a. Miscellaneous Non-Safety Members – staff, operational, supervisory, and all other eligible employees who are not in special membership categories.

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- b. Sheriff's Department and Miscellaneous Safety members – sheriffs assuming office on and after January 7, 2012, and undersheriffs, deputized personnel of the Sheriff's department, and miscellaneous safety employees hired on and after January 7, 2012.
- c. Firefighter Members – firefighters and other employees whose principal duties are in fire prevention and suppression work or who occupy positions designated by law as firefighter member positions.
- d. Police Members – police officers and other employees whose principal duties are in active law enforcement or who occupy positions designated by law as police member positions.

The membership groups and the related service retirement benefits are included in the Notes to the Basic Financial Statements of San Francisco Employees' Retirement System.

All members are eligible to apply for a disability retirement benefit, regardless of age, when they have 10 or more years of credited service and they sustain an injury or illness that prevents them from performing their duties. Safety members are eligible to apply for an industrial disability retirement benefit from their first day on the job if their disability is caused by an illness or injury that they receive while performing their duties.

All retired members receive a benefit adjustment each July 1, which is the Basic COLA. The majority of adjustments are determined by changes in Consumer Price Index with increases capped at 2%. The Plan provides for a Supplemental COLA in years when there are sufficient "excess" investment earnings in the Plan. The maximum benefit adjustment each July 1 is 3.5% including the Basic COLA. Effective July 1, 2012, voters approved changes in the criteria for payment of the Supplemental COLA benefit, so that Supplemental COLAs would only be paid when the Plan is also fully funded on a market value of assets basis. Certain provision of this voter-approved proposition were challenged in the Courts. A decision by the California Courts modified the interpretation of the proposition. Effective July 1, 2012, members who retired before November 6, 1996 will receive a Supplemental COLA only when the Plan is also fully funded on a market value of assets basis. However, the "full funding" requirement does not apply to members who retired on or after November 6, 1996 and were hired before January 7, 2012. For all members hired before January 7, 2012, all Supplemental COLAs paid to them in retirement benefits will continue into the future even where an additional Supplemental COLA is not payable in any given year. For members hired on and after January 7, 2012, a Supplemental COLA will only be paid to retirees when the Plan is fully funded on a market value of asset basis and in addition for these members, Supplemental COLAs will not be permanent adjustments to retirement benefits. That is, in years when a Supplemental COLA is not paid, all previously paid Supplemental COLAs will expire.

Funding and Contribution Policy

SFERS Plan – Contributions are made by both the City and the participating employees. Employee contributions are mandatory as required by the Charter. Employee contribution rates varied from 7.5% to 13.0% as a percentage of gross covered salary in fiscal years 2021 and 2020. Most employee groups agreed through collective bargaining for employees to contribute the full amount of the employee contributions on a pretax basis. The City is required to contribute at an actuarially determined rate. Based on the July 1, 2019 actuarial report, the required employer contribution rate for fiscal year 2021 was 22.40% to 26.90%. Based on the July 1, 2018 actuarial report, the required employer contribution rate for fiscal year 2020 was 20.69% to 25.19%.

Employer contributions and employee contributions made by the employer to the SFERS Plan are recognized when due and the employer has made a formal commitment to provide the

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contributions. The City's proportionate share of employer contributions recognized by the Retirement System in fiscal years ended June 30, 2020 and 2019 (measurement years) were \$701,307 and \$607,408, respectively. The SFPUC's allocation of employer contributions for fiscal years 2020 and 2019 (measurement periods) were \$52,242 and \$46,246, respectively. The Water Enterprise's allocation of employer contributions for fiscal years 2020 and 2019 (measurement periods) were \$29,647 and \$26,440, respectively. The Wastewater Enterprise's allocation of employer contributions for fiscal years 2020 and 2019 (measurement periods) were \$14,352 and \$12,816, respectively. Hetchy Water's allocation of employer contributions for fiscal years 2020 and 2019 (measurement periods) were \$3,574 and \$3,073, respectively. Hetchy Power's allocation of employer contributions for fiscal years 2020 and 2019 (measurement periods) were \$4,369 and \$3,756, respectively. CleanPowerSF's allocation of employer contributions for fiscal years 2020 and 2019 (measurement periods) were \$300 and \$161, 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 \$3,600 replacement benefits in the year ended June 30, 2021.

Pension Liabilities, Pension Expenses, and Deferred Outflows and Inflows of Resources Related to Pensions

Fiscal Year 2021

The City reported net pension liabilities for its proportionate share of the pension liability of the Plan and RBP of \$5,292,473 (which includes RBP pension liability of \$185,203) as of June 30, 2021. The City's net pension liability for the SFERS Plan is measured as the proportionate share of the net pension liability. The net pension liability of the SFERS Plan is measured as of June 30, 2020 (measurement date), and the total pension liability for the SFERS Plan and RBP used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The City's proportion of the net pension liability for the SFERS Plan was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The SFPUC's allocation of the City's proportionate share of the net pension liability for the plan as of June 30 2021 was \$381,205, of which \$215,240 for Water Enterprise, \$103,746 for Wastewater Enterprise, \$26,645 for Hetchy Water, \$32,566 for Hetchy Power and \$3,008 for CleanPowerSF. The Water Enterprise's allocation of the total pension liability for the RBP as of June 30, 2021 was \$1,177.

For the year ended June 30, 2021, the City's recognized pension expense was \$962,576 (which includes RBP pension expense of \$25,243) including amortization of deferred outflow/inflow related pension items. SFPUC's allocation of pension expense including amortization of deferred outflow/inflow related pension items were \$77,865 of which \$43,929 for the Water Enterprise, \$19,053 for the Wastewater Enterprise, \$6,103 for Hetchy Water, \$7,459 for Hetchy Power, and \$1,321 for CleanPowerSF. Pension expense increased from the prior year, largely due to the amortization of deferrals.

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At June 30, 2021, SFPUC's reported deferred outflows of resources and deferred inflows of resources related to pensions were the following:

SFERS Plan - Schedule of Deferred Outflows of Resources							
Fiscal Year 2021		Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC Total
Pension contribution subsequent to the measurement date	\$	33,367	16,083	4,130	5,048	466	59,094
Differences between expected and actual experience		7,310	3,524	905	1,106	102	12,947
Changes in assumptions		11,817	5,696	1,463	1,788	165	20,929
Net difference between projected and actual earnings on pension plan investments		4,507	2,172	558	682	63	7,982
Change in employer's proportion		6,987	2,744	743	907	7	11,388
Total	\$	63,988	30,219	7,799	9,531	803	112,340

SFERS Plan - Schedule of Deferred Inflows of Resources							
Fiscal Year 2021		Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC Total
Differences between expected and actual experience	\$	674	325	83	102	9	1,193
Changes in assumptions		3,728	1,797	462	564	52	6,603
Change in employer's proportion		54	26	443	541	1,032	2,096
Total	\$	4,456	2,148	988	1,207	1,093	9,892

Water Enterprise - RBP

Fiscal Year 2021		Schedule of Deferred Outflows of Resources	Schedule of Deferred Inflows of Resources
Differences between expected and actual experience	\$	112	—
Changes in assumptions		315	13
Change in employer's proportion		382	416
Total	\$	809	429

Amounts reported as deferred outflows, exclusive of contributions made after the measurement date, and deferred inflows of resources will be amortized annually and recognized in pension expense as follows:

Deferred Outflows/(Inflows) of Resources								
Fiscal years	SFERS Plan						RBP	
	Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC Total	Water	
2022	\$ 54	(787)	(115)	(141)	(472)	(1,461)	109	
2023	6,166	3,009	665	812	(195)	10,457	193	
2024	11,286	5,528	1,160	1,418	(90)	19,302	12	
2025	8,659	4,238	971	1,187	1	15,056	66	
Total	\$ 26,165	11,988	2,681	3,276	(756)	43,354	380	

Fiscal Year 2020

The City reported net pension liabilities for its proportionate share of the pension liability of the Plan of \$4,213,808 as of June 30, 2020. The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019 (measurement date), and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The City's proportion of the net pension liability 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

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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 2020 was \$313,899, of which \$178,133 for Water Enterprise, \$86,235 for Wastewater Enterprise, \$21,477 for Hetchy Water, \$26,249 for Hetchy Power and \$1,805 for CleanPowerSF.

For the year ended June 30, 2020, the City's recognized pension expense was \$883,395 including amortization of deferred outflow/inflow related pension items. SFPUC's allocation of pension expense including amortization of deferred outflow/inflow related pension items were \$44,896 of which \$22,296 for the Water Enterprise, \$12,748 for the Wastewater Enterprise, \$3,619 for Hetchy Water, \$4,424 for Hetchy Power, and \$1,809 for CleanPowerSF. Pension expense increased from the prior year, largely due to the amortization of deferrals.

At June 30, 2020, SFPUC's reported deferred outflows of resources and deferred inflows of resources related to pensions were the following:

Schedule of Deferred Outflows of Resources						
Fiscal Year 2020			Hetchy	Hetchy	SFPUC	
	Water	Wastewater	Water	Power	CleanPowerSF	Total
Pension contribution subsequent to the measurement date	\$ 29,647	14,352	3,574	4,369	300	52,242
Differences between expected and actual experience	1,319	639	159	194	13	2,324
Changes in assumptions	25,333	12,264	3,055	3,733	257	44,642
Change in employer's proportion	10,785	3,167	1,162	1,420	2	16,536
Total \$	67,084	30,422	7,950	9,716	572	115,744

Schedule of Deferred Inflows of Resources						
Fiscal Year 2020			Hetchy	Hetchy	SFPUC	
	Water	Wastewater	Water	Power	CleanPowerSF	Total
Differences between expected and actual experience	\$ 1,961	949	236	289	20	3,455
Net difference between projected and actual earnings on pension plan investments	32,824	15,891	3,958	4,837	333	57,843
Change in employer's proportion	109	52	141	172	857	1,331
Total \$	34,894	16,892	4,335	5,298	1,210	62,629

Amounts reported as deferred outflows, exclusive of contributions made after the measurement date, and deferred inflows of resources will be amortized annually and recognized in pension expense as follows:

Fiscal years	Deferred Outflows/(Inflows) of Resources					
	Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC Total
2021	\$ 11,020	4,181	1,197	1,464	(235)	17,627
2022	(8,610)	(5,055)	(1,047)	(1,280)	(425)	(16,417)
2023	(2,494)	(1,240)	(293)	(359)	(181)	(4,567)
2024	2,627	1,292	184	224	(97)	4,230
Total \$	2,543	(822)	41	49	(938)	873

Actuarial Assumptions

Fiscal Year 2021

A summary of the actuarial assumptions and methods used to calculate the Total Pension Liability as of June 30, 2020 (measurement period) is provided below, including any assumptions that differ from those used in the July 1, 2019 actuarial valuation. Refer to the July

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1, 2019 actuarial valuation report for a complete description of all other assumptions, which can be found on the Retirement System’s website <http://mysfers.org>.

<u>Key Actuarial Assumptions</u>		<u>SFERS Plan</u>			
Valuation Date		June 30, 2019 updated to June 30, 2020			
Measurement Date		June 30, 2020			
Actuarial Cost Method		Entry-Age Normal Cost			
Expected Rate of Return		7.40% net of pension plan investment, including inflation			
Municipal Bond Yield		3.50% as of June 30, 2019			
		2.21% as of June 30, 2020			
		Bond Buyer 20-Bond GO Index, June 27, 2019 and June 25, 2020			
Inflation		2.75%			
Salary Increases		3.50% plus merit component based on employee classification and years of service			
Discount Rate		7.40% as of June 30, 2019			
		7.40% as of June 30, 2020			
Administrative Expenses		0.60% of payroll as of June 30, 2019			
		0.60% of payroll as of June 30, 2020			
		Old Miscellaneous	Old Police & Fire	Old Police & Fire,	Old Police & Fire,
		and all New Plans	pre 7/1/75	Charters A8.595	Charters A8.559
				and A8.596	and A8.585
Basic COLA	June 30, 2019	2.00%	2.50%	3.10%	4.20%
Basic COLA	June 30, 2020	2.00%	2.50%	3.10%	4.20%

<u>Key Actuarial Assumptions</u>		<u>Replacement Benefits Plan</u>			
Valuation Date		June 30, 2019 updated to June 30, 2020			
Measurement Date		June 30, 2020			
Actuarial Cost Method		Entry-Age Normal Cost			
Municipal Bond Yield		2.21% as of June 30, 2020			
		Bond Buyer 20-Bond GO Index, June 27, 2019 and June 25, 2020			
Inflation		2.75%			
Salary Increases		3.50% plus merit component based on employee classification and years of service			
Discount Rate		2.21% as of June 30, 2020			
Administrative Expenses		0.60% of payroll as of June 30, 2020			
		Old Miscellaneous	Old Police & Fire	Old Police & Fire,	Old Police & Fire,
				Charters	Charters
Basic COLA	June 30, 2020	2.00%	2.50%	3.10%	4.20%

For healthy annuitants, the sex distinct 2009 CalPERS healthy annuitant mortality table, adjusted 1.014 for females and 0.909 for males. For active members, the sex distinct 2009 CalPERS employee mortality tables, adjusted 0.918 for females and 0.948 for males. Rates are projected generationally from the 2009 base year using a modified version of the MP-2015 projection scale.

The actuarial assumptions used at the June 30, 2020 measurement date was based upon the result of a demographic experience study for the period July 1, 2009 through June 30, 2014 and an economic experience study as of July 1, 2019.

Fiscal Year 2020

A summary of the actuarial assumptions and methods used to calculate the Total Pension Liability as of June 30, 2019 (measurement period) is provided below, including any assumptions that differ from those used in the July 1, 2018 actuarial valuation. Refer to the July

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1, 2018 actuarial valuation report for a complete description of all other assumptions, which can be found on the Retirement System’s website <http://mysfers.org>.

<u>Key Actuarial Assumptions</u>	<u>SFERS Plan</u>				
Valuation Date	June 30, 2018 updated to June 30, 2019				
Measurement Date	June 30, 2019				
Actuarial Cost Method	Entry-Age Normal Cost				
Expected Rate of Return	7.40% net of pension plan investment, including inflation				
Municipal Bond Yield	3.87% as of June 30, 2018				
	3.50% as of June 30, 2019				
	Bond Buyer 20-Bond GO Index, June 28, 2018 and June 27, 2019				
Inflation	2.75%				
Salary Increases	3.50% plus merit component based on employee classification and years of service				
Discount Rate	7.50% as of June 30, 2018				
	7.40% as of June 30, 2019				
Administrative Expenses	0.60% of payroll as of June 30, 2018				
	0.60% of payroll as of June 30, 2019				
		Old Miscellaneous	Old Police & Fire	Old Police & Fire,	Old Police & Fire,
		and all New Plans	pre 7/1/75	Charters A8.595	Charters A8.559
				and A8.596	and A8.585
Basic COLA June 30, 2018		2.00%	2.50%	3.10%	4.20%
Basic COLA June 30, 2019		2.00%	2.50%	3.10%	4.20%

Mortality rates for active members and healthy annuitants were based upon the adjusted Employee and Healthy Annuitant CalPERS mortality tables projected generationally from the 2009 base year using a modified version of the MP-2015 projection scale.

Discount Rate

Fiscal Year 2021

SFERS Plan – The beginning and end of year measurements are based on different assumptions and contribution methods that may result in different discount rates. The discount rate was 7.40% as of June 30, 2020 (measurement date) and June 30, 2019 (measurement date).

The discount rate used to measure the Total Pension Liability as of June 30, 2020 was 7.40%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will continue to be made at the rates specified in the Charter. Employer contributions were assumed to be made in accordance with the contribution policy in effect for July 1, 2019 actuarial valuation. That policy includes contributions equal to the employer portion of the entry age normal costs for members as of the valuation date, a payment for the expected administrative expenses, and an amortization payment on the unfunded actuarial liability.

The amortization payment is based on closed periods that vary in length depending on the source. Charter amendments prior to July 1, 2014 are amortized over 20 years. After July 1, 2014, any Charter changes to active member benefits are amortized over 15 years and changes to inactive member benefits, including Supplemental COLAs, are amortized over 5 years. The remaining unfunded actuarial liability not attributable to Charter amendments as of July 1, 2013 is amortized over a 19-year period commencing July 1, 2014. Experience gains and losses and assumption or method changes on or after July 1, 2014 are amortized over 20 years. The full amortization payment for the 2015 assumption changes is phased in over a period of 5 years. For the July 1, 2016 valuation, the increase in the unfunded actuarial liability

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attributable to the Supplemental COLAs granted on July 1, 2013 and July 1, 2014 are amortized over 17-years and 5-years respectively. All amortization schedules are established as a level percentage of payroll so payments increase 3.50% each year. The unfunded actuarial liability is based on an actuarial value of assets that smooths investment gains and losses over five years and a measurement of the actuarial liability that excludes the value of any future Supplemental COLAs.

While the contributions and measure of actuarial liability in the funding valuation do not anticipate any future Supplemental COLAs, the projected contributions for the determination of the discount rate include the anticipated future amortization payments on future Supplemental COLAs for current members when they are expected to be granted. For members who worked after November 6, 1996 and before Proposition C passed (Post 97 Retirees), a Supplemental COLA is granted if the actual investment earnings during the year exceed the expected investment earnings on the actuarial value of assets. For members who did not work after November 6, 1996 and before Proposition C passed, the market value of assets must also exceed the actuarial liability at the beginning of the year for a Supplemental COLA to be granted. When a Supplemental COLA is granted, the amount depends on the amount of excess earnings and the basic COLA amount for each membership group. The large majority of members receive a 1.50% Supplemental COLA when granted.

Because the probability of a Supplemental COLA depends on the current funded level of the Retirement System for certain members, an assumption was developed as of June 30, 2020 for the probability and amount of Supplemental COLA for each future year. There were no excess earnings during the fiscal year ending June 30, 2020; consequently, no Supplemental COLA will be paid effective July 1, 2020. The table below shows the net assumed Supplemental COLA for members with a 2.00% Basic COLA for sample years.

**Assumed Supplemental COLA for Members
with a 2.00% Basic COLA**

<u>Fiscal years</u>	<u>96 - Prop C</u>	<u>Before 11/6/96 or After Prop C</u>
2022	0.75 %	0.19 %
2024	0.75	0.27
2026	0.75	0.30
2028	0.75	0.33
2030	0.75	0.35
2032	0.75	0.37
2034 +	0.75	0.38

The projection of benefit payments to current members for determining the discount rate includes the payment of anticipated future Supplemental COLAs.

Based on these assumptions, the Retirement System's fiduciary net position was projected to be available to make projected future benefit payments for current members for all future years. Projected benefit payments are discounted at the long-term expected return on assets of 7.40% to the extent the fiduciary net position is available to make the payments and at the municipal bond rate of 2.21% to the extent they are not available. The single equivalent rate used to determine the Total Pension Liability as of June 30, 2020 is 7.40%.

The long-term expected rate of return on pension plan investments was 7.40%. It was set by the Retirement Board after consideration of both expected future returns and historical returns experienced by the Retirement System. Expected future returns were determined by using a building-block method in which best-estimate ranges of expected future real rates of return were developed for each major asset class. These ranges were combined to produce the long-

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term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Target allocation and best estimates of geometric long-term expected real rates of return (net of pension plan investment expense and inflation) for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	31.0 %	4.9 %
Private Equity	18.0	7.9
Real Assets	17.0	5.7
Hedge Funds/Absolute	15.0	3.0
Private Credit	10.0	4.8
Treasuries	6.0	(0.5)
Liquid Credit	3.0	2.7
Total	100.0	

RBP – The beginning and end of year measurements are based on different assumptions that result in different discount rates. The discount rate was 2.21% as of June 30, 2020. This reflects the yield for a 20-year, tax-exempt general obligation municipal bond with an average rating of AA/Aa or higher. The Municipal Bond Yields are the Bond Buyer 20-Year GO Index as of June 27, 2019 and June 25, 2020. These are the rates used to determine the total pension liability as of June 30, 2020.

The inflation assumption of 2.75% compounded annually was used for projecting the annual IRC Section 415(b) limitations. However, the actual IRC Section 415(b) limitations published by the IRS of \$230 for 2020 was used for the 2020 measurement date.

The SFERS assumptions about Basic and Supplemental COLA previously discussed also apply to the RBP, including the impact of the State Appeals Court determination that the full funding requirement for payment of Supplemental COLA included in Proposition C was unconstitutional and the impact is accounted for as a change in benefits.

On June 30, 2021, City's membership in the RBP had a total of 683 active members and 105 retirees and beneficiaries currently receiving benefits. The Water Enterprise has 4 active members and 1 retiree and beneficiary currently receiving benefits.

Fiscal Year 2020

SFERS Plan – The beginning and end of year measurements are based on different assumptions and contribution methods that may result in different discount rates. The discount rate was 7.40% as of June 30, 2019 (measurement date) and 7.50% as of June 30, 2018 (measurement date).

The discount rate used to measure the Total Pension Liability as of June 30, 2019 was 7.40%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will continue to be made at the rates specified in the Charter. Employer contributions were assumed to be made in accordance with the contribution policy in effect for July 1, 2018 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,

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2014, any Charter changes to active member benefits are amortized over 15 years and changes to inactive member benefits, including Supplemental COLAs, are amortized over 5 years. The remaining unfunded actuarial liability not attributable to Charter amendments as of July 1, 2013 is amortized over a 19-year period commencing July 1, 2014. Experience gains and losses and assumption or method changes on or after July 1, 2014 are amortized over 20 years. The full amortization payment for the 2015 assumption changes is phased in over a period of 5 years. For the July 1, 2016 valuation, the increase in the unfunded actuarial liability attributable to the Supplemental COLAs granted on July 1, 2013 and July 1, 2014 are amortized over 17-years and 5-years respectively. All amortization schedules are established as a level percentage of payroll so payments increase 3.50% each year. The unfunded actuarial liability is based on an actuarial value of assets that smooths investment gains and losses over five years and a measurement of the actuarial liability that excludes the value of any future Supplemental COLAs.

While the contributions and measure of actuarial liability in the funding valuation do not anticipate any future Supplemental COLAs, the projected contributions for the determination of the discount rate include the anticipated future amortization payments on future Supplemental COLAs for current members when they are expected to be granted. For members who worked after November 6, 1996 and before Proposition C passed (Post 97 Retirees), a Supplemental COLA is granted if the actual investment earnings during the year exceed the expected investment earnings on the actuarial value of assets. For members who did not work after November 6, 1996 and before Proposition C passed, the market value of assets must also exceed the actuarial liability at the beginning of the year for a Supplemental COLA to be granted. When a Supplemental COLA is granted, the amount depends on the amount of excess earnings and the basic COLA amount for each membership group. The large majority of members receive a 1.50% Supplemental COLA when granted.

Because the probability of a Supplemental COLA depends on the current funded level of the Retirement System for certain members, the following assumptions were developed for the probability and amount of Supplemental COLA for each future year. The City has assumed that a full Supplemental COLA will be paid to all Post 97 Retirees effective July 1, 2019. 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
2021	0.75 %	0.27 %
2023	0.75	0.34
2025	0.75	0.36
2027	0.75	0.37
2030 +	0.75	0.38

The projection of benefit payments to current members for determining the discount rate includes the payment of anticipated future Supplemental COLAs.

Based on these assumptions, the Retirement System’s fiduciary net position was projected to be available to make projected future benefit payments for current members for all future years. Projected benefit payments are discounted at the long-term expected return on assets of 7.40% to the extent the fiduciary net position is available to make the payments and at the municipal bond rate of 3.50% to the extent they are not available. The single equivalent rate used to determine the Total Pension Liability as of June 30, 2019 is 7.40%.

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The long-term expected rate of return on pension plan investments was 7.40%. It was set by the Retirement Board after consideration of both expected future returns and historical returns experienced by the Retirement System. Expected future returns were determined by using a building-block method in which best-estimate ranges of expected future real rates of return were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	31.0 %	5.3 %
Private Equity	18.0	8.3
Real Assets	17.0	5.4
Hedge Funds/Absolute	15.0	3.9
Private Credit	10.0	5.2
Treasuries	6.0	0.9
Liquid Credit	3.0	3.6
Total	<u>100.0</u>	

Sensitivity of Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the SFPUC's allocation of the employer's proportionate share of the net pension liability 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 liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate.

SFPUC Plan - Schedule of Employers' Proportionate Share of the Net Pension Liability						
Fiscal Year 2021	Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC Total
1% Decrease Share of NPL @ 6.40% \$	380,571	183,436	47,111	57,580	5,318	674,016
Share of NPL @ 7.40%	215,240	103,746	26,645	32,566	3,008	381,205
1% Increase Share of NPL @ 8.40%	78,645	37,907	9,736	11,899	1,099	139,286

Schedule of Employers' Proportionate Share of the Net Pension Liability						
Fiscal Year 2020	Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC Total
1% Decrease Share of NPL @ 6.40% \$	336,241	162,775	40,539	49,547	3,407	592,509
Share of NPL @ 7.40%	178,133	86,235	21,477	26,249	1,805	313,899
1% Increase Share of NPL @ 8.40%	47,500	22,995	5,727	6,999	481	83,702

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 2021	Water
1% Decrease Share of NPL @ 1.21% \$	1,418
Share of NPL @ 2.21%	1,177
1% Increase Share of NPL @ 3.21%	989

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b) Other Post-Employment Benefits

The SFPUC participates in the City’s single-employer defined benefit other post-employment benefits plan (the Plan). The Plan is maintained by the City and is administered through the City’s Health Service System. It provides post-employment medical, dental and vision insurance benefits to eligible employees, retired employees, surviving spouses, and domestic partners. Health benefit provisions are established and may be amended through negotiations between the City and the respective bargaining units. The City does not issue a separate report on its other post-employment benefit plan.

GASB Statement No. 75 requires that reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

San Francisco Health Service System Retiree Plan - Single-Employer		
	Fiscal Year 2021	Fiscal Year 2020
Valuation Date (VD)	June 30, 2020	June 30, 2018 updated to June 30, 2019
Measurement Date (MD)	June 30, 2020	June 30, 2019
Measurement Period (MP)	July 1, 2019 to June 30, 2020	July 1, 2018 to June 30, 2019

The SFPUC’s allocation percentage of the Plan was determined based on its percentage of citywide “pay-as-you-go” contributions for the year ended June 30, 2020 and June 30, 2019. 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, 2020 (measurement date) was 6.14%: 3.89% for the Water Enterprise, 1.33% for the Wastewater Enterprise, 0.38% for Hetchy Water, 0.46% for Hetchy Power, and 0.08% for CleanPowerSF. The SFPUC’s proportionate share of the City’s OPEB elements as of June 30, 2019 (measurement date) was 6.66%: 4.18% for the Water Enterprise, 1.49% for the Wastewater Enterprise, 0.42% for Hetchy Water, 0.51% for Hetchy Power, and 0.06% for CleanPowerSF.

Benefits – Permanent full-time and elected employees are eligible to retire and receive postretirement health insurance benefits when they are eligible for retirement benefits from the City and County of San Francisco’s Retirement System. The eligibility requirements are as follows:

Normal Retirement	Miscellaneous	Age 50 with 20 years of credited service 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.

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.

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Retiree healthcare benefits are administered by the San Francisco Health Service System and include the following:

- Medical: PPO – City Health Plan (self-insured) and UHC Medicare Advantage (fully-insured)
HMO – Kaiser (fully-insured) and Blue Shield (flex-funded)
- Dental: Delta Dental, DeltaCare USA and United Healthcare Dental
- Vision: Vision benefits are provided under the medical insurance plans and are administered by Vision Service Plan.

Projections of the sharing of benefit related costs are based on an established pattern of practice.

Contributions – Benefits provided under the Plan are currently paid through “pay as you go” funding. Additionally, under the City Charter, active officers and employees of the City who commenced employment on or after January 10, 2009, shall contribute to the Retiree Health Care Trust Fund (Trust Fund) a percentage of compensation not to exceed 2% of pre-tax compensation. The City shall contribute 1% of compensation for officers and employees who commenced employment on or after January 10, 2009 until the City’s GASB Actuary has determined that the City’s portion of the Trust Fund is fully funded. At that time, the City’s 1% contribution shall cease, and officers and employees will each contribute 50% of the maximum 2% of pre-tax compensation.

Starting July 1, 2016, active officers and employees of the City who commenced employment on or before January 9, 2009, shall contribute 0.25% of pre-tax compensation into the Trust Fund. Beginning on July 1st of each subsequent year, the active officers and employees of the City who commenced employment on or before January 9, 2009, shall contribute an additional 0.25% of pre-tax compensation up to a maximum of 1%. Starting July 1, 2016, the City shall contribute 0.25% of compensation into the Trust Fund for each officer and employee who commenced employment on or before January 9, 2009. Beginning on July 1st of each subsequent year, the City shall contribute an additional 0.25% of compensation, up to a maximum of 1% for each officer and employee who commenced employment on or before January 9, 2009. When the City’s actuary has determined that the City’s portion of the Trust Fund is fully funded, the City’s 1% contribution shall cease, and officers and employees will each 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 2021

For the fiscal year ended June 30, 2021, the City’s funding was based on “pay-as-you-go” plus a contribution of \$39,555 to the Retiree Healthcare Trust Fund. The “pay-as-you-go” portion paid by the City was \$206,439 for a total contribution of \$245,994 for the fiscal year ended June 30, 2021. The SFPUC’s proportionate share of contributions for fiscal year 2021 was \$15,087: \$9,572 for Water Enterprise, \$3,263 for the Wastewater Enterprise, \$929 for Hetchy Water, \$1,136 for Hetchy Power, and \$187 for CleanPowerSF.

Fiscal Year 2020

For the fiscal year ended June 30, 2020, the City’s funding was based on “pay-as-you-go” plus a contribution of \$39,518 to the Retiree Healthcare Trust Fund. The “pay-as-you-go” portion paid by the City was \$196,445 for a total contribution of \$235,963 for the fiscal year ended June 30, 2020. The SFPUC’s proportionate share of contributions for fiscal year 2020 was \$15,690: \$9,863 for Water Enterprise, \$3,506 for the Wastewater Enterprise, \$985 for Hetchy Water, \$1,204 for Hetchy Power, and \$132 for CleanPowerSF.

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

Fiscal Year 2021

As of June 30, 2021, the City reported net OPEB liabilities related to the Plan of \$3,823,334. The SFPUC's proportionate share of the City's net OPEB liability as of June 30, 2021 was \$234,488: \$148,771 for Water Enterprise, \$50,711 for the Wastewater Enterprise, \$14,444 for Hetchy Water, \$17,653 for Hetchy Power, and \$2,909 for CleanPowerSF.

For the year ended June 30, 2021, the City's recognized OPEB expense was \$320,684. Amortization of the City's deferred outflows and inflows is included as a component of OPEB expense. The SFPUC's proportionate share of the City's OPEB expense was a net credit of \$14,011: \$5,978 for Water Enterprise, \$6,174 for the Wastewater Enterprise, \$1,480 for Hetchy Water, \$1,809 for Hetchy Power, offset by \$1,430 expense for CleanPowerSF.

As of June 30, 2021, the SFPUC's reported its proportionate share of the City's deferred outflows and inflows of resources related to OPEB from the following sources:

Schedule of Deferred Outflows of Resources

Fiscal Year 2021	Water	Wastewater	Hetchy		CleanPowerSF	SFPUC
			Water	Power		Total
Contribution subsequent to the measurement date	\$ 9,572	3,263	929	1,136	187	15,087
Differences between expected and actual experience	5,394	1,839	524	640	106	8,503
Changes in assumptions	7,531	2,567	731	894	147	11,870
Net difference between projected and actual earnings on pension plan investments	97	33	9	12	2	153
Change in proportion	15,168	7,407	1,532	1,870	—	25,977
Total \$	37,762	15,109	3,725	4,552	442	61,590

Schedule of Deferred Inflows of Resources

Fiscal Year 2021	Water	Wastewater	Hetchy		CleanPowerSF	SFPUC
			Water	Power		Total
Differences between expected and actual experience	\$ 21,315	7,265	2,070	2,529	417	33,596
Change in proportion	—	—	15	19	1,496	1,530
Total \$	21,315	7,265	2,085	2,548	1,913	35,126

Amounts reported as deferred outflows, exclusive of contributions made after the measurement date, and deferred inflows of resources will be amortized annually and recognized in OPEB expense as follows:

Fiscal years	Water	Wastewater	Hetchy		CleanPowerSF	SFPUC
			Water	Power		Total
2022	\$ 1,266	829	90	110	(328)	1,967
2023	1,324	849	96	117	(326)	2,060
2024	1,312	846	94	116	(326)	2,042
2025	1,351	859	99	120	(326)	2,103
2026	1,368	788	245	299	(222)	2,478
Thereafter	254	410	87	106	(130)	727
Total	\$ 6,875	4,581	711	868	(1,658)	11,377

Fiscal Year 2020

As of June 30, 2020, the City reported net OPEB liabilities related to the Plan of \$3,915,814. The SFPUC's proportionate share of the City's net OPEB liability as of June 30, 2020 was

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\$260,397: \$163,684 for Water Enterprise, \$58,183 for the Wastewater Enterprise, \$16,350 for Hetchy Water, \$19,983 for Hetchy Power, and \$2,197 for CleanPowerSF.

For the year ended June 30, 2020, the City's recognized OPEB expense was \$330,673. Amortization of the City's deferred outflows and inflows is included as a component of OPEB expense. The SFPUC's proportionate share of the City's OPEB expense was \$11,663: \$6,125 for Water Enterprise, \$1,943 for the Wastewater Enterprise, \$708 for Hetchy Water, \$866 for Hetchy Power, and \$2,021 for CleanPowerSF.

As of June 30, 2020, 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						
<u>Fiscal Year 2020</u>	<u>Water</u>	<u>Wastewater</u>	<u>Hetchy Water</u>	<u>Hetchy Power</u>	<u>CleanPowerSF</u>	<u>SFPUC Total</u>
Contribution subsequent to the measurement date	\$ 9,863	3,506	985	1,204	132	15,690
Differences between expected and actual experience	6,953	2,472	694	849	93	11,061
Changes in assumptions	3,318	1,179	331	405	45	5,278
Change in employer's proportion	7,449	2,908	322	392	—	11,071
Total \$	<u>27,583</u>	<u>10,065</u>	<u>2,332</u>	<u>2,850</u>	<u>270</u>	<u>43,100</u>

Schedule of Deferred Inflows of Resources						
<u>Fiscal Year 2020</u>	<u>Water</u>	<u>Wastewater</u>	<u>Hetchy Water</u>	<u>Hetchy Power</u>	<u>CleanPowerSF</u>	<u>SFPUC Total</u>
Differences between expected and actual experience	\$ 11,517	4,094	1,150	1,406	155	18,322
Net difference between projected and actual earnings on plan investments	255	91	26	31	3	406
Change in employer's proportion	—	—	19	24	1,053	1,096
Total \$	<u>11,772</u>	<u>4,185</u>	<u>1,195</u>	<u>1,461</u>	<u>1,211</u>	<u>19,824</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 OPEB expense as follows:

<u>Fiscal years</u>	<u>Water</u>	<u>Wastewater</u>	<u>Hetchy Water</u>	<u>Hetchy Power</u>	<u>CleanPowerSF</u>	<u>SFPUC Total</u>
2021	\$ 909	376	(8)	(9)	(195)	1,073
2022	909	376	(8)	(9)	(195)	1,073
2023	972	399	(1)	(2)	(195)	1,173
2024	960	394	(3)	(3)	(195)	1,153
2025	1,002	409	2	2	(195)	1,220
Thereafter	1,196	420	170	206	(98)	1,894
Total	<u>\$ 5,948</u>	<u>2,374</u>	<u>152</u>	<u>185</u>	<u>(1,073)</u>	<u>7,586</u>

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Actuarial Assumptions

Fiscal Year 2021

A summary of the actuarial assumptions and methods used to calculate the total OPEB liability as of June 30, 2020 (measurement date) is provided below:

Key Actuarial Assumptions

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Actuarial Cost Method	The Entry Age Actuarial Cost Method is used to measure the Plan's Total OPEB Liability
Healthcare Cost Trend Rates	Pre-Medicare trend starts at 4.00% in 2022, 7.00% in 2023, trending down to ultimate rate of 4.04% in 2075 Medicare trend starts at 1.00% in 2022, 7.50% in 2023, trending down to ultimate rate of 4.04% in 2075 10-County average trend starts at 4.50% in 2022, 5.50% in 2023, trending down to ultimate rate of 4.04% 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 ending June 30, 2019.

Non-Annuityants

	Published Table	Adjustment Factor	
		Male	Female
Miscellaneous	PubG-2010 Employee	0.834	0.866
Safety	PubS-2010 Employee	1.011	0.979

Healthy Retirees

	Published Table	Adjustment Factor	
		Male	Female
Miscellaneous	PubG-2010 Employee	1.031	0.977
Safety	PubS-2010 Employee	0.947	1.044

Disabled Retirees

	Published Table	Adjustment Factor	
		Male	Female
Miscellaneous	PubG-2010 Employee	1.045	1.003
Safety	PubS-2010 Employee	0.916	0.995

Beneficiaries

	Published Table	Adjustment Factor	
		Male	Female
Miscellaneous	PubG-2010 Employee	1.031	0.977
Safety	PubG-2010 Employee	1.031	0.977

The mortality rates in the base tables are projected generationally from the base year using the MP-2019 projection scale.

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Fiscal Year 2020

A summary of the actuarial assumptions and methods used to calculate the total OPEB liability as of June 30, 2019 (measurement date) is provided below:

Key Actuarial Assumptions

Valuation Date	June 30, 2018 updated to June 30, 2019
Measurement Date	June 30, 2019
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 6.35% in 2021 and trends down to ultimate rate of 3.93% in 2076 Medicare trend starts at 7.0% in 2021 and trends down to ultimate rate of 3.93% in 2076 10-County average trend starts at 5.82% in 2021 and trends down to ultimate rate of 3.93% in 2076 Vision and expenses trend remains a flat 3.5% for all years
Expected Rate of Return on Plan Assets	7.40%
Discount Rate	7.40%
Salary Increase Rate	Wage Inflation Component: 3.50% Additional Merit Component (dependent on years of service): Police: 1.50% - 8.00% Fire: 1.50% - 15.00% Muni Drivers: 0.00% - 15.00% Craft: 0.00% - 3.50% Misc: 0.00% - 5.25%
Inflation Rate	Wage Inflation: 3.50% compounded annually Consumer Price Inflation: 2.75% 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 ending June 30, 2014. Non-Annuitant - CalPERS employee mortality tables without scale BB projection

Gender	Adjustment	Base Year
Female	0.918	2009
Male	0.948	2009

Healthy Annuitants - CalPERS healthy annuitant mortality table without scale BB projection

Gender	Adjustment	Base Year
Female	1.014	2009
Male	0.909	2009

Miscellaneous Disable Annuitants - RP-2014 Disabled Retiree Tables without MP-2014 projection

Gender	Adjustment	Base Year
Female	1.066	2006
Male	0.942	2006

Safety Disables Annuitants - CalPERS industrial disability mortality table without scale BB projection

Gender	Adjustment	Base Year
Female	0.983	2009
Male	0.909	2009

The mortality rates in the base tables are projected generationally from the base year using the modified version of the MP-2015 projection scale. The scale was modified using the Society of Actuaries' model implementation tool with rates converging to the ultimate rate in 2017 (instead of 2029) and an ultimate rate of improvement of 0.85% (instead of 1.00%) up to age 85 decreasing to 0.70% (instead of 0.85%) at age 95.

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, 2021 and June 30, 2020:

	Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	Total 2021
1% Decrease	\$ 128,633	43,846	12,488	15,264	2,515	202,746
Healthcare Trend	148,771	50,711	14,444	17,653	2,909	234,488
1% Increase	175,020	59,657	16,992	20,767	3,422	275,858

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	<u>Water</u>	<u>Wastewater</u>	<u>Hetchy Water</u>	<u>Hetchy Power</u>	<u>CleanPowerSF</u>	<u>Total 2020</u>
1% Decrease	\$ 141,666	50,356	14,150	17,295	1,901	225,368
Healthcare Trend	163,684	58,183	16,350	19,983	2,197	260,397
1% Increase	191,022	67,900	19,080	23,320	2,563	303,885

Discount Rate

Fiscal Year 2021

The discount rate used to measure the Total OPEB Liability as of June 30, 2020 was 7.0%. Based on the assumption that plan member contributions will continue to be made at the rates specified in the Charter, it was determined that the Plan's projected fiduciary net position will be greater than or equal to the benefit payments projected for each future period. As such, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The long-term expected rate of return on OPEB plan investments was 7.0% based on expected future returns and historical returns experienced by the Trust Fund. Expected future returns were determined based on 10-year and 20-year capital market assumptions for the Trust Fund's asset allocation.

Target allocation for each major asset class and best estimates of geometric real rates of return are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equities		
U.S. Large Cap	28.0 %	8.4 %
U.S. Small Cap	3.0	9.8
Developed Market Equity (non-U.S.)	15.0	9.6
Emerging Market Equity	13.0	11.7
Credit		
Bank Loans	3.0	4.9
High Yield Bonds	3.0	4.9
Emerging Market Bonds	3.0	4.8
Rate Securities		
Investment Grade Bonds	9.0	2.2
Long-term Government Bonds	4.0	3.1
Short-term Treasury Inflation-Protected Securities (TIPS)	4.0	1.9
Private Markets		
Private Equity	5.0	12.5
Core Private Real Estate	5.0	6.4
Risk Mitigating Strategies		
Global Macro	5.0	4.1
Total	100.0 %	

The asset allocation targets summarized have a 20-year return estimate of 6.90%, which was weighted against a 10-year model estimating a 6.93% return, resulting in the ultimate long-term expected rate of return of 7.00%.

The following presents the SFPUC's proportionate share of the City's net OPEB liability calculated using the discount rate, as well as what the SFPUC's proportionate share of the City's

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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 2021</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%	\$ 172,646	58,848	16,761	20,486	3,376	272,117
Discount Rate 7.00%	148,771	50,711	14,444	17,653	2,909	234,488
1% Increase 8.00%	129,281	44,067	12,551	15,341	2,528	203,768

Fiscal Year 2020

The discount rate used to measure the total OPEB liability as of June 30, 2019 was 7.40%. 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 7.40% 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. Equities	41.0 %	8.1 %
Developed Market Equity (non-U.S.)	20.0	8.5
Emerging Market Equity	16.0	10.4
Credit		
High Yield Bonds	3.0	6.5
Bank Loans	3.0	6.1
Emerging Market Bonds	3.0	5.2
Rate Securities		
Investment Grade Bonds	9.0	3.9
Treasury Inflation Protected Securities	5.0	3.6
Total	100.0 %	

The asset allocation targets summarized above have a 20-year return estimate of 8.30%, which was weighted against a 10-year model estimating a 7.50% return, resulting in the ultimate long-term expected rate of return of 7.40%.

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 2020</u>	<u>Water</u>	<u>Wastewater</u>	<u>Hetchy Water</u>	<u>Hetchy Power</u>	<u>CleanPowerSF</u>	<u>SFPUC Total</u>
1% Decrease 6.40%	\$ 189,008	67,184	18,879	23,074	2,536	300,681
Discount Rate 7.40%	163,684	58,183	16,350	19,983	2,197	260,397
1% Increase 8.40%	142,994	50,829	14,283	17,457	1,919	227,482

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City issues a publicly available financial report that includes the complete note disclosures and required supplementary information related to the City's post-employment health care obligations. The report may be obtained by writing to the City and County of San Francisco, Office of the Controller, 1 Dr. Carlton B. Goodlett Place, Room 316, San Francisco, California 94102, or by calling (415) 554-7500.

(13) Related Parties

Various common costs incurred by the Commission are allocated proratably between Water, Wastewater, Hetchy Water and Hetchy Power and CleanPowerSF. The allocations are based on the Commission management's best estimate and may change from year to year depending on the activities incurred by each enterprise and the information available.

The following tables show the administrative costs including COVID-19 Project expenses for the years ended June 30, 2021 and 2020:

Fiscal Years	Water		Wastewater		Hetchy Water		Hetchy Power		CleanPowerSF		SFPUC Total	
2021	\$	48,374	49.4%	29,457	30.0%	4,585	4.7%	13,202	13.5%	2,312	2.4%	97,930
2020		45,533	49.3%	27,897	30.2%	4,326	4.7%	12,581	13.6%	2,041	2.2%	92,378

SFPUC's 75-year lease agreement with the San Francisco Recreation and Parks Department (SFRPD), for the use of parking spaces for its fleet of vehicles at the Civic Center Garage, commenced on February 1, 2011. The total payment under this agreement is \$6,274, which was fully made as of fiscal year 2015. The expenses and prepayments among the three SFPUC Enterprises are based on 525 Golden Gate occupancy.

The following tables show the allocable share of expenses and prepayments for the years ended June 30, 2021 and 2020:

	2021				
	Water	Wastewater	Hetchy Water	Hetchy Power	SFPUC Total
Allocable share of expenses	\$ 45	21	4	13	83
Allocable share of prepayment	3,309	1,167	156	766	5,398

	2020				
	Water	Wastewater	Hetchy Water	Hetchy Power	SFPUC Total
Allocable share of expenses	\$ 45	22	5	13	85
Allocable share of prepayment	3,354	1,188	159	780	5,481

Water Enterprise

The Water Enterprise purchases water from Hetch Hetchy Water. The amounts, totaling \$44,149 and \$34,585 for the years ended June 30, 2021 and 2020, 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 \$9,790 and \$9,909 for the years ended June 30, 2021 and 2020, respectively, have been included in services provided by other departments in the accompanying financial statements.

The Water Enterprise sold water to the Wastewater Enterprise at retail rates. This amount, totaling \$1,308 and \$1,474 for the years ended June 30, 2021 and 2020, respectively, has been included in charges for services in the accompanying financial statements.

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Since fiscal year 2008, the Water Enterprise has charged City departments for water usage with the exception of fire hydrants, which are used for general public safety. In fiscal years 2021 and 2020, the Water Enterprise delivered water for fire hydrant purposes totaling \$7, 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 \$16,239 and \$16,634 for the years ended June 30, 2021 and 2020, respectively, have been included in services provided by other departments in the accompanying financial statements.

During the fiscal year ended June 30, 2021, the Water Enterprise transferred \$16,000 to Hetch Hetchy Water to fund various upcountry capital projects, \$622 to the Arts Commission for arts enrichment, and \$32 to the Office of the City Administrator for the Surety Bond Program. The Water Enterprise received \$20,040 from the City for the Emergency Firefighting Water system, and \$985 from the General Fund for low income assistance programs and the Native Plant Garden project.

As of June 30, 2021, the Water Enterprise has no payables to other City departments. As of June 30, 2020, the Water Enterprise had payables in the amount of \$606 to the Office of the City Attorney for legal services provided, and \$68 to the Department of Public Works for sidewalk inspection and repair projects.

Wastewater Enterprise

The Wastewater Enterprise purchases electricity from Hetch Hetchy Power at market rates. This amount, totaling \$10,122 and \$10,760 for the years ended June 30, 2021 and 2020, 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 \$1,308 and \$1,474 for the years ended June 30, 2021 and 2020, 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 \$15,088 and \$12,750 for the years ended June 30, 2021 and 2020, 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 \$11,795 and \$12,324 for the years ended June 30, 2021 and 2020, respectively, have been included in services provided by other departments in the accompanying financial statements.

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As of June 30, 2021 and 2020, the Wastewater Enterprise has payables in the amount of \$739 and \$848, respectively, which is associated with the SFPUC Headquarters Living Machine system. As of June 30, 2021 and 2020, the Wastewater Enterprise has payable of \$0 and \$1, respectively to the City Attorney's Office for legal services provided.

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 1, 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, 2021, the Wastewater Enterprise's expenses and prepayment were \$17 and \$455, respectively, and as of June 30, 2020 were \$17 and \$472, respectively.

Hetchy Water

The Water Enterprise purchases water from Hetchy Water. Included in the operating revenues are the water assessment fees of \$44,149 and \$34,585 for the years ended June 30, 2021 and 2020, respectively. The water assessment fees represent a recovery to fund upcountry, water-related costs that are not otherwise funded through Hetchy water-related revenue or Water revenue bonds.

A variety of City departments provide direct services such as engineering, purchasing, legal, data processing, telecommunication, and human resources to Hetchy Water and charge amounts designed to recover those departments' costs. These charges totaling approximately \$2,517 and \$1,853 for the years ended June 30, 2021 and 2020, respectively, have been included in services provided by other departments in the accompanying financial statements.

Hetchy Water received \$16,000 and \$14,000 for the years ended June 30, 2021 and 2020, respectively, from the Water Enterprise to fund upcountry projects.

Hetchy Water had no receivable or payable with other City departments as of June 30, 2021. As of June 30, 2020, Hetchy Water had \$240 in payable and \$104 in receivable with the City Attorney's Office for legal services.

Hetchy Power

As of June 30, 2021, and 2020, operating revenues in sales of power to departments within the City were \$82,129 and \$99,797, respectively.

A variety of City departments provide direct services such as engineering, purchasing, legal, data processing, telecommunication, and human resources to Hetchy Power and charge amounts designed to recover those departments' costs. These charges totaling approximately \$6,137 and \$6,426 for the years ended June 30, 2021 and 2020, 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 \$9,790 and \$9,909 for the years ended June 30, 2021 and 2020, respectively.

The Wastewater Enterprise purchases electricity and gas from Hetchy Power. This amount totaled \$10,122 and \$10,760 for the years ended June 30, 2021 and 2020, respectively.

The Low Carbon Fuel Standard (LCFS) program is a regulatory program overseen by the California Air Resources Board (CARB). The LCFS program seeks to reduce the carbon intensity of California's

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transportation fuel by 20% by 2030. Transportation fuel suppliers can achieve this goal by either reducing the carbon intensity of their fuels or purchasing LCFS credits from other fuel suppliers that have a lower carbon intensity. In 2017, the San Francisco Municipal Transportation Agency (SFMTA) joined the LCFS program, signing up its transit fleet of electric buses, cable cars, and light rail vehicles and generating LCFS credits. Through a Memorandum of Understanding (MOU) with SFMTA, approved by the SFPUC Commission in Resolution 17-0199, net proceeds from the sale of LCFS credits would be shared 50/50 between SFMTA and Hetchy Power. Under the MOU, Hetchy Power would take responsibility for selling the LCFS credits. In Ordinance 0199-19, the Board of Supervisors authorized Hetchy Power to establish the Low Carbon Fuel Standard Fund to account for the revenue and expenditure from the sale of LCFS credits. The Ordinance also allowed Hetchy Power to sell LCFS credits on behalf of other City agencies. During fiscal year ended June 30, 2021, Hetchy Power received total payments of \$2,362 for the LCSF credits, of which \$1,181 or 50% was reallocated to SFMTA and the remaining portion was reported as other non-operating revenues on the Statements of Revenues, Expenses, and Change in Net Position. During fiscal year ended June 30, 2020, Hetchy Power received total payments of \$13,840 for the LCSF credits, of which \$6,920 or 50% was reallocated to SFMTA and the remaining portion was reported as other non-operating revenues on the Statements of Revenues, Expenses, and Change in Net Position.

Hetchy Power facilitates all electric and gas service connections between PG&E and City departments. In this capacity, Hetchy Power facilitates and coordinates the terms and payment for the service connections that are performed by PG&E. As of June 30, 2021 and 2020, there was no outstanding amount due from City departments related to this work. In the event Hetchy Power received money from PG&E after project completion, monies are to be refunded to the City departments for their respective credits.

Due from other City departments was \$12,406 and \$13,369 with elimination of \$0 and \$1,800 working capital loan to CleanPowerSF for the years ended June 30, 2021 and 2020, 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, 2021 and 2020, projects completed or under way throughout the City amounted to \$4,556 and \$5,062, respectively, and are recorded as due from other government agencies.

Hetch Hetchy funded a project for the Treasure Island Development Authority and recorded a receivable in connection with an upgraded submarine power cable for the Treasure Island as due from other government agencies. This amount totaled \$6,627 and \$6,581 for the years ended June 30, 2021 and 2020, respectively.

As of June 30, 2021 and 2020, Hetchy Power recorded receivables of \$739 and \$847, 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>2021</u>	<u>2020</u>
Treasure Island Development Authority	\$ 6,627	6,581
SEA-related projects - Moscone Center	4,556	5,062
Wastewater - 525 Golden Gate Headquarters Project	739	847
San Francisco Recreation and Park	419	524
City Attorney Office	—	331
Department of Public Works	65	24
Total due from other City departments	<u>12,406</u>	<u>13,369</u>
Less: current portion	<u>(7,413)</u>	<u>(1,074)</u>
Long-term portion as of June 30, net	<u>\$ 4,993</u>	<u>12,295</u>

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As of June 30, 2021, Hetchy Power had payable of \$369 to the Port of San Francisco for Pier 70 Shoreside Power Project. As of June 30, 2020, Hetchy Power had payables in the amount of \$600, of which \$369 to the Port of San Francisco for Pier 70 Shoreside Power Project and \$231 to the City Attorney’s Office for legal services.

CleanPowerSF

As of June 30, 2021, and 2020, operating revenue in sales of power to Hetchy Power were \$1,072 and \$694, respectively. Operating expenses in purchase of power from Hetchy Power were \$2,456 and \$339, 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 \$3,928 and \$2,728 for the years ended June 30, 2021 and 2020, 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 \$2,224 and \$1,685 for the years ended June 30, 2021 and 2020, respectively.

CleanPowerSF had \$0 and \$9 in payable due to the other City departments for legal services as of June 30, 2020 and 2019, respectively.

(14) Risk Management

The SFPUC’s Risk Management program includes both self-insured (i.e., self-retention) and insured exposures at risk. Risk assessments and purchasing of insurance coverage are collaboratively coordinated by SFPUC Enterprise Risk Management and the City’s Office of Risk Management. With certain exceptions, the City and the SFPUC’s general approach is to first evaluate the exposure at risk for self-insurance. Based on this analysis, internal mitigation strategies and financing through a self-retention mechanism are generally more economical as the SFPUC in coordination with the City Attorney’s Office administers, adjusts, settles, defends, and pays claims from budgeted resources (i.e., pay-as-you-go fund). When economically more viable or when required by debt financing covenants, the SFPUC obtains commercial insurance. At least annually, the City actuarially determines general liability and workers’ compensation risk exposures. The SFPUC does not maintain commercial earthquake coverage, with certain minor exceptions, such as a sub-limit for fire-sprinkler leakage due to earthquake under the SFPUC Property Insurance program. In the past three years, there was no settlements that exceeded insurance coverage.

<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	Purchased and Contractual Risk Transfer
(j) Errors and omissions	Purchased and Contractual Risk Transfer
(k) Builders’ risk	Contractual Risk Transfer

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a) General Liability

Through coordination with the Controller and the City Attorney's Office, the general liability risk exposure is actuarially determined and is addressed through pay-as-you-go funding as part of the budgetary process. Associated costs and estimates are booked as expenses as required under GAAP for financial statement purposes for both the SFPUC and the City and County of San Francisco's Annual Comprehensive Financial Report. The claim expense allocations are determined based on actuarially determined anticipated claim payments and the projected timing of disbursement.

The changes for the general liability (damage claims) for the years ended June 30, 2021 and 2020 are as follows:

	2021					
	Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC Total
Beginning of year	\$ 10,767	15,891	558	2,222	106	29,544
Claims and changes in estimates	27,643	6,428	478	4,212	153	38,914
Claims paid	(1,687)	(5,606)	(511)	(5,326)	(253)	(13,383)
End of year	\$ 36,723	16,713	525	1,108	6	55,075

	2020					
	Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC Total
Beginning of year	\$ 11,509	16,368	224	2,053	7	30,161
Claims and changes in estimates	709	1,952	550	9,182	307	12,700
Claims paid	(1,451)	(2,429)	(216)	(9,013)	(208)	(13,317)
End of year	\$ 10,767	15,891	558	2,222	106	29,544

b) Workers' Compensation

The City actuarially determines and allocates workers' compensation costs to the SFPUC according to a formula based on the following: (i) the dollar amount of claims; (ii) yearly projections of payments based on historical experience; and (iii) the size of the SFPUC's payroll. The administration of workers' compensation claims and payouts are handled by the Workers' Compensation Division of the City's Department of Human Resources. Statewide workers' compensation reforms have resulted in budgetary savings in recent years. The City continues to develop and implement improved programs, such as return-to-work programs, to lower or mitigate the growth of workers' compensation costs. Programs include accident prevention, investigation, and duty modification for injured employees with medical restrictions so return to work can occur as soon as possible.

The changes in the liabilities for workers' compensation for the years ended June 30, 2021 and 2020 are as follows:

	2021*				
	Water	Wastewater	Hetchy Water	Hetchy Power	SFPUC Total
Beginning of year	\$ 9,174	6,051	1,187	2,200	18,612
Claims and changes in estimates	1,912	2,616	18	95	4,641
Claims paid	(2,258)	(2,085)	(85)	(177)	(4,605)
End of year	\$ 8,828	6,582	1,120	2,118	18,648

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(Dollars in thousands, unless otherwise stated)

	2020*				
	Water	Wastewater	Hetchy Water	Hetchy Power	SFPUC Total
Beginning of year	\$ 10,336	5,914	1,238	2,261	19,749
Claims and changes in estimates	1,065	1,932	75	261	3,333
Claims paid	(2,227)	(1,795)	(126)	(322)	(4,470)
End of year	\$ 9,174	6,051	1,187	2,200	18,612

* CleanPowerSF had no workers' compensation liability as of June 30, 2021 and 2020.

c) Property

The SFPUC's property risk management approach varies depending on whether the facility is currently under construction, the property is part of revenue-generating operations, the property is of high value, or is mission-critical in nature. During the course of construction, the SFPUC requires each contractor to provide its own insurance, while ensuring the full scope of work be covered with satisfactory levels to limit the SFPUC's risk exposure. Once construction is complete, the SFPUC performs an assessment to determine whether liability/loss coverage will be obtained through the commercial property policy or self-insurance. The majority of property scheduled in the insurance program is for: 1. revenue generating facilities, 2. debt financed facilities, 3. mandated coverage to meet statutory requirements for bonding of various public officials, or 4. high-value, mission-critical property or equipment.

d) Public Officials Liability

All SFPUC public officials with financial oversight responsibilities are provided coverage through a commercial Public Officials Liability Policy.

e) Employment Practices Liability

An Employment Practices Liability Policy is retained to protect against employment-related claims and liabilities.

f) Cyber Liability

A Cyber Liability Policy is retained to protect against cyber-related claims and liabilities.

g) Crime

The SFPUC also retains a Commercial Crime Policy, in lieu of bonding its employees, to provide coverage against liabilities or losses due to third-party crime or employee fraud.

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

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basis depending on the size, complexity, or scope of construction or professional service contracts. Examples of such contracts are inclusive of services provided by engineers, architects, design professionals, and other licensed or certified professional service providers.

k) Builders' Risk

Builders' Risk policies of insurance are required to be provided by the contractor on all construction projects for the full value of construction.

l) Energy Risk Management

Similar to other electric utilities with a heavy reliance on hydroelectric generation, Hetch Hetchy is exposed to risks that could impact its ability to generate net revenues to fund operating and capital investment activities. Hydroelectric generation facilities in the Sierra Nevada are the primary source of electricity for Hetch Hetchy. For this reason, the Hetch Hetchy revenues can vary with watershed hydrology, unexpected generator outages, and market prices for energy. Given the inherent risk for all hydroelectric generation, several risk management interventions have been developed to mitigate exposure.

m) Enterprise Risk Management

The Power Enterprise adopted the ISO 31000 standard for Hetchy Power and the CleanPowerSF program as the framework for implementing Enterprise Risk Management (ERM). The SFPUC utilizes this framework to systematically and proactively identify and mitigate risks that threatens its business objectives. Since not all risks are insurable or transferable contractually, the ERM program provides an additional method to manage risks and protect the SFPUC's current and expanding business allowing for increased operational resiliency and the ability to capitalize on opportunities.

(15) Commitments and Litigation

a) Commitments

SFPUC has outstanding commitments with third parties for various capital projects and other purchase agreements for materials and services. As of June 30, 2021 and 2020, the Water Enterprise had outstanding commitments with third parties of \$185,161 and \$208,832, respectively. As of June 30, 2021 and 2020, the Wastewater Enterprise had outstanding commitments with third parties of \$633,255 and \$453,061, respectively. As of June 30, 2021 and 2020, Hetch Hetchy had outstanding commitments with third parties of \$143,404 and \$103,508, respectively.

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 \$5,069 and \$4,979 for fiscal years 2021 and 2020, respectively. The payments are to be made for the duration of the license, but may be terminated with one year's prior written notice after 2001. The City and the Districts have also agreed to monitor the fisheries in the lower Tuolumne River for the duration of the license. A maximum monitoring expense of \$1,400 is to be shared between the City and the Districts over the term of the license. The City's share of the monitoring costs is 52%, while the Districts are responsible for 48% of the costs.

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Hetchy Power

Wholesale Distribution Tariff (WDT) and Key Operating Agreements for Grid Access

Upon expiration of the City's previous Interconnection Agreement with PG&E, the City began taking service in 2015 under the Wholesale Distribution Tariff (WDT) for distribution service and under the CAISO Open-Access Transmission Tariff for transmission service. The FERC-regulated Wholesale Distribution Tariff is implemented by PG&E through the City specific Service Agreements and Interconnection Agreements. The terms of these agreements have been in contention since the effective date. The City continues to negotiate with PG&E and, where necessary, file complaints and protests at FERC. In September 2020, PG&E filed a revised WDT. Under the terms of the new WDT, the City would pay substantially higher rates, at least twice to potentially four times the current charges, and be required to install costly and inefficient equipment not needed for technical, safety or reliability of operations. In addition, Hetchy Power would no longer be allowed to connect to the "network" grid in the center of San Francisco; have new secondary interconnections; and/or serve any small, typically unmetered loads, such as streetlights, traffic signal and bus shelters.

Staff prepare regular reporting to the Board of Supervisors outlining on-going disputes with PG&E over project requirements, costs and delays. During fiscal years 2021 and 2020, Hetchy Power purchased distribution services for \$8,868 and \$9,270, respectively, from PG&E under the terms of the Service Agreements and Interconnection Agreements that implement the WDT. The City continues to litigate and dispute these terms at FERC and in the court systems; and pursue the purchase of the 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 2021 and 2020, Hetchy Power purchased \$0 and \$2,041 of power and other related products, respectively. Sales of excess power, after meeting Hetchy's obligations, were \$469 or 110,043 MWh for 2021 and \$3,105 or 134,574 MWh for 2020, 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. In fiscal year 2021, the facility generated 6,598 MWh and the rate was at \$324/MWh. In the event that the facility generates more energy than expected due to better than normal meteorological conditions, the PPA requires the Buyer to purchase all the excess energy but generation in excess of 120% of expected is purchased at no cost. The PPA also requires the Seller to generate a minimum amount of energy from the facility annually. If energy production falls below 50% of expected, the Seller must provide replacement power, and if energy falls below 90% of expected, the price for energy generated is lowered. In fiscal years 2021 and 2020, purchases of energy under the Agreement were \$2,127, or 6,598 MWh, and \$2,135, or 6,877 MWh, respectively.

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CleanPowerSF

CleanPowerSF began serving customers in May 2016 and entered into contracts with Calpine Energy Services L.P. (Calpine) and Shiloh I Wind Project LLC (Shiloh) to purchase renewable and conventional energy and resource adequacy capacity to meet its retail sales obligations. Both contracts feature 10-year master agreements under which multiple transactions may be executed. Calpine did not have any reserve balance requirement in fiscal years 2021 and 2020. Since its launch, CleanPowerSF has added multiple additional short-term and medium-term contracts with multiple counterparties pursuant to master agreements, including the WSP Master Agreement, to purchase renewable, carbon-free, and conventional energy and resource adequacy capacity, as well as long-term contracts for renewable energy and capacity with renewable energy developers sPower, Terra-Gen, NextEra and EDF Renewables. These contracts have been entered to allow CleanPowerSF to both meet its existing retail sales obligations and to support future retail sales from the citywide enrollment into the CleanPowerSF program. Citywide enrollment was substantively completed with the enrollment of residential accounts in April 2019. The total power purchase cost, net of wholesale sales, equaled \$188,533 and \$174,432 in fiscal years 2021 and 2020, respectively.

CleanPowerSF entered into a contract with Noble Americas Energy Solutions in November 2015 for a three-year term, not to exceed \$5,600 to provide data management, billing administration and customer care services. On December 1, 2016, Noble Americas Energy Solutions was acquired by Calpine Corporation and was renamed Calpine Energy Solutions. Subsequently, CleanPowerSF's contract was assigned to Calpine Energy Solutions under its new name and ownership. In August 2018, CleanPowerSF exercised its option under the contract to extend the term for three years, through October 31, 2021, and increased the contract's not-to-exceed value to \$18,769. During fiscal years 2021 and 2020, amounts paid were \$6,664 and \$6,240, respectively.

CleanPowerSF Power Purchase Agreement (PPA)

In November 2020, CleanPowerSF executed a Power and Storage Purchase Agreement to purchase solar product and storage product from a solar powered generation facility and battery storage facility located at Livermore pursuant to the 25-year PPA with IP Aramis, LLC (Seller). As of June 30, 2021, CleanPowerSF received cash collateral of \$9,000 for Development Assurance and Performance Assurance from the Seller.

CleanPowerSF Guarantee

In March 2018, CleanPowerSF entered into a five-year, \$75,000 Credit Agreement with JPMorgan Chase Bank, National Association ("Bank") to provide letters of credit or loans from the Bank to guarantee certain power purchase agreement payment obligations of CleanPowerSF and to meet working capital needs, if necessary. 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 \$13,810 and \$17,985 for fiscal years ending June 30, 2021 and 2020, respectively. CleanPowerSF did not draw on the Credit Agreement during fiscal years 2021 and 2020. Accordingly, the uncommitted credit capacity under the Credit Agreement was \$61,190 and \$57,015 during fiscal years 2021 and 2020, respectively.

Financial covenants include that CleanPowerSF maintain a Debt Service Coverage Ratio as defined in the Credit Agreement of not less than 1.05 for each fiscal quarter, as determined for the four consecutive fiscal quarter periods ended on the last day of such fiscal quarter. As of June 30, 2021, CleanPowerSF was not in compliance with this financial covenant as calculated for the four consecutive fiscal quarters ended on such date, resulting in a covenant event of

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Notes to Basic Financial Statements

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(Dollars in thousands, unless otherwise stated)

default under the Credit Agreement. In connection with subsequent amendments to the Credit Agreement, JPMorgan Chase granted a waiver of such event of default for the period ended June 30, 2021. See Note 16(g), Subsequent Events, for additional details. CleanPowerSF was in compliance with other covenants and requirements of the Credit Agreement as of June 30, 2021.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, requires the disclosure of certain information related to debt, including unused letters of credit. Significant events of default under the Credit Agreement, include 1) non-payment, 2) material breach of warranty, representation, or other non-remedied breach of covenants as specified in the agreement and 3) bankruptcy and insolvency events, which could result in all outstanding loans under the Credit Agreement to be immediately due and payable; or the immediate termination of the Bank's commitment to issue letters of credit or make loans under the Credit Agreement.

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, 2021 and 2020, the Water Enterprise recorded \$1,271 and \$1,577 in pollution remediation liability, respectively. This decrease of \$306 in pollution remediation liability in fiscal year 2021 is for expenses relating to the excavation of contaminated soil that contained polycyclic aromatic hydrocarbons from the Pacific Rod & Gun Club site in the Lake Merced area, and remediation activities for the 17th and Folsom site. As of June 30, 2021, the pollution remediation liability of \$1,271 was related to the Pacific Rod & Gun Club site. As of June 30, 2020, the pollution remediation liability of \$1,577 consisted of \$1,274 for the Pacific Rod & Gun Club site, and \$303 for the 17th and Folsom site.

Wastewater

As of June 30, 2020 and 2019, the Wastewater Enterprise recorded \$7,800 in pollution remediation liability. There is no change in the pollution remediation liability in fiscal year 2021 based on cleanup cost estimates for the toxic sediments at Yosemite Creek.

Hetch Hetchy

Hetch Hetchy had no pollution remediation liability as of June 30, 2021 and 2020.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Notes to Basic Financial Statements

June 30, 2021 and 2020

(Dollars in thousands, unless otherwise stated)

(16) Subsequent Events

a) SFPUC's Claim to California State for Arrearages Relief

The California Department of Community Services and Development is administering funds to energy utilities for the California Arrearage Payment Program (Program) during fiscal year 2022, sourced by the American Rescue Plan Act. The Program was created to provide relief for unpaid bills related to the COVID-19 pandemic.

Water

The SFPUC has submitted surveys to the State Water Board with information on water arrearages accrued during the pandemic and is in the process of submitting an application. Funds of approximately \$7,310 for water arrearage relief are expected to reach the SFPUC sometime in early 2022.

Wastewater

Program guidelines for wastewater arrearage relief are expected no later than February 2022, after all water arrearage relief has been distributed.

Hetch Hetchy

The SFPUC has submitted surveys to the Department of Community Services and Development. Hetch Hetchy received notice from California Department of Community Services and Development on October 28, 2021 stating that \$1,218 will be allocated to Hetchy Power and \$2,424 will be allocated to CleanPowerSF. Funds for energy arrearage relief are expected to reach the agency sometime in early 2022.

b) Declaration of Emergency–Water

On August 23, 2021 a water main ruptured at 22nd Avenue and Sloat Boulevard, causing flooding to adjacent areas. In accordance with Chapter 6, Article IV, Section 6.60(d) of the Administrative Code of the City, the SFPUC declared an emergency relating to this event. As of issuance date, the Water Enterprise has spent \$387 towards restoration.

c) Wastewater Revenue Bonds, Series 2021 AB Issuance – Wastewater

In November 2021, the SFPUC issued its San Francisco Wastewater Revenue Bonds, 2021 Sub-Series A (SSIP) (Green Bonds), and Sub-Series B (non-SSIP) together with an aggregate principal of \$297,880 to refund approximately \$340,000 aggregate principal amount of commercial paper notes issued pursuant to the Wastewater Enterprise's commercial paper program to finance or refinance a portion of the design, acquisition and construction of various capital projects in furtherance of the SFPUC's SSIP and Wastewater Capital Improvement Program.

d) Wastewater Revenue Notes, Series 2021 AB Issuance – Wastewater

In November 2021, the SFPUC issued its San Francisco Wastewater Revenue Notes, 2021 Sub-Series A (SSIP-Biosolids) (Green Notes), and Sub-Series B (SSIP-SEP Improvements) (Green Notes) 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.

e) Power Revenue Bonds Series 2021 AB Issuance – Hetchy Power

On December 21, 2021, the SFPUC issued its San Francisco Power Revenue Bonds, 2021 Sub-Series A (Green), and Sub-Series B together with an aggregate principal of \$124,000 to refund

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Notes to Basic Financial Statements

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(Dollars in thousands, unless otherwise stated)

approximately \$137,714 aggregate principal amount of commercial paper notes issued pursuant to the Power Enterprise's commercial paper program to finance or refinance a portion of the design, acquisition and construction of various capital projects in furtherance of the SFPUC's Power Enterprise capital improvement program.

f) Issuance of Commercial Paper Notes – Hetchy Power

On December 8, 2021, the SFPUC issued \$23,000 in Power Enterprise commercial paper notes to finance a portion of the design, acquisition, and construction of various capital projects in furtherance of the SFPUC's Power Enterprise capital improvement program. The commercial paper notes were refinanced with proceeds of the Power Revenue Bonds Series 2021 AB issuance on December 22, 2021.

g) Guarantee – CleanPowerSF

On November 10, 2021, CleanPowerSF and JPMorgan Chase Bank, National Association executed amendments to the March 2018 Credit Agreement. In connection with the amendments, JPMorgan waived the debt service coverage covenant event of default described in Note 15(a). Among other things, the amendments provided for a decrease in the Credit Agreement amount to \$20,000 from \$75,000 at the request of CleanPowerSF, and extended the agreement to March 2024. Additional changes to the agreement include elimination of target reserve requirements, revisions to debt service coverage 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 credit rating is downgraded below investment grade or suspended, withdrawn or otherwise unavailable.

Required Supplementary Information

(Unaudited)

Schedules of the Proportionate Share of the Net Pension Liability

Schedules of Employer Contributions – Pension Plan

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

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

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

Supplementary Information

(Proprietary Funds)

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

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



Photo by: Sabrina Wong

Westside Enhanced Water Recycling Project:
Working on formwork for wall of pump
station.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Required Supplementary Information (Unaudited)
Schedules of the Proportionate Share of the Net Pension Liability
Fiscal Years Ended 2015 to 2021
(In thousands)

City - San Francisco Employee's Retirement System (SFERS) Plan and Measurement Period (MP)	2015* (MP 2014)	2016** (MP 2015)	2017** (MP 2016)	2018 (MP 2017)	2019** (MP 2018)	2020 (MP 2019)	2021 (MP 2020)
Proportion of net pension liability	93.78%	93.90%	94.22%	94.07%	94.10%	94.13%	94.39%
Proportionate share of the net pension liability (asset)	\$ 1,660,365	2,156,049	5,476,654	4,697,131	4,030,207	4,213,808	5,107,270
Covered payroll (City and County only)	\$ 2,398,979	2,529,879	2,681,695	2,880,112	3,045,153	3,186,405	3,378,945
Proportionate share of the net pension liability as a percentage of covered payroll	69.21%	85.22%	204.22%	163.09%	132.35%	132.24%	151.15%
Plan fiduciary net position as a percentage of total pension liability	91.84%	89.90%	77.61%	81.78%	85.20%	85.30%	83.10%
Water							
Proportion of net pension liability	5.08%	5.00%	4.75%	4.45%	4.35%	4.23%	4.21%
Proportionate share of the net pension liability (asset)	\$ 84,374	108,024	259,956	209,003	175,429	178,133	215,240
Covered payroll [^]	127,364	132,138	134,734	135,361	140,137	142,781	150,170
Proportionate share of the net pension liability as a percentage of covered payroll	66.25%	81.75%	192.94%	154.40%	125.18%	124.76%	143.33%
Wastewater							
Proportion of net pension liability	2.27%	2.20%	2.17%	2.15%	2.11%	2.05%	2.03%
Proportionate share of the net pension liability (asset)	\$ 37,615	48,177	118,907	100,973	85,037	86,235	103,746
Covered payroll [^]	56,913	58,141	61,552	65,399	67,975	69,197	72,410
Proportionate share of the net pension liability as a percentage of covered payroll	66.09%	82.86%	193.18%	154.40%	125.10%	124.62%	143.28%
Hetchy Water							
Proportion of net pension liability	0.56%	0.57%	0.57%	0.54%	0.50%	0.51%	0.52%
Proportionate share of the net pension liability (asset)	\$ 9,242	12,093	31,235	25,216	20,390	21,477	26,645
Covered payroll [^]	14,040	15,064	16,168	16,426	16,108	17,215	18,548
Proportionate share of the net pension liability as a percentage of covered payroll	65.83%	80.28%	193.19%	153.51%	126.59%	124.76%	143.65%
Hetchy Power							
Proportion of net pension liability	0.68%	0.69%	0.70%	0.65%	0.62%	0.62%	0.64%
Proportionate share of the net pension liability (asset)	\$ 11,295	14,781	38,177	30,819	24,920	26,249	32,566
Covered payroll	17,049	18,235	19,855	19,772	19,974	20,928	22,829
Proportionate share of the net pension liability as a percentage of covered payroll	66.25%	81.06%	192.27%	155.87%	124.76%	125.43%	142.65%
CleanPowerSF							
Proportion of net pension liability				0.02%	0.03%	0.04%	0.06%
Proportionate share of the net pension liability (asset)	\$			1,087	1,070	1,805	3,008
Covered payroll [^]				608	966	1,350	2,140
Proportionate share of the net pension liability as a percentage of covered payroll				178.68%	110.71%	133.69%	140.55%
SFPUC Total							
Proportion of net pension liability	8.59%	8.46%	8.19%	7.81%	7.61%	7.45%	7.46%
Proportionate share of the net pension liability (asset)	\$ 142,526	183,075	448,275	367,098	306,846	313,899	381,205
Covered payroll [^]	215,365	223,577	232,309	237,566	245,159	251,471	266,098
Proportionate share of the net pension liability as a percentage of covered payroll	66.18%	81.88%	192.96%	154.52%	125.16%	124.83%	143.26%

* Fiscal year 2015 was the first year of implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Therefore only seven years data shown. RSI will be provided for 10 years as it becomes available.

**Changes of Assumptions - There were no changes in the discount rate for the measurement period ended June 30, 2020. For the measurement period ended June 30, 2019, the discount rate was decreased from 7.50% to 7.40%. There were no changes in the discount rate for the measurement period ended June 30, 2018. For the measurement period ended June 30, 2017, the discount rate was increased from 7.46% to 7.50%

[^] Water, Wastewater, Hetchy Water, Hetchy Power, CleanPowerSF and SFPUC covered payroll is calculated based on the percentage of proportion of net pension liability by the Total covered payroll from SFERS (www.mysfers.org). The total covered payroll for SFERS includes the City, San Francisco Unified School District, San Francisco Community College District, and the San Francisco Courts.

Source: Office of the Controller, City and County of San Francisco and San Francisco Employees' Retirement System (SFERS)

See accompanying auditors' report.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Required Supplementary Information (Unaudited)
Schedules of Employer Contributions - Pension Plan
Fiscal Years Ended 2015 to 2021
(In thousands)

City - SFERS Plan and Measurement Period (MP)	2015* (MP 2015)	2016 (MP 2016)	2017 (MP 2017)	2018 (MP 2018)	2019 (MP 2019)	2020 (MP 2020)	2021 (MP 2021)
Actuarially determined contributions ^{1**}	\$ 556,511	496,343	519,073	582,568	607,408	701,307	791,736
Contributions in relations to the actuarially determined contributions ¹	<u>(556,511)</u>	<u>(496,343)</u>	<u>(519,073)</u>	<u>(582,568)</u>	<u>(607,408)</u>	<u>(701,307)</u>	<u>(791,736)</u>
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—
Covered payroll	\$ 2,529,879	2,681,695	2,880,112	3,045,153	3,186,405	3,378,945	3,434,713
Contributions as a percentage of covered payroll	22.00%	18.51%	18.02%	19.13%	19.06%	20.76%	23.05%
Water							
Actuarially determined contributions ¹	\$ 28,280	24,497	24,638	25,922	26,440	29,647	33,367
Contributions in relations to the actuarially determined contributions ¹	<u>(28,280)</u>	<u>(24,497)</u>	<u>(24,638)</u>	<u>(25,922)</u>	<u>(26,440)</u>	<u>(29,647)</u>	<u>(33,367)</u>
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—
Covered payroll [^]	\$ 132,138	134,734	135,361	140,137	142,781	150,170	152,566
Contributions as a percentage of covered payroll	21.40%	18.18%	18.20%	18.50%	18.52%	19.74%	21.87%
Wastewater							
Actuarially determined contributions ¹	\$ 12,608	10,930	11,270	12,523	12,816	14,352	16,083
Contributions in relations to the actuarially determined contributions ¹	<u>(12,608)</u>	<u>(10,930)</u>	<u>(11,270)</u>	<u>(12,523)</u>	<u>(12,816)</u>	<u>(14,352)</u>	<u>(16,083)</u>
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—
Covered payroll [^]	\$ 58,141	61,552	65,399	67,975	69,197	72,410	73,565
Contributions as a percentage of covered payroll	21.69%	17.76%	17.23%	18.42%	18.52%	19.82%	21.86%
Hetchy Water							
Actuarially determined contributions ¹	\$ 3,097	2,806	2,961	3,128	3,073	3,574	4,130
Contributions in relations to the actuarially determined contributions ¹	<u>(3,097)</u>	<u>(2,806)</u>	<u>(2,961)</u>	<u>(3,128)</u>	<u>(3,073)</u>	<u>(3,574)</u>	<u>(4,130)</u>
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—
Covered payroll [^]	\$ 15,064	16,168	16,426	16,108	17,215	18,548	18,844
Contributions as a percentage of covered payroll	20.56%	17.36%	18.03%	19.42%	17.85%	19.27%	21.92%
Hetchy Power							
Actuarially determined contributions ¹	\$ 3,786	3,430	3,618	3,822	3,756	4,369	5,048
Contributions in relations to the actuarially determined contributions ¹	<u>(3,786)</u>	<u>(3,430)</u>	<u>(3,618)</u>	<u>(3,822)</u>	<u>(3,756)</u>	<u>(4,369)</u>	<u>(5,048)</u>
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—
Covered payroll [^]	\$ 18,235	19,855	19,772	19,974	20,928	22,829	23,193
Contributions as a percentage of covered payroll	20.76%	17.27%	18.30%	19.14%	17.95%	19.14%	21.77%
CleanPowerSF							
Actuarially determined contributions ¹	\$	135	161	300	466	—	—
Contributions in relations to the actuarially determined contributions ¹	\$	<u>(135)</u>	<u>(161)</u>	<u>(300)</u>	<u>(466)</u>	<u>—</u>	<u>—</u>
Contribution deficiency (excess)	\$	—	—	—	—	—	—
Covered payroll [^]	\$	966	1,350	2,140	2,174	—	—
Contributions as a percentage of covered payroll	\$	13.97%	11.92%	14.02%	21.43%	—	—
SFPUC Total							
Actuarially determined contributions ¹	\$ 47,771	41,663	42,487	45,530	46,246	52,242	59,094
Contributions in relations to the actuarially determined contributions ¹	<u>(47,771)</u>	<u>(41,663)</u>	<u>(42,487)</u>	<u>(45,530)</u>	<u>(46,246)</u>	<u>(52,242)</u>	<u>(59,094)</u>
Contribution deficiency (excess)	\$ —	—	—	—	—	—	—
Covered payroll [^]	\$ 223,577	232,309	236,958	245,159	251,471	266,098	270,343
Contributions as a percentage of covered payroll	21.37%	17.93%	17.93%	18.57%	18.39%	19.63%	21.86%

(continued)

¹Contractually required contributions is an actuarially contribution for all cost-sharing plans.

*Fiscal year 2015 was the first year of implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Therefore only seven years data shown. RSI will be provided for 10 years as it becomes available.

** In fiscal year 2015, the actuarially determined contributions were based on an estimated. Due to the early implementation of GASB Statement No. 82, *Pension Issues*, the City decreased the actuarially determined contributions for the City SFERS plan to deduct the employer pickup in the amount of \$8.6 million. (City and County only.)

[^] Water, Wastewater, Hetchy Water, Hetchy Power, CleanPowerSF and SFPUC covered payroll is calculated based on the percentage of proportion of net pension liability by the Total covered payroll from SFERS (www.mysfers.org). The total covered payroll for SFERS includes the City, San Francisco Unified School District, San Francisco Community College District, and the San Francisco Courts. For fiscal year 2021, the percentage of proportion of net pension liability is based on fiscal year 2020. Fiscal year 2020 covered payroll has been updated.

Source: Office of the Controller, City and County of San Francisco and San Francisco Employees' Retirement System (SFERS)

See accompanying auditors' report.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Required Supplementary Information (Unaudited)
Schedules of Employer Contributions - Pension Plan
Fiscal Years Ended 2015 to 2021

Methods and assumptions used to determine FY 2021 contribution rates to SFERS Plan	
Valuation date.....	July 1, 2019 updated to June 30, 2020
Actuarial cost method.....	Entry-age normal cost method
Amortization method.....	Level annual percentage of payroll
Remaining amortization period.....	Closed 15-year period
Asset valuation method.....	5 year smoothed market
Investment rate of return.....	7.40% (net of pension plan investment, including inflation)
Inflation.....	2.75%
Projection salary increase.....	3.50% plus merit component based employee classification and years of services
Methods and assumptions used to determine FY 2020 contribution rates to SFERS Plan	
Valuation date.....	July 1, 2018 updated to June 30, 2019
Actuarial cost method.....	Entry-age normal cost method
Amortization method.....	Level annual percentage of payroll
Remaining amortization period.....	Closed 15-year period
Asset valuation method.....	5 year smoothed market
Investment rate of return.....	7.40% (net of pension plan investment, including inflation)
Inflation.....	2.75% compounded annually
Projection salary increase.....	Wage inflation component: 3.50%
Methods and assumptions used to determine FY 2019 contribution rates to SFERS Plan	
Valuation date.....	July 1, 2017 updated to June 30, 2018
Actuarial cost method.....	Entry-age normal cost method
Amortization method.....	Level annual percentage of payroll
Remaining amortization period.....	Closed 15-year period
Asset valuation method.....	5 year smoothed market
Investment rate of return.....	7.50% (net of investment expenses)
Inflation.....	3.00% compounded annually
Projection salary increase.....	Wage inflation component: 3.50%
Methods and assumptions used to determine FY 2018 contribution rates to SFERS Plan	
Valuation date.....	July 1, 2016 updated to June 30, 2017
Actuarial cost method.....	Entry-age normal cost method
Amortization method.....	Level annual percentage of payroll
Remaining amortization period.....	Closed 15-year period
Asset valuation method.....	5 year smoothed market
Investment rate of return.....	7.50% (net of investment expenses)
Inflation.....	3.25% compounded annually
Projection salary increase.....	Wage inflation component: 3.75%
Methods and assumptions used to determine FY 2017 contribution rates to SFERS Plan	
Valuation date.....	July 1, 2015 updated to June 30, 2016
Actuarial cost method.....	Entry-age normal cost method
Amortization method.....	Level annual percentage of payroll
Remaining amortization period.....	Closed 15-year period
Asset valuation method.....	5 year smoothed market
Investment rate of return.....	7.50% (net of investment expenses)
Inflation.....	3.25% compounded annually
Projection salary increase.....	Wage inflation component: 3.75%
Methods and assumptions used to determine FY 2016 contribution rates to SFERS Plan	
Valuation date.....	July 1, 2014 updated to June 30, 2015
Actuarial cost method.....	Entry-age normal cost method
Amortization method.....	Level annual percentage of payroll
Remaining amortization period.....	Closed 15-year period
Asset valuation method.....	5 year smoothed market
Investment rate of return.....	7.50% (net of investment expenses)
Inflation.....	3.25% compounded annually
Projection salary increase.....	Wage inflation component: 3.75%
Methods and assumptions used to determine FY 2015 contribution rates to SFERS Plan	
Valuation date.....	July 1, 2013 updated to June 30, 2014
Actuarial cost method.....	Entry-age normal cost method
Amortization method.....	Level annual percentage of payroll
Remaining amortization period.....	Rolling 15-year period
Asset valuation method.....	5 year smoothed market
Investment rate of return.....	7.58% (net of investment expenses)
Inflation.....	3.33% compounded annually
Projection salary increase.....	Wage inflation component: 3.83%

See accompanying auditors' report.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Required Supplementary Information (Unaudited)
Schedules of Changes in Total Pension Liability and Related Ratios - Replacement Benefits Plan
Fiscal Year 2021
(In thousands)

City	2021* (MP 2020)
Plan total pension liability:	
Service Cost.....	\$ 1,976
Interest.....	4,776
Changes of benefits.....	—
Differences between expected and actual experience.....	7,800
Changes of assumptions.....	37,013
Benefit payments.....	<u>(3,634)</u>
Net change in total pension liability.....	47,931
Total pension liability, beginning.....	<u>137,272</u>
Plan total pension liability, ending.....	\$ <u>185,203</u>
 Covered-employee payroll.....	 \$ 3,414,923
 Plan total pension liability as a percentage of the covered-employee payroll	 \$ 5.42%
 Water	
Plan total pension liability:	
Service Cost.....	\$ 13
Interest.....	30
Changes of benefits.....	—
Differences between expected and actual experience.....	50
Changes of assumptions.....	235
Benefit payments.....	<u>(23)</u>
Net change in total pension liability.....	305
Total pension liability, beginning.....	—
Adjustments to pension.....	<u>872</u>
Plan total pension liability, ending.....	\$ <u>1,177</u>
 Covered-employee payroll.....	 \$ 21,695
 Plan total pension liability as a percentage of the covered-employee payroll	 \$ 0.03%

* Fiscal year 2021 was the first year SFPUC Water Enterprise have Replacement Benefits Plan. RSI will be provided for 10 years as it becomes available.

No assets are accumulated in a trust that meet the criteria in GASB Statement No. 73 to pay related benefits.

The Water Enterprise's allocation percentage was determined based on the Water Enterprise's headcount (both active members and retirees) divided by the City's total headcount for fiscal year 2020. The Water Enterprise's allocation of the City's proportionate share was 0.64% as of the measurement date.

Source: Office of the Controller, City and County of San Francisco.

See accompanying auditors' report.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Required Supplementary Information (Unaudited)
Schedules of Changes in Other Post-employment Benefits Liability and Related Ratios
Other Post-employment Healthcare Benefits Plan
Fiscal Years Ended 2018 to 2021
(In thousands)

City Plan and Measurement Period (MP)	2018*	2019	2020	2021
	(MP 2017)	(MP 2018)	(MP 2019)	(MP 2020)
Total Other Postemployment Benefits (OPEB) Liability				
Service Cost	\$ 125,195	127,850	133,736	141,642
Interest (includes interest on service cost)	272,942	290,029	283,520	314,907
Differences between expected and actual experience	-	(385,732)	194,068	(381,922)
Changes of assumptions	-	111,119	-	151,725
Benefits payments, including refunds of member contributions	(165,470)	(178,019)	(185,839)	(196,445)
Net change in total OPEB liability	232,667	(34,753)	425,485	29,907
Total OPEB liability - beginning	3,659,019	3,891,686	3,856,933	4,282,418
Adjustments to OPEB	-	-	-	(2)
Total OPEB liability - ending	\$ 3,891,686	3,856,933	4,282,418	4,312,323
Plan fiduciary net position				
Contributions - employer	\$ 183,898	203,858	218,625	235,963
Contributions - member	31,686	41,682	51,024	60,236
Net investment income	17,368	14,105	26,959	22,746
Benefit payments, including refunds of member contributions	(165,470)	(178,019)	(185,839)	(196,445)
Administrative expense	(109)	(137)	(132)	(113)
Net change in plan fiduciary net position	67,373	81,489	110,637	122,387
Plan fiduciary net position - beginning	107,104	174,477	255,966	366,603
Adjustments to OPEB	-	-	-	(1)
Plan fiduciary net position - ending	174,477	255,966	366,603	488,989
Net OPEB liability - ending	\$ 3,717,209	3,600,967	3,915,815	3,823,334
Plan fiduciary net position as a percentage of the total OPEB liability	4.48%	6.64%	8.56%	11.34%
Covered payroll	\$ 3,393,658	3,583,448	3,763,446	3,951,792
Net OPEB liability as a percentage of covered payroll	109.53%	100.49%	104.05%	96.75%
Water				
Proportion of net OPEB liability	\$ 166,336	150,771	163,684	148,771
Percentage of proportion of net OPEB liability	4.47%	4.19%	4.18%	3.89%
Covered payroll	151,858	150,037	157,315	153,769
Net OPEB liability as a percentage of covered payroll	109.53%	100.49%	104.05%	96.75%
Wastewater				
Proportion of net OPEB liability	\$ 59,517	53,567	58,183	50,711
Percentage of proportion of net OPEB liability	1.60%	1.49%	1.49%	1.33%
Covered payroll	54,337	53,306	55,919	52,415
Net OPEB liability as a percentage of covered payroll	109.53%	100.49%	104.05%	96.75%
Hetchy Water				
Proportion of net OPEB liability	\$ 15,872	15,404	16,350	14,444
Percentage of proportion of net OPEB liability	0.43%	0.43%	0.42%	0.38%
Covered payroll	14,490	15,329	15,714	14,929
Net OPEB liability as a percentage of covered payroll	109.53%	100.49%	104.05%	96.75%
Hetchy Power				
Proportion of net OPEB liability	\$ 19,400	18,826	19,983	17,653
Percentage of proportion of net OPEB liability	0.52%	0.52%	0.51%	0.46%
Covered payroll	17,711	18,734	19,205	18,246
Net OPEB liability as a percentage of covered payroll	109.53%	100.49%	104.05%	96.75%
CleanPowerSF				
Proportion of net OPEB liability	\$ 728	1,242	2,197	2,909
Percentage of proportion of net OPEB liability	0.02%	0.03%	0.06%	0.08%
Covered payroll	665	1,236	2,112	3,007
Net OPEB liability as a percentage of covered payroll	109.53%	100.49%	104.05%	96.75%
SFPUC Total				
Proportion of net OPEB liability	\$ 261,853	239,810	260,397	234,488
Percentage of proportion of net OPEB liability	7.04%	6.66%	6.66%	6.14%
Covered payroll	239,061	238,643	250,265	242,366
Net OPEB liability as a percentage of covered payroll	109.53%	100.49%	104.05%	96.75%

(continued)

*Fiscal year 2018 was the first year of implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. Therefore four years data is shown. RSI will be provided for 10 years as it becomes available.

^ Water, Wastewater, Hetchy Water, Hetchy Power, CleanPowerSF and SFPUC covered payroll is based on the percentage of proportion of net OPEB liability to the City's covered payroll.

Source: Office of the Controller, City and County of San Francisco.

See accompanying auditors' report.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Required Supplementary Information (Unaudited)
Schedules of Employer Contributions - Other Post-employment Healthcare Benefits Plan
Fiscal Years Ended 2018 to 2021
(In thousands)

City - City Plan and Measurement Period	2018* (MP 2018)	2019 (MP 2019)	2020** (MP 2020)	2021 (MP 2021)
Charter Required or Actuarially determined contributions (ADC)	\$ 203,858	218,625	235,963	245,992
Contributions in relations to charter required contribution or ADC	(203,858)	(218,625)	(235,963)	(245,992)
Contribution deficiency (excess)	\$ —	—	—	—
Covered payroll	\$ 3,583,448	3,763,446	3,951,792	4,022,105
Contributions as a percentage of covered payroll	5.69%	5.81%	5.97%	6.12%
Water				
Charter Required or Actuarially determined contributions (ADC)	\$ 9,122	9,154	9,863	9,572
Contributions in relations to charter required contribution or ADC	(9,122)	(9,154)	(9,863)	(9,572)
Contribution deficiency (excess)	\$ —	—	—	—
Covered payroll [^]	\$ 150,037	157,315	165,188	156,505
Contributions as a percentage of covered payroll	6.08%	5.82%	5.97%	6.12%
Wastewater				
Charter Required or Actuarially determined contributions (ADC)	\$ 3,264	3,252	3,506	3,263
Contributions in relations to charter required contribution or ADC	(3,264)	(3,252)	(3,506)	(3,263)
Contribution deficiency (excess)	\$ —	—	—	—
Covered payroll [^]	\$ 53,306	55,919	58,718	53,347
Contributions as a percentage of covered payroll	6.12%	5.82%	5.97%	6.12%
Hetchy Water				
Charter Required or Actuarially determined contributions (ADC)	\$ 870	935	985	929
Contributions in relations to charter required contribution or ADC	(870)	(935)	(985)	(929)
Contribution deficiency (excess)	\$ —	—	—	—
Covered payroll [^]	\$ 15,329	15,714	16,500	15,195
Contributions as a percentage of covered payroll	5.68%	5.95%	5.97%	6.11%
Hetchy Power				
Charter Required or Actuarially determined contributions (ADC)	\$ 1,064	1,143	1,204	1,136
Contributions in relations to charter required contribution or ADC	(1,064)	(1,143)	(1,204)	(1,136)
Contribution deficiency (excess)	\$ —	—	—	—
Covered payroll [^]	\$ 18,734	19,205	20,167	18,571
Contributions as a percentage of covered payroll	5.68%	5.95%	5.97%	6.12%
CleanPowerSF				
Charter Required or Actuarially determined contributions (ADC)	\$ 40	75	132	187
Contributions in relations to charter required contribution or ADC	(40)	(75)	(132)	(187)
Contribution deficiency (excess)	\$ —	—	—	—
Covered payroll [^]	1,236	2,112	2,217	3,060
Contributions as a percentage of covered payroll	3.24%	3.55%	5.95%	6.11%
SFPUC Total				
Charter Required or Actuarially determined contributions (ADC)	\$ 14,360	14,559	15,690	15,087
Contributions in relations to charter required contribution or ADC	(14,360)	(14,559)	(15,690)	(15,087)
Contribution deficiency (excess)	\$ —	—	—	—
Covered payroll [^]	\$ 238,642	250,265	262,789	246,679
Contributions as a percentage of covered payroll	6.02%	5.82%	5.97%	6.12%

*Fiscal year 2018 was the first year of implementation of GASB Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions. Therefore four years data is shown. RSI will be provided for 10 years as it becomes available.

** Fiscal year 2020 covered payroll data and percentage updated in fiscal year 2021.

[^] 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 2021, the percentage of proportion of net OPEB liability is based on FY2020.

Source: Office of the Controller, City and County of San Francisco.

See accompanying auditors' report.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Schedule of Changes in Net Position – Dollar and Percentage Change vs. Prior Year
Proprietary Funds
June 30, 2021 and 2020
(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..... \$	32,328	7.2	(70,343)	(20.0)	10,201	12.9	(968)	(0.5)	6,646	7.9	–	–	(22,136)	(1.9)
Cash and investments outside City Treasury.....	(52)	(14.7)	10	2.8	–	–	610	61,000.0	–	–	–	–	568	79.9
Receivables:														
Charges for services (net of allowance for doubtful accounts of \$5,445, \$5,369, \$0, \$1,258, and \$5,485 in 2021 and \$2,500, \$3,189, \$0, \$591, and \$1,810 in 2020).....	(4,473)	(7.5)	(668)	(2.0)	413	1,424.1	16,057	541.2	(6,447)	(18.6)	–	–	4,882	3.7
Due from other City departments, current portion.....	(2)	(0.8)	91	47.9	(104)	(100.0)	4,539	157.9	–	–	1,799	94.2	6,323	419.0
Due from other governments.....	(7)	(30.4)	–	–	(1,996)	(77.5)	(1,377)	(83.8)	–	–	–	–	(3,380)	(79.7)
Interest	(994)	(79.5)	(794)	(80.8)	(162)	(88.5)	(455)	(78.4)	(160)	(74.4)	–	–	(2,565)	(79.9)
Restricted due from other governments.....	(23,725)	(32.4)	17,490	535.7	–	–	–	–	–	–	–	–	(6,235)	(8.1)
Restricted interest and other receivable (net of allowance for doubtful accounts of \$24, \$68, \$0, \$0 and \$0 in 2021 and \$13, \$38, \$0, \$0 and \$0 in 2020).....	209	5.5	977	52.4	(24)	(100.0)	11,632	6,923.8	–	–	–	–	12,794	219.5
Total current receivables.....	(28,992)	(20.9)	17,096	42.7	(1,873)	(64.3)	30,396	369.2	(6,607)	(18.9)	1,799	94.2	11,819	5.3
Prepaid charges, advances, and other receivables, current portion.....	2,442	65.9	682	349.7	(110)	(21.5)	419	18.6	(576)	(20.9)	–	–	2,857	30.3
Inventory.....	160	2.8	181	7.3	4	2.1	211	13.1	–	–	–	–	556	5.5
Restricted cash and investments outside City Treasury, current portion.....	40,527	243.6	(10,745)	(97.3)	–	–	2	1.3	–	–	–	–	29,784	107.0
Total current assets.....	46,413	7.5	(63,119)	(15.5)	8,222	9.9	30,670	15.0	(537)	(0.4)	1,799	94.2	23,448	1.6
Non-current assets:														
Restricted cash and investments with City Treasury.....	–	–	(55,132)	(100.0)	(2,778)	(28.4)	(2,819)	(35.0)	–	–	–	–	(60,729)	(83.2)
Restricted cash and investments outside City Treasury, less current portion.....	(15,236)	(18.8)	(563)	(5.4)	–	–	(105)	(2.8)	–	–	–	–	(15,904)	(16.7)
Restricted interest and other receivable, and prepaid (net of allowance for doubtful accounts of \$8, \$29, \$0, \$0, and \$0 in 2021 and \$8, \$29, \$0, \$0, and \$0 in 2020).....	–	–	(17)	(3.6)	–	–	–	–	–	–	–	–	(17)	(3.6)
Charges for services, less current portion (net of allowance for doubtful accounts of \$658, \$569 \$0, \$0, and \$0 in 2021 and \$669, \$577 \$0, \$0, and \$0 in 2020).....	3	1.5	2	0.6	–	–	–	–	–	–	–	–	5	0.9
Prepaid charges, advances, and other receivables, less current portion.....	(70)	(2.0)	(2)	(0.2)	(4)	(2.6)	(14)	(1.8)	–	–	–	–	(90)	(1.6)
Capital assets, not being depreciated and amortized.....	38,832	6.5	430,306	44.9	11,005	39.9	6,426	3.8	–	–	–	–	486,569	27.8
Capital assets, net of accumulated depreciation and amortization.....	18,422	0.4	114,256	5.4	5,694	4.3	40,201	14.5	–	–	–	–	178,573	2.4
Due from other City departments, less current portion.....	–	–	–	–	–	–	(7,302)	(59.4)	–	–	109	14.8	(7,193)	(62.2)
Total non-current assets.....	41,951	0.7	488,850	15.6	13,917	8.2	36,387	7.7	–	–	109	14.8	581,214	6.2
Total assets.....	88,364	1.4	425,731	12.0	22,139	8.7	67,057	9.9	(537)	(0.4)	1,908	72.1	604,662	5.6
Deferred outflows of resources														
Unamortized loss on refunding of debt.....	10,802	7.5	(98)	(51.9)	–	–	–	–	–	–	–	–	10,704	7.4
Pensions.....	(2,287)	(3.4)	(203)	(0.7)	(151)	(1.9)	(185)	(1.9)	231	40.4	–	–	(2,595)	(2.2)
Other post-employment benefits.....	10,179	36.9	5,044	50.1	1,393	59.7	1,702	59.7	172	63.7	–	–	18,490	42.9
Total deferred outflows of resources..... \$	18,694	7.8	4,743	11.7	1,242	12.1	1,517	12.1	403	47.9	–	–	26,599	8.8

(Continued)

See accompanying auditors' report.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Schedule of Changes in Net Position – Dollar and Percentage Change vs. Prior Year
Proprietary Funds
June 30, 2021 and 2020
(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
Liabilities														
Current liabilities:														
Accounts payable.....	\$ 5,609	53.0	(4,762)	(23.8)	3,304	344.9	8,724	61.5	(6,047)	(27.6)	–	–	6,828	10.1
Accrued payroll.....	1,354	15.9	637	11.6	154	17.3	298	13.0	91	45.5	–	–	2,534	14.6
Accrued vacation and sick leave, current portion.....	618	10.0	1,010	21.0	148	16.2	181	11.3	30	17.1	–	–	1,987	14.6
Accrued workers' compensation, current portion.....	(87)	(4.9)	86	7.7	(4)	(2.0)	(6)	(1.6)	–	–	–	–	(11)	(0.3)
Due to other City departments, current portion.....	(674)	(100.0)	–	–	(240)	(100.0)	138	59.7	(1,809)	(100.0)	1,799	94.2	(786)	(68.1)
Damage claims liability, current portion.....	9,660	203.8	(3,102)	(34.5)	(56)	(20.4)	(296)	(42.0)	(47)	(88.7)	–	–	6,159	41.7
Unearned revenues, refunds, and other, current portion.....	792	4.4	102	1.9	4	22.2	289	6.0	180	21.2	–	–	1,367	4.7
Bond and loan interest payable.....	(6,557)	(15.3)	(145)	(0.8)	–	–	(49)	(9.6)	–	–	–	–	(6,751)	(11.1)
Bonds, current portion.....	14,420	15.3	(360)	(1.5)	–	–	(187)	(8.8)	–	–	–	–	13,873	11.6
Certificates of participation, current portion.....	146	5.2	38	5.1	–	–	21	5.5	–	–	–	–	205	5.2
Commercial paper.....	(256,492)	(70.8)	430,579	207.1	–	–	51,136	80.5	–	–	–	–	225,223	35.5
Wholesale balancing account, current portion.....	10,281	91.3	–	–	–	–	–	–	–	–	–	–	10,281	91.3
State revolving funds loans payable, current portion.....	1,667	100.0	25	1.0	–	–	–	–	–	–	–	–	1,692	68.8
Current liabilities payable from restricted assets.....	(2,688)	(9.0)	4,627	5.4	5,778	176.2	6,934	82.0	–	–	–	–	14,651	11.5
Total current liabilities.....	(221,951)	(37.4)	428,735	112.0	9,088	134.3	67,183	67.7	(7,602)	(30.4)	1,799	94.2	277,252	25.1
Long-term liabilities:														
Other post-employment benefits obligations.....	(14,913)	(9.1)	(7,472)	(12.8)	(1,906)	(11.7)	(2,330)	(11.7)	712	32.4	–	–	(25,909)	(9.9)
Net pension liability.....	38,284	21.5	17,511	20.3	5,168	24.1	6,317	24.1	1,203	66.6	–	–	68,483	21.8
Accrued vacation and sick leave, less current portion.....	1,678	30.8	1,734	42.2	391	53.2	479	35.2	79	68.1	–	–	4,361	37.0
Accrued workers' compensation, less current portion.....	(259)	(3.5)	445	9.0	(63)	(6.4)	(76)	(4.2)	–	–	–	–	47	0.3
Due to other City departments, less current portion.....	–	–	(110)	(14.9)	–	–	(369)	(100.0)	–	–	109	14.8	(370)	(100.0)
Damage claims liability, less current portion.....	16,296	270.4	3,924	56.9	23	8.1	(818)	(53.9)	(53)	(100.0)	–	–	19,372	131.1
Unearned revenues, refunds, and other, less current portion....	–	–	–	–	(493)	(81.0)	(1,938)	(69.5)	9,000	100.0	–	–	6,569	193.3
Bonds, less current portion.....	285,060	6.2	(31,451)	(2.0)	–	–	(3,309)	(6.9)	–	–	–	–	250,300	4.0
Certificates of participation, less current portion.....	(3,062)	(3.1)	(810)	(3.1)	–	–	(418)	(3.1)	–	–	–	–	(4,290)	(3.1)
Wholesale balancing account, less current portion.....	(14,274)	(26.6)	–	–	–	–	–	–	–	–	–	–	(14,274)	(26.6)
State revolving funds loans payable, less current portion.....	32,469	44.3	19,985	23.2	–	–	–	–	–	–	–	–	52,454	32.9
Pollution remediation obligations.....	(306)	(19.4)	–	–	–	–	–	–	–	–	–	–	(306)	(3.3)
Total long-term liabilities.....	340,973	6.6	3,756	0.2	3,120	7.7	(2,462)	(2.1)	10,941	262.3	109	14.8	356,437	4.9
Total liabilities.....	119,022	2.1	432,491	19.1	12,208	25.9	64,721	30.2	3,339	11.4	1,908	72.1	633,689	7.6
Deferred inflows of resources														
Related to pensions.....	(30,009)	(86.0)	(14,744)	(87.3)	(3,347)	(77.2)	(4,091)	(77.2)	(117)	(9.7)	–	–	(52,308)	(83.5)
Other post-employment benefits.....	9,543	81.1	3,080	73.6	890	74.5	1,087	74.4	702	58.0	–	–	15,302	77.2
Total deferred inflows of resources.....	(20,466)	(43.9)	(11,664)	(55.3)	(2,457)	(44.4)	(3,004)	(44.4)	585	24.2	–	–	(37,006)	(44.9)
Net position														
Net investment in capital assets.....	(10,554)	(2.0)	70,501	6.0	16,699	10.4	862	0.3	–	–	–	–	77,508	3.5
Restricted for debt service.....	29,670	186.4	1,765	143.8	–	–	(43)	(30.3)	–	–	–	–	31,392	181.6
Restricted for capital projects.....	(20,803)	(48.2)	–	–	(6,513)	(100.0)	–	–	–	–	–	–	(27,316)	(55.0)
Unrestricted.....	10,189	18.8	(62,619)	(57.8)	3,444	7.9	6,038	4.2	(4,058)	(4.5)	–	–	(47,006)	(10.7)
Total net position.....	\$ 8,502	1.3	9,647	0.7	13,630	6.5	6,857	1.5	(4,058)	(4.5)	–	–	34,578	1.3

See accompanying auditors' report.

THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Schedule of Changes in Revenues, Expenses, and Net Position – Dollar and Percentage Change vs. Prior Year
Proprietary Funds
June 30, 2021 and 2020
(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.....	\$ (447)	(0.1)	(13,485)	(4.1)	12,182	35.0	(4,433)	(3.2)	(37,762)	(15.4)	(43,945)	(3.4)
Rents and concessions.....	787	6.5	(22)	(3.3)	(45)	(28.8)	(55)	(28.8)	–	–	665	5.1
Capacity fees.....	(843)	(38.9)	(2,186)	(37.1)	–	–	–	–	–	–	(3,029)	(37.6)
Other revenues.....	(1,236)	(6.8)	(770)	(13.2)	–	–	–	–	–	–	(2,006)	(8.3)
Total operating revenues.....	(1,739)	(0.3)	(16,463)	(4.8)	12,137	34.7	(4,488)	(3.2)	(37,762)	(15.4)	(48,315)	(3.6)
Operating expenses:												
Personnel services.....	12,585	10.5	(564)	(0.6)	3,567	21.9	44	0.1	(279)	(3.5)	15,353	5.6
Contractual services.....	978	6.7	(496)	(2.6)	773	47.1	984	12.7	(529)	(7.0)	1,710	3.4
Transmission/distribution and other power costs.....	–	–	–	–	–	–	(4,694)	(11.3)	792	360.0	(3,902)	(9.4)
Purchased electricity.....	–	–	–	–	–	–	(1,444)	(19.4)	15,427	8.8	13,983	7.7
Materials and supplies.....	(875)	(6.2)	100	1.1	(65)	(4.9)	(270)	(11.9)	(31)	(54.4)	(1,141)	(4.3)
Depreciation and amortization.....	1,805	1.3	9,051	14.4	733	13.9	(96)	(0.6)	–	–	11,493	5.1
Services provided by other departments.....	9,107	14.9	1,004	2.7	664	35.8	(289)	(4.5)	1,200	44.0	11,686	10.7
General and administrative and other.....	27,126	58.7	20,866	49.0	(28)	(0.2)	3,276	12.4	110	3.7	51,350	37.5
Total operating expenses.....	50,726	12.7	29,961	11.4	5,644	12.6	(2,489)	(1.7)	16,690	8.5	100,532	9.6
Operating income (loss).....	(52,465)	(28.3)	(46,424)	(56.7)	6,493	(65.5)	(1,999)	(27.5)	(54,452)	(110.2)	(148,847)	(49.7)
Non-operating revenues (expenses):												
Federal and state grants.....	14,620	6,995.2	–	–	(1,510)	(52.8)	(402)	(21.3)	–	–	12,708	256.6
Interest and investment income (loss).....	(10,177)	(96.8)	(13,324)	(109.8)	(2,164)	(112.0)	(5,722)	(99.6)	(1,720)	(97.1)	(33,107)	(103.1)
Interest expenses.....	6,640	3.5	8,354	19.3	–	–	770	28.1	51	73.9	15,815	6.7
Amortization of premium, discount, refunding loss, and issuance costs...	(5,970)	(43.4)	(150)	(1.7)	–	–	(9)	(3.9)	–	–	(6,129)	(27.1)
Net gain from sale of assets.....	(61,407)	(96.0)	(20)	(52.6)	(4)	(100.0)	(5)	(100.0)	–	–	(61,436)	(96.0)
Other non-operating revenues.....	(2,073)	(6.8)	(665)	(12.0)	(995)	(99.7)	(5,326)	(23.0)	926	92,600.0	(8,133)	(13.5)
Other Non-operating expenses.....	(1,679)	(317.4)	(357)	(686.5)	(52)	(472.7)	158	14.9	–	–	(1,930)	(116.8)
Net non-operating revenues (expenses).....	(60,046)	(82.5)	(6,162)	(36.5)	(4,725)	(81.7)	(10,536)	(38.8)	(743)	(43.6)	(82,212)	149.5
Change in net position before capital contributions and transfers.....	(112,511)	(100.0)	(52,586)	(80.9)	1,768	42.7	(12,535)	(62.9)	(55,195)	(107.9)	(231,059)	(94.6)
Capital contributions.....	4,180	100.0	–	–	–	–	–	–	–	–	4,180	100.0
Transfers from the City and County of San Francisco.....	19,805	1,623.4	1,160	414.3	2,000	14.3	–	–	–	–	22,965	148.2
Transfers to the City and County of San Francisco.....	(1,849)	12.5	(2,720)	185.3	–	–	(500)	1,562.5	–	–	(5,069)	31.1
Net capital contributions and transfers.....	22,136	(162.9)	(1,560)	131.3	2,000	14.3	(500)	1,562.5	–	–	22,076	(2,742.4)
Change in net position.....	(90,375)	(91.4)	(54,146)	(84.9)	3,768	38.2	(13,035)	(65.5)	(55,195)	(107.9)	(208,983)	(85.8)
Net position at beginning of year.....	98,877	18.2	63,793	5.2	9,862	4.9	19,892	4.5	51,137	127.8	243,561	9.9
Net position at end of year.....	\$ 8,502	1.3	9,647	0.7	13,630	6.5	6,857	1.5	(4,058)	(4.5)	34,578	1.3

See accompanying auditors' report.



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

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

The Honorable Mayor and Board of Supervisors
City and County of San Francisco, 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, the financial statements of the business-type activities of each major fund of the San Francisco Public Utilities Commission (SFPUC), a department of the City and County of San Francisco, California (the City), which comprise the statement of net position as of June 30, 2021, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 25, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered SFPUC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SFPUC's internal control. Accordingly, we do not express an opinion on the effectiveness of SFPUC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether SFPUC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SFPUC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SFPUC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

San Francisco, California
February 25, 2022



Photo by: Robin Scheswohl

SFPUC activates Stormwatch to strategically deploy the Strike Team, to clear away dirt and leaves from catch basins and to vacuum out debris using giant (Vac-con) trucks.



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.



Photo by: Robin Scheswohl

Excavation for installation of lead-free, outdoor water bottle refilling stations.



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



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

Financial Trends

Comparative Highlights of Revenues and Expenses

Changes in Net Position

Summary of Net Position by Component

Investments in Capital Assets

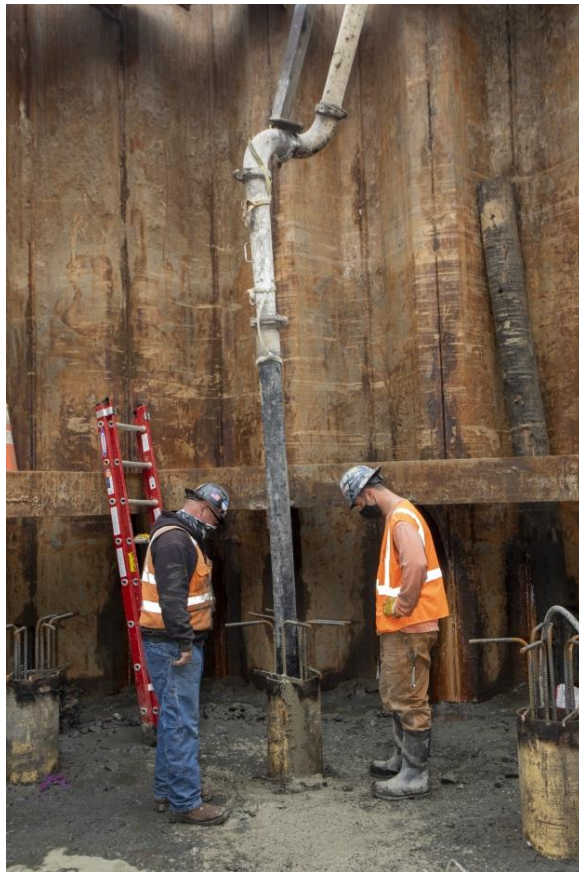
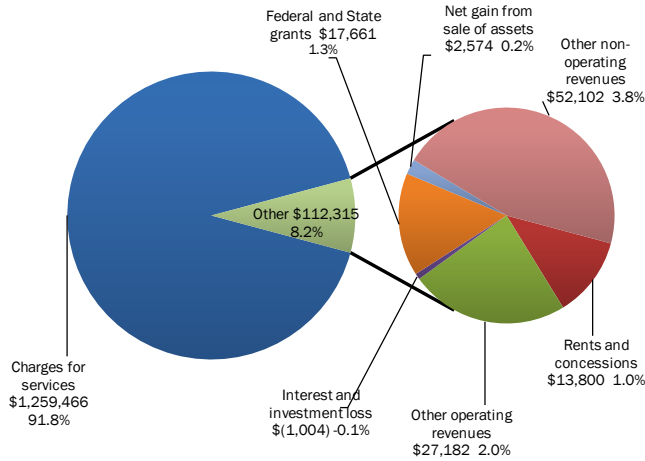


Photo by: Robin Scheswohl

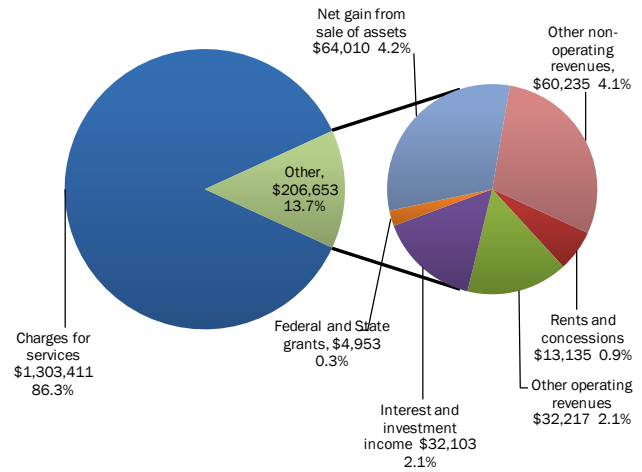
Force Main Rehabilitation at Embarcadero
and Jackson.

Financial Trends
Department-wide
Comparative Highlights of Revenues & Expenses
Fiscal Years Ended 2021 and 2020
(Dollars in Thousands)

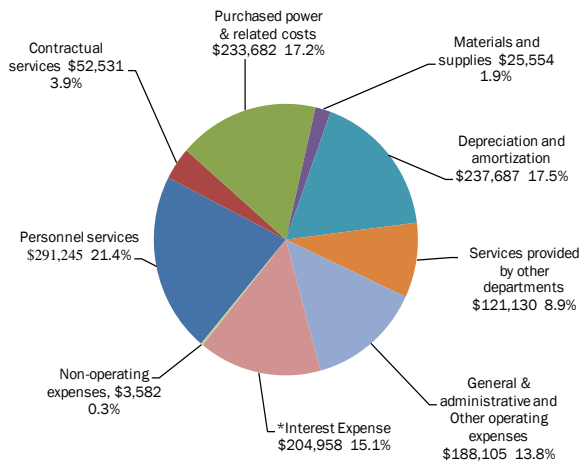
2021 Revenues - \$1,371,781



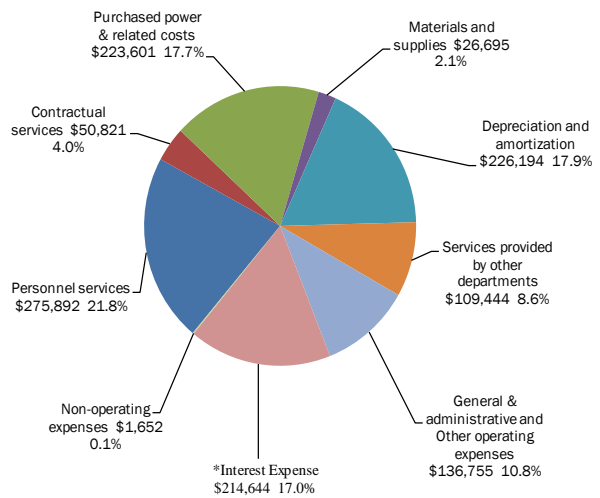
2020 Revenues - \$1,510,064



2021 Expenses - \$1,358,474



2020 Expenses - \$1,265,698

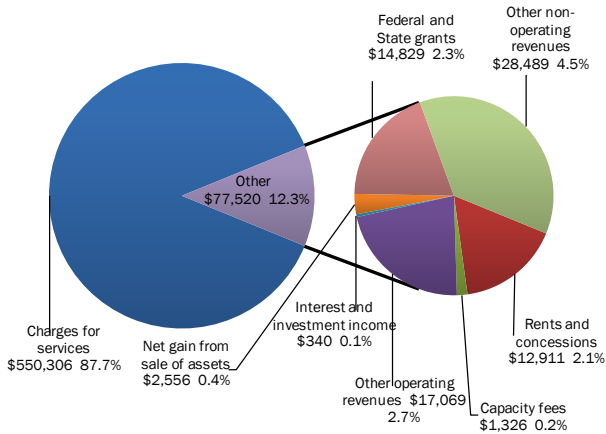


* Interest expenses are net of amortization of premium, discount, refunding loss, and issuance costs.

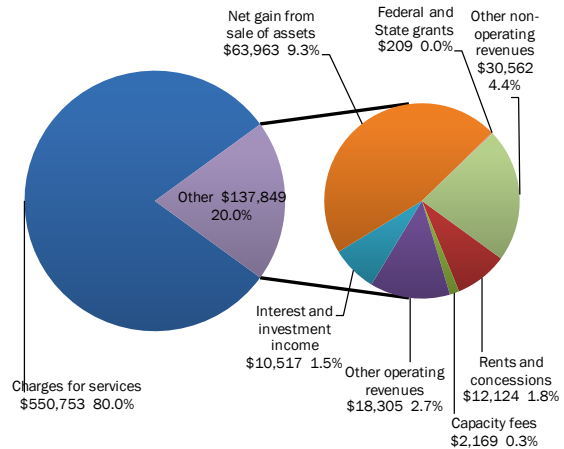
Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

Financial Trends
Water Fund
Comparative Highlights of Revenues & Expenses
Fiscal Years Ended 2021 and 2020
(Dollars in Thousands)

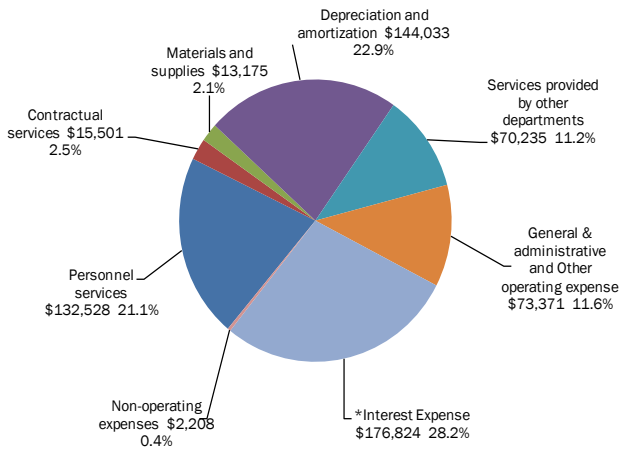
2021 Revenues - \$627,826



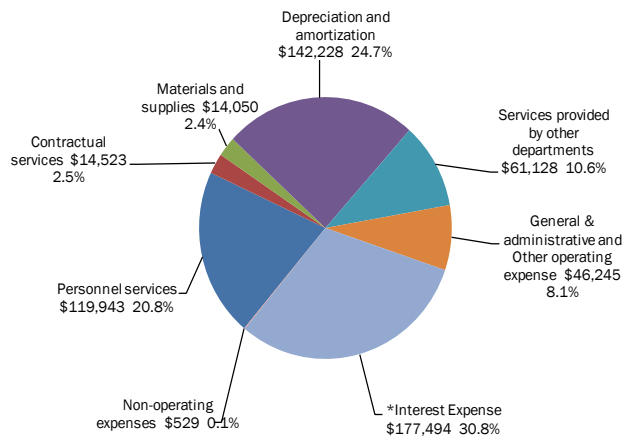
2020 Revenues - \$688,602



2021 Expenses - \$627,875



2020 Expenses - \$576,140

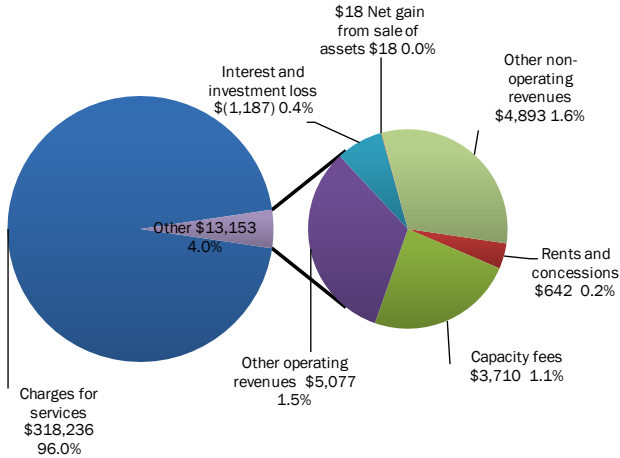


* Interest expenses are net of amortization of premium, discount, refunding loss, and issuance costs.

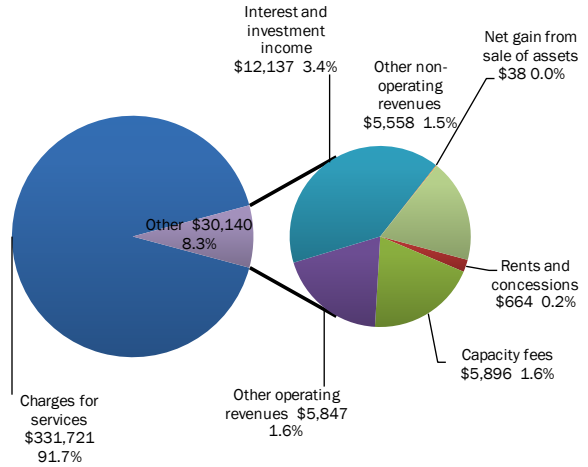
Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

Financial Trends
Wastewater Fund
Comparative Highlights of Revenues & Expenses
Fiscal Years Ended 2021 and 2020
(Dollars in Thousands)

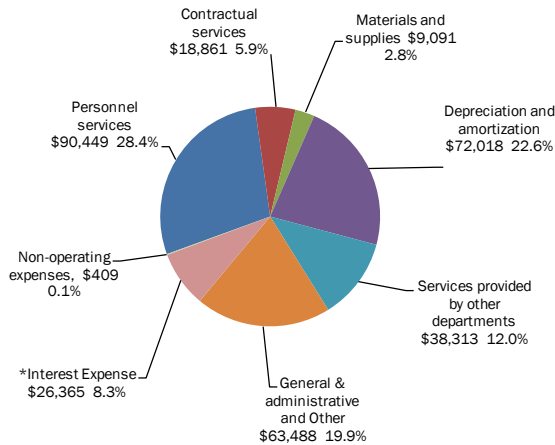
2021 Revenues - \$331,389



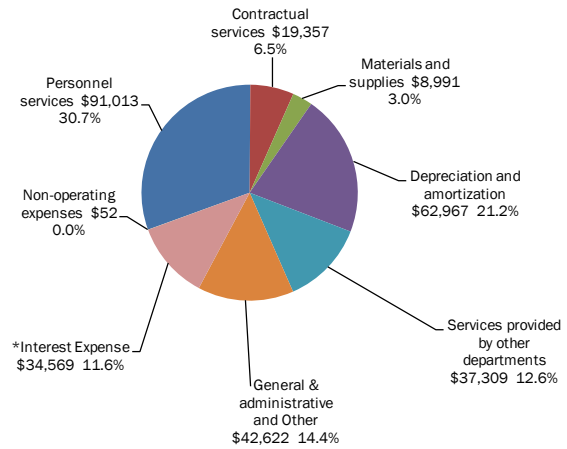
2020 Revenues - \$361,861



2021 Expenses - \$318,994



2020 Expenses - \$296,880

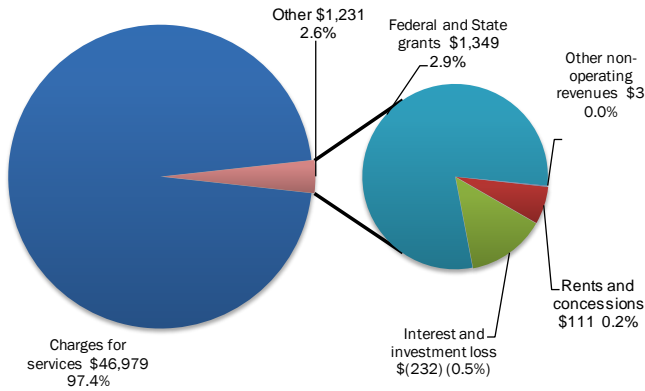


* Interest expenses are net of amortization of premium, refunding loss, and issuance costs.

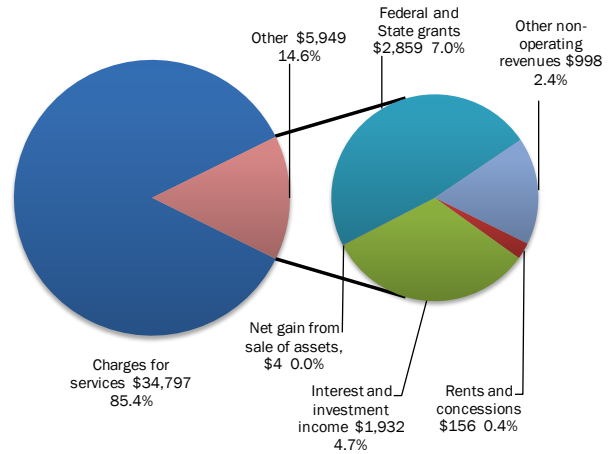
Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

Financial Trends
Hetchy Water Fund
Comparative Highlights of Revenues & Expenses
Fiscal Years Ended 2021 and 2020
(Dollars in Thousands)

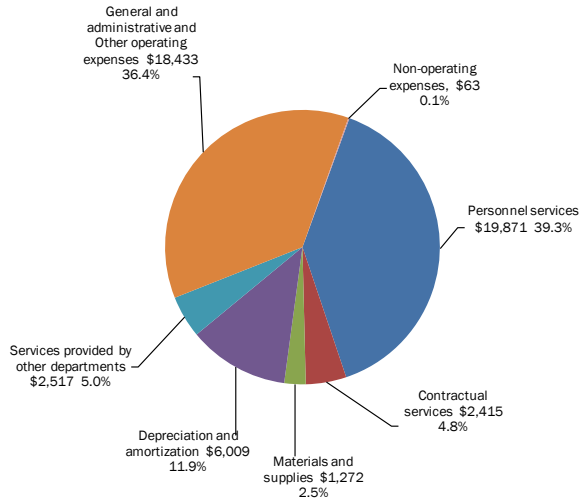
2021 Revenues - \$48,210



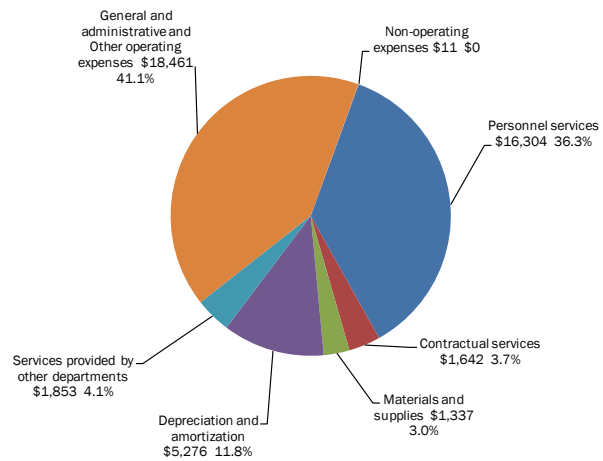
2020 Revenues - \$40,746



2021 Expenses - \$50,580



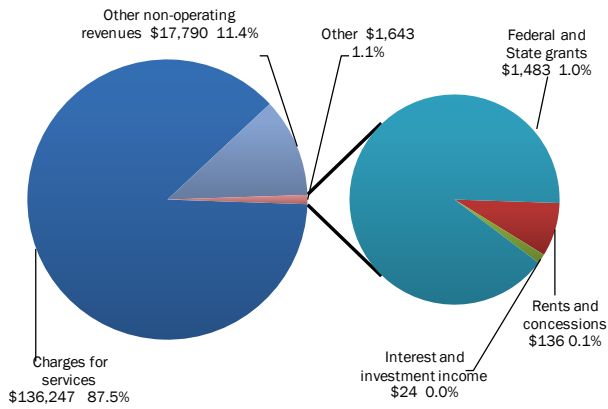
2020 Expenses - \$44,884



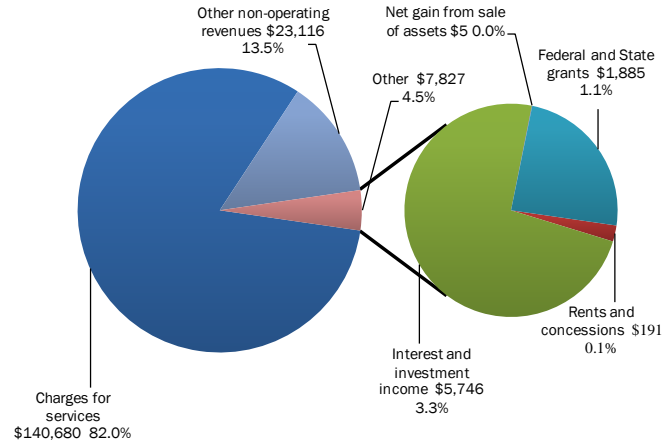
Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

Financial Trends
Hetchy Power Fund
Comparative Highlights of Revenues & Expenses
Fiscal Years Ended 2021 and 2020
(Dollars in Thousands)

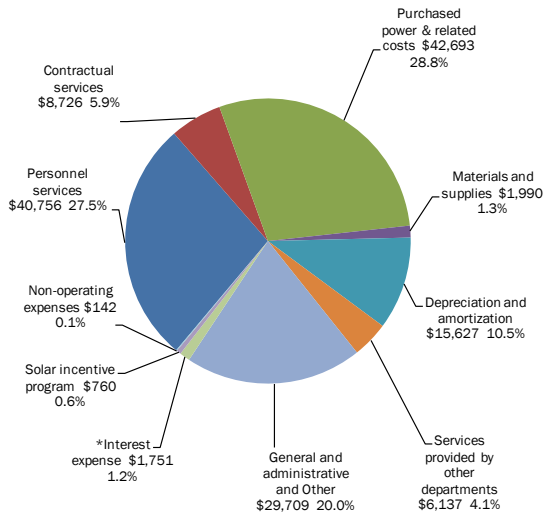
2021 Revenues - \$155,680



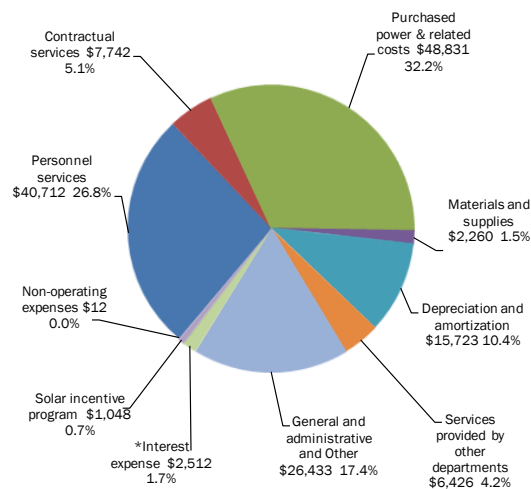
2020 Revenues - \$171,623



2021 Expenses - \$148,291



2020 Expenses - \$151,699

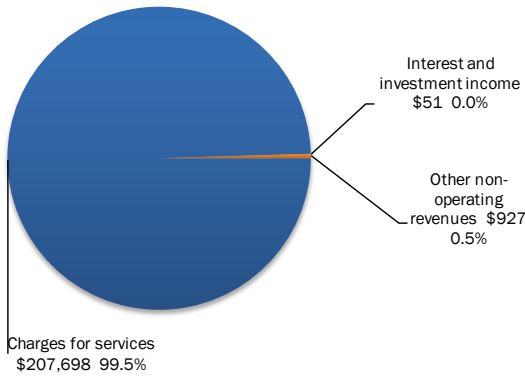


* Interest expenses are net of amortization of premium, discount, and issuance costs.

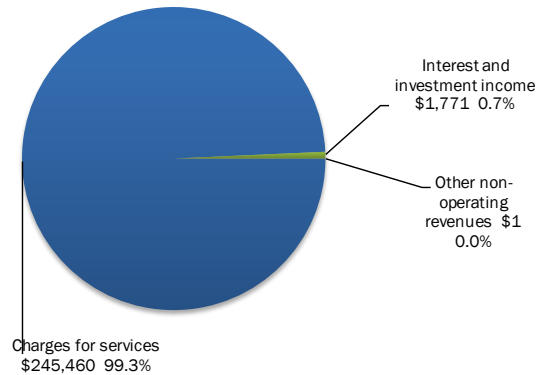
Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

**Financial Trends
CleanPowerSF
Comparative Highlights of Revenues & Expenses
Fiscal Years Ended 2021 and 2020
(Dollars in Thousands)**

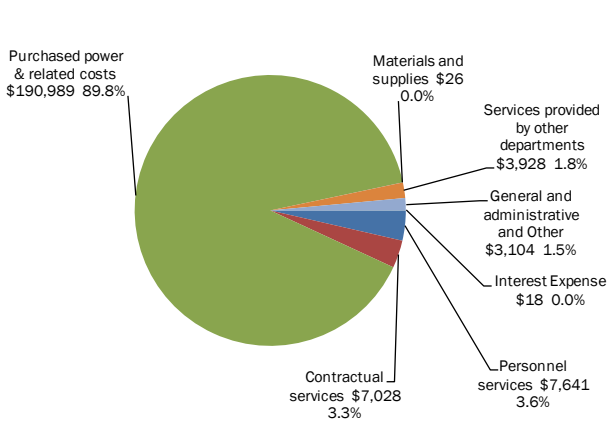
2021 Revenues - \$208,676



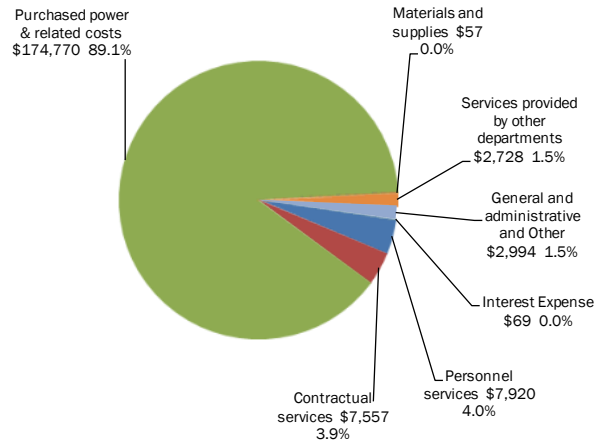
2020 Revenues - \$247,232



2021 Expenses - \$212,734



2020 Expenses - \$196,095



Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

Statistical Section

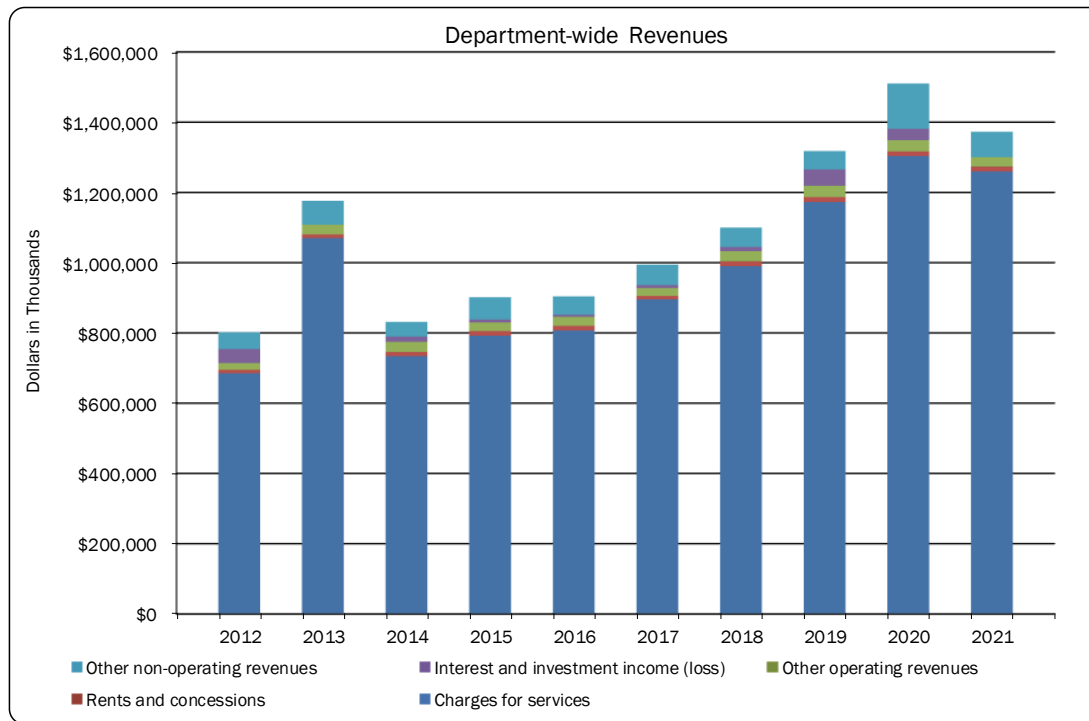
Financial Trends Department-wide - Changes in Net Position Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

Revenues:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Charges for services	\$ 684,863	1,069,674 [^]	733,746	792,199	807,259	895,472	989,842	1,172,573	1,303,411	1,259,466
Rents and concessions	10,447	10,736	11,727	13,336	13,096	9,734	13,813	13,989	13,135	13,800
Other operating revenues	19,061	27,541	28,944	24,317	25,672	22,445	29,043	32,296	32,217	27,182
Subtotal operating revenues	714,371	1,107,951	774,417	829,852	846,027	927,651	1,032,698	1,218,858	1,348,763	1,300,448
Interest and investment income (loss)	39,888	38	15,083	8,175	6,060	8,511	11,694	46,639	32,103	(1,004)
Other non-operating revenues	47,729	67,989	41,946	63,430	51,972	58,422	55,705	52,483	129,198	72,337
Subtotal non-operating revenues	87,617	68,027	57,029	71,605	58,032	66,933	67,399	99,122	161,301	71,333
Total revenues	\$ 801,988	1,175,978	831,446	901,457	904,059	994,584	1,100,097	1,317,980	1,510,064	1,371,781

(Continued)

[^] Include a one-time early repayment of \$356,139 from BAWSCA for capital costs recovery.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

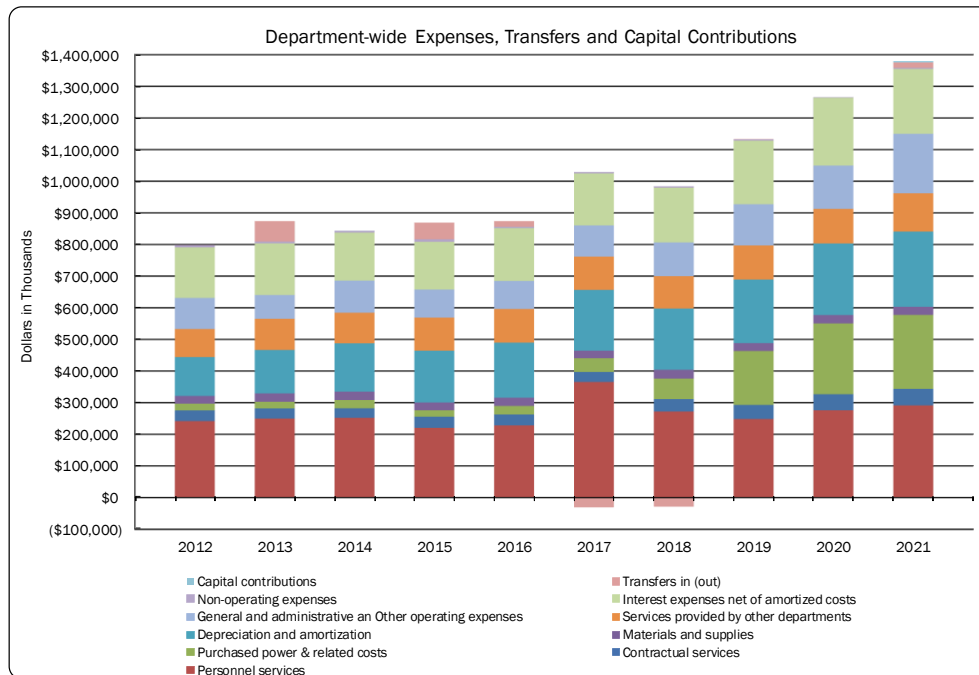


Financial Trends
Department-wide - Changes in Net Position
Fiscal Years Ended 2012 to 2021
(Dollars in Thousands)

Expenses:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Personnel services	\$ 241,621	249,927	252,068	220,385	227,930	365,494	271,888	248,189	275,892	291,245
Contractual services	33,911	32,082	30,133	35,216	34,915	31,563	39,408	44,832	50,821	52,531
Purchased power & related costs	21,539	20,891	26,215	20,296	26,792	43,407	64,732	170,275	223,601	233,682
Materials and supplies	23,963	26,557	26,411	24,842	26,128	23,972	28,024	25,130	26,695	25,554
Depreciation and amortization	123,249	137,252	152,742	163,525	173,978	191,997	193,457	200,712	226,194	237,687
Services provided by other departments	88,511	98,533	96,918	104,535	106,476	105,417	102,199	108,043	109,444	121,130
General and administrative and Other operating expenses	98,235	74,917	101,473	88,559	88,615	98,327	106,960	130,003	136,755	188,105
Subtotal operating expenses	631,029	640,159	685,960	657,358	684,834	860,177	806,668	927,184	1,049,402	1,149,934
Interest expenses	150,217	169,105	165,345	161,712	178,864	179,819	192,183	224,867	237,271	221,456
Amortization of premium, discount, refunding loss, and issuance costs	9,339	(5,607)	(13,908)	(10,554)	(11,950)	(15,090)	(19,188)	(23,722)	(22,627)	(16,498)
Non-operating expenses	7,908	5,986	5,206	7,916	4,439	4,466	4,129	3,766 ^{^^}	1,652 ^{^^}	3,582
Subtotal non-operating expenses	167,464	169,484	156,643	159,074	171,353	169,195	177,124	204,911	216,296	208,540
Total expenses	798,493	809,643	842,603	816,432	856,187	1,029,372	983,792	1,132,095	1,265,698	1,358,474
Change in net position before transfers, capital contributions and extraordinary item	3,495	366,335	(11,157)	85,025	47,872	(34,788)	116,305	185,885	244,366	13,307
Capital contributions	-	-	678 [*]	-	-	-	-	-	-	4,180 [*]
Transfers in (out)	485	64,176 [#]	386	52,806	17,899	(30,644)	(28,371)	1,360	(805)	17,091
Extraordinary item: Rim fire - loss	-	-	(6,843)	-	-	-	-	-	-	-
Change in net position	3,980	430,511	(16,936)	137,831	65,771	(65,432)	87,934	187,245	243,561	34,578
Net position at beginning of year										
Beginning of year, as previously reported	1,953,447	1,971,500	2,366,565	2,349,629	2,225,451	2,292,646	2,225,790 ^{**}	2,270,925	2,458,170	2,701,731
Cumulative effect of accounting change due to error	-	-	-	-	-	-	(6,767) ^{**}	-	-	-
Cumulative effect of accounting change	(21,373) [^]	(35,446) [^]	-	(262,009) [~]	-	-	(36,032) [□]	-	-	-
Less: CleanPowerSF beginning net position	-	-	-	-	-	(1,424)	-	-	-	-
Beginning of year as restated	1,932,074	1,936,054	2,366,565	2,087,620	2,225,451	2,291,222	2,182,991	2,270,925	2,458,170	2,701,731
Net position at end of year	\$ 1,936,054	2,366,565	2,349,629	2,225,451	2,291,222	2,225,790	2,270,925	2,458,170	2,701,731	2,736,309

[^] The beginning net position for fiscal years 2012 and 2013 have been restated for the retrospective application of GASB Statement No. 65.
[#] Include transfer in of \$63,075 from the Department of Public Works related to the improvement of the Auxiliary Water Supply System Earthquake Safety and Emergency Response project.
^{*} Capital contributions of \$678 in FY 2014 was from Department of Emergency Management and \$4,180 in FY2021 was from Department of Public Works.
[~] The beginning net position for fiscal year 2015 has been restated for the retrospective application of GASB Statement No. 68.
^{**} The Wastewater Enterprise recorded certain immaterial corrections to the 2018 financial statement to eliminate the recognition of certain capital assets that are recorded by another fund. The impact of the change was to decrease beginning position as of July 2017 by \$6,767 and increase fiscal year 2018 expenses by \$28,313.
[□] The beginning net position for fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.
^{^^} Non-operating expenses include net loss from sale of assets.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



Statistical Section

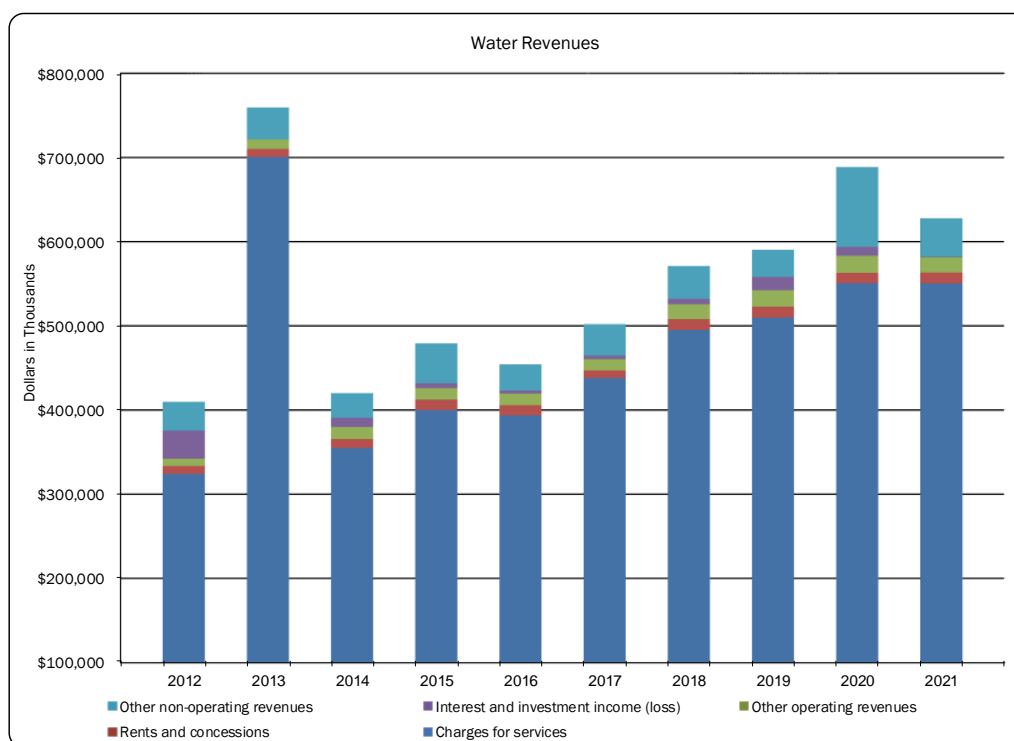
Financial Trends Water - Changes in Net Position Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

Revenues:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Charges for services	\$ 324,169	700,513 [^]	354,827	400,023	393,582	438,207	495,138	509,703	550,753	550,306
Rents and concessions	9,398	9,599	10,675	12,284	12,081	8,813	12,906	13,010	12,124	12,911
Other operating revenues	8,534	11,358	14,380	13,740	13,853	13,311	17,595	19,678	20,474	18,395
Subtotal operating revenues	342,101	721,470	379,882	426,047	419,516	460,331	525,639	542,391	583,351	581,612
Interest and investment income (loss)	33,450	(281)	10,907	5,789	3,595	4,331	6,448	15,650	10,517	340
Other non-operating revenues	34,180	37,921	29,197	47,314	31,253	37,405	39,064	32,399	94,734	45,874
Subtotal non-operating revenues	67,630	37,640	40,104	53,103	34,848	41,736	45,512	48,049	105,251	46,214
Total revenues	\$ 409,731	759,110	419,986	479,150	454,364	502,067	571,151	590,440	688,602	627,826

(Continued)

[^] Include a one-time early repayment of \$356,139 from BAWSCA for capital costs recovery.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



Statistical Section

Financial Trends Water - Changes in Net Position Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

Expenses:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Personnel services	\$ 114,337	119,151	119,849	99,192	103,027	182,034	128,295	111,594	119,943	132,528
Contractual services	14,838	12,819	10,921	12,729	13,451	10,664	14,131	13,715	14,523	15,501
Materials and supplies	12,140	13,074	12,154	12,667	12,896	12,564	15,936	13,421	14,050	13,175
Depreciation and amortization	64,595	75,448	89,026	95,384	106,666	118,826	118,751	120,815	142,228	144,033
Services provided by other departments	49,395	57,684	54,856	60,365	60,868	59,173	56,860	59,751	61,128	70,235
General and administrative and Other operating expenses	49,257*	25,563	46,749	16,613	17,878	38,566	36,174	37,798	46,245	73,371
Subtotal operating expenses	304,562	303,739	333,555	296,950	314,786	421,827	370,147	357,094	398,117	448,843
Interest expenses	131,334	147,741	136,645	137,106	153,258	148,075	164,001	177,998	191,246	184,606
Amortization of premium, discount, refunding loss, and issuance costs	9,363	(5,002)	(6,169)	(6,100)	(8,849)	(9,029)	(13,540)	(17,788)	(13,752)	(7,782)
Non-operating expenses	2,661	2,327	2,089	4,829	2,210	2,607	1,920	1,388	529	2,208
Subtotal non-operating expenses	143,358	145,066	132,565	135,835	146,619	141,653	152,381	161,598	178,023	179,032
Total expenses	447,920	448,805	466,120	432,785	461,405	563,480	522,528	518,692	576,140	627,875
Change in net position before transfers and capital contributions	(38,189)	310,305	(46,134)	46,365	(7,041)	(61,413)	48,623	71,748	112,462	(49)
Capital contributions**	-	-	310	-	-	-	-	-	-	4,180
Transfers in (out)	(13,585)	63,484#	405	50,995	33,244	(59,988)	(30,986)	(19,134)	(13,585)	4,371
Change in net position	(51,774)	373,789	(45,419)	97,360	26,203	(121,401)	17,637	52,614	98,877	8,502
Net position at beginning of year										
Beginning of year, as previously reported	396,258	358,495	699,631	654,212	596,465	622,668	501,267	489,524	542,138	641,015
Cumulative effect of accounting change	(18,642)~	(32,653)~	-	(155,107)@	-	-	(29,380)	-	-	-
Beginning of year as restated	377,616	325,842	699,631	499,105	596,465	622,668	471,887	489,524	542,138	641,015
Net Position at end of year	\$ 325,842	699,631	654,212	596,465	622,668	501,267	489,524	542,138	641,015	649,517

* Increase in other operating expenses due to construction contract expenses net of capitalization for higher construction activities.

** Fiscal year 2014 \$310 Department of Emergency Management and fiscal year 2021 \$4,180 from Department of Public Works

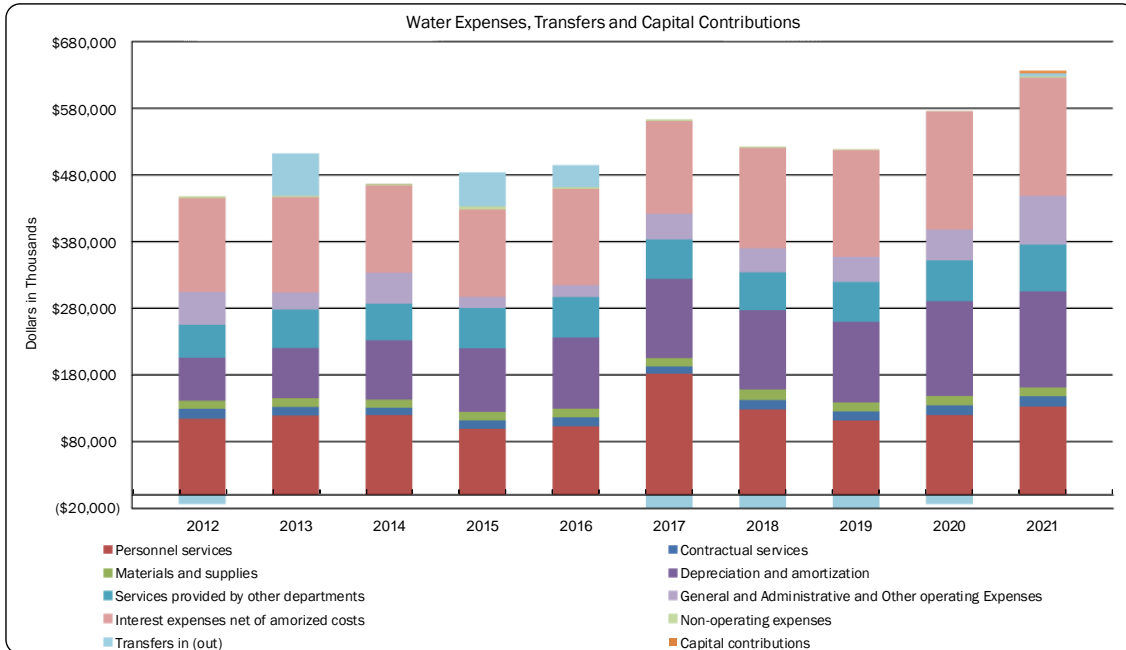
Include transfer in of \$63,075 from the Department of Public Works related to the improvement of the AWSS Earthquake Safety and Emergency Response project.

~ The beginning net position for fiscal years 2012 and 2013 have been restated for the retrospective application of GASB Statement No. 65.

@ The beginning net position for fiscal year 2015 has been restated for the retrospective application of GASB Statement No. 68.

△ The beginning net position for fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



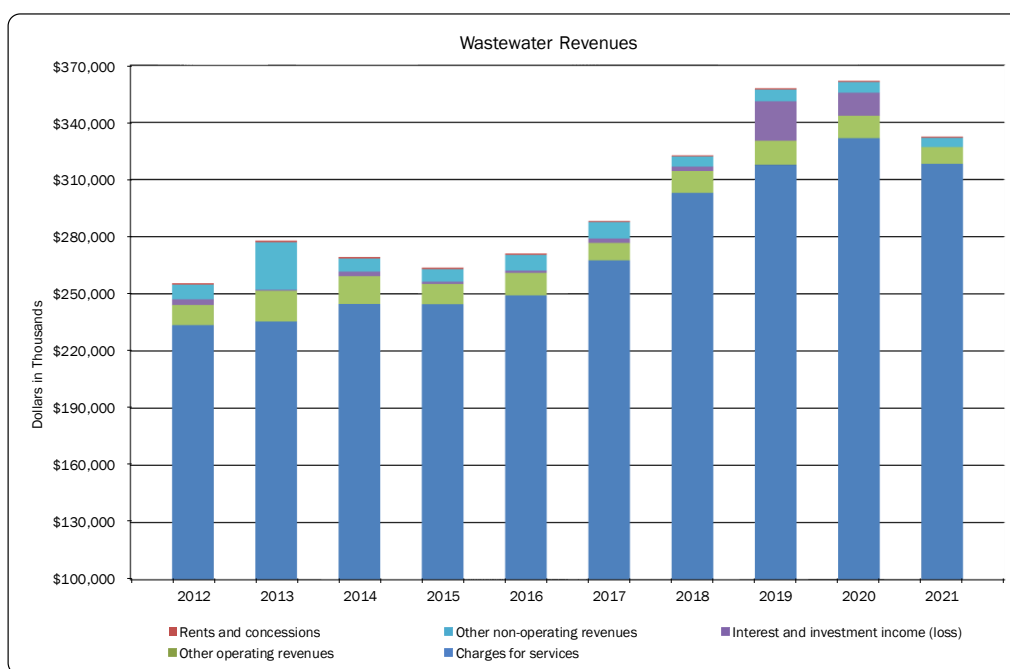
Statistical Section

Financial Trends Wastewater - Changes in Net Position Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

Revenues:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Charges for services	\$ 233,628	235,479	244,705	244,604	249,203	267,601	303,037	317,761	331,721	318,236
Rents and concessions	806	892	828	821	753	606	611	702	664	642
Other operating revenues	10,527	16,183	14,564	10,577	11,819	9,134	11,448	12,618	11,743	8,787
Subtotal operating revenues	244,961	252,554	260,097	256,002	261,775	277,341	315,096	331,081	344,128	327,665
Interest and investment income (loss)	2,975	524	2,400	1,207	1,185	2,327	2,317	20,701	12,137	(1,187)
Other non-operating revenues	7,692	24,886	6,882	6,564	8,263	8,633	5,330	6,164	5,596	4,911
Subtotal non-operating revenues	10,667	25,410	9,282	7,771	9,448	10,960	7,647	26,865	17,733	3,724
Total revenues	\$ 255,628	277,964	269,379	263,773	271,223	288,301	322,743	357,946	361,861	331,389

(Continued)

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



Statistical Section

Financial Trends Wastewater - Changes in Net Position Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

Expenses:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Personnel services	\$ 82,709	84,155	85,114	76,396	79,088	115,288	91,977	80,693	91,013	90,449
Contractual services	13,257	13,418	14,314	13,841	15,069	13,825	16,061	19,040	19,357	18,861
Materials and supplies	8,921	10,481	10,830	9,815	10,192	8,736	9,446	9,853	8,991	9,091
Depreciation and amortization	44,799	46,347	48,402	50,254	50,799	55,441	55,591	60,033	62,967	72,018
Services provided by other departments	33,292	34,141	35,274	36,212	36,157	36,832	36,374	36,629	37,309	38,313
General and administrative and Other operating expenses	12,879	19,718	22,406	29,967	30,248	14,098	29,457	53,565	42,622	63,488
Subtotal operating expenses	195,857	208,260	216,340	216,485	221,553	244,220	238,906	259,813	262,259	292,220
Interest expenses	18,798	19,723	27,126	22,791	22,251	28,474	24,978	43,803	43,216	34,862
Amortization of premium, refunding loss, and issuance costs	(62)	(612)	(7,711)	(5,347)	(2,979)	(5,806)	(5,400)	(5,697)	(8,647)	(8,497)
Non-operating expenses	1,962	566	533	280	485	383	414	1,013 ^{^^}	52	409
Subtotal non-operating expenses	20,698	19,677	19,948	17,724	19,757	23,051	19,992	39,119	34,621	26,774
Total expenses	216,555	227,937	236,288	234,209	241,310	267,271	258,898	298,932	296,880	318,994
Change in net position before transfers	39,073	50,027	33,091	29,564	29,913	21,030	63,845	59,014	64,981	12,395
Transfers in (out)	(1)	888	19	(232)	(16,025)	(30,707)	(26,960)	(3,996)	(1,188)	(2,748)
Change in net position	39,072	50,915	33,110	29,332	13,888	(9,677)	36,885	55,018	63,793	9,647
Net position at beginning of year										
Beginning of year, as previously reported	1,061,281	1,100,353	1,148,757	1,181,867	1,142,052	1,155,940	1,146,263	1,174,125	1,229,143	1,292,936
Cumulative effect of accounting change due to error	-	-	-	-	-	-	(6,767) [*]	-	-	-
Cumulative effect of accounting change	(2,511) [^]	(2,511) [^]	-	(69,147) [~]	-	-	(2,256) [△]	-	-	-
Beginning of year as restated	1,058,770	1,097,842	1,148,757	1,112,720	1,142,052	1,155,940	1,137,240	1,174,125	1,229,143	1,292,936
Net Position at end of year	\$ 1,097,842	1,148,757	1,181,867	1,142,052	1,155,940	1,146,263	1,174,125	1,229,143	1,292,936	1,302,583

[^] The beginning net position for fiscal years 2012 and 2013 have been restated for the retrospective application of GASB Statement No. 65.

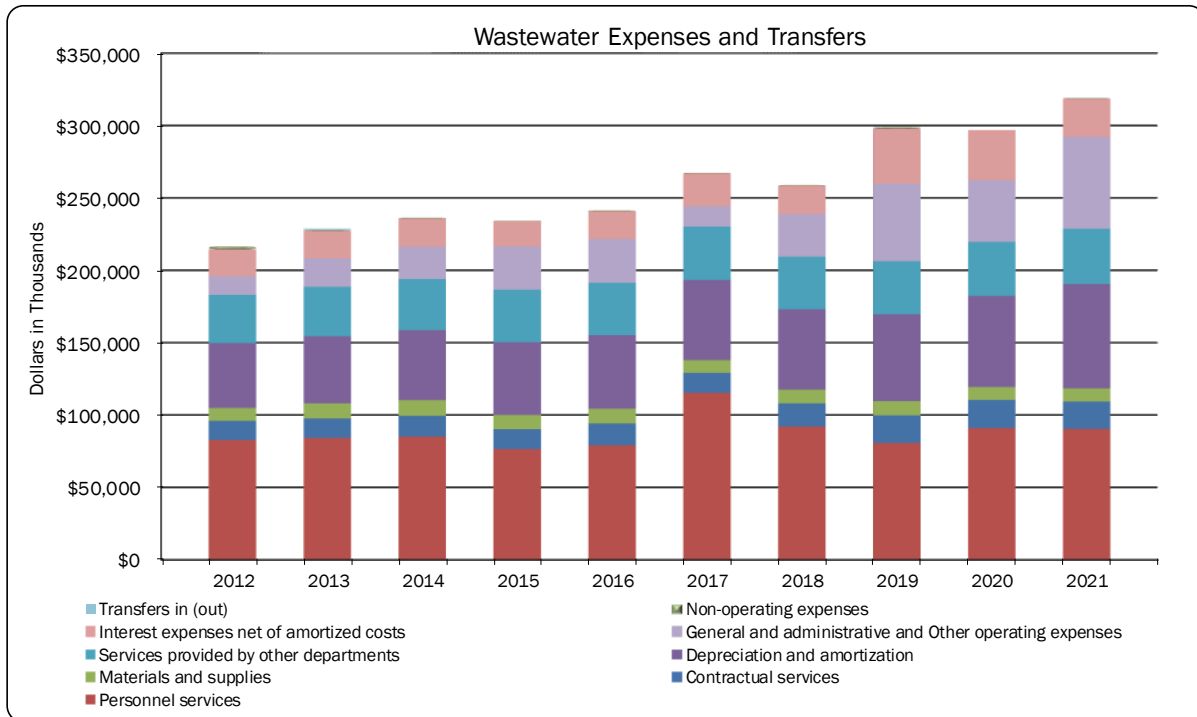
^{*} The Wastewater Enterprise recorded certain immaterial corrections to the 2018 financial statement to eliminate the recognition of certain capital assets that are recorded by another fund. The impact of the change was to decrease beginning position as of July 2017 by \$6,767 and increase fiscal year 2018 expenses by \$28,313.

[~] The beginning net position for fiscal year 2015 has been restated for the retrospective application of GASB Statement No. 68.

[△] The beginning net position for fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.

^{^^} Non-operating expense includes net loss/gain from sales of assets.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



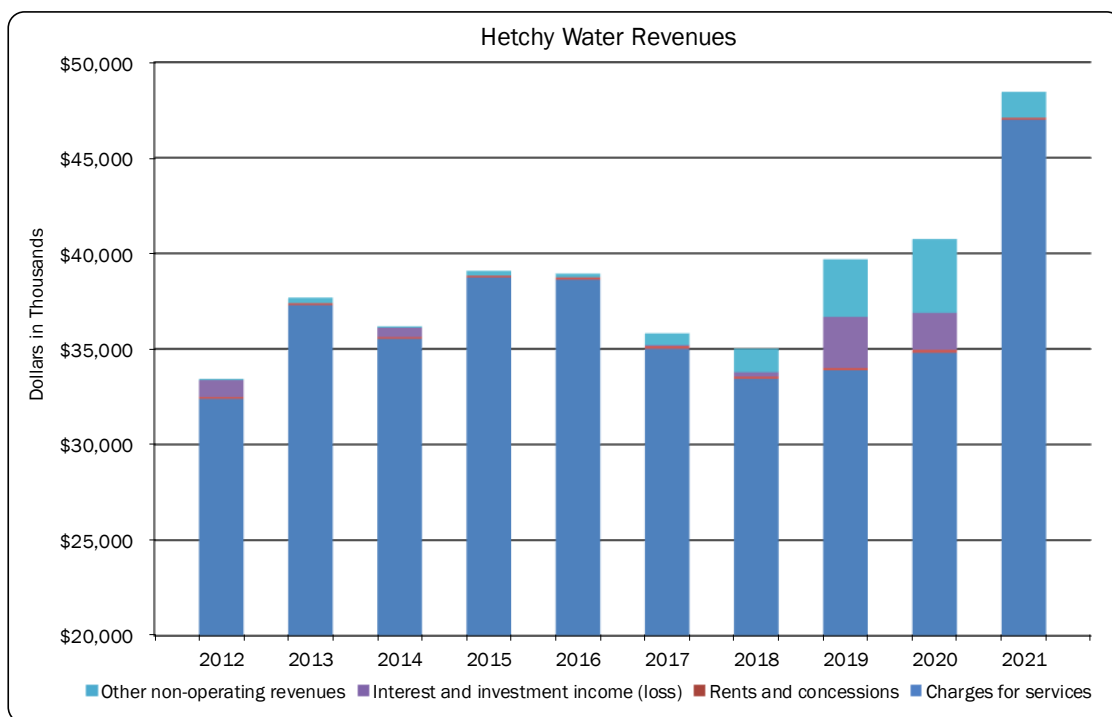
Statistical Section

Financial Trends Hetchy Water - Changes in Net Position Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

Revenues:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Charges for services	\$ 32,386	37,284	35,521	38,731	38,624	35,008	33,427	33,880	34,797	46,979
Rents and concessions	109	110	101	104	118	142	133	125	156	111
Subtotal operating revenues	32,495	37,394	35,622	38,835	38,742	35,150	33,560	34,005	34,953	47,090
Interest and investment income (loss)	874	(344)	487	(74)	(38)	46	218	2,670	1,932	(232)
Other non-operating revenues	57	290	69	250	200	616	1,237	3,013	3,861	1,352
Subtotal non-operating revenues	931	(54)	556	176	162	662	1,455	5,683	5,793	1,120
Total revenues	\$ 33,426	37,340	36,178	39,011	38,904	35,812	35,015	39,688	40,746	48,210

(Continued)

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



Statistical Section

Financial Trends Hetchy Water - Changes in Net Position Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

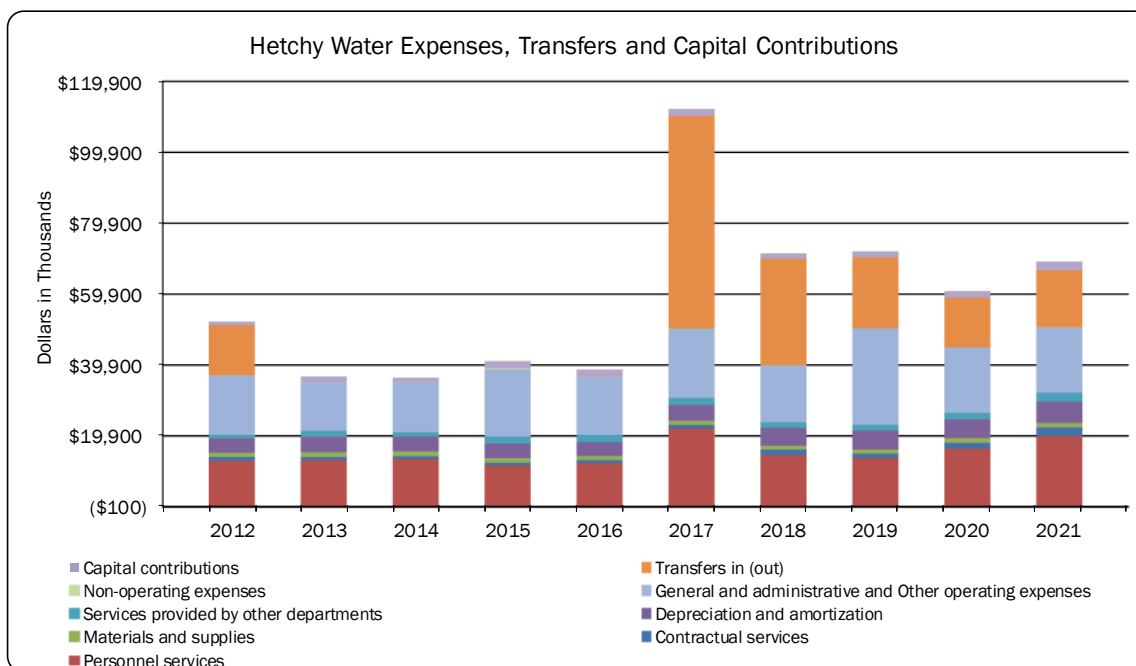
Expenses:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Personnel services	\$ 12,856	13,057	13,343	11,557	12,183	21,998	14,516	13,707	16,304	19,871
Contractual services	1,090	889	835	794	902	1,017	1,524	1,205	1,642	2,415
Materials and supplies	1,208	1,331	1,352	1,321	1,191	1,161	1,101	1,133	1,337	1,272
Depreciation and amortization	4,059	4,378	4,186	4,102	3,874	4,505	5,066	5,380	5,276	6,009
Services provided by other departments	984	1,706	1,211	1,979	2,054	1,962	1,572	1,622	1,853	2,517
General and administrative and Other operating expenses	16,806	13,540	14,098	18,948	16,332	19,456	16,013	27,258	18,461	18,433
Subtotal operating expenses	37,003	34,901	35,025	38,701	36,536	50,099	39,792	50,305	44,873	50,517
Non-operating expenses	68	68	99	313	68	68	68	-	11	63
Total expenses	37,071	34,969	35,124	39,014	36,604	50,167	39,860	50,305	44,884	50,580
Change in net position before transfers capital contributions and extraordinary item	(3,645)	2,371	1,054	(3)	2,300	(14,355)	(4,845)	(10,617)	(4,138)	(2,370)
Capital contributions	-	-	166 *	-	-	-	-	-	-	-
Transfers in (out)	14,073	-	-	-	-	60,000	30,000	20,000	14,000	16,000
Extraordinary item: Rim fire - loss	-	-	(2,709)	-	-	-	-	-	-	-
Change in net position	10,428	2,371	(1,489)	(3)	2,300	45,645	25,155	9,383	9,862	13,630
Net position at beginning of year										
Beginning of year, as previously reported	126,094	136,522	138,893	137,404	120,411	122,711	168,356 [△]	191,790	201,173	211,035
Cumulative effect of accounting change	-	-	-	(16,990) #	-	-	(1,721)	-	-	-
Beginning of year as restated	126,094	136,522	138,893	120,411	120,411	122,711	166,635	191,790	201,173	211,035
Net position at end of year	\$ 136,522	138,893	137,404	120,411	122,711	168,356	191,790	201,173	211,035	224,665

* Include transfer of \$166 in capital asset from the Department of Emergency Management.

The beginning net position for fiscal year 2015 has been restated for the retrospective application of GASB Statement No. 68.

△ The beginning net position for fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



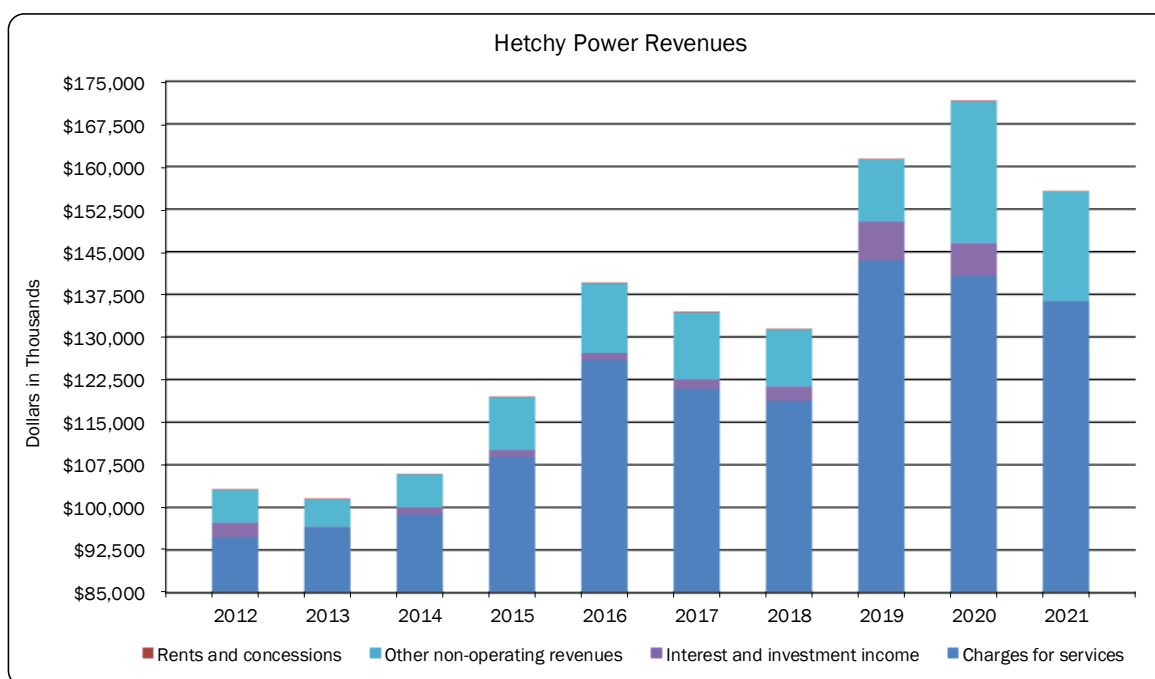
Statistical Section

Financial Trends Hetchy Power - Changes in Net Position Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

Revenues:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Charges for services	\$ 94,680	96,398	98,693	108,841	125,850	120,789	118,672	143,409	140,680	136,247
Rents and concessions	134	135	123	127	144	173	163	152	191	136
Subtotal operating revenues	94,814	96,533	98,816	108,968	125,994	120,962	118,835	143,561	140,871	136,383
Interest and investment income	2,589	139	1,289	1,253	1,318	1,718	2,537	6,883	5,746	24
Other non-operating revenues	5,800	4,892	5,798	9,302	12,256	11,764	10,073	10,907	25,006	19,273
Subtotal non-operating revenues	8,389	5,031	7,087	10,555	13,574	13,482	12,610	17,790	30,752	19,297
Total revenues	\$ 103,203	101,564	105,903	119,523	139,568	134,444	131,445	161,351	171,623	155,680

(Continued)

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



Statistical Section

Financial Trends Hetchy Power - Changes in Net Position Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

Expenses:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Personnel services	\$ 31,719	33,564	33,762	33,240	33,632	44,961	34,950	37,583	40,712	40,756
Contractual services	4,726	4,956	4,063	7,852	5,493	4,916	5,526	6,086	7,742	8,726
Purchased power & related costs	21,539	20,891	26,215	20,296	26,792	20,970	34,435	47,437	48,831	42,693
Materials and supplies	1,694	1,671	2,075	1,039	1,849	1,510	1,541	672	2,260	1,990
Depreciation and amortization	9,796	11,079	11,128	13,785	12,639	13,225	14,049	14,484	15,723	15,627
Services provided by other departments	4,840	5,002	5,577	5,979	7,397	6,716	5,848	6,833	6,426	6,137
General and administrative and Other operating expenses	19,293	16,096	18,220	23,031	24,157	24,637	23,046	9,593	26,433	29,709
Subtotal operating expenses	93,607	93,259	101,040	105,222	111,959	116,935	119,395	122,688	148,127	145,638
Interest expenses	85	1,641	1,574	1,815	3,355	3,200	3,103	2,936	2,740	1,970
Amortization of premium, discount, and issuance costs	38	7	(28)	893	(122)	(255)	(248)	(237)	(228)	(219)
Non-operating expenses	3,217	3,025	2,485	2,494	1,676	1,408	1,727	1,365	1,060	902
Total expenses	96,947	97,932	105,071	110,424	116,868	121,288	123,977	126,752	151,699	148,291
Change in net position before transfers capital contributions and extraordinary item	6,256	3,632	832	9,099	22,700	13,156	7,468	34,599	19,924	7,389
Capital contributions	—	—	202 #	—	—	—	—	—	—	—
Transfers in (out)	(2)	(196)	(38)	2,043	680	51	(425)	4,490	(32)	(532)
Extraordinary item: Rim fire — loss	—	—	(4,134)	—	—	—	—	—	—	—
Change in net position	6,254	3,436	(3,138)	11,142	23,380	13,207	7,043	39,089	19,892	6,857
Net position at beginning of year										
Beginning of year, as previously reported	369,814	376,130	379,284	376,146	366,523	389,903	401,686	406,626	445,715	465,607
Cumulative effect of accounting change	(220) *	(282) *	—	(20,765) ^	—	—	(2,103) ◻	—	—	—
Less: CleanPowerSF beginning net position	—	—	—	—	—	(1,424)	—	—	—	—
Beginning of year as restated	369,594	375,848	379,284	355,381	366,523	388,479	399,583	406,626	445,715	465,607
Net position at end of year	\$ 375,848	379,284	376,146	366,523	389,903	401,686	406,626	445,715	465,607	472,464

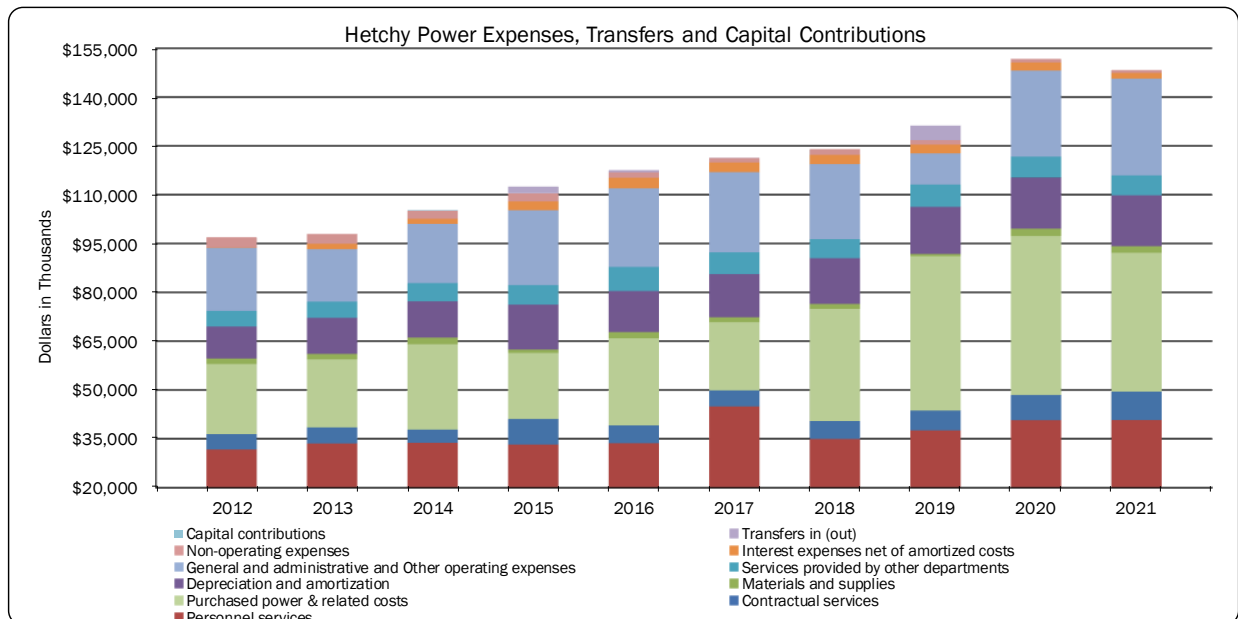
* The beginning net position for fiscal years 2012 and 2013 have been restated for the retrospective application of GASB Statement No. 65.

Include transfer of \$202 in capital asset from the Department of Emergency Management.

^ The beginning net position for fiscal year 2015 has been restated for the retrospective application of GASB Statement No. 68.

◻ The beginning net position for fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



Statistical Section

Financial Trend CleanPowerSF - Changes in Net Position Fiscal Years Ended 2017 to 2021 (Dollars in Thousands)

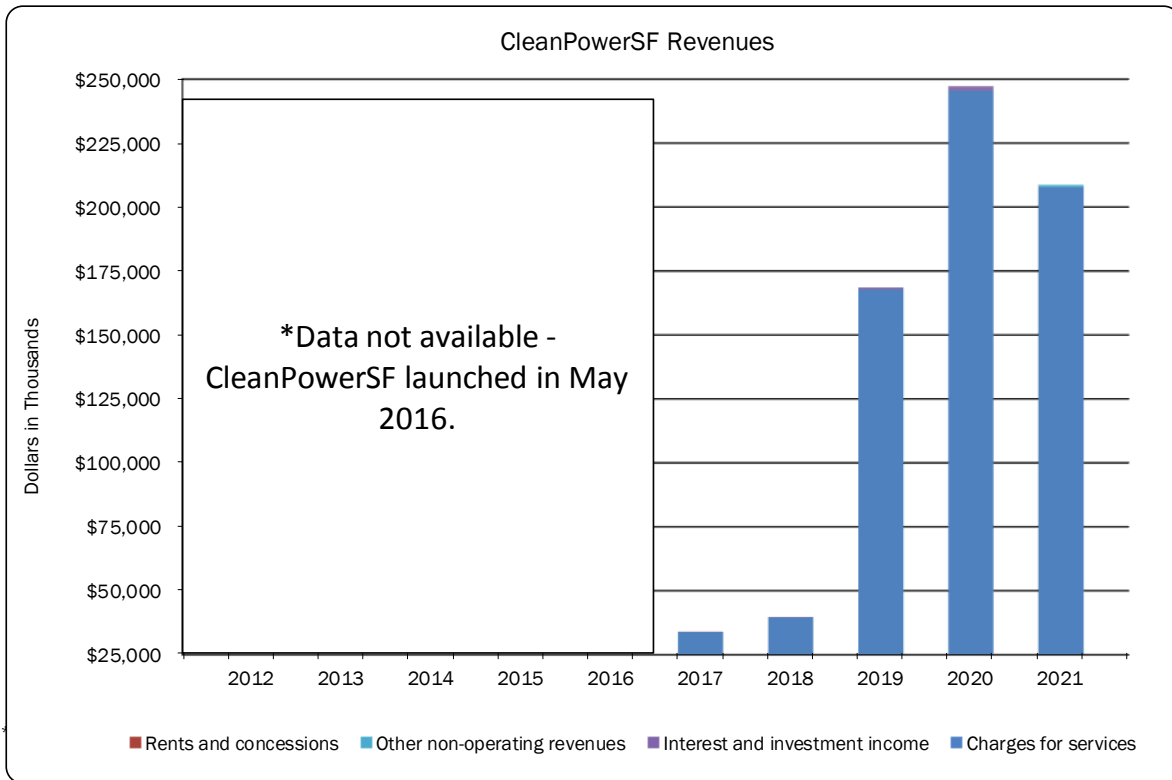
Revenues:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Charges for services						33,867	39,568	167,820	245,460	[^] 207,698
Rents and concessions						–	–	–	–	–
Subtotal operating revenues						33,867	39,568	167,820	245,460	207,698
Interest and investment income						89	174	735	1,771	51
Other non-operating revenues						4	1	–	1	927
Subtotal non-operating revenues						93	175	735	1,772	978
Total revenues						33,960	39,743	168,555	247,232	208,676

*Data not available - CleanPowerSF launched in May 2016.

(Continued)

* CleanPowerSF was presented as part of Hetchy Power in fiscal year 2016.
[^] Increase in charges for services is due to completion of city-wide enrollment.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



Statistical Section

Financial Trend CleanPowerSF - Changes in Net Position Fiscal Years Ended 2017 to 2021 (Dollars in Thousands)

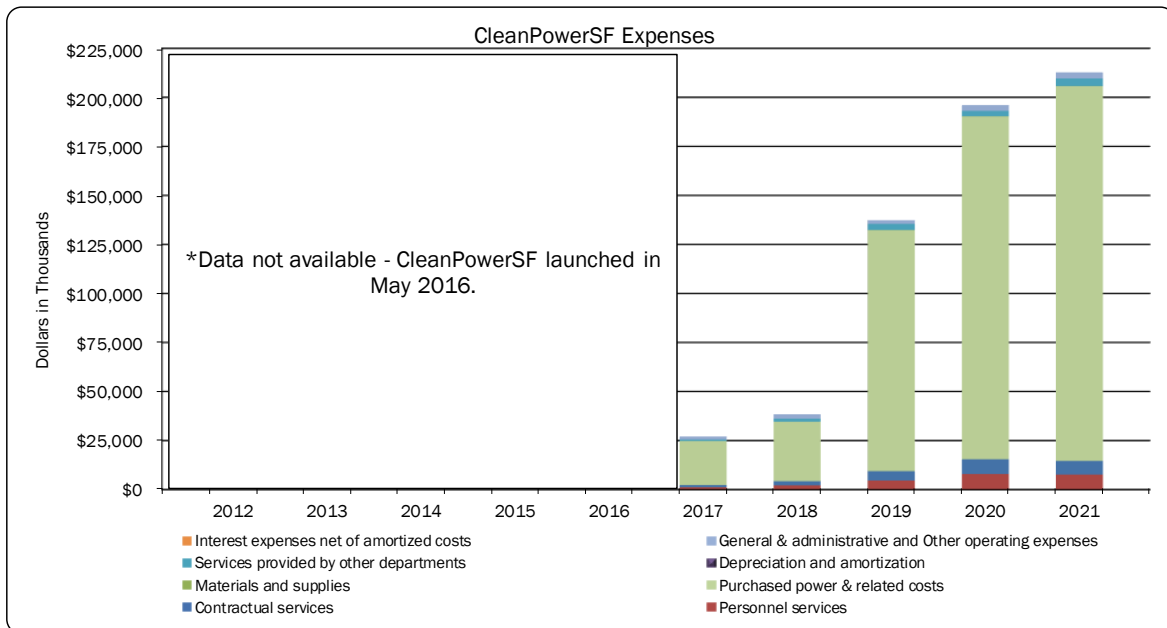
Expenses:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Personnel services						1,213	2,150	4,612	7,920	7,641
Contractual services						1,141	2,166	4,786	7,557	7,028
Purchased power & related costs						22,437	30,297	122,838	174,770 [^]	190,989
Materials and supplies						1	–	51	57	26
Depreciation and amortization						–	–	–	–	–
Services provided by other departments						734	1,545	3,208	2,728	3,928
General & administrative and other operating expenses						1,570	2,270	1,789	2,994	3,104
Subtotal operating expenses						27,096	38,428	137,284	196,026	212,716
Interest expenses						70	101	130	69	18
Total expenses						27,166	38,529	137,414	196,095	212,734
Change in net position						6,794	1,214	31,141	51,137	(4,058)
Net position at beginning of year										
Beginning of year, as previously reported						1,424	8,218	8,860	40,001	91,138
Cumulative effect of accounting change						–	(572) [△]			
Beginning of year as restated						1,424	7,646	8,860	40,001	91,138
Net position at end of year						8,218	8,860	40,001	91,138	87,080

* CleanPowerSF was presented as part of Hetchy Power in fiscal year 2016.

△ The beginning net position for fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.

^ Increase in purchased power and related costs is due to higher enrollment and electricity sales.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



Statistical Section

Department-wide - Summary of Net Position by Component Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

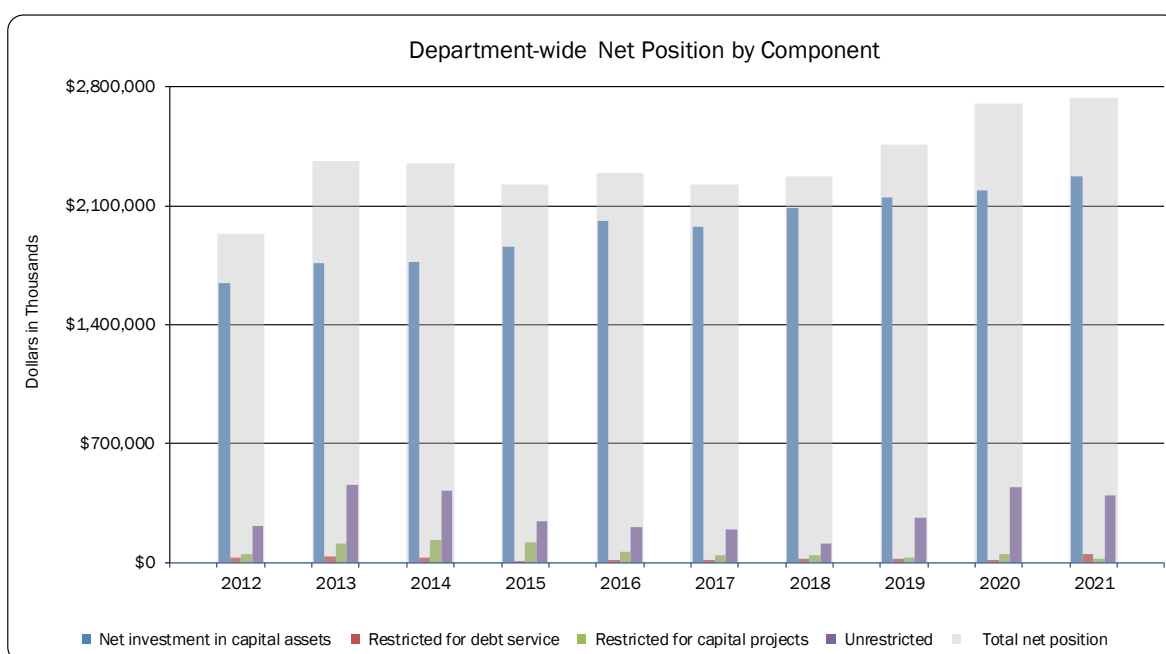
	2012 [^]	2013 [^]	2014	2015 [*]	2016	2017	2018 [△]	2019	2020	2021
Net investment in capital asset \$	1,645,558	1,762,526	1,769,815	1,859,439	2,011,814	1,979,445	2,087,816	2,147,756	2,194,130	2,271,638
Restricted for debt service	28,240	33,683	25,990	1,704	13,409	12,451	25,079	18,617	17,285	48,677
Restricted for capital projects	47,734	114,299	131,590	120,496	60,357	39,557	44,690	26,906	49,635	22,319
Unrestricted	214,522	456,057	422,234	243,812	205,642	194,337	113,340	264,891	440,681	393,675
Total net position	\$ 1,936,054	2,366,565	2,349,629	2,225,451	2,291,222	2,225,790	2,270,925	2,458,170	2,701,731	2,736,309

[^] The beginning net position for fiscal years 2012 and 2013 have been restated for the retrospective application of GASB Statement No. 65.

^{*} The beginning net position for fiscal year 2015 have been restated for the cumulative effect of accounting change per GASB Statement No. 68.

[△] The beginning net position for fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



Statistical Section

Financial Trends Water - Summary of Net Position by Component Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

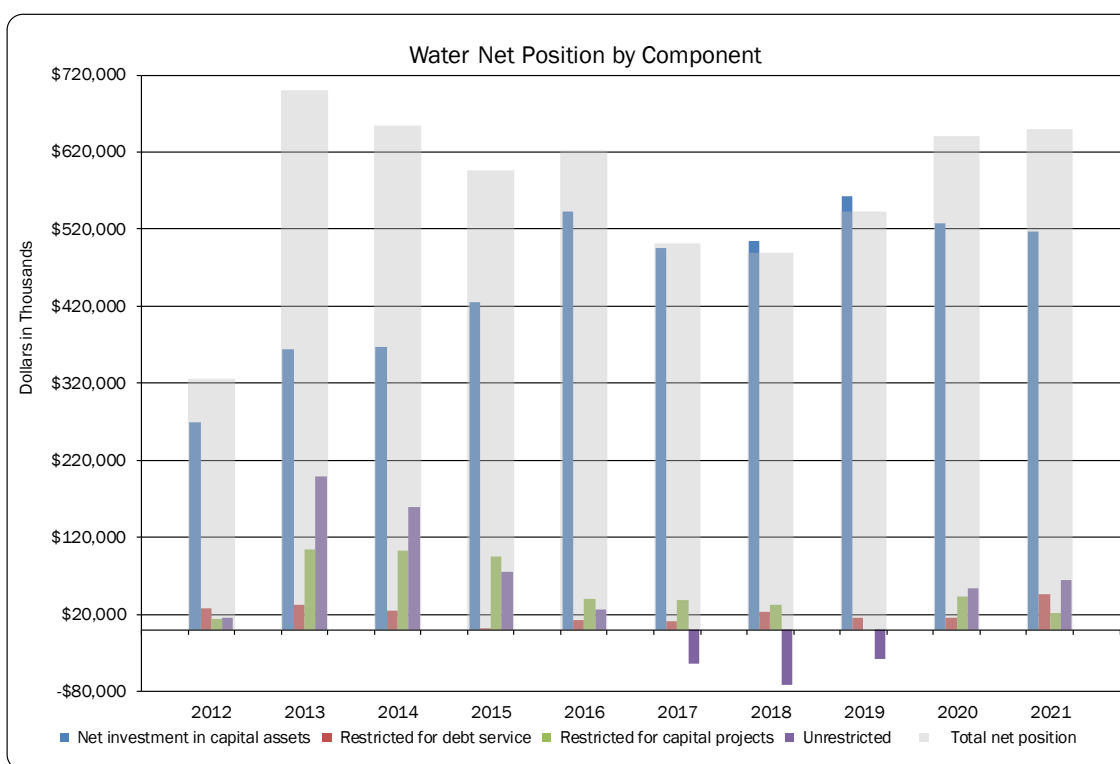
	2012 [^]	2013 [^]	2014	2015 [*]	2016	2017	2018 [△]	2019	2020	2021
Net investment in capital assets \$	268,614	364,863	366,799	425,073	543,327	495,868	504,476	563,457	527,856	517,302
Restricted for debt service	27,213	32,723	25,356	1,053	12,122	10,989	22,933	16,193	15,916	45,586
Restricted for capital projects	13,665	103,616	103,154	95,735	40,743	37,904	32,978	–	43,122	22,319
Unrestricted	16,350	198,429	158,903	74,604	26,476	(43,494)	(70,863)	(37,512)	54,121	64,310
Total net position	\$ 325,842	699,631	654,212	596,465	622,668	501,267	489,524	542,138	641,015	649,517

[^] The beginning net position for fiscal years 2012 and 2013 have been restated for the retrospective application of GASB Statement No. 65.

^{*} The beginning net position for fiscal year 2015 have been restated for the cumulative effect of accounting change per GASB Statement No. 68.

[△] The beginning net position for fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



Statistical Section

Financial Trends Wastewater - Summary of Net Position by Component Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

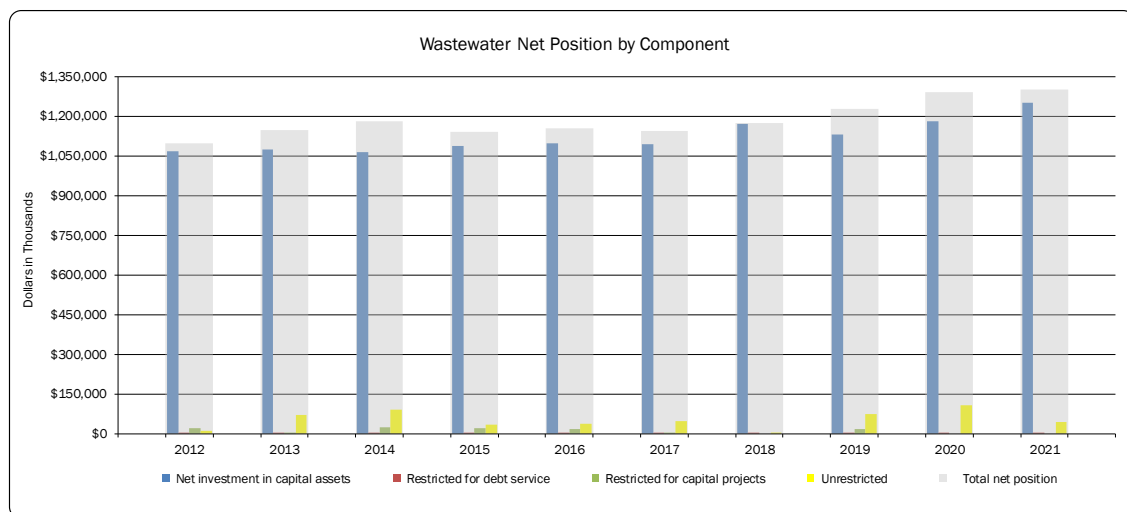
	2012 [^]	2013 [^]	2014	2015 [*]	2016	2017	2018 [△]	2019	2020	2021
Net investment in capital assets \$	1,067,586	1,074,526	1,066,814	1,088,552	1,098,723	1,095,165	1,172,623	1,133,662	1,183,288	1,253,789
Restricted for debt service	1,027	960	634	349	981	977	1,312	1,279	1,227	2,992
Restricted for capital projects	19,787	2,931	22,929	20,327	18,205	1,653	–	18,505	–	–
Unrestricted	9,442	70,340	91,490	32,824	38,031	48,468	190	75,697	108,421	45,802
Total net position	\$ 1,097,842	1,148,757	1,181,867	1,142,052	1,155,940	1,146,263	1,174,125	1,229,143	1,292,936	1,302,583

[^] The beginning net position for fiscal years 2012 and 2013 have been restated for the retrospective application of GASB Statement No. 65.

^{*} The beginning net position for fiscal year 2015 have been restated for the cumulative effect of accounting change per GASB Statement No. 68.

[△] The beginning net position for fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



Statistical Section

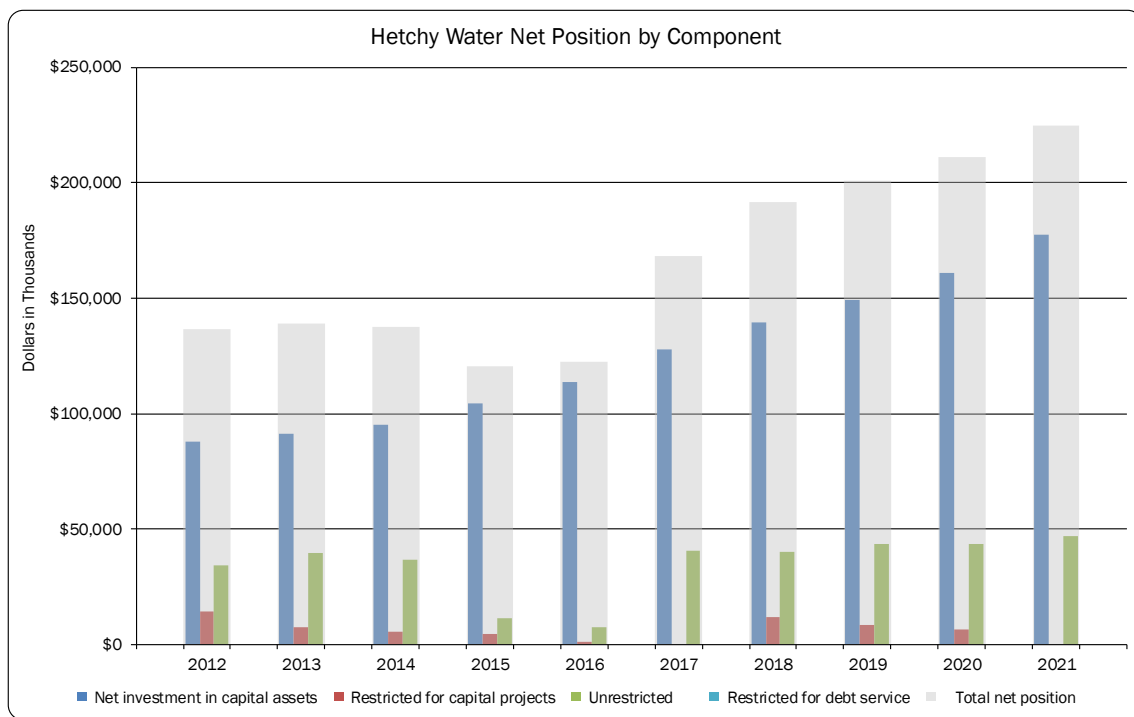
Financial Trends Hetchy Water - Summary of Net Position by Component Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

	2012	2013	2014	2015 *	2016	2017	2018 [△]	2019	2020	2021
Net investment in capital assets	\$ 87,941	91,228	95,186	104,330	113,867	127,731	139,799	149,103	160,782	177,481
Restricted for debt service	—	—	—	—	—	—	—	—	—	—
Restricted for capital projects	14,170	7,752	5,507	4,434	1,409	—	11,712	8,401	6,513	—
Unrestricted	34,411	39,913	36,711	11,647	7,435	40,625	40,279	43,669	43,740	47,184
Total net position	\$ 136,522	138,893	137,404	120,411	122,711	168,356	191,790	201,173	211,035	224,665

* The beginning net position for fiscal year 2015 have been restated for the cumulative effect of accounting change per GASB Statement No. 68.

△ The beginning net position for fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



Statistical Section

Financial Trends Hetchy Power - Summary of Net Position by Component Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

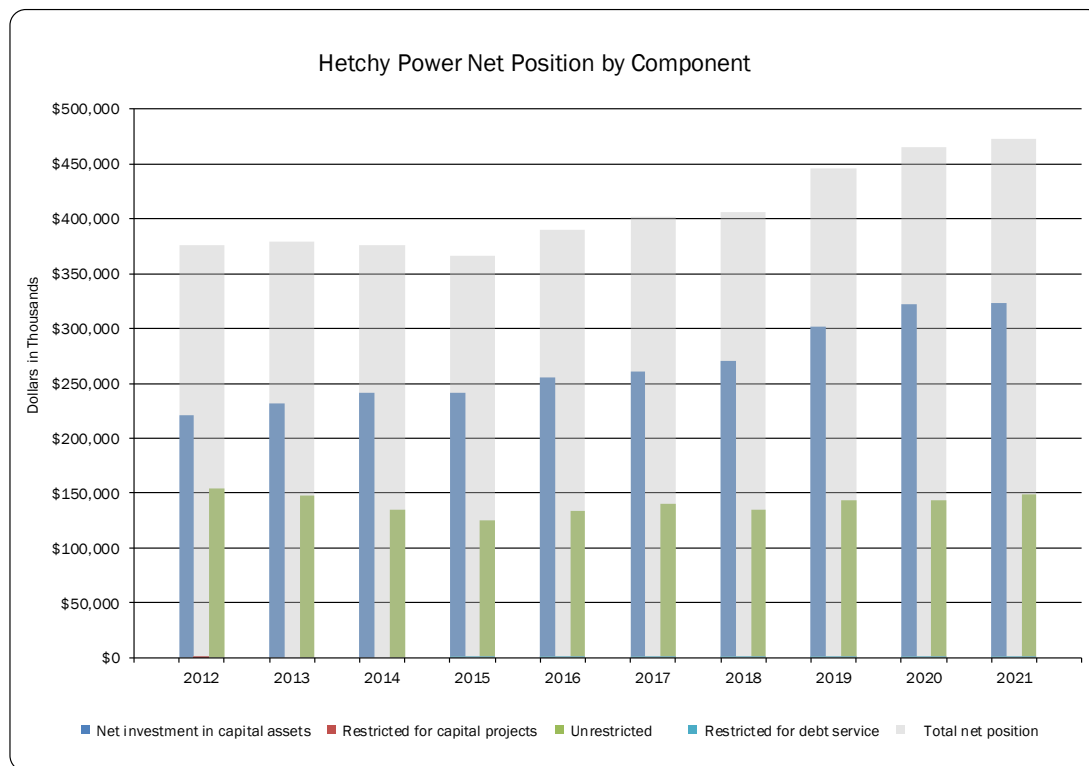
	2012 [^]	2013 [^]	2014	2015 [*]	2016	2017	2018 [△]	2019	2020	2021
Net investment in capital assets	\$ 221,417	231,909	241,016	241,484	255,897	260,681	270,918	301,534	322,204	323,066
Restricted for debt service	—	—	—	302	306	485	834	1,145	142	99
Restricted for capital projects	112	—	—	—	—	—	—	—	—	—
Unrestricted	154,319	147,375	135,130	124,737	133,700	140,520	134,874	143,036	143,261	149,299
Total net position	\$ 375,848	379,284	376,146	366,523	389,903	401,686	406,626	445,715	465,607	472,464

[^] The beginning net position for fiscal years 2012 and 2013 have been restated for the retrospective application of GASB Statement No. 65.

^{*} The beginning net position for fiscal year 2015 have been restated for the cumulative effect of accounting change per GASB Statement No. 68.

[△] The beginning net position for fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



Statistical Section

Financial Trend CleanPowerSF - Summary of Net Position by Component Fiscal Years Ended 2017 to 2021 (Dollars in Thousands)

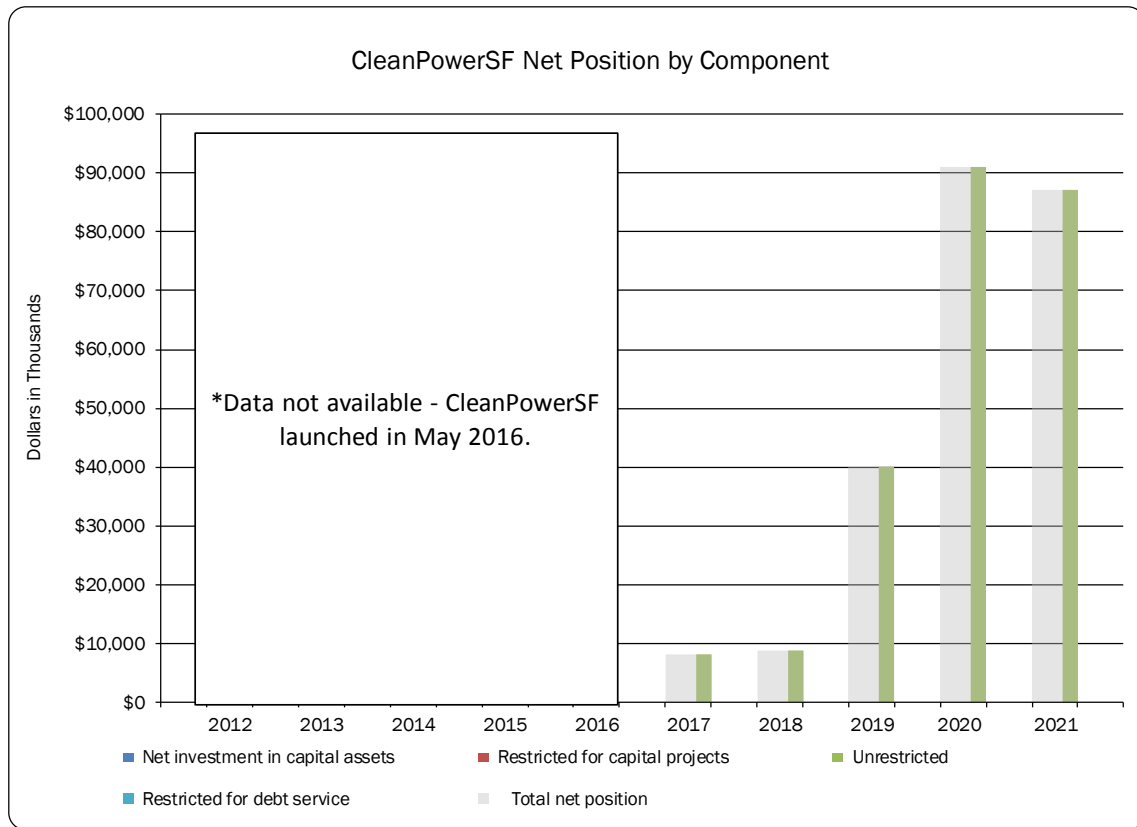
	2012	2013	2014	2015	2016	2017	2018 [△]	2019	2020 [^]	2021
Net investment in capital assets \$	*Data not available - CleanPowerSF launched in May 2016.					-	-	-	-	-
Restricted for debt service						-	-	-	-	
Restricted for capital projects						-	-	-	-	
Unrestricted						8,218	8,860	40,001	91,138	87,080
Total net position \$						8,218	8,860	40,001	91,138	87,080

* CleanPowerSF was presented as part of Hetchy Power in fiscal year 2016.

△ The beginning net position for fiscal year 2018 has been restated for the retrospective application of GASB Statement No. 75.

^ Increase in fiscal year 2020 is due to completion of citywide enrollment.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



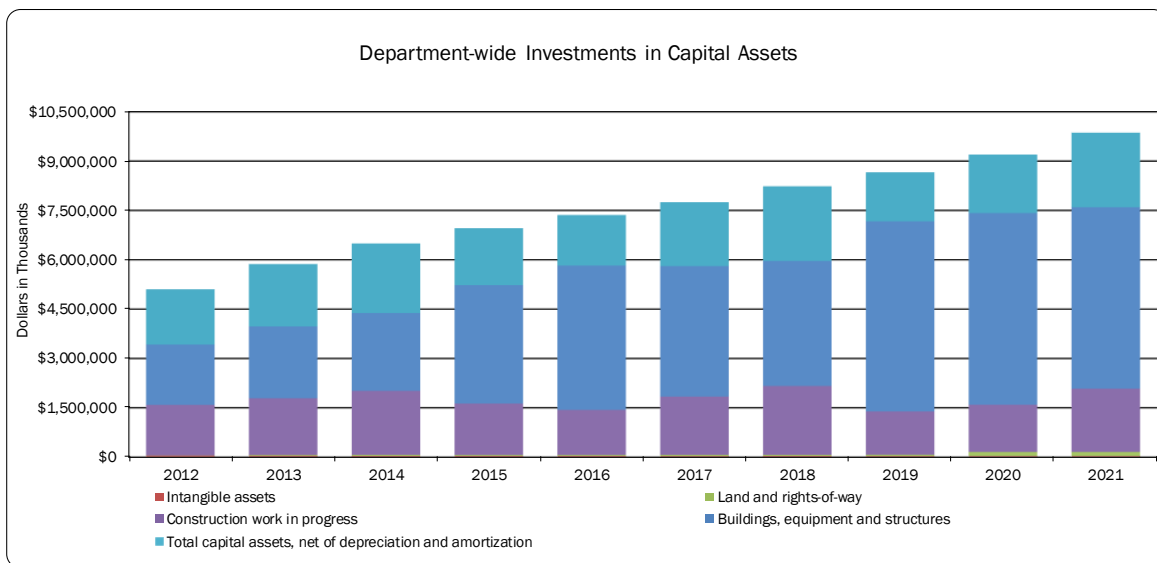
Statistical Section

Financial Trends Department-wide Investments in Capital Assets Summary of Intangible Assets, Property, Plant and Equipment Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Buildings, equipment and structures	\$ 5,555,284	6,238,702	6,790,353	7,800,455	8,565,038	8,736,914	9,084,980	10,483,615	10,957,712	11,369,025
Less accumulated depreciation	(2,133,525)	(2,266,290)	(2,413,969)	(2,572,737)	(2,742,700)	(2,930,531)	(3,120,191)	(3,316,443)	(3,538,382)	(3,773,696)
Subtotal	3,421,759	3,972,412	4,376,384	5,227,718	5,822,338	5,806,383	5,964,789	7,167,172	7,419,330	7,595,329
Intangible assets, net of amortization*	44,596	41,525	39,122	38,885	36,674	34,904	36,956	34,853	32,528	35,102
Land and rights-of-way	50,641	64,764	67,290	67,213	67,213	67,301	70,947	71,228	155,089	154,001
Construction work in progress	1,586,702	1,789,980	2,012,810	1,625,592	1,436,187	1,841,297	2,161,089	1,387,840	1,592,097	2,079,754
Total capital assets, net of depreciation and amortization	\$ 5,103,698	5,868,681	6,495,606	6,959,408	7,362,412	7,749,885	8,233,781	8,661,093	9,199,044	9,864,186

* Include amortizable and non-amortizable intangible assets.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



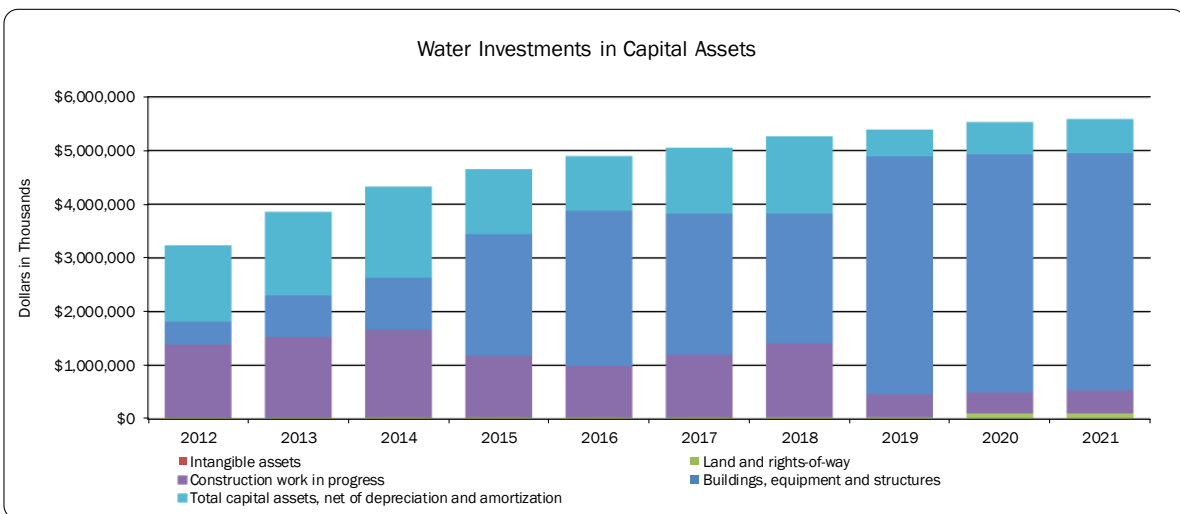
Statistical Section

Financial Trends
Water - Investments in Capital Assets
Summary of Intangible Assets, Property, Plant and Equipment
Fiscal Years Ended 2012 to 2021
(Dollars in Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Buildings, equipment and structures \$	2,618,140	3,177,874	3,594,412	4,497,411	5,036,587	5,100,680	5,217,106	6,399,688	6,577,333	6,739,364
Less accumulated depreciation	(804,377)	(876,972)	(962,863)	(1,054,987)	(1,158,520)	(1,274,504)	(1,391,274)	(1,509,481)	(1,648,895)	(1,791,178)
Subtotal	1,813,763	2,300,902	2,631,549	3,442,424	3,878,067	3,826,176	3,825,832	4,890,207	4,928,438	4,948,186
Intangible assets, net of amortization*	9,832	8,030	6,896	7,244	5,843	4,671	7,321	5,816	4,089	2,763
Land and rights-of-way	24,711	24,307	26,811	26,811	26,811	26,777	30,029	30,029	105,336	104,248
Construction work in progress	1,385,860	1,525,689	1,662,294	1,176,805	987,780	1,195,840	1,400,051	462,606	492,682	532,602
Total capital assets, net of depreciation and amortization \$	3,234,166	3,858,928	4,327,550	4,653,284	4,898,501	5,053,464	5,263,233	5,388,658	5,530,545	5,587,799

* Include amortizable and non-amortizable intangible assets.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



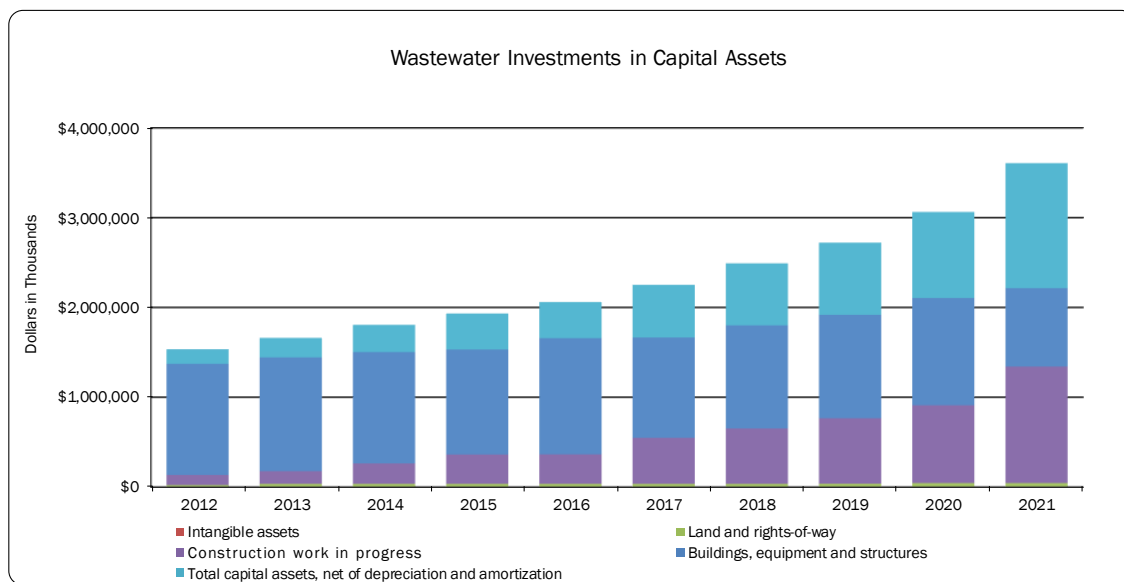
Statistical Section

Financial Trends
Wastewater - Investments in Capital Assets
Summary of Intangible Assets, Property, Plant and Equipment
Fiscal Years Ended 2012 to 2021
(Dollars in Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Buildings, equipment and structures	\$ 2,365,601	2,481,895	2,588,575	2,665,863	2,842,648	2,904,499	3,094,871	3,271,188	3,520,624	3,702,375
Less accumulated depreciation	(992,972)	(1,038,309)	(1,085,418)	(1,134,843)	(1,185,275)	(1,240,172)	(1,295,323)	(1,354,209)	(1,416,292)	(1,488,148)
Subtotal	1,372,629	1,443,586	1,503,157	1,531,020	1,657,373	1,664,327	1,799,548	1,916,979	2,104,332	2,214,227
Intangible assets, net of amortization*	5,595	4,809	4,023	3,921	3,594	3,457	3,320	3,183	3,046	7,407
Land and rights-of-way	21,210	35,737	35,737	35,737	35,737	35,737	35,737	36,018	44,572	44,572
Construction work in progress	134,703	176,711	262,642	362,110	362,958	548,179	652,521	765,624	910,338	1,340,644
Total capital assets, net of depreciation and amortization	\$ 1,534,137	1,660,843	1,805,559	1,932,788	2,059,662	2,251,700	2,491,126	2,721,804	3,062,288	3,606,850

* Include amortizable and non-amortizable intangible assets.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



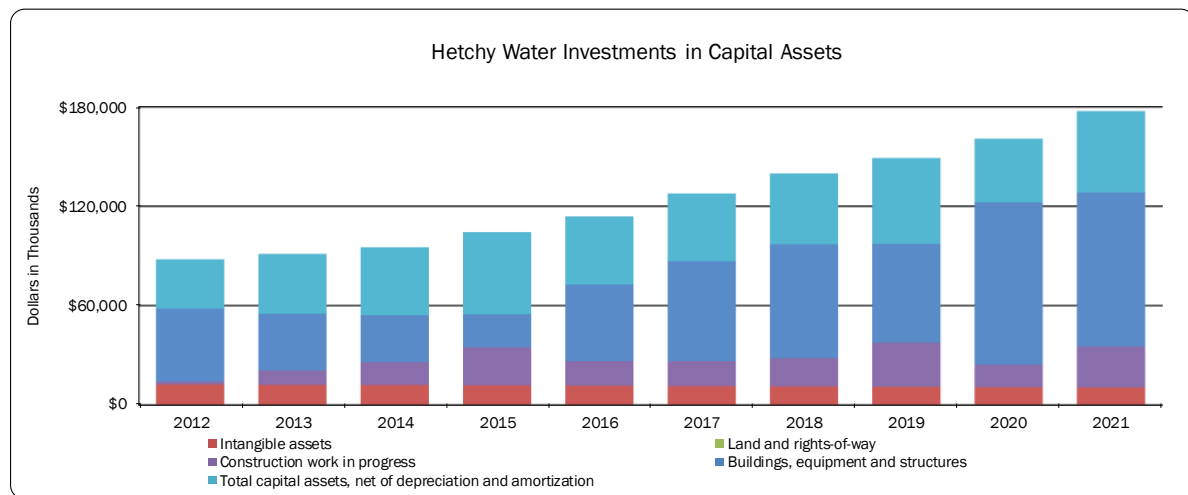
Statistical Section

Financial Trends Hetchy Water - Investments in Capital Assets Summary of Intangible Assets, Property, Plant and Equipment Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Buildings, equipment and structures \$	212,935	213,936	216,910	221,345	242,936	261,139	276,177	281,562	311,783	323,486
Less accumulated depreciation	(154,688)	(158,796)	(162,724)	(166,546)	(170,199)	(174,352)	(179,139)	(184,312)	(189,350)	(195,151)
Subtotal	58,247	55,140	54,186	54,799	72,737	86,787	97,038	97,250	122,433	128,335
Intangible assets, net of amortization*	12,446	12,239	12,032	11,825	11,618	11,410	11,203	10,996	10,789	10,581
Land and rights-of-way	3,028	3,028	3,038	3,003	3,003	3,055	3,232	3,232	3,232	3,232
Construction work in progress	14,220	20,821	25,922	34,703	26,509	26,479	28,326	37,625	24,328	35,333
Total capital assets, net of depreciation and amortization \$	87,941	91,228	95,178	104,330	113,867	127,731	139,799	149,103	160,782	177,481

* Include amortizable and non-amortizable intangible assets.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



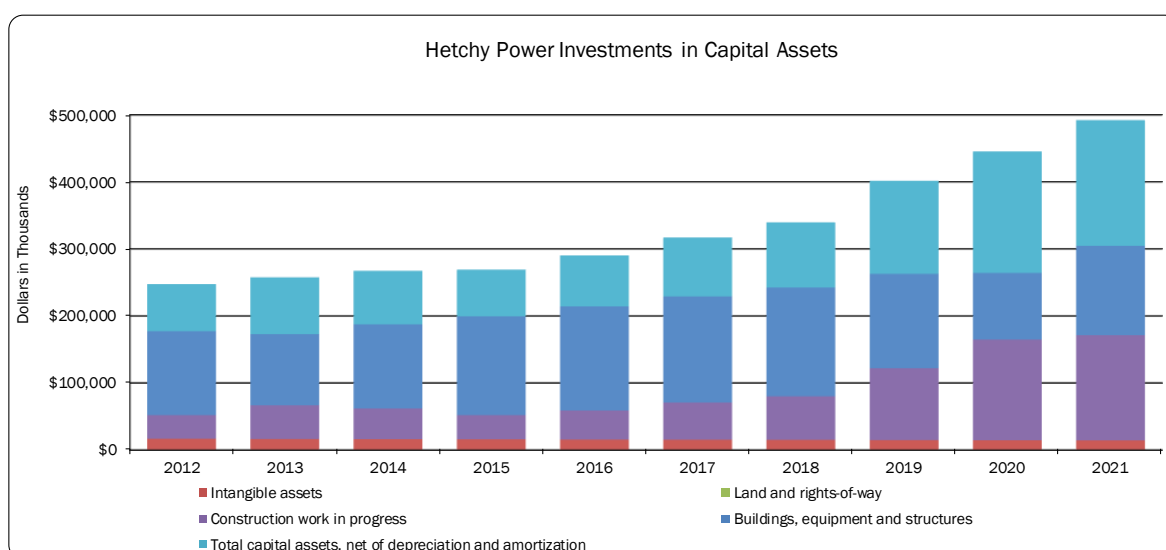
Statistical Section

Financial Trends Hetchy Power - Investments in Capital Assets Summary of Intangible Assets, Property, Plant and Equipment Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Buildings, equipment and structures \$	358,608	364,997	390,456	415,836	442,867	470,596	496,826	531,177	547,972	603,800
Less accumulated depreciation	(181,488)	(192,213)	(202,964)	(216,361)	(228,706)	(241,503)	(254,455)	(268,441)	(283,845)	(299,219)
Subtotal	177,120	172,784	187,492	199,475	214,161	229,093	242,371	262,736	264,127	304,581
Intangible assets, net of amortization*	16,723	16,447	16,171	15,895	15,619	15,366	15,112	14,858	14,604	14,351
Land and rights-of-way	1,692	1,692	1,704	1,662	1,662	1,732	1,949	1,949	1,949	1,949
Construction work in progress	51,919	66,759	61,952	51,974	58,940	70,799	80,191	121,985	164,749	171,175
Total capital assets, net of depreciation and amortization \$	247,454	257,682	267,319	269,006	290,382	316,990	339,623	401,528	445,429	492,056

* Include amortizable and non-amortizable intangible assets.

Source: City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.



CleanPowerSF does not have any capital assets as of fiscal year 2021.



Photo by: Robin Scheswohl

Golden Gate Park Historic Fixtures with LED
lights.



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

Revenue Capacity

Water Rates History

Wastewater Rates History

Hetchy Power Electric Rates History

CleanPowerSF Electric Rates History

Net Revenue and Debt Service Coverage

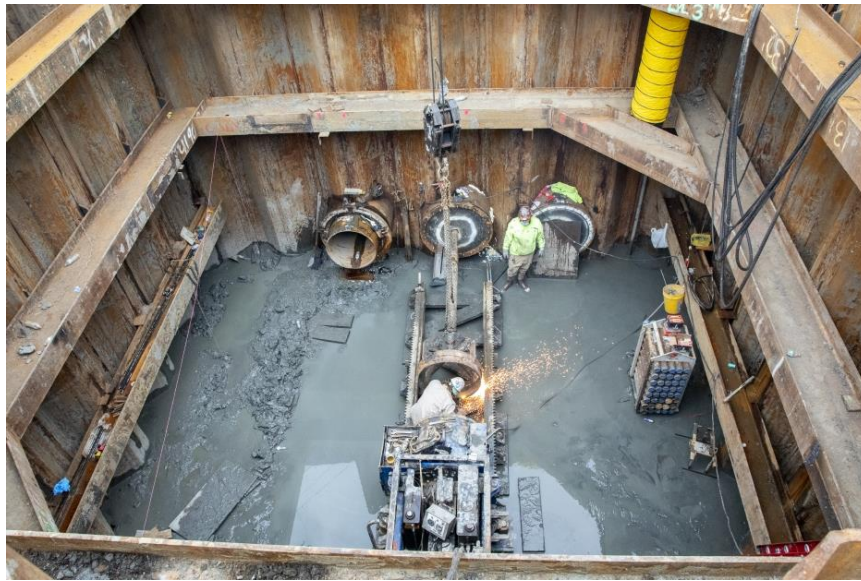


Photo by: Robin Scheswohl

Power System Improvements -- extends the underground electrical duct banks and vaults.

Statistical Section

Revenue Capacity
Water Rate History
Fiscal Years Ended 2012 to 2021

Rates Per Hundred Cubic Feet

Fiscal Years Ended June 30	Retail								Wholesale		
	Single-Family				Multiple-Family				Non-Residential		
	Service Charge (\$) ¹	Volume Charge (\$/ccf) (0-3 ccf)	Volume Charge (\$/ccf) (over 3 ccf)	% Increase/ (Decrease) ⁴	Volume Charge (\$/ccf) (0-3 ccf)	Volume Charge (\$/ccf) (over 3 ccf)	% Increase/ (Decrease) ⁴	Volume Charge (\$/ccf)	% Increase/ (Decrease)	Volume Charge (\$/ccf)	% Increase/ (Decrease)
2012	7.00	3.50	4.60	12.5	3.70	4.90	12.7	4.52	16.2	2.63	38.4
2013	7.90	3.90	5.20	12.5	4.20	5.50	13.0	5.10	12.8	2.93	11.4
2014	8.40	4.20	5.50	6.5	4.50	5.90	6.9	5.40	5.9	2.45	(16.4)

Fiscal Years Ended June 30	Retail								Wholesale		
	Single-Family				Multiple-Family				Non-Residential		
	Service Charge (\$) ¹	Volume Charge (\$/ccf) (0-4 ccf)	Volume Charge (\$/ccf) (over 4 ccf)	% Increase/ (Decrease) ⁴	Volume Charge (\$/ccf) (0-3 ccf)	Volume Charge (\$/ccf) (over 3 ccf)	% Increase/ (Decrease) ⁴	Volume Charge (\$/ccf)	% Increase/ (Decrease)	Volume Charge (\$/ccf)	% Increase/ (Decrease)
2015 ^{2,3}	8.81	4.86	6.52	10.1	4.98	6.67	9.4	5.79	7.2	2.93	19.6
2016	9.87	5.45	7.31	12.1	5.58	7.48	12.1	6.49	12.1	3.75	28.0
2017	10.86	6.00	8.05	10.1	6.14	8.23	10.0	7.14	10.0	4.10	9.3
2018	11.63	6.42	8.62	7.0	6.57	8.81	7.0	7.64	7.0	4.10	0.0
2019 ⁵	12.30	7.10	9.10	8.0	7.22	9.26	7.6	8.43	10.3	4.10	0.0
2020 ⁵	13.28	7.85	9.61	8.5	7.94	9.73	8.4	9.14	8.4	4.10	0.0
2021 ⁵	14.19	8.68	10.15	8.3	8.73	10.23	8.1	9.81	7.3	4.10	0.0

¹ Monthly service charge for 5/8" meter. Larger meter sizes charged at different rates.

² Rates approved on May 13, 2014.

³ Effective July 1, 2015, the Single-Family Residential Tier 1 changed from 0-3 ccf to 0-4 ccf.

⁴ The percentage increase/(decrease) is based on an average monthly bill of 6 ccf for Single-Family and 4 ccf for Multiple-Family.

⁵ Rates approved on May 8, 2018.

Source: San Francisco Public Utilities Commission Annual Disclosure Reports and Rate Schedules.

Statistical Section

**Revenue Capacity
Wastewater Rate History
Fiscal Years Ended 2012 to 2021**

Rates Per Hundred Cubic Feet

Fiscal Years Ended June 30	Single-Family			Multiple-Family			Non-Residential			
	Volume Charge (\$/ccf) (0-3 ccf)	Volume Charge (\$/ccf) (over 3 ccf)	% Increase/ (Decrease) ³	Volume Charge (\$/ccf) (0-3 ccf)	Volume Charge (\$/ccf) (over 3 ccf)	% Increase/ (Decrease) ³	Volume Charge (\$/ccf)	Chemical Oxygen Demand Charge (\$/lb)	Suspended Solids Charge (\$/lb)	Oil and Grease Charge (\$/lb)
2012	7.16	9.55	3.6	7.49	9.99	15.1	6.55	0.22	0.88	1.10
2013	7.52	10.03	5.1	7.86	10.49	5.0	6.55	0.22	0.88	1.10
2014	7.90	10.53	5.0	8.25	11.01	5.0	6.62	0.22	0.89	1.11

Fiscal Years Ended June 30	Single-Family			Multiple-Family			Non-Residential			
	Volume Charge (\$/ccf) (0-4 ccf)	Volume Charge (\$/ccf) (over 4 ccf)	% Increase/ (Decrease) ³	Volume Charge (\$/ccf) (0-3 ccf)	Volume Charge (\$/ccf) (over 3 ccf)	% Increase/ (Decrease) ³	Volume Charge (\$/ccf)	Chemical Oxygen Demand Charge (\$/lb)	Suspended Solids Charge (\$/lb)	Oil and Grease Charge (\$/lb)
2015 ^{1,2}	9.06	11.23	6.1	9.24	11.48	10.0	6.15	0.44	0.83	0.87
2016	9.82	11.34	6.9	9.95	11.51	5.8	6.45	0.46	0.87	0.91
2017	10.84	11.66	9.0	10.91	11.75	7.9	6.90	0.49	0.93	0.97
2018 ⁴	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			
	Service Charge (\$) ⁵	Volume Charge (\$/ccf)	% Increase/ (Decrease) ³	Volume Charge (\$/ccf)	% Increase/ (Decrease) ³	Volume Charge (\$/ccf)	Chemical Oxygen Demand Charge (\$/lb)	Suspended Solids Charge (\$/lb)	Oil and Grease Charge (\$/lb)	
2019 ⁶	0.98	13.06	4.5	13.06	3.5	7.84	0.52	1.30	1.33	
2020 ⁶	2.19	13.88	6.6	13.88	5.3	8.29	0.56	1.41	1.42	
2021 ⁶	3.60	14.89	9.1	14.89	7.4	8.86	0.60	1.53	1.54	

¹ Effective July 1, 2015, the Single-Family Residential Tier 1 rate structure changed from 0-3 ccf to 0-4 ccf.

² Four years of rates were approved on May 13, 2014.

³ The percentage increase/(decrease) is based on an average monthly bill of 5.4 ccf for Single-Family (based on a 90% flow factor) and 3.8 ccf for Multiple-Family (based on a 95% flow factor).

⁴ Effective July 1, 2017, no tiers for wastewater volumetric charges for single-family and multi-family residential wastewater.

⁵ Effective July 1, 2018, all wastewater customers pay a monthly service charge per account.

⁶ Rates approved on May 22, 2018.

Source: San Francisco Public Utilities Commission Annual Disclosure Reports and Rate Schedules.

Statistical Section

Revenue Capacity Hetchy Power Electric Rate History Fiscal Years Ended 2012 to 2021

Rates Per Kilowatt Hour	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Residential*										
Residential Services - Multi-family	\$ 0.18581	0.18590	0.20052	0.20526	0.21784	0.23073	0.22894	0.23298	0.26429	0.28308
Residential - Public Power										
Tier 1	0.10689	0.10931	0.11200	0.11451	0.11705	0.13391	0.14198	0.14610	0.14868	0.15537
Tier 2	0.12152	0.12427	0.12733	0.13018	0.13306	0.15222	0.16139	0.16607	0.16900	0.17661
Tier 3	0.24877	0.25440	0.26065	0.26649	0.27238	0.31160	0.33037	0.33995	0.34595	0.36153
Commercial										
Small General Service	0.18098	0.18531	0.19717	0.21152	0.22560	0.23020	0.23786	0.24931	0.26884	0.27749
Medium General Demand-Metered Service	0.16013	0.15876	0.17573	0.18503	0.19667	0.20346	0.21265	0.21889	0.23721	0.24167
Medium General Demand-Metered TOU** Service	0.12724	0.12833	0.13953	0.14761	0.15049	0.15893	0.16176	0.16709	0.18735	0.18959
Industrial										
Service to Customers with equal to or greater than Demand of 1,000 Kilowatts or More - Secondary Voltage	0.13478	0.13170	0.14434	0.15216	0.15969	0.16868	0.17553	0.18279	0.19804	0.19537
Service to Customers with equal to or greater than Demand of 1,000 Kilowatts or More - Primary Voltage	0.12247	0.11990	0.13169	0.13908	0.14498	0.15229	0.15874	0.16466	0.17774	0.17627
Service to Customers with equal to or greater than Demand of 1,000 Kilowatts or More - Transmission Voltage	0.09907	0.09431	0.10383	0.10608	0.10743	0.11719	0.12501	0.12786	0.14240	0.13414
General Fund City Departments#	0.03750	0.04250	0.04750	0.05750	0.06750	0.07250	0.07750	0.07377	0.07877	0.08877
Streetlights	0.12153	0.13085	0.13840	0.15045	0.15712	0.15874	0.16451	0.17354	0.18693	0.18754
Traffic Signals	0.13571	0.14111	0.14762	0.15866	0.17187	0.18018	0.18432	0.18945	0.20194	0.20413

* Residential rates include master-metered multi-family services (EM) and multi-family services (ES). Tiers for Residential Public Power vary between Winter and Summer months.

** TOU stands for time-of-use.

Prior to fiscal year 2019, the General Fund rate shown was one of six rates being charged to customers. In fiscal year 2019, the six rates were consolidated into one, which was set to a ½ cent per kWh increase from the weighted average of the six prior rates. The decrease in fiscal year 2019 is a function of the change in what this line item represents – rates did not decrease.

The rates shown for each year are average rates per kWh charged in the months including June for residential, commercial, and industrial rates. Rates are subject to change at any time.

Source: San Francisco Public Utilities Commission Rates Schedules and Fees and PG&E electric rates schedules.

Statistical Section

Revenue Capacity
CleanPowerSF Electric Rate History
Fiscal Years Ended 2016 to 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 [#]
Rates per Kilowatt-hour										
Residential										
E-1 (Green)					0.07267	0.07267	0.06836	0.07163	0.08235	0.06918
E-1 (SuperGreen)					0.09267	0.09267	0.08836	0.08663	0.09235	0.07918
E-6 (Green)					0.06719	0.06693	0.05868	0.06612	0.08197	0.06935
E-6 (SuperGreen)					0.08719	0.08693	0.07868	0.08112	0.09197	0.07935
E-TOUA (Green)					N/A	0.06801	0.06283	0.06548	0.07702	N/A
E-TOUA (SuperGreen)					N/A	0.08801	0.08283	0.08048	0.08702	N/A
E-TOUB (Green)					N/A	0.06819	0.06285	0.06460	0.07598	0.06223
E-TOUB (SuperGreen)					N/A	0.08819	0.08285	0.07960	0.08598	0.07223
E-TOUC* (Green)					N/A	N/A	N/A	0.07010	0.07913	0.06449
E-TOUC* (SuperGreen)					N/A	N/A	N/A	0.08510	0.08913	0.07449
EVA (Green)					0.05837	0.05822	0.05350	0.05358	0.06526	N/A
EVA (SuperGreen)					0.07837	0.07822	0.07350	0.06858	0.07526	N/A
EVB (Green)					N/A	0.04747	0.04263	0.03889	0.04692	0.06154
EVB (SuperGreen)					N/A	0.06747	0.06263	0.05389	0.05692	0.07154
*Data not available - CleanPowerSF launched in May 2016.										
Commercial										
A-1 (Green)					0.07772	0.07740	0.07447	0.07919	0.08011	0.06498
A-1 (SuperGreen)					0.09772	0.09740	0.08847	0.08919	0.08761	0.07248
A-1X (Green)					0.07770	0.07751	0.07509	0.07954	0.08184	0.06600
A-1X (SuperGreen)					0.09770	0.09751	0.08909	0.08954	0.08934	0.07359
A-6 (Green)					0.08883	0.08820	0.08631	0.09491	0.10079	0.09359
A-6 (SuperGreen)					0.10883	0.10820	0.10031	0.10491	0.10829	0.10109
A-10S (Non Time of Use - Green)					0.07940	0.07940	0.07674	0.08355	0.08252	0.06828
A-10S (Non Time of Use - SuperGreen)					0.09940	0.09940	0.09074	0.08855	0.08752	0.07328
A-10SX (Time of Use - Green)					0.07899	0.07813	0.07579	0.08322	0.08185	0.06671
A-10SX (Time of Use - SuperGreen)					0.09899	0.09813	0.08979	0.08822	0.08685	0.07171
E-19S (Green)					0.07925	0.07853	0.07658	0.08336	0.08010	0.06392
E-19S (SuperGreen)					0.09925	0.09853	0.09058	0.08836	0.08510	0.06892
E-19SV (Green)					0.07368	0.07304	0.07104	0.07670	0.07387	0.06150
E-19SV (SuperGreen)					0.09368	0.09304	0.08504	0.08170	0.07887	0.06650
E-20P (Green)					0.07005	0.06895	0.06729	0.07300	0.06958	N/A
E-20P (SuperGreen)					0.09005	0.08895	0.08129	0.08300	0.07708	N/A
E-20S (Green)					0.07502	0.07395	0.07167	0.07774	0.07434	0.06282
E-20S (SuperGreen)					0.09502	0.09395	0.08567	0.08774	0.08184	0.07032

The rates shown for each year are the average rates per kWh calculated by the SFPUC and PG&E in its Joint Rate Comparisons prepared in 2016 to 2021. Each average rate is calculated using the energy consumption (and if applicable, demand) of a typical customer on that rate schedule in San Francisco and the rates in place during each reported fiscal year.

* Rate E-TOUC was a new rate beginning fiscal year 2019, and therefore was not included in the Joint Rate Comparison. The same methodology to calculate average rate was applied.

Fiscal year 2021, Rates E-TOU-A and EVA are closed as of January 2021, Rate E-20P was not included due to lack of data to provided average rate.

May exclude new rates due to insufficient data for average rate calculation.

Source: San Francisco Public Utilities Commission and PG&E Joint Rate Comparisons.

Statistical Section

Revenue Capacity
Water - Net Revenue and Debt Service Coverage
Fiscal Years Ended 2012 to 2021
(Dollars in Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 #
Operating and investment revenue	\$ 375,551	721,189	390,789	431,836	423,111	464,662	532,087	558,041	593,868	581,141
Less operating and maintenance expenses	(304,562)	(303,739)	(333,555)	(296,950)	(314,786)	(421,827)	(370,147)	(357,094)	(398,117)	(448,690)
Adjustment to investing activities ¹	(784)	258	(2,438)	732	635	111	(1,245)	(4,821)	(516)	3,846
Depreciation and non-cash expenses	72,264	78,323	95,355	98,192	107,268	121,375	119,624	122,248	148,294	150,257
Changes in working capital	16,714	52,193	46,088	(37,175)	(11,062)	63,520	31,060	(11,073)	(20,763)	24,707
Appropriated fund balance	—	—	—	—	23,994	10,747	1,452	4,318	17,181	27,785
Net revenue ⁴	159,183	548,224	196,239	196,635	229,160	238,588	312,831	311,619	339,947	339,046
Other available funds ²	27,473	26,744	287,522	248,390	162,733	155,852	186,752	221,362	241,931	128,692
Funds available for revenue debt service	\$ 186,656	574,968	483,761	445,025	391,893	394,440	499,583	532,981	581,878	467,738
Revenue debt service ³	\$ 122,289	248,530	141,325	192,312	219,195	207,812	233,959	261,638	269,210	248,427
Revenue debt service coverage	1.53	2.31	3.42	2.31	1.79	1.90	2.14	2.04	2.16	1.88

¹ Adjustment of investing activities and non-operating revenues to a cash basis.

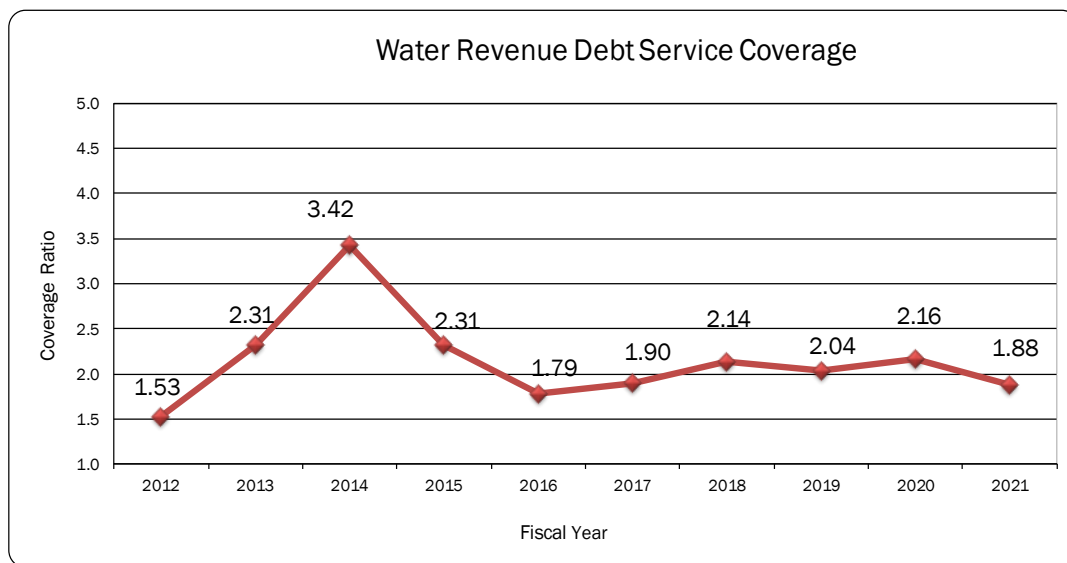
² As per the Indenture, in addition to current year cash flow, the coverage calculation permits the inclusion of all funds except for Trust and Agency Fund not budgeted to be spent in such months and legally available to pay debt service.

³ Revenue debt service is calculated net of capitalized interest and federal interest subsidy the Commission is scheduled to receive during the 12-month period ending June 30 for any series of bonds.

⁴ Net revenues beginning fiscal years 2016 includes appropriated available funds.

Starting fiscal year 2021, Treasure Island revenue and expenses are excluded from debt service coverage.

Source: San Francisco Public Utilities Commission Annual Disclosure Reports.



Statistical Section

Revenue Capacity Wastewater - Net Revenue and Debt Service Coverage Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 #
Operating and investment revenue	\$ 247,130	253,078	262,497	257,209	262,960	279,668	317,413	351,782	356,265	325,008
Less operating and maintenance expenses	(195,857)	(208,260)	(216,340)	(216,485)	(221,553)	(244,220)	(238,906)	(259,813)	(262,259)	(290,737)
Adjustment to investing activities ¹	(299)	337	(601)	127	(12)	251	(489)	(8,047)	2,950	4,356
Depreciation and non-cash expenses	46,271	52,108	50,717	51,773	56,285	57,998	60,072	68,568	68,603	78,368
Changes in working capital	21,375	(13,795)	12,908	3,923	2,404	26,292	18,336	(2,125)	523	(8,596)
State revolving fund loan payments ³	(10,983)	(9,421)	- [^]	-	-	-	-	-	-	-
Net revenue	107,637	74,047	109,181	96,547	100,084	119,989	156,426	150,365	166,082	108,399
Other available funds ²	50,761	80,094	109,807	134,413	139,847	131,554	153,596	103,281	215,722	197,778
Funds available for revenue debt service	\$ 158,398	154,141	218,988	230,960	239,931	251,543	310,022	253,646	381,804	306,177
Revenue debt service*	\$ 42,190	37,921	48,932	48,878	60,022	48,769**	47,003	60,347	62,797	82,066
Revenue debt service coverage	3.75	4.06	4.48	4.73	4.00	5.16	6.60	4.20	6.08	3.73

¹ Adjustment of investing activities and non-operating revenues to a cash basis.

² As per the Indenture, in addition to current year cash flow, the coverage calculation permits the inclusion of all funds except for Trust and Agency Fund not budgeted to be spent in such 12 months and legally available to pay debt service.

³ State revolving fund loan for Sewer System Improvement projects (starting fiscal year 2019) have the same seniority as revenue bonds.

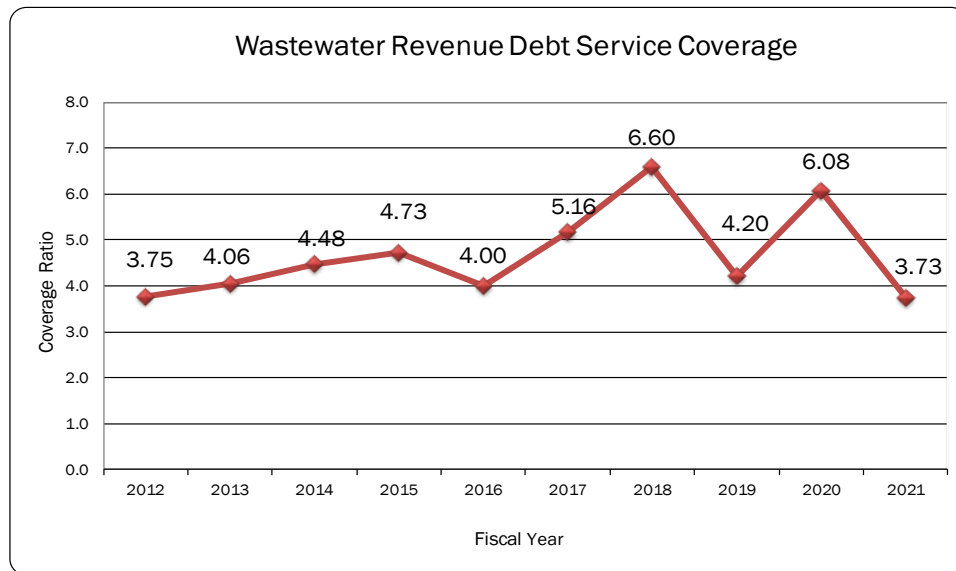
[^] In January 2013, 2013 Series A refunded the remaining portion of the outstanding state revolving fund loans.

* Effective fiscal year 2013, revenue debt service is calculated net of capitalized interest.

** In fiscal year 2018 Wastewater financial statements, fiscal year 2017 revenue debt service is presented gross of capitalized interest, \$60,407.

Starting fiscal year 2021, Treasure Island revenue and expenses are excluded from debt service coverage.

Source: San Francisco Public Utilities Commission Annual Disclosure Reports.



Statistical Section

Revenue Capacity Hetchy Power - Net Revenue and Debt Service Coverage Fiscal Years Ended 2015 to 2021 (Dollars in Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 #
Operating and investment revenue	No senior lien debt service coverage prior to fiscal year 2015			117,704	122,954	122,187	122,251	152,873	151,835	142,696
Less operating and maintenance expenses				(105,222)	(110,012)	(116,935)	(119,395)	(122,688)	(148,127)	(139,566)
Adjustment to investing activities*				(8)	11	29	419	(2,606)	101	1,902
Depreciation and non-cash expenses				17,654	15,331	14,208	14,131	14,604	27,470	23,037
Changes in working capital				7,037	(9,214)	11,740	13,281	(2,386)	3,243	(18,641)
Low Carbon Fuel Standard revenue				-	-	-	-	-	6,920	1,181
Net revenue				37,165	19,070	31,229	30,687	39,798	41,442	10,609
Other available funds [△]	14,031	13,974	32,199	36,525	31,215	39,119	23,569			
Funds available for revenue debt service	\$ 51,196	\$ 33,044	\$ 63,428	\$ 67,212	\$ 71,013	\$ 80,561	\$ 34,178			
Revenue debt service**	\$	\$	\$	N/A	N/A	N/A	2,570	2,569	2,568	2,567
Revenue debt service coverage				N/A	N/A	N/A	26.15	27.64	31.37	13.31

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.

* Adjustment of investing activities and non-operating revenues to a cash basis.

** Series 2015 AB power revenue bonds senior lien debt service is capitalized through fiscal year 2018. So there is no basis for calculating debt service coverage from fiscal years 2015 to 2017.

[△] Starting fiscal year 2019, other available funds is 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.

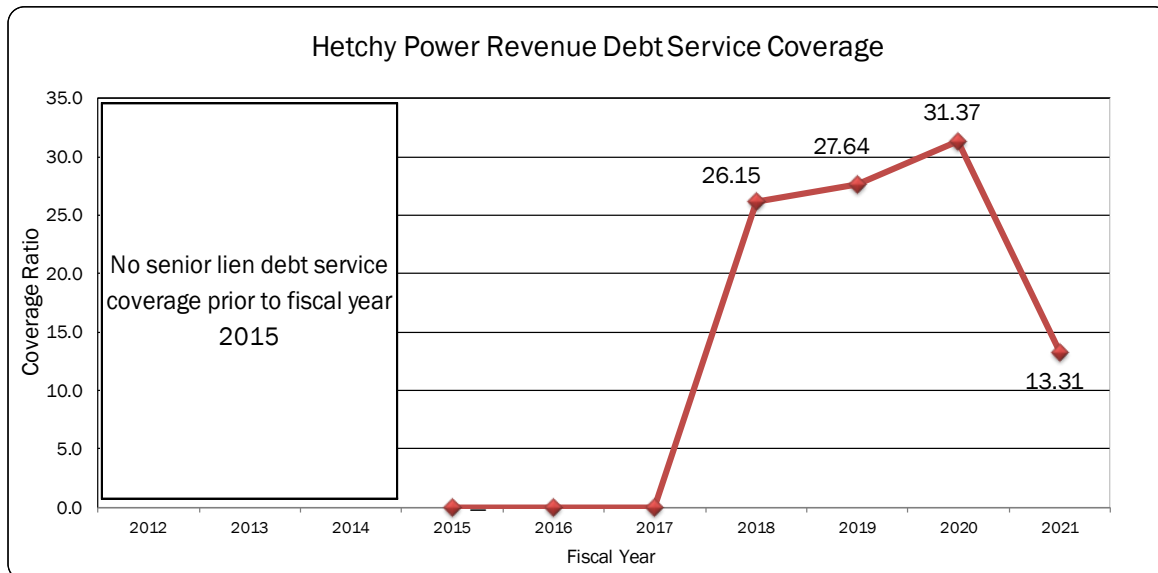




Photo by: Robin Scheswohl

Walk-through of Griffith Outfall and Influent Sewer for Crack and Spall Repairs.



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

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

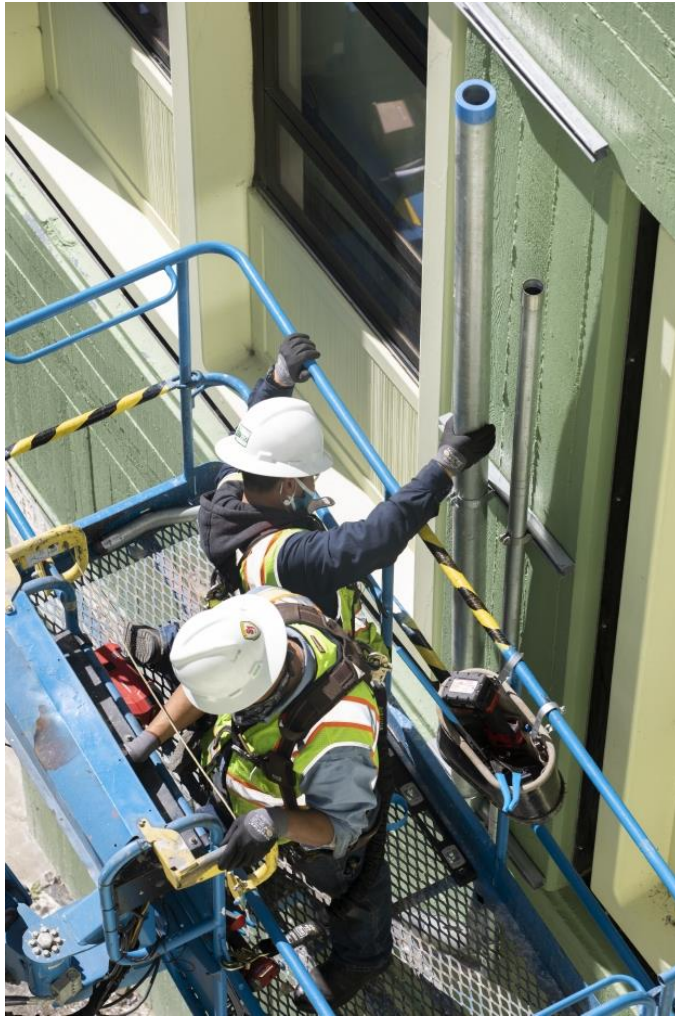


Photo by: Sabrina Wong

Rooftop Solar Project at Visitacion Valley Middle School.



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

**Debt Capacity
Debt Ratings
As of June 30, 2021**

Debt by Type	Ratings by	
	Moody's Investors Service	Standard & Poor's
Water		
Revenue bonds	Aa2	AA-
Commercial paper - \$500 million tax-exempt/taxable		
\$200 million Sumitomo Mitsui Letter of Credit	P-1	A-1
\$100 million Barclays PLC Letter of Credit	P-1	A-1
\$100 million Sumitomo Mitsui Letter of Credit	P-1	A-1
\$100 million US Bank Revolving Credit Agreement	N/A	N/A
Certificates of participation - SFPUC Headquarters Project*	Aa1	AA+
Wastewater		
Revenue bonds	Aa2	AA
Commercial paper - \$750 million tax-exempt		
\$200 million State Street Liquidity Facility	P-1	A-1+
\$150 million Bank of America Letter of Credit	P-1	A-1
\$150 million Sumitomo Mitsui Letter of Credit	P-1	A-1
\$100 million Sumitomo Mitsui Letter of Credit	P-1	A-1
\$75 million Toronto Dominion Bank Liquidity Facility	P-1	A-1+
\$75 million US Bank Revolving Credit Agreement	N/A	N/A
Certificates of participation - SFPUC Headquarters Project*	Aa1	AA+
Hetchy Power		
Revenue bonds**	N/A	AA
Commercial paper - \$250 million tax-exempt		
\$125 million Bank of America Letter of Credit***	N/A	A-1
\$125 million Sumitomo Mitsui Letter of Credit△	N/A	A-1
Certificates of participation - SFPUC Headquarters Project*	Aa1	AA+

* Bonds issued by CCSF and reflects General Fund COP credit rating at issuance.

** Hetchy Power revenue bonds are rated AA- by Fitch.

*** Power letter of credit is rated F1+ by Fitch.

△ Power letter of credit is rated F1 by Fitch.

CleanPowerSF did not have any debt outstanding as of June 30, 2021 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 2012 to 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Moody's Investors Service										
Water	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa2	Aa2
Wastewater	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa2	Aa2
CleanPowerSF	First rating from Moody's assigned on December 9, 2020.									A2
Standard & Poor's										
Water	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-
Wastewater	AA-	AA-	AA-	AA-	AA	AA	AA	AA	AA	AA
Hetchy Power	Zero debt prior to fiscal year 2015			A+	A+	A+	A+	AA	AA	AA
Fitch Ratings										
Hetchy Power	Zero debt prior to fiscal year 2015			AA-	AA-	AA-	AA-	AA-	AA-	AA-

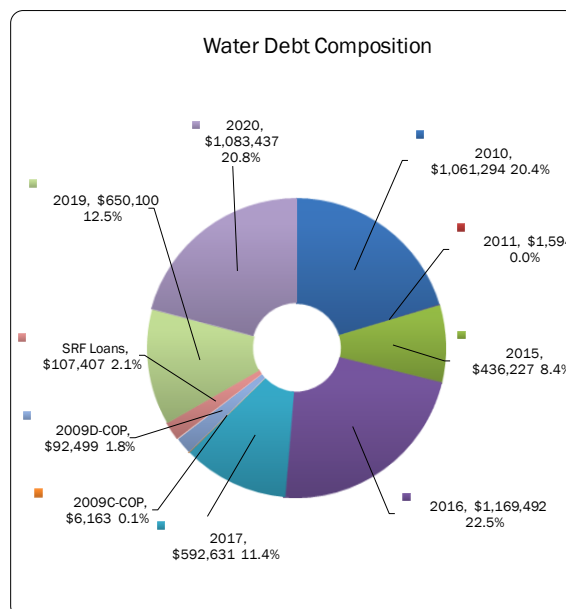
Debt Capacity
Water - Summary of Debt Outstanding (Exclude Commercial Paper)
As of June 30, 2021
(Dollars in Thousands)

Revenue Bonds and Certificates of Participation

Revenue bonds	<u>Amount</u>	<u>Use of proceeds</u>
2010 Series B (Build America Bonds)	\$ 361,500	Water System Improvement Program
2010 Series E (Build America Bonds)	345,317	Water System Improvement Program
2010 Series G (Build America Bonds)	354,477	Water System Improvement Program
2011 Series B	762	Hetchy Water Improvements
2011 Series C	832	Local Water Main Replacement Project
2015 Series A	436,227	Refunded remainder of 2006A Bonds and partial refunding of 2009A Bonds
2016 Series A	845,166	Refunded portion of 2009A, 2009B and 2010F Bonds
2016 Series B	87,409	Refunded remainder of 2006B and 2006C Bonds and portion of 2010A
2016 Series C	236,917	Refund all of outstanding taxable commercial paper notes.
2017 Series A	30,573	Water System Improvement Program
2017 Series B	37,302	Non Water System Improvement Program (Non-WSIP)
2017 Series C	17,841	Hetchy Water Improvements
2017 Series D	407,578	Refund 2011A and 2012A Bonds
2017 Series E	56,545	Refund 2011C, 2011D and 2012C1 Bonds
2017 Series F	10,012	Refund 2011B Bonds
2017 Series G	32,780	Refund 2011A Bonds
2019 Series A	615,725	Refunding Federal Taxable WSIP
2019 Series B	16,450	Refunding Federal Taxable Hetch Hetchy
2019 Series B	17,925	Refunding Federal Taxable Local Water Main
2020 Series A	191,617	Water System Improvement Program (Green Bonds)
2020 Series B	74,599	Regional Water
2020 Series C	100,543	Local Water
2020 Series D	52,283	Hetch Hetchy Water
2020 Series E	341,435	Refunding Federal Taxable WSIP
2020 Series F	136,880	Refunding Federal Taxable Non-WSIP
2020 Series G	120,585	Refunding Federal Taxable Local Water
2020 Series H	65,495	Refunding Federal Taxable Hetch Hetchy Water
Total revenue bonds	<u>4,994,775</u>	
State of California revolving fund loans	<u>107,407</u>	
Certificates of participation (COPs)		
2009 Series C	6,163	525 Golden Gate Avenue Headquarters Building
2009 Series D (Build America Bonds)	92,499	525 Golden Gate Avenue Headquarters Building
Total certificates of participation (COPs)	<u>98,662</u>	
Total Water debt outstanding	<u>\$ 5,200,844</u>	

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.



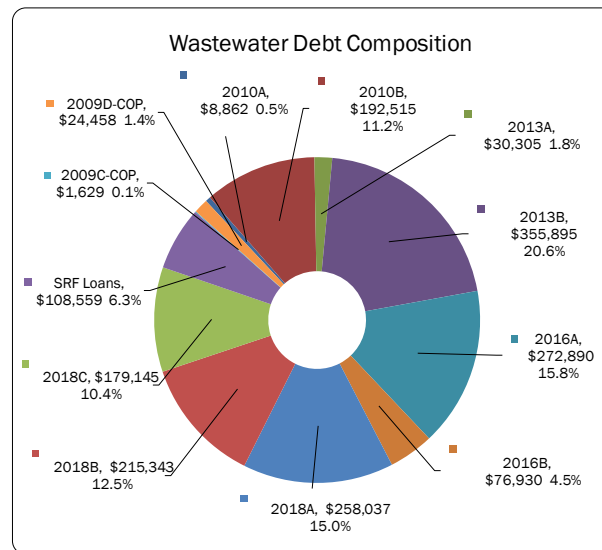
Debt Capacity
Wastewater - Summary of Debt Outstanding (Exclude Commercial Paper)
As of June 30, 2021
(Dollars in Thousands)

Revenue Bonds, Loans and Certificates of Participation

Revenue bonds	Amount	Use of proceeds
2010 Series A	\$ 8,862	Clean Water Capital Improvement Programs
2010 Series B (Build America Bonds)	192,515	Clean Water Capital Improvement Programs
2013 Series A	30,305	Refunded the remaining portion of the 2003 Series A bonds
2013 Series B	355,895	Sewer System Improvement Program
2016 Series A	272,890	Sewer System Improvement Program
2016 Series B	76,930	Sewer System Improvement Program
2018 Series A	258,037	Sewer System Improvement Program
2018 Series B	215,343	Sewer System Improvement Program
2018 Series C	179,145	Sewer System Improvement Program
Total revenue bonds	1,589,922	
State of California revolving fund loans	108,559	Sewer System Improvement Program
Certificates of participation (COPs)		
2009 Series C	1,629	525 Golden Gate Avenue Headquarters Building
2009 Series D (Build America Bonds)	24,458	525 Golden Gate Avenue Headquarters Building
Total certificates of participation (COPs)	26,087	
Total Wastewater debt outstanding	\$ 1,724,568	

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.



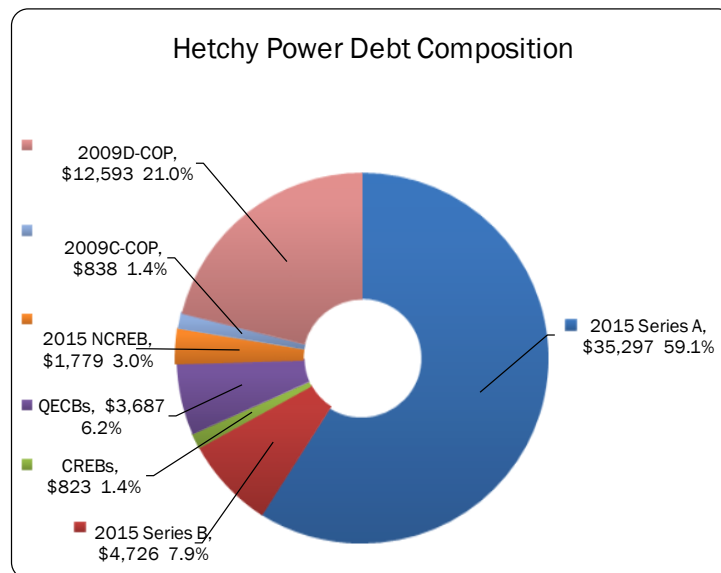
Debt Capacity
Hetchy Power - Summary of Debt Outstanding (Exclude Commercial Paper)
As of June 30, 2021
(Dollars in Thousands)

Bonds and Certificates of Participation

Revenue Bonds	Amount	Use of proceeds
2015 Series A (Green)	\$ 35,297	Hetch Hetchy facilities
2015 Series B	4,726	Hetch Hetchy facilities
Total revenue bonds	40,023	
Other Bonds		
Clean Renewable Energy Bonds (CREBs)	823	Solar energy equipment on city facilities
Qualified Energy Conservation Bonds (QECBs)	3,687	525 Golden Gate Avenue green energy
2012 New Clean Renewable Energy Bonds (NCREBs)	-	City facilities renewable energy
2015 New Clean Renewable Energy Bonds (NCREBs)	1,779	City facilities renewable energy
Total other bonds	6,289	
Certificates of participation (COPs)		
2009 Series C	838	525 Golden Gate Avenue Headquarters Building
2009 Series D (Build America Bonds)	12,593	525 Golden Gate Avenue Headquarters Building
Total certificates of participation (COPs)	13,431	
Total Hetchy Power debt outstanding	\$ 59,743	

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.



Statistical Section

Debt Capacity History of Outstanding Debt by Type - Principal Only (Exclude Commercial Paper) Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

Department-wide

Fiscal Year Ended	Revenue Bonds [^]	Capital Appreciation Bonds [*]	State Revolving Fund Loans	Certificates of Participation [^]	Total
2012	\$ 4,990,472	\$ 4,450	\$ 36,898	\$ 170,483	\$ 5,202,303
2013	5,194,820	4,767	—	167,219	5,366,806
2014	5,123,609	5,107	—	163,934	5,292,650
2015	5,106,187	5,471	—	160,615	5,272,273
2016	5,389,447	5,860	—	157,207	5,552,514
2017	5,657,792	6,278	—	153,673	5,817,743
2018	5,983,428	6,725	22,607	150,008	6,162,768
2019	6,513,703	2,029	88,032	146,207	6,749,971
2020	6,366,836	—	161,820	142,265	6,670,921
2021	6,631,009	—	215,966	138,180	6,985,155

Water

Fiscal Year Ended	Revenue Bonds [^]	State Revolving Fund Loans	Capital Appreciation Bonds [*]	Certificates of Participation [^]	Total	Service Area by Population	Debt per Capita (In thousands)	Number of Customer Accounts	Debt per Customer Account (In thousands)
2012	\$ 4,505,296	\$ —	\$ 4,450	\$ 121,726	\$ 4,631,472	2,535,093	\$ 1.83	173,453	\$ 26.70
2013	4,351,610	—	4,767	119,395	4,475,772	2,550,368	1.75	173,744	25.76
2014	4,322,713	—	5,107	117,049	4,444,869	2,595,166	1.71	173,970	25.55
2015	4,298,827	—	5,471	114,680	4,418,978	2,635,893	1.68	174,111	25.38
2016	4,257,454	—	5,860	112,246	4,375,560	2,657,633	1.65	174,083	25.13
2017	4,554,967	—	6,278	109,722	4,670,967	2,680,705	1.74	174,349	26.79
2018	4,909,041	—	6,725	107,106	5,022,872	2,705,107	1.86	175,054	28.69
2019 **	4,808,548	—	2,029	104,392	4,914,969	2,710,848	1.81	175,803	27.96
2020 **	4,695,295	73,271	—	101,578	4,870,144	2,719,517	1.79	176,379	27.61
2021 **	4,994,775	107,407	—	98,662	5,200,844	2,728,744	1.91	176,246	29.51

Wastewater

Fiscal Year Ended	Revenue Bonds [^]	State Revolving Fund Loans	Certificates of Participation [^]	Total	Service Area by Population	Debt per Capita (In thousands)	Number of Customer Accounts	Debt per Customer Account (In thousands)
2012	\$ 465,792	\$ 36,898	\$ 32,186	\$ 534,876	825,863	\$ 0.65	163,316	\$ 3.28
2013	824,821	—	31,570	856,391	841,138	1.02	163,445	5.24
2014	783,801	—	30,950	814,751	852,469	0.96	163,537	4.98
2015	747,185	—	30,323	777,508	862,004	0.90	163,686	4.75
2016	1,071,883	—	29,680	1,101,563	876,103	1.26	163,587	6.73
2017	1,044,925	—	29,013	1,073,938	879,166	1.22	163,738	6.56
2018	1,019,146	22,607	28,321	1,070,074	880,696	1.22	163,976	6.53
2019	1,652,609	88,032	27,603	1,768,244	881,549	2.01	173,956	10.16
2020 **	1,621,733	88,549	26,859	1,737,141	866,606	2.00	174,516	9.95
2021 **	1,589,922	108,559	26,087	1,724,568	851,916	2.02	174,356	9.89

Hetchy Power

Fiscal Years Ended	Revenue Bonds [^]	Certificates of Participation [^]	Total	Number of Customer Accounts	Debt per Customer Account (In thousands)
2012	\$ 19,384	\$ 16,571	\$ 35,955	2,260	\$ 15.91
2013	18,389	16,254	34,643	2,257	15.35
2014	17,095	15,935	33,030	2,271	14.54
2015	60,175	15,612	75,787	2,305	32.88
2016	60,110	15,281	75,391	2,627	28.70
2017	57,900	14,938	72,838	3,068	23.74
2018	55,241	14,581	69,822	3,547	19.68
2019	52,546	14,212	66,758	3,747	17.82
2020	49,808	13,828	63,636	4,077	15.61
2021	46,312	13,431	59,743	5,385	11.09

* No annual payments for Series 1991A Capital Appreciation Bonds.

** 2021 and 2020 population was estimated by multiplying 2020 population by the 2019 and 2020 population growth rate. Fiscal year 2020 and 2019 has been updated from last year's ACFR with newly available data.

^ Bonds and Certificates of Participation are inclusive of bond premiums and discounts.

Source: San Francisco Public Utilities Commission Water Sewer System and Power Enterprise Billing System, Customer To Meter Billing System, Customer Care and Billing System, Audited Financial Statements, Office of the Controller, City and County of San Francisco and BAWSCA.org.

Statistical Section

Debt Capacity Department-wide - Future Principal and Interest Payments for Debt Issues* (Exclude Commercial Paper) (Dollars in Thousands)

Payments Due for FY Ended	Water			Wastewater			Power			SFPUC Total		
	Total Principal	Total Interest	Total Principal & Interest Payments	Total Principal	Total Interest	Total Principal & Interest Payments	Total Principal	Total Interest	Total Principal & Interest Payments	Total Principal	Total Interest	Total Principal & Interest Payments
2022	\$ 113,137	190,905	304,042	26,148	62,708	88,856	2,333	2,402	4,735	141,618	256,015	397,633
2023	131,631	186,910	318,541	38,214	61,656	99,870	2,397	2,338	4,735	172,242	250,904	423,146
2024	141,616	181,594	323,210	40,864	61,633	102,497	2,035	2,278	4,313	184,515	245,505	430,020
2025	147,174	175,973	323,147	40,983	61,521	102,504	2,092	2,216	4,308	190,249	239,710	429,959
2026	158,795	169,808	328,603	42,814	59,727	102,541	2,156	2,149	4,305	203,765	231,684	435,449
2027	164,683	163,024	327,707	44,749	57,831	102,580	2,219	2,080	4,299	211,651	222,935	434,586
2028	170,363	155,855	326,218	46,786	55,792	102,578	1,994	2,001	3,995	219,143	213,648	432,791
2029	177,918	148,301	326,219	48,926	53,650	102,576	1,779	1,922	3,701	228,623	203,873	432,496
2030	186,684	140,320	327,004	51,174	51,396	102,570	1,855	1,842	3,697	239,713	193,559	433,272
2031	193,474	132,455	325,929	53,538	49,029	102,567	1,942	1,755	3,697	248,954	183,240	432,194
2032	202,539	124,807	327,346	56,023	46,540	102,563	2,024	1,667	3,691	260,586	173,014	433,600
2033	205,476	116,503	321,979	58,630	43,922	102,552	2,034	1,572	3,606	266,140	161,997	428,137
2034	215,616	107,468	323,084	61,296	41,260	102,556	2,043	1,477	3,520	278,955	150,205	429,160
2035	223,636	98,010	321,646	64,000	38,550	102,550	2,137	1,376	3,513	289,773	137,936	427,709
2036	239,349	88,493	327,842	66,832	35,717	102,549	2,241	1,271	3,512	308,422	125,481	433,903
2037	251,914	78,846	330,760	69,799	32,746	102,545	2,348	1,162	3,510	324,061	112,754	436,815
2038	231,805	69,665	301,470	72,823	29,712	102,535	2,461	1,047	3,508	307,089	100,424	407,513
2039	240,422	61,160	301,582	75,912	26,611	102,523	2,575	926	3,501	318,909	88,698	407,607
2040	248,891	52,460	301,351	79,069	23,447	102,516	2,700	800	3,500	330,660	76,707	407,367
2041	206,558	44,427	250,985	82,296	20,214	102,510	2,826	667	3,493	291,680	65,308	356,988
2042	161,135	38,150	199,285	85,663	16,843	102,506	2,961	530	3,491	249,759	55,523	305,282
2043	113,216	33,445	146,661	87,292	13,363	100,655	2,125	405	2,530	202,633	47,213	249,846
2044	117,341	29,308	146,649	52,276	10,572	62,848	2,230	296	2,526	171,847	40,175	212,022
2045	80,735	25,603	106,338	54,351	8,504	62,855	2,340	181	2,521	137,426	34,287	171,713
2046	84,486	22,321	106,807	56,467	6,405	62,872	2,460	62	2,522	143,413	28,788	172,201
2047	88,401	18,894	107,295	58,659	4,216	62,875	-	-	-	147,060	23,110	170,170
2048	92,512	15,290	107,802	39,958	2,362	42,320	-	-	-	132,470	17,652	150,122
2049	98,883	11,307	110,190	39,458	853	40,311	-	-	-	138,341	12,160	150,501
2050	103,810	6,940	110,750	2,758	73	2,831	-	-	-	106,568	7,013	113,581
2051	106,950	2,354	109,304	1,090	28	1,118	-	-	-	108,040	2,382	110,422
2052	-	-	-	840	12	852	-	-	-	840	12	852
Total	\$ 4,899,150	2,690,593	7,589,743	1,599,688	976,894	2,576,582	56,307	34,424	90,731	6,555,145	3,701,911	10,257,056

May not total due to rounding.

* Principal and interest (net of federal interest subsidy) includes bonds, COPs, and state revolving fund loans and excludes premium and discounts.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
Water - Future Principal and Interest Payments for Debt Issues
(Exclude Commercial Paper)
(Dollars in Thousands)

Principal Payments								
Payments Due for FY Ended	State Revolving Fund Loans	COPs Series 2009C	COPs Series 2009D	2010B	2010E	2010G	2011B	2011C
2022	\$ 1,667	2,970	—	12,330	—	—	755	825
2023	3,222	3,124	—	12,780	12,745	—	—	—
2024	3,254	—	3,267	13,245	13,165	—	—	—
2025	3,287	—	3,402	13,725	13,610	—	—	—
2026	3,320	—	3,545	14,225	14,080	—	—	—
2027	3,353	—	3,695	14,765	14,585	—	—	—
2028	3,386	—	3,852	15,355	15,125	—	—	—
2029	3,420	—	4,013	15,965	15,715	—	—	—
2030	3,454	—	4,180	16,600	16,340	—	—	—
2031	3,490	—	4,359	17,260	16,990	—	—	—
2032	3,524	—	4,545	17,945	17,665	11,060	—	—
2033	3,559	—	4,737	18,660	18,365	11,575	—	—
2034	3,595	—	4,941	19,405	19,095	12,110	—	—
2035	3,631	—	5,155	20,175	19,855	12,665	—	—
2036	3,666	—	5,373	20,980	20,645	13,255	—	—
2037	3,704	—	5,605	21,810	21,470	13,865	—	—
2038	3,741	—	5,844	22,680	22,320	14,505	—	—
2039	3,778	—	6,094	23,580	23,210	15,175	—	—
2040	3,816	—	6,355	24,520	24,130	15,880	—	—
2041	3,853	—	6,625	25,495	25,090	16,610	—	—
2042	3,893	—	6,912	—	—	17,380	—	—
2043	3,931	—	—	—	—	18,180	—	—
2044	3,971	—	—	—	—	19,025	—	—
2045	4,010	—	—	—	—	19,900	—	—
2046	4,051	—	—	—	—	20,820	—	—
2047	4,091	—	—	—	—	21,785	—	—
2048	4,132	—	—	—	—	22,790	—	—
2049	4,173	—	—	—	—	23,845	—	—
2050	4,215	—	—	—	—	24,945	—	—
2051	2,220	—	—	—	—	26,100	—	—
Total	\$ 107,407	6,094	92,499	361,500	344,200	351,470	755	825

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
Water - Future Principal and Interest Payments for Debt Issues
(Exclude Commercial Paper)
(Dollars in Thousands)

Principal Payments								
Payments Due for FY Ended	2015A	2016A	2016B	2016C	2017A	2017B	2017C	2017D
2022 \$	15,325	23,315	10,015	5,820	—	—	—	925
2023	16,045	32,790	12,530	5,955	2,325	2,835	1,355	1,455
2024	28,070	23,590	13,175	6,105	2,445	2,985	1,425	1,270
2025	29,485	24,800	13,720	6,275	2,570	3,135	1,500	10,230
2026	30,990	26,050	7,715	6,455	2,705	3,295	1,575	20,515
2027	20,945	38,150	8,015	6,645	2,840	3,465	1,660	21,540
2028	20,530	46,305	3,815	6,850	2,990	3,645	1,745	22,615
2029	21,580	48,655	3,990	7,075	3,140	3,830	1,830	23,740
2030	22,685	51,135	4,180	7,310	3,300	4,025	1,925	24,935
2031	23,810	53,460	4,370	7,565	—	—	—	26,140
2032	25,000	34,135	—	7,835	—	—	—	14,980
2033	26,280	35,875	—	8,120	—	—	—	46,855
2034	27,490	37,710	—	8,435	—	—	—	59,875
2035	28,610	39,670	—	8,760	—	—	—	61,540
2036	29,765	41,745	—	9,110	—	—	—	11,105
2037	31,135	43,670	—	9,475	4,685	5,715	2,735	—
2038	—	45,455	—	9,860	—	—	—	—
2039	—	47,305	—	10,265	—	—	—	—
2040	—	49,235	—	10,685	—	—	—	—
2041	—	—	—	11,125	—	—	—	—
2042	—	—	—	11,585	—	—	—	—
2043	—	—	—	12,070	—	—	—	—
2044	—	—	—	12,590	—	—	—	—
2045	—	—	—	13,125	—	—	—	—
2046	—	—	—	13,685	—	—	—	—
2047	—	—	—	14,270	—	—	—	—
2048	—	—	—	—	—	—	—	—
2049	—	—	—	—	—	—	—	—
2050	—	—	—	—	—	—	—	—
2051	—	—	—	—	—	—	—	—
Total \$	397,745	743,050	81,525	237,050	27,000	32,930	15,750	347,720

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

**Debt Capacity
Water - Future Principal and Interest Payments for Debt Issues
(Exclude Commercial Paper)
(Dollars in Thousands)**

Principal Payments							
Payments Due for FY Ended	2017E	2017F	2017G	2019A	2019B	2019C	2020A
2022	\$ —	—	820	24,405	65	75	—
2023	765	700	13,070	3,495	70	75	—
2024	795	735	13,665	3,565	70	80	—
2025	835	770	5,225	3,640	75	80	—
2026	7,425	875	—	3,720	75	80	—
2027	7,830	920	—	3,805	80	85	—
2028	6,630	965	—	3,900	80	90	—
2029	7,080	1,020	—	4,000	85	90	—
2030	8,555	855	—	4,105	85	95	—
2031	7,960	905	—	4,215	90	95	—
2032	1,015	960	—	31,095	90	100	—
2033	—	—	—	4,055	1,340	1,465	—
2034	—	—	—	4,180	1,385	1,510	—
2035	—	—	—	4,310	1,425	1,550	—
2036	—	—	—	63,930	1,470	1,600	—
2037	—	—	—	80,670	1,525	1,660	—
2038	—	—	—	86,145	1,575	1,720	—
2039	—	—	—	38,500	1,630	1,775	—
2040	—	—	—	39,650	1,690	1,835	—
2041	—	—	—	40,970	1,745	1,900	—
2042	—	—	—	42,370	1,800	1,965	—
2043	—	—	—	59,450	—	—	—
2044	—	—	—	61,550	—	—	—
2045	—	—	—	—	—	—	10,730
2046	—	—	—	—	—	—	11,445
2047	—	—	—	—	—	—	12,195
2048	—	—	—	—	—	—	19,525
2049	—	—	—	—	—	—	30,970
2050	—	—	—	—	—	—	32,160
2051	—	—	—	—	—	—	33,870
Total	\$ 48,890	8,705	32,780	615,725	16,450	17,925	150,895

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
Water - Future Principal and Interest Payments for Debt Issues
(Exclude Commercial Paper)
(Dollars in Thousands)

Principal Payments								
Payments Due for FY Ended	2020B	2020C	2020D	2020E	2020F	2020G	2020H	Total Principal Payments
2022	\$ —	—	—	5,900	1,425	5,820	680	113,137
2023	—	—	—	500	—	5,795	—	131,631
2024	—	—	—	1,530	1,430	7,065	685	141,616
2025	—	—	—	1,575	1,440	7,105	690	147,174
2026	—	—	—	1,620	1,450	8,385	695	158,795
2027	—	—	—	1,665	1,465	8,475	700	164,683
2028	—	—	—	1,715	1,485	8,575	710	170,363
2029	—	—	—	1,765	1,505	8,700	720	177,918
2030	—	—	—	1,815	1,530	8,840	735	186,684
2031	—	—	—	5,300	5,720	9,005	2,740	193,474
2032	—	—	—	5,450	5,830	18,520	2,790	202,539
2033	—	—	—	5,605	5,955	10,180	2,850	205,476
2034	—	—	—	5,770	6,090	1,110	2,915	215,616
2035	—	—	—	5,930	6,235	1,140	2,985	223,636
2036	—	—	—	6,100	6,385	1,165	3,055	239,349
2037	—	—	—	1,645	910	1,200	435	251,914
2038	—	—	—	6,560	6,875	1,235	3,290	231,805
2039	—	—	—	57,375	7,075	1,275	3,385	240,422
2040	—	—	—	59,020	7,280	1,315	3,480	248,891
2041	—	—	—	60,715	7,490	1,355	3,585	206,558
2042	—	—	—	62,450	7,700	1,395	3,685	161,135
2043	—	—	—	6,405	7,940	1,440	3,800	113,216
2044	—	—	—	6,600	8,195	1,490	3,920	117,341
2045	4,300	5,950	3,425	6,795	8,455	—	4,045	80,735
2046	4,590	6,340	3,660	7,000	8,725	—	4,170	84,486
2047	4,895	6,760	3,895	7,205	9,000	—	4,305	88,401
2048	7,840	10,825	6,240	7,425	9,290	—	4,445	92,512
2049	12,520	17,360	10,015	—	—	—	—	98,883
2050	13,240	18,550	10,700	—	—	—	—	103,810
2051	13,945	19,550	11,265	—	—	—	—	106,950
Total	\$ 61,330	85,335	49,200	341,435	136,880	120,585	65,495	4,899,150

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

**Debt Capacity
Water - Future Principal and Interest Payments for Debt Issues
(Exclude Commercial Paper)
(Dollars in Thousands)**

Interest Payments								
Payments Due for FY Ended	State Revolving Fund Loans	COPs Series 2009C	COPs			2010G Before Subsidy	2011B	2011C
			2009D Before Subsidy	2010B Before Subsidy	2010E Before Subsidy			
2022	\$ 574	230	5,968	21,020	20,062	24,427	15	16
2023	1,057	78	5,968	20,329	19,748	24,427	—	—
2024	1,025	—	5,864	19,613	19,104	24,427	—	—
2025	993	—	5,652	18,871	18,417	24,427	—	—
2026	960	—	5,431	18,102	17,691	24,427	—	—
2027	927	—	5,201	17,269	16,917	24,427	—	—
2028	893	—	4,960	16,365	16,084	24,427	—	—
2029	859	—	4,710	15,426	15,182	24,427	—	—
2030	825	—	4,450	14,448	14,219	24,428	—	—
2031	790	—	4,176	13,433	13,219	24,428	—	—
2032	756	—	3,887	12,376	12,180	24,043	—	—
2033	720	—	3,585	11,278	11,099	23,256	—	—
2034	685	—	3,272	10,136	9,976	22,433	—	—
2035	649	—	2,944	8,950	8,809	21,572	—	—
2036	612	—	2,603	7,714	7,593	20,672	—	—
2037	576	—	2,247	6,430	6,329	19,729	—	—
2038	539	—	1,875	5,096	5,015	18,743	—	—
2039	501	—	1,488	3,708	3,650	17,712	—	—
2040	464	—	1,084	2,265	2,229	16,633	—	—
2041	425	—	663	765	753	15,504	—	—
2042	387	—	224	—	—	14,323	—	—
2043	348	—	—	—	—	13,087	—	—
2044	309	—	—	—	—	11,794	—	—
2045	269	—	—	—	—	10,441	—	—
2046	228	—	—	—	—	9,026	—	—
2047	188	—	—	—	—	7,546	—	—
2048	147	—	—	—	—	5,997	—	—
2049	106	—	—	—	—	4,376	—	—
2050	65	—	—	—	—	2,681	—	—
2051	23	—	—	—	—	907	—	—
Total	\$ 16,900	308	76,252	243,594	238,276	524,747	15	16

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Statistical Section

Debt Capacity
Water - Future Principal and Interest Payments for Debt Issues
(Exclude Commercial Paper)
(Dollars in Thousands)

Interest Payments								
Payments Due for FY Ended	2015A	2016A	2016B	2016C	2017A	2017B	2017C	2017D
2022	\$ 18,430	34,178	3,274	8,748	1,350	1,647	788	17,254
2023	17,708	32,776	2,723	8,614	1,292	1,576	754	17,199
2024	16,643	31,366	2,099	8,463	1,173	1,430	684	17,131
2025	15,223	30,157	1,569	8,298	1,047	1,277	611	16,843
2026	13,721	28,885	1,209	8,118	915	1,116	534	16,074
2027	12,421	27,280	894	7,925	777	947	453	15,023
2028	11,385	25,169	639	7,719	631	770	368	13,919
2029	10,332	22,795	464	7,498	478	583	279	12,760
2030	9,225	20,300	279	7,260	317	386	185	11,543
2031	8,097	17,952	87	7,007	234	285	136	10,307
2032	6,915	16,030	—	6,738	234	286	137	9,331
2033	5,632	14,280	—	6,448	234	286	137	7,797
2034	4,425	12,440	—	6,138	234	286	137	5,129
2035	3,303	10,506	—	5,809	234	286	137	2,094
2036	2,145	8,470	—	5,463	234	286	137	278
2037	778	6,554	—	5,098	118	142	67	—
2038	—	4,771	—	4,712	—	—	—	—
2039	—	2,916	—	4,306	—	—	—	—
2040	—	985	—	3,883	—	—	—	—
2041	—	—	—	3,443	—	—	—	—
2042	—	—	—	2,985	—	—	—	—
2043	—	—	—	2,499	—	—	—	—
2044	—	—	—	1,983	—	—	—	—
2045	—	—	—	1,445	—	—	—	—
2046	—	—	—	884	—	—	—	—
2047	—	—	—	299	—	—	—	—
2048	—	—	—	—	—	—	—	—
2049	—	—	—	—	—	—	—	—
2050	—	—	—	—	—	—	—	—
2051	—	—	—	—	—	—	—	—
Total	\$ 156,383	347,810	13,237	141,781	9,502	11,589	5,544	172,682

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
Water - Future Principal and Interest Payments for Debt Issues
(Exclude Commercial Paper)
(Dollars in Thousands)

Interest Payments								
Payments Due for FY Ended	2017E	2017F	2017G	2019A	2019B	2019C	2020A	2020B
2022	\$ 2,395	435	888	19,589	560	610	7,295	3,066
2023	2,376	418	706	19,328	558	608	7,294	3,066
2024	2,337	382	344	19,258	556	605	7,295	3,066
2025	2,296	344	76	19,185	553	603	7,295	3,067
2026	2,090	303	—	19,105	551	600	7,295	3,067
2027	1,709	258	—	19,018	549	598	7,295	3,067
2028	1,347	211	—	18,924	546	595	7,295	3,067
2029	1,004	162	—	18,825	543	592	7,295	3,067
2030	613	115	—	18,722	541	589	7,295	3,067
2031	220	71	—	18,611	538	586	7,295	3,067
2032	20	24	—	18,119	535	583	7,294	3,066
2033	—	—	—	17,623	513	558	7,294	3,066
2034	—	—	—	17,499	470	511	7,295	3,066
2035	—	—	—	17,367	425	463	7,295	3,066
2036	—	—	—	16,244	377	411	7,295	3,066
2037	—	—	—	13,856	324	353	7,295	3,066
2038	—	—	—	11,101	270	294	7,295	3,067
2039	—	—	—	9,042	213	232	7,295	3,067
2040	—	—	—	7,752	155	168	7,295	3,067
2041	—	—	—	6,385	94	103	7,295	3,067
2042	—	—	—	4,938	32	35	7,295	3,067
2043	—	—	—	3,170	—	—	7,295	3,067
2044	—	—	—	1,069	—	—	7,294	3,067
2045	—	—	—	—	—	—	7,026	2,959
2046	—	—	—	—	—	—	6,471	2,737
2047	—	—	—	—	—	—	5,893	2,500
2048	—	—	—	—	—	—	5,131	2,181
2049	—	—	—	—	—	—	3,917	1,672
2050	—	—	—	—	—	—	2,400	1,028
2051	—	—	—	—	—	—	814	349
Total	\$ 16,406	2,723	2,013	334,730	8,904	9,698	199,433	83,958

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Statistical Section

**Debt Capacity
Water - Future Principal and Interest Payments for Debt Issues
(Exclude Commercial Paper)
(Dollars in Thousands)**

Interest Payments									
Payments Due for FY Ended	2020C	2020D	2020E	2020F	2020G	2020H	Federal Interest Subsidy	Total Interest Payments Net of Subsidy	Total Principal & Interest Payments
2022	\$ 3,413	1,476	9,612	3,599	1,855	1,722	(23,591)	190,905	304,042
2023	3,413	1,476	9,522	3,598	1,837	1,721	(23,260)	186,910	318,541
2024	3,413	1,476	9,493	3,594	1,809	1,720	(22,776)	181,594	323,210
2025	3,413	1,477	9,449	3,586	1,765	1,715	(22,235)	175,973	323,147
2026	3,413	1,476	9,404	3,575	1,704	1,710	(21,668)	169,808	328,603
2027	3,414	1,476	9,357	3,559	1,621	1,703	(21,061)	163,024	327,707
2028	3,414	1,476	9,310	3,541	1,515	1,694	(20,409)	155,855	326,218
2029	3,414	1,476	9,261	3,519	1,387	1,684	(19,720)	148,301	326,219
2030	3,414	1,476	9,210	3,494	1,241	1,672	(18,994)	140,320	327,004
2031	3,414	1,476	9,109	3,429	1,084	1,641	(18,237)	132,455	325,929
2032	3,413	1,476	8,958	3,320	820	1,589	(17,324)	124,807	327,346
2033	3,413	1,476	8,801	3,197	524	1,530	(16,245)	116,503	321,979
2034	3,413	1,476	8,641	3,062	400	1,465	(15,122)	107,468	323,084
2035	3,413	1,476	8,476	2,918	374	1,396	(13,953)	98,010	321,646
2036	3,413	1,476	8,306	2,764	346	1,322	(12,734)	88,493	327,842
2037	3,413	1,476	8,196	2,672	313	1,278	(11,464)	78,846	330,760
2038	3,413	1,476	8,080	2,561	275	1,225	(10,143)	69,665	301,470
2039	3,413	1,476	7,177	2,363	236	1,130	(8,765)	61,160	301,582
2040	3,413	1,476	5,533	2,159	196	1,033	(7,331)	52,460	301,351
2041	3,413	1,476	3,842	1,949	155	932	(5,837)	44,427	250,985
2042	3,413	1,476	2,102	1,733	112	829	(4,801)	38,150	199,285
2043	3,413	1,476	1,126	1,498	68	717	(4,319)	33,445	146,661
2044	3,413	1,476	934	1,244	23	595	(3,893)	29,308	146,649
2045	3,294	1,425	737	983	—	470	(3,446)	25,603	106,338
2046	3,049	1,318	534	712	—	341	(2,979)	22,321	106,807
2047	2,787	1,205	325	434	—	207	(2,490)	18,894	107,295
2048	2,435	1,053	109	146	—	70	(1,979)	15,290	107,802
2049	1,871	809	—	—	—	—	(1,444)	11,307	110,190
2050	1,153	498	—	—	—	—	(885)	6,940	110,750
2051	391	169	—	—	—	—	(299)	2,354	109,304
Total	\$ 93,484	40,426	175,604	69,209	19,660	33,111	(357,403)	2,690,593	7,589,743

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
Wastewater - Future Principal and Interest Payments for Debt Issues
(Exclude Commercial Paper)
(Dollars in Thousands)

Principal Payments							
Payments Due for FY Ended	State Revolving Fund Loans	COPs Series 2009C	COPs Series 2009D	2010A	2010B	2013A	2013B
2022	\$ 2,483	785	—	8,820	—	14,060	—
2023	3,043	826	—	—	7,280	13,090	—
2024	3,095	—	864	—	7,505	575	8,835
2025	3,148	—	900	—	7,745	610	9,280
2026	3,202	—	937	—	8,000	1,260	9,130
2027	3,257	—	977	—	8,270	—	10,915
2028	3,313	—	1,018	—	8,560	—	11,475
2029	3,370	—	1,061	—	8,860	—	12,065
2030	3,428	—	1,106	—	9,180	—	12,680
2031	3,486	—	1,152	—	9,520	—	13,330
2032	3,546	—	1,202	—	9,875	—	14,015
2033	3,607	—	1,253	—	10,250	—	14,735
2034	3,669	—	1,307	—	10,640	—	15,415
2035	3,733	—	1,362	—	11,045	—	16,045
2036	3,797	—	1,420	—	11,470	—	16,695
2037	3,862	—	1,482	—	11,910	—	17,375
2038	3,928	—	1,545	—	12,365	—	18,090
2039	3,995	—	1,612	—	12,845	—	18,820
2040	4,064	—	1,680	—	13,340	—	19,590
2041	4,134	—	1,752	—	13,855	—	20,390
2042	4,205	—	1,828	—	—	—	35,625
2043	4,277	—	—	—	—	—	37,080
2044	4,351	—	—	—	—	—	—
2045	4,426	—	—	—	—	—	—
2046	4,502	—	—	—	—	—	—
2047	4,579	—	—	—	—	—	—
2048	4,658	—	—	—	—	—	—
2049	2,713	—	—	—	—	—	—
2050	2,758	—	—	—	—	—	—
2051	1,090	—	—	—	—	—	—
2052	840	—	—	—	—	—	—
Total	\$ 108,559	1,611	24,458	8,820	192,515	29,595	331,585

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
Wastewater - Future Principal and Interest Payments for Debt Issues
(Exclude Commercial Paper)
(Dollars in Thousands)

Principal Payments						
Payments Due for FY Ended	2016A	2016B	2018A	2018B	2018C	Total Principal Payments
2022	\$ —	—	—	—	—	26,148
2023	—	—	7,715	6,260	—	38,214
2024	5,475	1,545	7,160	5,810	—	40,864
2025	5,760	1,625	6,580	5,335	—	40,983
2026	6,055	1,705	6,915	5,610	—	42,814
2027	6,365	1,795	7,270	5,900	—	44,749
2028	6,690	1,885	7,645	6,200	—	46,786
2029	7,035	1,980	8,035	6,520	—	48,926
2030	7,395	2,085	8,445	6,855	—	51,174
2031	7,775	2,190	8,880	7,205	—	53,538
2032	8,170	2,305	9,335	7,575	—	56,023
2033	8,590	2,420	9,815	7,960	—	58,630
2034	9,030	2,545	10,315	8,375	—	61,296
2035	9,495	2,675	10,845	8,800	—	64,000
2036	9,980	2,815	11,400	9,255	—	66,832
2037	10,495	2,960	11,985	9,730	—	69,799
2038	10,975	3,095	12,600	10,225	—	72,823
2039	11,425	3,220	13,245	10,750	—	75,912
2040	11,890	3,350	13,880	11,275	—	79,069
2041	12,375	3,490	14,510	11,790	—	82,296
2042	12,880	3,630	15,170	12,325	—	85,663
2043	13,405	3,780	15,860	12,890	—	87,292
2044	13,955	3,935	11,445	9,305	9,285	52,276
2045	14,520	4,095	—	—	31,310	54,351
2046	15,115	4,260	—	—	32,590	56,467
2047	15,730	4,435	—	—	33,915	58,659
2048	—	—	—	—	35,300	39,958
2049	—	—	—	—	36,745	39,458
2050	—	—	—	—	—	2,758
2051	—	—	—	—	—	1,090
2052	—	—	—	—	—	840
Total	\$ 240,580	67,820	229,050	185,950	179,145	1,599,688

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
Wastewater - Future Principal and Interest Payments for Debt Issues
(Exclude Commercial Paper)
(Dollars in Thousands)

Interest Payments									
Payments Due for FY Ended	State Revolving Fund Loans	COPs Series 2009C	COPs 2009D Before Subsidy	2010A	2010B Before Subsidy	2013A	2013B	2016A	
2022	\$ 1,254	61	1,578	220	10,685	1,035	14,428	10,646	
2023	1,553	21	1,578	—	10,516	405	14,428	10,646	
2024	1,509	—	1,551	—	10,169	89	14,207	10,509	
2025	1,464	—	1,494	—	9,801	63	13,754	10,228	
2026	1,419	—	1,436	—	9,409	25	13,294	9,963	
2027	1,372	—	1,375	—	8,992	—	12,793	9,683	
2028	1,325	—	1,312	—	8,550	—	12,233	9,356	
2029	1,277	—	1,245	—	8,084	—	11,645	9,013	
2030	1,227	—	1,177	—	7,592	—	11,026	8,652	
2031	1,177	—	1,104	—	7,073	—	10,376	8,273	
2032	1,127	—	1,027	—	6,523	—	9,692	7,875	
2033	1,075	—	948	—	5,945	—	8,973	7,455	
2034	1,023	—	865	—	5,344	—	8,297	7,015	
2035	970	—	778	—	4,720	—	7,667	6,552	
2036	915	—	690	—	4,073	—	7,013	6,066	
2037	860	—	594	—	3,397	—	6,331	5,553	
2038	804	—	496	—	2,690	—	5,622	5,071	
2039	747	—	393	—	1,957	—	4,884	4,623	
2040	689	—	287	—	1,194	—	4,116	4,157	
2041	629	—	175	—	403	—	3,316	3,672	
2042	569	—	59	—	—	—	2,196	3,167	
2043	508	—	—	—	—	—	741	2,641	
2044	446	—	—	—	—	—	—	2,094	
2045	383	—	—	—	—	—	—	1,524	
2046	319	—	—	—	—	—	—	932	
2047	253	—	—	—	—	—	—	314	
2048	186	—	—	—	—	—	—	—	
2049	119	—	—	—	—	—	—	—	
2050	73	—	—	—	—	—	—	—	
2051	28	—	—	—	—	—	—	—	
2052	12	—	—	—	—	—	—	—	
Total	\$ 25,312	82	20,162	220	127,117	1,617	197,032	165,680	

(Continued)

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
Wastewater - Future Principal and Interest Payments for Debt Issues
(Exclude Commercial Paper)
(Dollars in Thousands)

Interest Payments								
Payments Due for FY Ended		2016B	2018A	2018B	2018C	Federal Interest Subsidy	Total Interest Payments Net of Subsidy	Total Principal & Interest Payments
2022	\$	3,001	10,744	9,298	3,807	(4,048)	62,708	88,856
2023		3,001	10,551	9,142	3,808	(3,992)	61,656	99,870
2024		2,962	10,179	8,839	5,486	(3,868)	61,633	102,497
2025		2,883	9,836	8,560	7,166	(3,728)	61,521	102,504
2026		2,809	9,498	8,287	7,166	(3,579)	59,727	102,541
2027		2,729	9,144	7,999	7,166	(3,422)	57,831	102,580
2028		2,637	8,771	7,697	7,166	(3,255)	55,792	102,578
2029		2,541	8,379	7,379	7,166	(3,079)	53,650	102,576
2030		2,439	7,967	7,044	7,166	(2,894)	51,396	102,570
2031		2,333	7,534	6,693	7,166	(2,698)	49,029	102,567
2032		2,220	7,078	6,323	7,166	(2,492)	46,540	102,563
2033		2,101	6,599	5,935	7,166	(2,275)	43,922	102,552
2034		1,977	6,096	5,527	7,166	(2,050)	41,260	102,556
2035		1,847	5,567	5,097	7,166	(1,814)	38,550	102,550
2036		1,710	5,011	4,645	7,166	(1,572)	35,717	102,549
2037		1,565	4,426	4,171	7,166	(1,317)	32,746	102,545
2038		1,430	3,812	3,672	7,166	(1,051)	29,712	102,535
2039		1,303	3,166	3,148	7,166	(776)	26,611	102,523
2040		1,172	2,557	2,597	7,166	(488)	23,447	102,516
2041		1,035	1,989	2,020	7,166	(192)	20,214	102,510
2042		893	1,396	1,418	7,166	(20)	16,843	102,506
2043		745	775	788	7,166	–	13,363	100,655
2044		590	229	233	6,980	–	10,572	62,848
2045		429	–	–	6,168	–	8,504	62,855
2046		264	–	–	4,890	–	6,405	62,872
2047		88	–	–	3,560	–	4,216	62,875
2048		–	–	–	2,176	–	2,362	42,320
2049		–	–	–	734	–	853	40,311
2050		–	–	–	–	–	73	2,831
2051		–	–	–	–	–	28	1,118
2052		–	–	–	–	–	12	852
Total	\$	46,705	141,304	126,510	173,763	(48,610)	976,894	2,576,582

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
Power - Future Principal and Interest Payments for Debt Issues
(Dollars in Thousands)

Principal Payments								
Payments Due for FY Ended	Clean Renewable Energy Bonds 2008*	COPs Series 2009C	COPs Series 2009D	Qualified Energy Conservation Bonds 2011	2015A	2015B	New Clean Renewable Energy Bonds 2015	Total Principal Payments
2022	\$ 422	405	—	549	—	815	142	2,333
2023	421	425	—	555	—	850	146	2,397
2024	—	—	445	562	—	880	148	2,035
2025	—	—	463	569	—	910	150	2,092
2026	—	—	483	576	—	945	152	2,156
2027	—	—	503	582	830	150	154	2,219
2028	—	—	524	294	1,020	—	156	1,994
2029	—	—	546	—	1,075	—	158	1,779
2030	—	—	569	—	1,125	—	161	1,855
2031	—	—	594	—	1,185	—	163	1,942
2032	—	—	619	—	1,240	—	165	2,024
2033	—	—	645	—	1,305	—	84	2,034
2034	—	—	673	—	1,370	—	—	2,043
2035	—	—	702	—	1,435	—	—	2,137
2036	—	—	731	—	1,510	—	—	2,241
2037	—	—	763	—	1,585	—	—	2,348
2038	—	—	796	—	1,665	—	—	2,461
2039	—	—	830	—	1,745	—	—	2,575
2040	—	—	865	—	1,835	—	—	2,700
2041	—	—	901	—	1,925	—	—	2,826
2042	—	—	941	—	2,020	—	—	2,961
2043	—	—	—	—	2,125	—	—	2,125
2044	—	—	—	—	2,230	—	—	2,230
2045	—	—	—	—	2,340	—	—	2,340
2046	—	—	—	—	2,460	—	—	2,460
Total	\$ 843	830	12,593	3,687	32,025	4,550	1,779	56,307

(Continued)

May not total due to rounding.
 *No interest payments are required.

Source: San Francisco Public Utilities Commission Official Statements.

Debt Capacity
Power - Future Principal and Interest Payments for Debt Issues
(Dollars in Thousands)

Interest Payments									
Payments Due for FY Ended	COPs Series 2009C	COPs 2009D Before Subsidy	QECBs 2011 Before Subsidy	2015A	2015B	NCREBs 2015 Before Subsidy	Federal Interest Subsidy	Total Interest Payments Net of Subsidy	Total Principal & Interest Payments
2022	\$ 31	812	168	1,593	157	81	(440)	2,402	4,735
2023	10	812	142	1,593	124	74	(417)	2,338	4,735
2024	—	798	116	1,593	93	67	(389)	2,278	4,313
2025	—	769	89	1,593	62	60	(357)	2,216	4,308
2026	—	739	62	1,593	25	53	(323)	2,149	4,305
2027	—	709	35	1,576	3	46	(289)	2,080	4,299
2028	—	675	7	1,534	—	39	(254)	2,001	3,995
2029	—	641	—	1,482	—	32	(233)	1,922	3,701
2030	—	606	—	1,427	—	25	(216)	1,842	3,697
2031	—	568	—	1,369	—	17	(199)	1,755	3,697
2032	—	530	—	1,308	—	10	(181)	1,667	3,691
2033	—	488	—	1,245	—	2	(163)	1,572	3,606
2034	—	446	—	1,178	—	—	(147)	1,477	3,520
2035	—	400	—	1,108	—	—	(132)	1,376	3,513
2036	—	354	—	1,034	—	—	(117)	1,271	3,512
2037	—	306	—	957	—	—	(101)	1,162	3,510
2038	—	255	—	876	—	—	(84)	1,047	3,508
2039	—	203	—	790	—	—	(67)	926	3,501
2040	—	148	—	701	—	—	(49)	800	3,500
2041	—	90	—	607	—	—	(30)	667	3,493
2042	—	32	—	508	—	—	(10)	530	3,491
2043	—	—	—	405	—	—	—	405	2,530
2044	—	—	—	296	—	—	—	296	2,526
2045	—	—	—	181	—	—	—	181	2,521
2046	—	—	—	62	—	—	—	62	2,522
Total	\$ 41	10,381	619	26,609	464	506	(4,196)	34,424	90,731

May not total due to rounding.

Source: San Francisco Public Utilities Commission Official Statements.



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

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



Photo by: Sabrina Wong

Southeast Community Center at 1550 Evans.

Statistical Section

City and County of San Francisco Economic and General Information

The following provides general economic and demographic information about the City and County of San Francisco (the “City”).

San Francisco Area

The corporate limits of the City encompass over 93 square miles, of which approximately 49 square miles are land, with the balance consisting of tidelands and a portion of the San Francisco Bay. The City is located on a peninsula bounded by the Pacific Ocean to the west, the Bay to the east, the entrance to the Bay and the Golden Gate Bridge to the north and San Mateo County to the south.

San Francisco Economy

San Francisco benefits from a highly skilled, educated, and professional labor force. Key industries include high tech, tourism, real estate, banking and finance, retailing, apparel design and manufacturing. Emerging industries include multimedia and bioscience. The City is the economic center of the nine counties contiguous to the Bay: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties (the “Bay Area”). The economy of the Bay Area includes a wide range of industries, supplying local needs as well as the needs of national and international markets. Major business sectors in the Bay Area include retail and entertainment, conventions and tourism, service businesses, banking, professional and financial services, corporate headquarters, international and wholesale trade, technology, multimedia and advertising, biotechnology, and higher education.



The San Francisco Shipyard

Photo by: Robin Scheswohl

As of June 30, 2021, employment have slowly increased by 31,900 or 6.5%, from 488,300 to 520,200 employed, according to California Employment Development Department. The Pandemic did not seem to have an effect on housing for the Bay Area. San Francisco homes continue to rise with median home prices increased by \$250,000 from 2019 to 2021 with house prices average to over \$1.8 million. Personal income per capita for 2021 is \$173,097, and a typical home costs approximately 10 times the typical income, one of the highest home price-to-income ratio in the nation.

San Francisco Population and Income

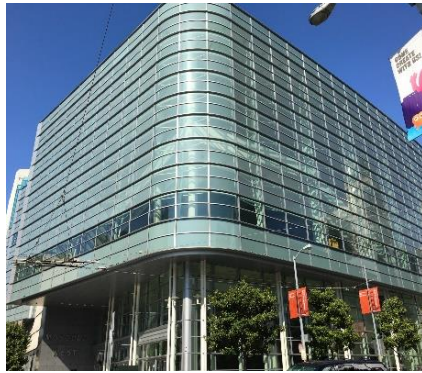
The City had a population estimated at 851,916 as of fiscal year 2021. The table reflects the population and per capita personal income of the City, as estimated based on the U.S. Census Bureau.

CITY AND COUNTY OF SAN FRANCISCO Population and Income - Fiscal Years 2016-2021		
Fiscal Year	Population ¹	Per Capita Personal Income ²
2016	876,103	109,760
2017	879,166	120,576
2018	880,696	131,083
2019	881,549	139,405
2020	866,606	154,019
2021	851,916	173,097

¹ 2021 population was estimated by multiplying the estimated 2020 population by the 2019 to 2020 population growth rate. Fiscal year 2020 has updated from last year's Annual Comprehensive Financial Report with newly available data.

² Per capita personal income for 2020 and 2021 was estimated by dividing the estimated personal income for 2019 and 2020 by the reported and estimated population in 2020 and 2021, respectively. 2021 was estimated by multiplying the latest quarterly State income by 1,000 and dividing by the estimated 2019 population.

Source: Office of the Controller, City and County of San Francisco



San Francisco Conventions and Tourism

The COVID-19 pandemic has put San Francisco tourism down by 76% as compared to 2019. According to the San Francisco Travel Association (the “Travel Association”), a non-profit membership organization, although more visitors are coming back to San Francisco, it does not expect a full global tourism until 2025.

While conventions were put on hold, the South Center of the Moscone Center was San Francisco’s Emergency Operation Center Headquarter (EOC) and vaccination site. The site provided access to over 80% of the City’s residents get vaccinations.

San Francisco Employment

Although still impact with COVID-19 pandemic, according to the California Employment Development Department, the unemployment rate for the City has decreased from 12.0% for June 2020 to 5.5% for 2021. The State’s unadjusted unemployment rate was 8.0% for 2021.

Tables below summarizes information on the civilian labor, employment, and unemployment in the City; and employment by industry from calendar years 2016 to 2020.

CITY AND COUNTY OF SAN FRANCISCO Civilian Labor Force, Employment, and Unemployment ¹ June 2020 and 2021 ²					
Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate
June 2021	San Francisco	550,600	520,200	30,500	5.5%
	State	19,003,600	17,479,000	1,524,600	8.0%
June 2020	San Francisco	555,000	488,300	66,700	12.0%
	State	18,743,300	16,103,500	2,639,800	14.1%

¹ Labor force data reflects the March 2020 benchmark and Census 2010 population controls at the state level. June 2020 data is updated from last year’s ACFR with newly available data.

² Data not seasonally adjusted.

Source: California Employment Development Department, Labor Market Information Division.

CITY AND COUNTY OF SAN FRANCISCO Estimated Average Annual Employment by Sector - Calendar Years 2016-2020 ¹					
	2016	2017	2018	2019	2020
Total Farm	100	200	200	400	200
Total Nonfarm	703,400	719,300	735,000	762,500	69,700
Professional & Business Services	190,600	194,700	195,400	203,100	198,300
Leisure & Hospitality	97,300	96,900	98,500	101,800	59,600
Government	94,300	96,600	98,200	98,800	96,900
Educational & Health Services	87,700	89,000	90,300	94,100	91,600
Trade, Transportation & Utilities	78,800	81,000	82,600	84,300	72,900
Financial Activities	56,100	56,300	59,900	62,000	60,400
Information	39,000	43,000	46,100	52,500	55,600
Manufacturing & Construction	32,600	34,300	36,400	37,900	35,400
Other Services	27,100	27,700	27,800	28,400	22,200
Total All Industries	703,500	719,500	735,200	762,900	692,900

¹ Data reflects the March 2020 benchmark and 2018 and 2019 is updated with newly available data.

Source: California Employment Development Department, Labor Market Information Division.

Statistical Section

The table below lists 25 major employers in San Francisco County, as reported by the San Francisco Business Times.

CITY AND COUNTY OF SAN FRANCISCO Major Employers	
Employer Name	Industry
More than 10,000 Employees	
City and County of San Francisco*	City Government
State of California*	State Government
United States Postal Service*	Mailing and Shipping
University of California, San Francisco*	Health Sciences University and Medical Center
5,000 - 9,999 Employees	
Salesforce	Customer Relationship Management Software
San Francisco Unified School District (SFUSD)*	Public Education
Sutter Health	Health Care System
Uber Technologies Inc.	Ride-Sharing Service
Wells Fargo Bank	Financial Services
1,000 - 4,999 Employees	
Accenture	Professional Services and Technology Consulting
Airbnb Inc.	Online Vacation Rental Services
Allied Universal	Security Systems, Guarding Services
Cisco Systems Inc.	Technology, Networking, Security and Digital
City College of San Francisco*	Community College
CommonSpirit Health	Health Care System
Deloitte	Accounting, Audit, Tax, Advisory, Consulting
First Republic Bank	Financial Services
Kaiser Permanente	Health Care System
LinkedIn Corp	Online Professional Network
PG&E Corp.	Electric and Gas Energy Company
San Francisco State University*	Public State University
Square Inc.	Financial and Merchant Services, Mobile payments
United Airlines	Airline Carrier
Twitter Inc.	Social Media
University of San Francisco	University Education

* San Francisco Business Times dated January 4, 2019.

Source: Calendar year 2020 San Francisco Business Times.

San Francisco Taxable Sales

The following table provides information on taxable sales for the City for calendar years 2016 through 2020. Total retail sales decreased in 2020 by approximately \$4.7 billion compared to 2019.

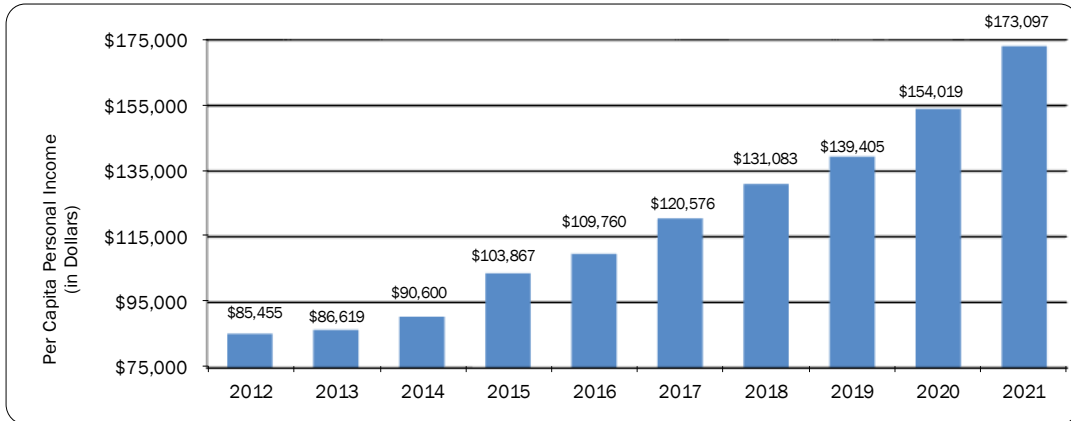
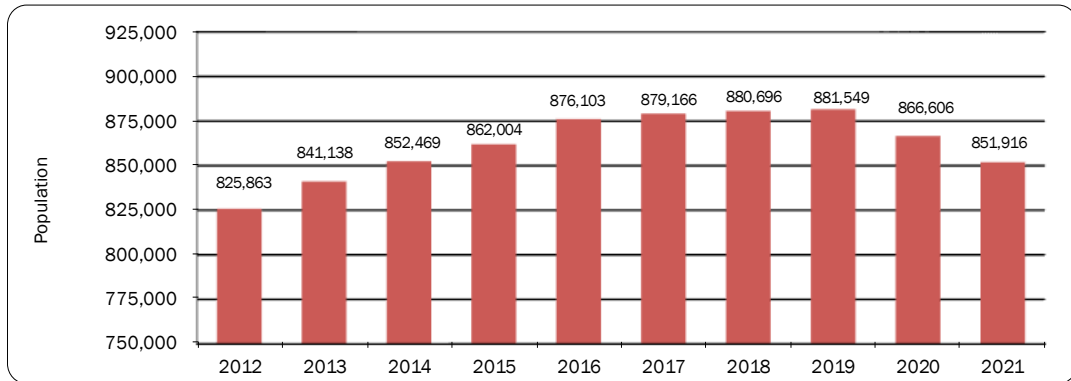
CITY AND COUNTY OF SAN FRANCISCO Taxable Sales - Calendar Years 2016-2020 ¹ (\$ in Thousands)					
	2016	2017	2018	2019	2020
Building Material/Garden Equipment/Supplies \$	586,373	605,711	681,369	718,692	642,104
Clothing and Clothing Accessories Stores	2,132,167	2,056,070	2,046,414	2,029,312	1,163,031
Food and Beverage Stores	843,717	863,215	856,217	861,757	746,455
Food Services and Drinking Places	4,670,360	4,743,633	4,844,464	5,046,263	2,081,728
Gasoline Stations	428,473	490,255	583,480	548,509	304,977
General Merchandise Stores	837,698	814,324	790,845	755,350	560,059
Home Furnishings and Appliance Stores	965,919	916,777	1,018,006	1,034,213	768,022
Motor Vehicle and Parts Dealers	573,965	628,666	674,008	601,929	593,476
Other Retail Stores ²	2,223,654	2,373,545	2,535,667	2,671,219	2,690,590
Retail Stores Total	\$ 13,262,326	13,492,196	14,030,470	14,267,244	9,550,442
All Other Outlets not listed above	6,174,841	5,981,674	6,312,252	6,689,891	4,839,281
Total All Outlets	\$ 19,437,167	19,473,870	20,342,722	20,957,135	14,389,723

¹ The latest data as of calendar year 2020 is presented.

² Other Retail Stores include Health and Personal Care Stores, Sporting Goods, Hobby Book, and Music stores, Miscellaneous Store Retailers, and Non-store Retailers.
Source: California Department of Tax and Fee Administration

**Demographic and Economic Information
San Francisco Population and Income
Fiscal Years Ended 2012 to 2021**

Year	Population ¹	Personal Income (In Thousands) ²	Per Capita Personal income ²
2012	825,863	\$ 70,573,974	\$ 85,455
2013	841,138	72,858,445	86,619
2014	852,469	77,233,279	90,600
2015	862,004	89,533,450	103,867
2016	876,103	96,161,308	109,760
2017	879,166	106,006,635	120,576
2018	880,696	115,444,581	131,083
2019	881,549	122,892,141	139,405
2020	866,606	133,474,042 ⁴	154,019 ⁵
2021	851,916 ³	147,464,243 ⁴	173,097 ⁵



¹ US Census Bureau, fiscal year 2020 has been updated from last year's ACFR with newly available data.

² US Bureau of Economic Analysis, fiscal years 2019 and 2020 are updated from last year's ACFR with newly available data.

³ 2021 population was estimated by multiplying the estimated 2020 population by the 2019 to 2020 population growth rate.

⁴ Personal income was estimated by assuming that its percentage of state personal income in fiscal years 2019 and 2020 remained at the 2019 level of 4.83 percent.

⁵ Per capita personal income for 2020 and 2021 was estimated by dividing the estimated personal income for 2019 and 2020 by the reported and estimated population in 2020 and 2021, respectively. 2021 was estimated by multiplying the latest quarterly State income by 1,000 and dividing by the estimated 2019 population.

Source: Office of the Controller, City and County of San Francisco.

Demographic & Economic Information
San Francisco City and County Principal Employers

Employer	2020 ¹			2011 ²		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
City and County of San Francisco	36,822	1	6.8 %	24,805	1	5.3 %
University of California, San Francisco	29,475	2	5.4	22,493	2	4.8
Salesforce	9,450	3	1.7	—	—	—
San Francisco Unified School District	9,047	4	1.7	9,157	3	2.0
Wells Fargo Bank	7,021	5	1.3	8,329	4	1.8
Sutter Health	6,134	6	1.1	—	—	—
Uber Technologies Inc.	5,500	7	1.0	—	—	—
Kaiser Permanente	4,635	8	0.9	3,537	10	0.8
Pacific Gas & Electric Corporation	3,500	9	0.6	4,340	8	0.9
Allied Universal	3,475	10	0.6	—	—	—
California Pacific Medical Center	—	—	—	6,200	5	1.3
Gap, Inc.	—	—	—	6,000	6	1.3
State of California	—	—	—	4,429	7	0.9
San Francisco State University	—	—	—	3,544	9	0.8
Total	115,059		21.1 %	92,834		19.9 %
Total City Employment³			552,650			467,733

¹The latest data as of calendar year 2020 is presented from City and County of San Francisco data provided by Office of Controller's Payroll and Personnel Services Division. The University of California, SF data is from the Data Source Corporate Personnel Data Warehouse. All other data is obtained from the San Francisco Business Times Book of Lists.

² Percentages have been restated based on updated employment information, and as a result, may differ from amounts reported in the Annual Comprehensive Financial Report from the City and County of San Francisco.

³ Data is from State of California Employee Development Department.

Source: Office of the Controller, City and County of San Francisco.

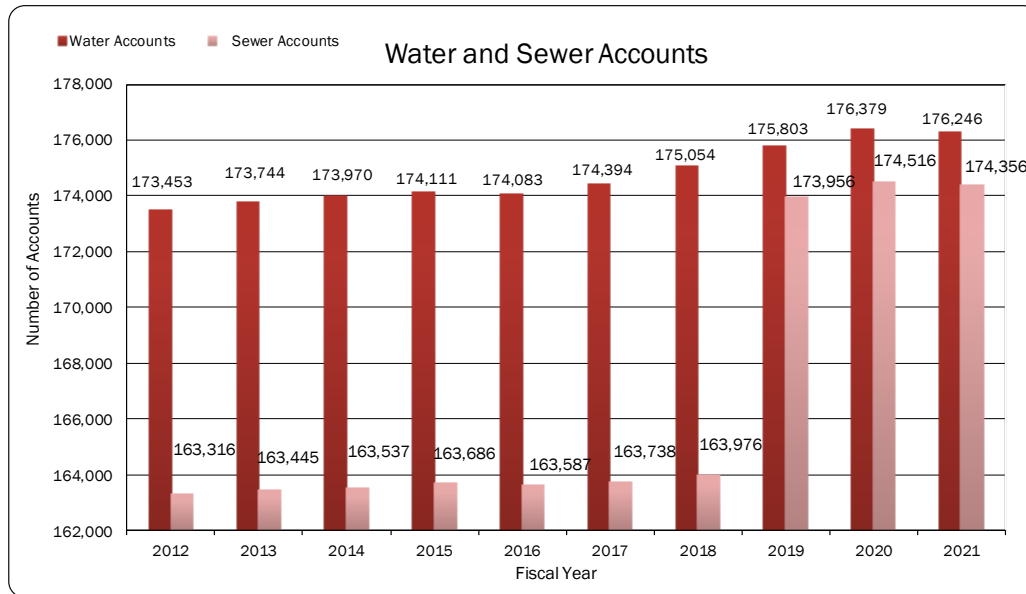
Demographic & Economic Information
Summary of Water and Sewer Accounts by Type of Customer
Fiscal Years Ended 2012 to 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Water Account Types										
Retail - San Francisco										
Multi-Family Residential	40,990	41,121	41,165	41,279	41,369	41,594	42,101	42,482	42,849	43,360
Single-Family Residential	109,957	110,062	110,144	110,140	110,050	110,118	110,153	110,413	110,584	110,113
Commercial	20,245	20,270	20,354	20,384	20,320	20,344	20,429	20,512	20,509	20,306
Industrial	84	83	82	81	81	80	80	81	77	75
Municipal	1,795	1,826	1,843	1,849	1,885	1,882	1,915	1,939	1,985	2,019
Subtotal	173,071	173,362	173,588	173,733	173,705	174,018	174,678	175,427	176,004	175,873
Retail - Other										
Commercial	90	89	88	85	85	83	86	87	87	86
Municipal	1	1	1	1	1	1	1	1	1	1
Other	3	3	3	3	3	3	3	2	2	2
Residential	207	208	212	211	211	211	208	208	207	206
Subtotal	301	301	304	300	300	298	298	298	297	295
Wholesale										
Private utilities	21	21	21	22	22	22	22	22	22	22
Public utilities	60	60	57	56	56	56	56	56	56	56
Subtotal	81	81	78	78	78	78	78	78	78	78
Total water accounts	173,453	173,744	173,970	174,111	174,083	174,394	175,054	175,803	176,379	176,246
Sewer Account Types										
Retail & Resale										
Multi-Family Residential	36,275	36,301	36,248	36,313	36,293	36,323	36,326	36,387	36,467	36,528
Single-Family Residential	110,875	111,007	111,125	111,173	111,137	111,268	111,385	111,681	111,869	111,398
Commercial ²	15,439	15,400	15,430	15,460	15,411	15,388	15,494	24,465	24,721	24,941
Municipal ²	719	729	725	731	738	751	763	1,109	1,150	1,182
Suburban (Watershed Keepers)	8	8	9	9	8	8	8	8	7	7
Unmetered Properties ¹	No data prior to fiscal year 2019							306	302	300
Total sewer accounts	163,316	163,445	163,537	163,686	163,587	163,738	163,976	173,956	174,516	174,356

¹ Beginning in fiscal year 2019, Unmetered Properties accounts are included.

² Large increase in commercial sewer accounts in fiscal year 2019 is due to new requirements that all water accounts for fire-fighting purposes have a corresponding sewer account. Fiscal year 2019 sewer accounts were updated between Commercial and Municipal.

Source: San Francisco Public Utilities Commission Water Sewer System and Customer Care and Billing System as of June 30, 2021 and Rate Schedules.



Statistical Section

Demographic & Economic Information
Summary of Hetchy Water, Hetchy Power and CleanPowerSF Accounts by Type of Customer
Fiscal Years Ended 2012 to 2021

Hetchy Water

Accounts	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Upcountry Water Sales	7	7	7	7	6	5	5	5	5	5

Source: San Francisco Public Utilities Commission Customer Care and Billing

Hetchy Power

Electric Meters	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City Agencies	1,437	1,449	1,470	1,480	1,494	1,491	1,511	1,499	1,512	1,489
Non-City Agencies*	780	766	758	783	1,090	1,536	1,996	2,209	2,526	3,858
Moccasin/City of Riverbank	41	40	41	40	41	39	38	37	37	36
Modesto/Turlock Irrigation District	2	2	2	2	2	2	2	2	2	2
Total accounts	2,260	2,257	2,271	2,305	2,627	3,068	3,547	3,747	4,077	5,385
Gas and Steam Meters										
Nature Gas (City Agencies)	343	346	351	352	359	351	355	352	352	352
Steam (City Agencies)	11	12	12	12	12	12	12	12	12	12
Total accounts	354	358	363	364	371	363	367	364	364	364

* Non-City Agencies include electric retail and municipal customers such as Moscone tenants, Exploratorium, and Yerba Buena Gardens. Increases from fiscal years 2016 to 2021 are new accounts in various Redevelopment Projects and the Distributed Antenna System.

Source: San Francisco Public Utilities Commission Power Enterprise Billing System and starting fiscal year 2021, Customer To Meter Billing System.

CleanPowerSF

Account	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Residential					364	69,492	74,160	343,807 ^	351,219 ^	352,835
Commercial										
Small Commercial Service					6,256	6,169	6,422	27,750	27,368	27,044
Medium Commercial Service					541	504	688	2,428	2,381	2,272
Large Commercial Service					299	314	336	1,812	1,887	1,859
Agricultural					-	3	7	25	25	25
Street and Outdoor Lighting					-	-	-	306	299	297
Commercial Subtotal					7,096	6,990	7,453	32,321	31,960	31,497
Total accounts					7,460	76,482	81,613	376,128	383,179	384,332

^ Increase is from completion of citywide enrollment.

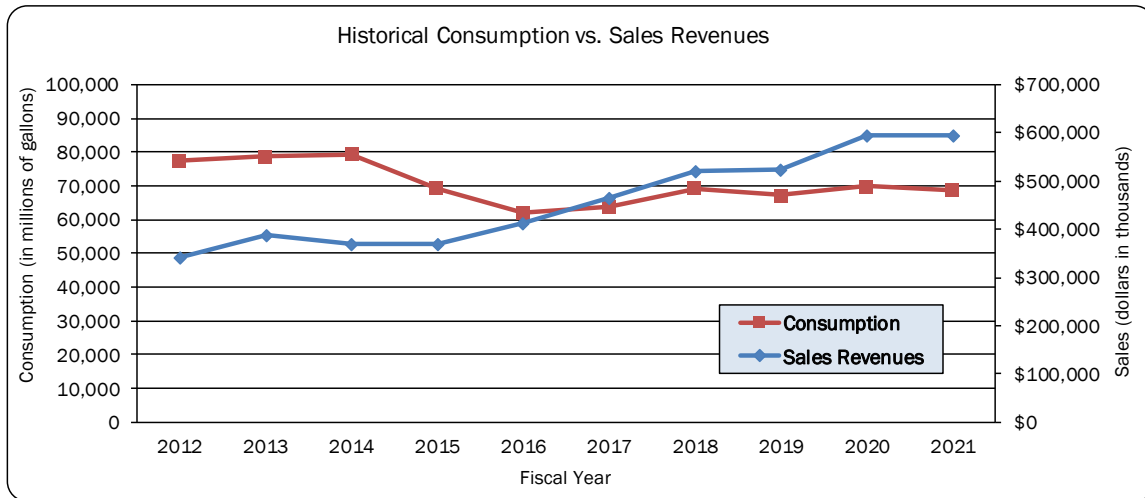
Source: Calpine's customer snapshot reports. Calpine obtains the data from PG&E.

Demographic & Economic Information
Water Accounts and Billings
Fiscal Years Ended 2012 to 2021
(Dollars in Thousands)

Fiscal Year	Number of Consumer Accounts	Water Consumed (CCF)*	Water Consumed (MG)**	Service Charges Billed (\$)	Water Charges Billed (\$)	Total Amount Billed (\$)
2012	173,453	103,435,144	77,369	26,267	315,713	341,980
2013	173,744	105,166,558	78,665	29,168	360,354	389,522
2014	173,970	106,183,899	79,425	31,849	339,139	370,988
2015	174,111	92,624,944	69,284	33,561	336,182	369,743
2016	174,083	82,783,466	61,923	37,125	375,020	412,145
2017	174,394	85,169,254	63,706	40,650	425,629	466,279
2018	175,054	92,689,320	69,331	43,748	476,385	520,133
2019	175,803	89,997,393	67,319	44,104	478,448	522,552
2020	176,379	93,495,127	69,934	47,310	548,199	595,509
2021	176,246	91,994,566	68,812	50,391	545,521	595,912

* Hundred cubic feet = 748 gallons
** Millions of gallons

Source: Summary of Annual Water Sales reports, San Francisco Public Utilities Commission Water Sewer System and Customer Care and Billing System.



Demographic & Economic Information
 Historical Water Sales in Hundred Cubic Feet
 Fiscal Years Ended 2012 to 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 % of Total
Retail Customers											
Multi-Family Residential	12,139,673	11,857,405	11,790,707	10,923,723	10,511,291	10,730,224	11,088,325	11,001,321	11,377,523	11,091,058	12.1%
Single-Family Residential	7,854,469	7,848,355	8,124,179	7,056,525	6,674,624	6,765,508	6,954,084	6,766,191	7,051,008	7,101,350	7.7%
Commercial ¹	9,387,963	9,369,923	9,249,884	8,881,095	8,486,990	8,286,580	8,539,377	8,145,347	7,391,713	5,152,409	5.6%
Industrial	90,174	91,641	96,073	100,995	94,178	92,846	86,555	84,142	73,296	43,251	0.0%
Municipal ^{3,4,6}	1,584,640	1,764,467	1,818,869	1,351,523	1,252,031	1,519,354	1,582,906	1,592,205	1,652,984	1,387,438	1.5%
Suburban Retail ³	1,773,498	2,082,763	2,090,360	1,860,949	1,556,586	1,397,568	1,524,511	1,426,850	1,474,800	1,368,225	1.5%
Retail water sales	32,830,417	33,014,554	33,170,072	30,174,810	28,575,700	28,792,081	29,775,757	29,016,056	29,021,324	26,143,730	28.4%
Wholesale Customers											
California Water Service ²	16,081,904	16,104,269	16,478,539	14,177,253	11,442,469	11,853,307	13,437,872	12,823,623	14,158,729	14,422,994	15.7%
Hayward Municipal Water	7,610,980	7,552,956	7,402,067	6,634,616	5,979,616	6,281,522	7,101,954	6,821,848	6,929,989	7,098,350	7.7%
City of Palo Alto	5,561,559	5,528,554	5,520,468	4,671,433	4,006,084	4,382,560	4,859,576	4,600,987	4,757,199	4,785,384	5.2%
City of Sunnyvale	4,406,804	4,653,481	4,169,463	3,801,695	3,816,230	3,966,024	4,615,487	4,281,432	4,602,280	4,745,166	5.2%
Alameda County Water District	3,953,054	4,423,129	5,837,509	3,885,891	2,924,129	3,039,722	3,875,669	3,745,166	3,788,287	4,638,801	5.0%
City of Redwood City	4,420,594	4,541,338	4,457,196	3,909,265	3,484,888	3,764,419	4,109,993	3,945,340	4,269,768	4,180,327	4.5%
City of Mountain View	4,273,100	4,436,942	4,405,542	3,715,499	3,285,167	3,374,726	3,679,915	3,551,507	3,706,595	3,857,685	4.2%
City of Milpitas	3,027,111	3,137,125	3,244,023	2,556,289	2,199,649	2,361,244	2,544,956	2,504,392	2,956,102	2,618,214	2.8%
Estero Municipal Improvement District	1,982,291	1,977,026	1,983,373	1,942,828	1,755,953	1,869,684	2,064,667	1,966,799	2,115,607	2,101,149	2.3%
City of San Jose	2,138,714	2,197,501	2,263,880	2,189,406	1,990,436	2,017,559	2,198,147	2,104,452	2,065,632	2,062,823	2.2%
All Other Wholesale Customers ²	17,148,616	17,599,683	17,251,767	14,965,959	13,323,145	13,466,407	14,425,326	14,635,791	15,123,615	15,349,943	16.7%
Wholesale water sales	70,604,727	72,152,004	73,013,827	62,450,134	54,207,766	56,377,174	62,913,563	60,981,337	64,473,803	65,850,836	71.6%
Total water sales	103,435,144	105,166,558	106,183,899	92,624,944	82,783,466	85,169,254	92,689,320	89,997,393	93,495,127	91,994,566	100.0%
% Change from prior year	-0.7%	1.6%	1.0%	-12.8%	-10.6%	2.9%	8.8%	-2.9%	3.9%	-1.6%	
Number of accounts	173,453	173,744	173,970	174,111	174,083	174,394	175,054	175,803	176,379	176,246	
Retail	173,372	173,663	173,892	174,033	174,005	174,316	174,976	175,725	176,301	176,168	
Wholesale	81	81	78	78	78	78	78	78	78	78	

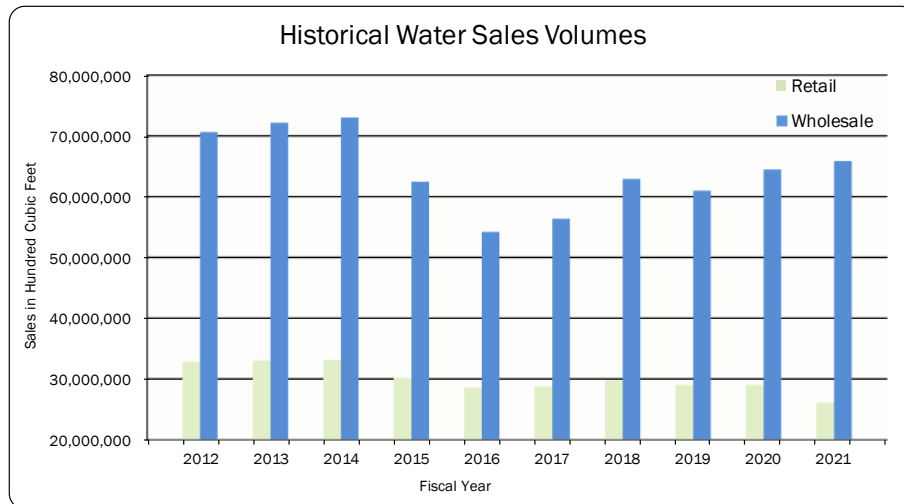
¹ Includes Docks and Ships under Commercial.

² From fiscal year 2016 onward, California Water Service Company, Daly City, and San Bruno are participating in the conjunctive use groundwater program. These customers receive a bill credit for regional water system usage in-lieu of groundwater pumping. Totals reported in this table exclude water credited under the conjunctive use program.

³ Master-metered Treasure Island water sales were included under Commercial from fiscal year 2011 and 2012 and under Suburban Retail from fiscal year 2013 to fiscal year 2016. Beginning in fiscal year 2017, they have been classified under Municipal. Current Treasure Island usage represents purchases by the Treasure Island Development Authority and various commercial, residential, and governmental leasees. As new development is completed on Treasure Island, customers will open individual accounts under the appropriate commercial or residential line items, and the master-metered amount will be reduced accordingly.

⁴ Beginning in fiscal year 2017, recycled water sales to Harding Park are included under Municipal.

Source: Rate Schedules, Summary of Annual Water Sales reports, San Francisco Public Utilities Commission Customer Care and Billing System.



Statistical Section

Demographic & Economic Information Historical Water Sales in Millions of Gallons per Day Fiscal Years Ended 2012 to 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 % of Total
Retail Customers											
Multi-Family Residential	24.8	24.3	24.2	22.4	21.5	22.0	22.7	22.5	23.3	22.7	12.1%
Single-Family Residential	16.1	16.1	16.6	14.5	13.6	13.9	14.3	13.9	14.4	14.6	7.7%
Commercial ¹	19.2	19.2	19.0	18.2	17.3	17.0	17.5	16.7	15.1	10.6	5.6%
Industrial	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.0%
Municipal ^{3,4,6}	3.2	3.6	3.7	2.8	2.6	3.1	3.2	3.3	3.4	2.8	1.5%
Suburban Retail ³	3.6	4.3	4.3	3.8	3.2	2.9	3.1	2.9	3.0	2.8	1.5%
Retail water sales	67.1	67.7	68.0	61.9	58.4	59.1	61.1	59.5	59.3	53.6	28.4%
Wholesale Customers											
California Water Service ²	32.9	33.0	33.8	29.1	23.4	24.3	27.5	26.3	29.0	29.6	15.7%
Hayward Municipal Water	15.6	15.5	15.2	13.6	12.2	12.9	14.6	14.0	14.2	14.5	7.7%
City of Palo Alto	11.4	11.3	11.3	9.6	8.2	9.0	10.0	9.4	9.7	9.8	5.2%
City of Sunnyvale	9.0	9.5	8.5	7.8	7.8	8.1	9.5	8.8	9.4	9.7	5.2%
Alameda County Water District	8.1	9.1	12.0	8.0	6.0	6.2	7.9	7.7	7.7	9.5	5.0%
City of Redwood City	9.1	9.3	9.1	8.0	7.1	7.7	8.4	8.1	8.8	8.6	4.5%
City of Mountain View	8.7	9.1	9.0	7.6	6.7	6.9	7.5	7.3	7.6	7.9	4.2%
City of Milpitas	6.2	6.4	6.6	5.2	4.5	4.8	5.2	5.1	6.1	5.4	2.8%
Estero Municipal Improvement District	4.1	4.1	4.1	4.0	3.6	3.8	4.2	4.0	4.3	4.3	2.3%
City of San Jose	4.4	4.5	4.6	4.5	4.1	4.1	4.5	4.3	4.2	4.2	2.2%
All Other Wholesale Customers ²	35.1	36.1	35.4	30.7	27.3	27.6	29.6	30.0	31.0	31.5	16.7%
Wholesale water sales	144.6	147.9	149.7	128.0	110.8	115.5	128.9	125.0	131.6	135.0	71.6%
Total water sales	211.7	215.6	217.7	189.9	169.2	174.6	190.0	184.5	190.9	188.6	100.0%
% Change from prior year	-0.7%	1.6%	1.0%	-12.8%	-10.6%	2.9%	8.8%	-2.9%	3.9%	-1.6%	
Number of accounts	173,453	173,744	173,970	174,111	174,083	174,394	175,054	175,803	176,379	176,246	
Retail	173,372	173,663	173,892	174,033	174,005	174,316	174,976	175,725	176,301	176,168	
Wholesale	81	81	78	78	78	78	78	78	78	78	

¹ Includes Docks and Ships under Commercial.

² From fiscal year 2016 onward, California Water Service Company, Daly City, and San Bruno are participating in the conjunctive use groundwater program. These customers receive a bill credit for regional water system usage in-lieu of groundwater pumping. Totals reported in this table exclude water credited under the conjunctive use program.

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⁴ Beginning in fiscal year 2017, recycled water sales to Harding Park are included under Municipal.

Source: Rate Schedules, Summary of Annual Water Sales reports, San Francisco Public Utilities Commission Customer Care and Billing System.

Demographic & Economic Information
Historical Water Sales in Millions of Gallons
Fiscal Years Ended 2012 to 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 % of Total
Retail Customers											
Multi-Family Residential	9,080	8,869	8,819	8,171	7,862	8,026	8,294	8,229	8,510	8,296	12.1%
Single-Family Residential	5,875	5,871	6,077	5,278	4,993	5,061	5,202	5,061	5,274	5,312	7.7%
Commercial ¹	7,022	7,009	6,919	6,643	6,348	6,198	6,387	6,093	5,529	3,854	5.6%
Industrial	67	69	72	76	70	69	65	63	55	32	0.0%
Municipal ^{3,4,6}	1,185	1,320	1,361	1,011	937	1,136	1,184	1,191	1,236	1,038	1.5%
Suburban Retail ³	1,327	1,558	1,564	1,392	1,164	1,045	1,140	1,067	1,103	1,023	1.5%
Retail water sales	24,557	24,695	24,811	22,571	21,375	21,536	22,272	21,704	21,708	19,555	28.4%
Wholesale Customers											
California Water Service ²	12,029	12,046	12,326	10,605	8,559	8,866	10,052	9,592	10,591	10,788	15.7%
Hayward Municipal Water	5,693	5,650	5,537	4,963	4,473	4,699	5,312	5,103	5,184	5,310	7.7%
City of Palo Alto	4,160	4,135	4,129	3,494	2,997	3,278	3,635	3,442	3,558	3,579	5.2%
City of Sunnyvale	3,296	3,481	3,119	2,844	2,855	2,967	3,452	3,203	3,443	3,549	5.2%
Alameda County Water District	2,957	3,309	4,366	2,907	2,187	2,274	2,899	2,801	2,834	3,470	5.0%
City of Redwood City	3,307	3,397	3,334	2,924	2,607	2,816	3,074	2,951	3,194	3,127	4.5%
City of Mountain View	3,196	3,319	3,295	2,779	2,457	2,524	2,753	2,657	2,773	2,886	4.2%
City of Milpitas	2,264	2,347	2,427	1,912	1,645	1,766	1,904	1,873	2,211	1,958	2.8%
Estero Municipal Improvement District	1,483	1,479	1,484	1,453	1,313	1,399	1,544	1,471	1,582	1,572	2.3%
City of San Jose	1,600	1,644	1,693	1,638	1,489	1,509	1,644	1,574	1,545	1,536	2.2%
All Other Wholesale Customers ²	12,827	13,165	12,904	11,195	9,966	10,073	10,790	10,948	11,312	11,482	16.7%
Wholesale water sales	52,812	53,970	54,614	46,713	40,548	42,170	47,059	45,615	48,226	49,257	71.6%
Total water sales	77,369	78,665	79,425	69,284	61,923	63,706	69,331	67,319	69,934	68,812	100.0%
% Change from prior year	-0.7%	1.6%	1.0%	-12.8%	-10.6%	2.9%	8.8%	-2.9%	3.9%	-1.6%	
Number of accounts	173,453	173,744	173,970	174,111	174,083	174,394	175,054	175,803	176,379	176,246	
Retail	173,372	173,663	173,892	174,033	174,005	174,316	174,976	175,725	176,301	176,168	
Wholesale	81	81	78	78	78	78	78	78	78	78	

¹ Includes Docks and Ships under Commercial.

² From fiscal year 2016 onward, California Water Service Company, Daly City, and San Bruno are participating in the conjunctive use groundwater program. These customers receive a bill credit for regional water system usage in-lieu of groundwater pumping. Totals reported in this table exclude water credited under the conjunctive use program.

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⁴ Beginning in fiscal year 2017, recycled water sales to Harding Park are included under Municipal.

Source: Rate Schedules, Summary of Annual Water Sales reports, San Francisco Public Utilities Commission Customer Care and Billing System.

Statistical Section

Wholesale Water Customers - Map of Bay Area Water Supply and Conservation Agency (BAWSCA) Members



Agency Name:

- | | |
|--|---------------------------------------|
| 1. Alameda County Water District | 13. Mid-Peninsula Water District |
| 2. City of Brisbane | 14. City of Millbrae |
| 3. City of Burlingame | 15. City of Milpitas |
| 4a. California Water Service Company - Bear Gulch | 16. City of Mountain View |
| 4b. California Water Service Company - Mid-Peninsula | 17. North Coast County Water District |
| 4c. California Water Service Company - South San Francisco | 18. City of Palo Alto |
| 5. Coastside County Water District | 19. Purissima Hills Water District |
| 6. City of Daly City | 20. City of Redwood City |
| 7. City of East Palo Alto | 21. City of San Bruno |
| 8. Estero Municipal Improvement District | 22. San Jose Municipal Water System |
| 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.

Statistical Section

Demographic & Economic Information Water Accounts & Billings by Type of Customer Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

Customer Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Multiple-Family Residential										
Number of accounts	40,990	41,121	41,165	41,279	41,369	41,594	42,101	42,482	42,849	43,360
Billings	\$ 55,929	61,681	65,880	68,517	74,055	83,180	91,994	97,879	109,461	115,888
Single-Family Residential										
Number of accounts	109,957	110,062	110,144	110,140	110,050	110,118	110,153	110,413	110,584	110,113
Billings	\$ 41,240	46,361	51,586	50,670	54,209	60,424	66,304	69,840	78,329	85,094
Commercial¹										
Number of accounts	20,245	20,270	20,354	20,384	20,320	20,344	20,429	20,512	20,509	20,306
Billings	\$ 47,620	53,710	56,522	58,416	63,080	67,748	74,720	76,950	76,586	59,883
Industrial										
Number of accounts	84	83	82	81	81	80	80	81	77	75
Billings	\$ 447	511	568	644	677	736	738	796	765	528
Municipal²										
Number of accounts	1,795	1,826	1,843	1,849	1,885	1,882	1,916	1,939	1,985	2,019
Billings	\$ 7,030	8,663	9,455	8,719	9,274	11,999	13,147	14,253	15,901	14,541
Suburban Retail										
Number of accounts	301	301	304	300	300	298	297	298	297	295
Billings	\$ 7,105	7,525	8,023	8,122	7,845	8,836	10,466	10,313	11,127	11,113
Wholesale										
Number of accounts	81	81	78	78	78	78	78	78	78	78
Billings	\$ 182,609	211,071	178,954	174,655	203,005	233,356	262,764	252,521	303,340	308,865
Total										
Number of accounts	173,453	173,744	173,970	174,111	174,083	174,394	175,054	175,803	176,379	176,246
Billings	\$ 341,980	389,522	370,988	369,743	412,145	466,279	520,133	522,552	595,509	595,912
Percentage of Revenue										
Residential	28.3%	27.7%	31.7%	32.2%	31.1%	30.8%	30.4%	32.1%	31.5%	33.7%
Non-residential ³	18.2%	18.1%	20.1%	20.5%	19.6%	19.2%	19.0%	19.6%	17.5%	14.4%
Wholesale	53.5%	54.2%	48.2%	47.3%	49.3%	50.0%	50.6%	48.3%	51.0%	51.9%
Total Percentage of Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

¹ Includes Docks and Ships and Builders and Contractors under Commercial.

² Beginning in fiscal year 2017, Treasure Island and Harding Park recycled water revenues are included in Municipal.

³ All Suburban Retail usage is included in the Non-Residential line item for purposes of calculating the percentage of revenue from each customer type. However, Suburban Retail usage includes some residential usage.

Source: San Francisco Public Utilities Commission Water Sewer System and Customer Care and Billing System.

Statistical Section

Demographic & Economic Information Wastewater Accounts, Billings & Discharge by Type of Customer Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

Customer Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Multiple-Family Residential										
Number of accounts	36,275	36,301	36,248	36,313	36,293	36,323	36,326	36,387	36,467	36,528
Hundred cubic feet	11,305,560	11,034,590	10,979,262	10,199,389	9,854,965	9,996,526	10,282,601	10,222,770	10,536,087	10,262,890
Millions of gallons per day	23.1	22.6	22.5	20.9	20.1	20.2	21.1	20.9	21.5	21.0
Billings	\$ 93,264	95,607	99,603	100,178	101,730	110,829	126,789	133,454	146,548	153,611
Single-Family Residential										
Number of accounts	110,875	111,007	111,125	111,173	111,137	111,268	111,385	111,681	111,869	111,398
Hundred cubic feet	6,976,856	6,975,869	7,220,346	6,296,323	5,993,115	6,058,304	6,228,159	6,067,155	6,324,480	6,369,781
Millions of gallons per day	14.3	14.3	14.8	12.9	12.2	12.3	12.8	12.4	13.0	13.1
Billings	\$ 55,776	58,683	64,377	61,048	61,177	66,661	76,534	79,971	89,688	95,297
Commercial ²										
Number of accounts	15,439	15,400	15,430	15,460	15,411	15,388	15,494	24,465	24,721	24,941
Hundred cubic feet	7,883,555	7,816,146	7,931,611	7,594,556	7,366,932	7,171,298	7,230,465	6,978,016	6,246,081	4,154,011
Millions of gallons per day	16.1	16.0	16.3	15.6	15.1	15.1	14.8	14.3	12.8	8.5
Billings	\$ 75,604	74,978	76,740	76,042	77,387	80,968	89,803	91,069	86,650 ^	61,071
Municipal ^{1, 2}										
Number of accounts	719	729	725	731	738	751	763	1,109	1,150	1,182
Hundred cubic feet	681,755	701,162	657,708	570,386	588,044	578,015	589,621	585,833	545,917	420,610
Millions of gallons per day	1.4	1.4	1.3	1.2	1.2	1.2	1.2	1.2	1.1	0.9
Billings	\$ 6,316	6,520	6,205	5,534	5,965	7,586	7,163	9,002	8,885	7,605
Suburban Retail (Watershed Keepers)										
Number of accounts	8	8	9	9	8	8	8	8	7	7
Hundred cubic feet	322	298	303	259	200	221	321	217	216	203
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	3	2	2	2	4	3	3	3
Unmetered Properties*										
Number of accounts								306	302	300
Hundred cubic feet	No data prior to fiscal year 2019							N/A	N/A	N/A
Millions of gallons per day								N/A	N/A	N/A
Billings								\$ 82	112	117
Total										
Number of accounts	163,316	163,445	163,537	163,686	163,587	163,738	163,976	173,956	174,516	174,356
Hundred cubic feet	26,848,048	26,528,064	26,789,230	24,660,912	23,803,256	23,804,362	24,331,167	23,853,991	23,652,781	21,207,495
Millions of gallons per day	54.9	54.3	54.9	50.6	48.6	48.8	49.9	48.8	48.4	43.5
Billings	\$ 230,962	235,790	246,927	242,804	246,261	266,046	300,293	313,581	331,886	317,704
Percentage of Revenue										
Residential	64.5%	65.4%	66.4%	66.4%	66.2%	66.7%	67.7%	68.1%	71.2%	78.3%
Non-residential	35.5%	34.6%	33.6%	33.6%	33.8%	33.3%	32.3%	31.9%	28.8%	21.7%
Total Percentage of Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

¹ Beginning in fiscal year 2017, Treasure Island revenues are included under Municipal.

² Large increase in commercial sewer accounts in fiscal year 2019 is due to new requirements that all water accounts for fire-fighting purposes have a corresponding sewer account. Fiscal year 2019 sewer accounts were updated between Commercial and Municipal.

* Beginning in fiscal year 2019, Unmetered Properties accounts are included.

^Billing amount has been updated.

Source: San Francisco Public Utilities Commission Customer Care and Billing System.

Statistical Section

**Demographic & Economic Information
Historical Hetchy Water Sales
Fiscal Years Ended 2012 to 2021**

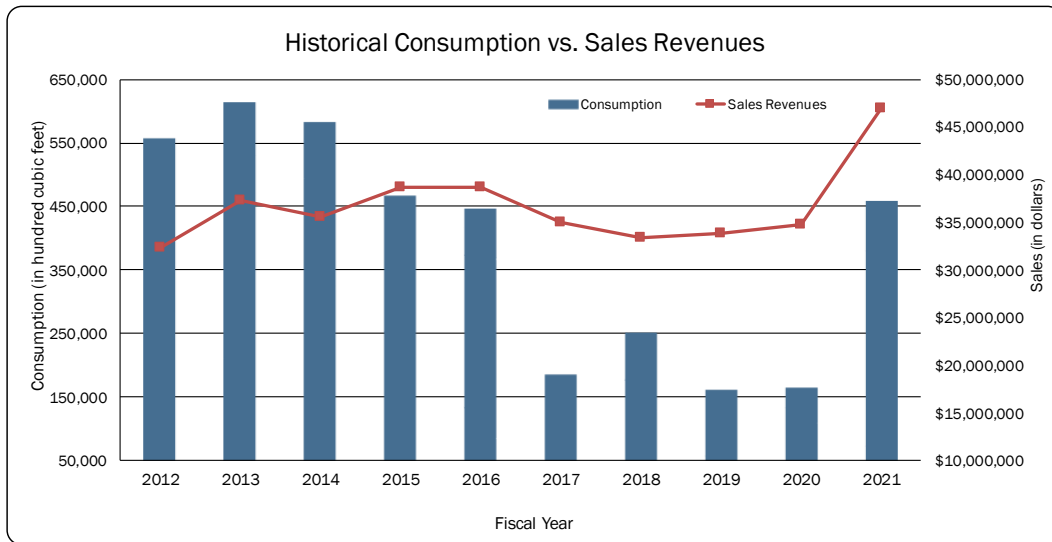
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Sales*										
Groveland Community Services District \$	138,957	157,635	151,969	121,840	163,525	168,757	168,377	147,448	160,626	188,208
Lawrence Livermore	1,592,083	2,035,808	2,037,396	1,787,240	1,836,447	211,771	630,097	132,893	36,863	2,627,028
State of California	9,151	7,415	7,875	8,960	9,429	11,430	13,625	13,392	13,139	11,135
Other Residential Customers	6,606	11,581	15,165	13,391	14,368	15,680	14,726	7,943	1,425	3,469
Water Assessment	30,638,901	35,071,901	33,309,058	36,800,000	36,600,000	34,600,000	32,600,000	33,578,000	34,585,000	44,149,000
Total sales	\$ 32,385,699	37,284,340	35,521,463	38,731,431	38,623,769	35,007,638	33,426,825	33,879,676	34,797,053	46,978,839
Consumption (hundred cubic feet)**										
Groveland Community Services District	181,530	210,561	200,328	156,801	161,249	154,319	166,624	143,437	158,037	188,595
Lawrence Livermore	371,466	398,026	376,662	307,606	282,531	28,389	81,029	14,267	2,543	266,323
State of California	1,839	3,466	3,026	1,174	1,230	1,302	1,459	1,346	1,235	960
Other Residential Customers	2,188	2,209	2,749	2,248	2,152	2,085	1,803	1,986	2,454	2,258
Total consumption	557,023	614,261	582,764	467,829	447,162	186,095	250,915	161,036	164,269	458,136

May not total due to rounding.

Source:

* City and County of San Francisco Financial System and San Francisco Public Utilities Commission Audited Financial Statements.

** San Francisco Public Utilities Commission Customer Care and Billing System. Fiscal year 2015 and prior was Moccasin meter readings.



Statistical Section

**Demographic & Economic Information
Historical Hetchy Power Electric Sales
Fiscal Years Ended 2012 to 2021**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Sales (Megawatt hours)										
General Fund Rate Subsidized ~	378,503	365,234	367,904	359,519	373,114	366,880	375,327	366,867	348,157	303,588
Enterprise Rate ~	485,204	484,628	493,254	487,869	495,272	484,070	471,554	477,477	452,951	404,810
Wholesale market power sales (Megawatt) @	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	110,000
Western Systems Power Pool #	143,675	131,200	2,400	—	9,520	29,050	15,900	—	84,574	43
Modesto/Turlock Irrigation Districts ◊	277,838	227,544	103,489	115,026	377,981	152,321	46,651	—	—	—
Non-city Agencies *	101,128	116,996	117,289	101,605	99,568	95,297	112,157	146,527	133,805	128,945
Moccasin/City of Riverbank	7,552	7,808	9,206	25,472	30,451	9,114	9,650	8,235	7,220	7,672
Total sales	1,393,900	1,333,410	1,093,542	1,089,491	1,385,906	1,136,732	1,031,239	999,106	1,026,707	955,058
Purchases **	125,033	38,702	76,905	45,465	113,154	808	188,052	157,227	58,477	6,598
Generation ~	1,332,957	1,312,446	1,032,589	988,649	1,532,068	1,726,072	1,302,461	1,212,348	1,287,848	973,802
Total purchases/generation	1,457,990	1,351,148	1,109,494	1,034,114	1,645,222	1,726,880	1,490,513	1,369,575	1,346,325	980,400
Banked/(Withdrawal) ◻	(21,978)	6,707	17,102	78,391	—	—	—	—	—	—
Sales (Dollars in thousands) ***										
General Fund Rate Subsidized ~	\$ 13,595	13,330	15,006	18,125	22,151	23,668	26,591	28,766	28,990	28,095
Enterprise Rate ~	52,512	52,955	60,766	65,022	65,897	67,627	67,598	73,224	74,895	68,696
Wholesale market power sales @	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	467
Western Systems Power Pool #	3,817	5,143	127	—	157	755	688	—	2,780	1
Modesto/Turlock Irrigation Districts ◊	7,340	6,538	3,431	4,488	13,634	7,700	2,612	—	—	—
Non-city Agencies *	13,810	14,815	16,305	14,628	15,610	16,350	19,359	23,258	22,255	22,902
Moccasin/City of Riverbank	457	486	607	1,100	1,095	550	577	539	625	887
Total sales	\$ 91,531	93,267	96,242	103,363	118,544	116,650	117,425	125,787	129,545	121,048
Purchases **	\$ 4,754	2,494	4,408	2,045	5,546	1,859	8,671	11,832	7,381	6,271
Average Sale per KWh (in Dollars)										
General Fund Rate Subsidized ~	\$ 0.0359	0.0365	0.0408	0.0504	0.0594	0.0645	0.0708	0.0784	0.0833	0.0925
Enterprise Rate ~	0.1082	0.1093	0.1232	0.1333	0.1331	0.1397	0.1434	0.1534	0.1653	0.1697
Western Systems Power Pool #	0.0266	0.0392	0.0529	—	0.0165	0.0260	0.0433	—	0.0329	0.0233
Modesto/Turlock Irrigation Districts ◊	0.0264	0.0287	0.0332	0.0390	0.0361	0.0506	0.0560	—	—	—
Non-city Agencies *	0.1366	0.1266	0.1390	0.1440	0.1568	0.1716	0.1726	0.1587	0.1663	0.1776
Moccasin/City of Riverbank	0.0605	0.0622	0.0659	0.0432	0.0360	0.0603	0.0598	0.0655	0.0866	0.1156
Total average sale per KWh	\$ 0.0657	0.0699	0.0880	0.0949	0.0855	0.1026	0.1139	0.1259	0.1262	0.1427
Average Purchase per KWh **	0.0380	0.0644	0.0573	0.0450	0.0490	2.3007	0.0461	0.0753	0.1262	0.9504
Surplus Sales vs. Purchase **										
Net WSPB Sales - Purchases (MWh)	18,642	92,498	(74,505)	(45,465)	(103,634)	N/A	(172,152)	(157,227)	26,097	(6,555)
Surplus WSPB Sales minus Purchases, \$1,000s	\$ (937)	2,649	(4,281)	(2,045)	(5,389)	N/A	(7,983)	(11,832)	(4,601)	(6,270)
WSPB average sales per KWh minus										
Average Purchase per KWh	\$ (0.0115)	(0.0252)	(0.0044)	(0.0450)	(0.0325)	N/A	(0.0028)	(0.0753)	(0.0933)	(0.9272)
Number of meters										
Electric	2,260	2,257	2,271	2,305	2,627	3,068	3,547	3,747	4,077	5,385

* Non-city Agencies include electric retail and municipal customers such as Moscone tenants, Exploratorium, and Yerba Buena Gardens.
 ** Purchases include Western Systems Power Pool (WSPB), Spot Market with Modesto Irrigation District, Sunset Reservoir Photovoltaic generation. Decrease in fiscal year 2017 was due to no purchases with WSPB.
 *** Sales in dollars do not include utility and surcharge taxes.
 ~ Includes cogeneration and all in-city solar generation. Generation is generic for all electricity production/output. Cogeneration is specific to the combustion turbines at the Southeast treatment plant.
 ~- The breakdown for City Agencies is grouped per budget schedule.
 @ Starting fiscal year 2021, 3rd party sale for attributes is added but is not part of the Total average sale per KWh.
 # No sales in fiscal years 2015 and 2019 due to no excess power for sale. WSPB includes only energy sales.
 ◻ Closure of the energy bank with PG&E in fiscal year 2015.
 ◊ Purchase agreement ended in December 2017.

Source: San Francisco Public Utilities Commission Power Enterprise Billing System and starting fiscal year 2021, Customer To Meter Billing System.

Statistical Section

Demographic & Economic Information
 Historical CleanPowerSF Electric Sales
 Fiscal Years Ended 2016 to 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Power Sales (Megawatt hours)*										
Residential					163	148,220	233,515	433,541	1,236,988 ^	1,295,948
Commercial										
Small Commercial Service					14,985	111,618	116,296	484,704	463,977	398,230
Medium Commercial Service					14,129	92,718	88,924	417,703	402,651	331,389
Large Commercial Service					12,999	93,968	118,327	797,052	870,886	853,230
Agricultural					—	42	1,293	6,043	6,004	7,453
Street and Outdoor Lighting					—	—	38	1,452	1,515	1,477
Commercial Subtotal					42,113	298,346	324,878	1,706,954	1,745,033	1,591,779
Total Power Sales					42,276	446,566	558,393	2,140,495	2,982,021	2,887,727
Sales (Dollars in thousands)**										
Residential	\$				14	10,782	15,993	30,787	102,434 ^	98,172
Commercial										
Small Commercial Service					1,226	8,649	8,716	38,830	38,314	29,289
Medium Commercial Service					1,386	7,278	6,809	34,254	33,505	24,516
Large Commercial Service					1,109	6,860	8,611	62,595	67,963	58,170
Agricultural					—	3	59	329	326	366
Street and Outdoor Lighting					—	—	3	113	105	91
Commercial Subtotal					3,721	22,790	24,198	136,121	140,213	112,432
Total Sales	\$				3,735	33,572	40,191	166,908	242,647	210,604
Average Sale (in Dollars per Kilowatt hour)										
Residential	\$				0.08334	0.07274	0.06849	0.07101	0.08281	0.07575
Commercial										
Small Commercial Service					0.08181	0.07749	0.07495	0.08011	0.08258	0.07355
Medium Commercial Service					0.09812	0.07850	0.07657	0.08201	0.08321	0.07398
Large Commercial Service					0.08530	0.07300	0.07277	0.07853	0.07804	0.06818
Agricultural					—	0.06597	0.04563	0.05444	0.05430	0.04911
Street and Outdoor Lighting					—	—	0.07256	0.07782	0.06931	0.06161
Commercial Subtotal					0.08836	0.07639	0.07448	0.07974	0.08035	0.07063
Total Average Sales	\$				0.08834	0.07518	0.07198	0.07798	0.08137	0.07293

^ Large increase in residential is due to completion of citywide enrollment.

Source: * CleanPowerSF Management Reports and ** Starting FY2020, the sales dollar data is based on audited financial statements.



Photo by: Robin Scheswohl

Excavation for installation of lead-free, outdoor water bottle refilling stations.



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

Operating Information

Budgeted Full-Time Equivalent (FTEs) Employees by Division

Operating and Capacity Indicators

Capacity Charge Revenues and Expenses

Major Water Wholesale, Retail and Sewer Customer Accounts by Revenue

Major Electric Retail and Wholesale Customer Accounts by Revenue

Performance Measures



Photo by: Robin Scheswohl

Southeast Water Pollution Control Plant.

Statistical Section

Operating Information Budgeted Full-Time Equivalent (FTEs) Employees by Division Fiscal Years Ended 2012 to 2021

Enterprises and Bureaus	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Water Enterprise										
City Distribution & Water Administration	260	260	259	260	268	276	291	304	307	300
Natural Resources	71	81	81	82	82	84	85	86	87	89
Water Quality	78	76	76	76	81	82	83	85	85	85
Water Resources	26	25	25	24	24	23	23	23	23	22
Water Supply & Treatment	234	236	236	229	229	232	232	229	229	231
Total Water	669	678	677	671	684	697	714	727	731	727
Wastewater Enterprise										
Administration	12	12	12	11	14	12	12	12	13	12
Source Control* & Wastewater Labs	66	66	66	66	66	65	66	59	60	59
Environmental Engineering	50	50	51	53	53	54	54	58	58	59
Maintenance	143	146	147	141	141	137	138	135	135	141
Bayside Operations	117	117	117	114	115	114	114	111	113	112
Planning & Regulation	43	43	43	47	47	46	47	46	46	32
Sewer Collection Operations	51	51	51	51	51	51	51	59	59	63
Total Wastewater	482	485	487	483	487	479	482	480	484	478
Hetch Hetchy Water and Power Enterprise										
Hetchy Water										
Water Project Operations	192	195	195	201	207	203	206	211	216	217
Hetchy Power**										
Energy Services	29	30	30	30	30	29	30	27	28	—
Long Range Planning & Light, Heat, and Power	53	53	53	51	51	52	52	54	54	109
Power Administration	23	23	23	23	23	20	21	21	21	—
Subtotal Hetchy Power	105	106	106	104	104	101	103	102	103	109
Total Hetch Hetchy Water and Power	297	301	301	305	311	304	309	313	319	326
CleanPowerSF										
Administration	Data not available - CleanPowerSF launched in May 2016.					9	11	13	19	26
Total CleanPowerSF						9	11	13	19	26
Bureaus										
Business Services Admin, AIC#, and Financial Services	69	70	70	71	71	73	73	73	73	72
Customer Services	106	106	106	106	106	103	103	104	104	103
Communications	22	22	22	22	22	22	22	21	21	21
General Manager and Others ^	13	13	13	11	11	12	13	18	19	21
Strategic Planning, Real Estate Services, and Community Benefits	17	17	18	18	18	18	18	17	17	22
Human Resource Services	55	57	57	58	59	58	58	58	58	62
Information Technology Services	73	74	74	78	78	78	78	78	78	79
Infrastructure	382	369	368	384	389	385	385	380	376	377
Total Bureaus	737	728	728	748	754	749	750	749	746	757
Total SFPUC annually budgeted positions	2,185	2,192	2,193	2,207	2,236	2,238	2,266	2,282	2,299	2,314
Annual Salary Ordinance Positions (AAO) ~	2,396	2,404	2,404	2,430	2,456	2,473	2,493	2,542	2,557	2,599

* Fiscal year 2014 and prior is known as BERM, acronym for Bureau of Environmental Regulation Management.

** Beginning fiscal year 2021, Hetchy Power positions are reported under Long Range Planning and Light, Heat, and Power.

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 Security in fiscal year 2011 and Enterprise Workforce Planning in fiscal year 2017.

~ AAO includes temporary positions and attrition.

Source: Annual Salary Ordinance.

Statistical Section

Operating Information Water Operating & Capacity Indicators Fiscal Years Ended 2012 to 2021

Water	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Water mains (miles) ^{^^}	1,240 *	1,240	1,240	1,240	1,718 ^	1,717 ^	1,718	1,719	1,719	1,719
Water main breaks repaired	74	113	116	97	136	102	133	168	142	161
New service installations	494	350	1,144	837	710	1,162	733	628	610	543
Meter installed and replaced	956	994	1,030	1,360	1,395	2,209	1,888	1,699	1,817	1,835
Responses to fire alarms	29	37	28	22	20	20	24	13	12	16
Production and Consumption (millions of gallons)[#]										
Water production	81,252	79,935	80,582	69,553	64,454	68,995	73,330	71,272	75,034	73,767
Average daily production	222	219	221	191	176	189	201	195	205	202
Maximum daily production	298	302	300	255	242	283	272	275	277	274
Water consumption	77,390	78,695	79,453	69,306	61,932	63,706	69,344	67,319	69,934	68,812
Average daily consumption	211.7	215.6	217.7	189.9	169.2	174.6	190.0	184.5	190.1	188.6
Watershed area (acres)										
Alameda	37,314	37,314	37,314	37,314	37,314	37,314	37,314	37,314	38,306	38,306
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	60,168	60,168	60,168	60,168	61,160	61,160
Reservoir storage (millions of gallons)**										
Calaveras [@]	8,418	6,337	5,488	6,491	8,774	11,986	8,220	13,026	20,390	19,170
Crystal Springs	15,486	17,191	16,707	17,380	17,103	17,385	16,192	17,015	16,940	16,711
Pilarcitos	784	864	815	767	783	872	773	838	849	622
San Andreas	4,968	5,622	5,603	5,626	5,786	5,935	5,587	5,483	5,381	5,123
San Antonio	15,395	13,456	13,579	14,433	14,927	14,576	13,263	14,835	14,434	14,917
Total	45,051	43,470	42,192	44,697	47,373	50,754	44,035	51,197	57,994	56,543
Treatment plant average capacity (millions of gallons)										
Harry Tracy	22.1	26.0	21.2	29.3	35.9	45.3	33.2	38.0	34.7	31.7
Sunol Valley ***	29.1	22.3	10.0	16.9	27.0	39.6	16.5	26.1	11.1	6.9
Total	51.2	48.3	31.2	46.2	62.9	84.9	49.7	64.1	45.8	38.6

* The increase in fiscal year 2012 included approximately 3.5 miles of pipe that was installed as part of the Mission Bay development project.

** In addition to these regional reservoirs, San Francisco Public Utilities Commission has In-city system storage capacity of 413 million gallons (value revised based on current reservoir storage operation limits).

*** The decrease in fiscal years 2014, 2018, 2020 and 2021 was due to a reduction in treating local reservoir water (Calaveras and San Antonio) in favor of increasing use of Hetchy Water which was not filtered at the plant. Increasing Hetchy Water use reduced treatment costs and conserved local supplies.

^ The increase in fiscal year 2016 included the suburban mains of 245.9 miles, upcountry mains of 229.5 miles and an increase of approximately 2.8 miles of pipe that was installed as part of the Mission Bay, Candlestick Point and Hunter's View project. The decrease in fiscal year 2017 is mainly related to Pilarcitos Aqueduct.

^^ Starting fiscal year 2016, water mains (miles) includes suburban.

@ The Increase of water in the reservoir storage started in fiscal year 2019 due to the completion of the new Calaveras dam.

Consumption data updated from fiscal years 2012 to 2014 and 2020.

Source: Water Monthly Operating Report, Hetch Hetchy Capital Outlays Summary, Treatment Plant Influent Flow and Sewer Service Charge Calculation Reports.

Statistical Section

Operating Information Wastewater, Hetchy Water and Hetchy Power Operating & Capacity Indicators Fiscal Years Ended 2012 to 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Wastewater										
Collection System pipes (miles) [®]	Data not available FY2019 and prior								1,123	1,125
Sanitary sewers (miles) [®]	993	993	993	993	993	993	993	993	N/A	N/A
Transport/storage sewers (miles) [®]	17	24	17	17	17	17	17	17	N/A	N/A
Sewer breaks repaired	550	927	861	1,663	1,520	1,481	912	819	810	531
Inspection performed (miles)	125	135	90	156	80	93	135	215	191	61
Sewer replaced (miles)	12.7	20.6	12.8	14.9	19.5	13.6	11.0	11.4	15.2	8.9
Responses to customer calls	9,951	7,124	8,697	16,190	10,863	8,260	8,410	7,885	8,510	6,779
Treatment plant/ facilities average daily flow (millions of gallons per day)										
Oceanside plant	18.4	16.5	15.4	15.6	16.0	18.4	15.3	16.5	14.5	13.9
North Point plant	2.4	4.8	3.1	4.7	7.1	11.8	2.7	4.2	1.1	0.9
Southeast plant	65.5	67.0	66.4	64.4	65.4	74.7	61.9	70.2	56.1	48.7
Yerba Buena & Treasure Island	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.3	0.3
Total	86.6	88.6	85.2	85.0	88.8	105.2	80.2	91.3	72.1	63.8
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	113,973	117,359	114,354	110,745	117,424	111,755	117,231	113,020	116,653	101,808
Lake Eleanor	7,428	7,671	7,731	7,731	8,677	7,610	8,186	8,677	8,398	8,429
Lake Lloyd (Cherry)	86,962	85,358	72,627	64,025	88,478	77,951 [△]	83,067	87,829	86,332	82,150
Total	208,363	210,388	194,712	182,501	214,579	197,316	208,484	209,526	211,383	192,387
Hetchy Power										
Hydroelectric generation (megawatt hours)										
Holm	529,520	533,719	382,689	436,499	654,952	919,492	431,659	508,060	538,201	339,180
Kirkwood	461,569	440,950	318,379	283,922	528,724	482,996	510,888	401,779	422,278	328,410
Moccasin	326,535	327,054	320,577	255,778	338,005	319,691	356,004	295,766	325,194	304,325
Moccasin Low-Head #	3,442	2,775	22	—	1,359	—	—	—	—	—
Total	1,321,066	1,304,498	1,021,667 **	976,199 **	1,523,040 ^	1,722,179 ^	1,298,551 **	1,205,605	1,285,673	971,915

[®] Starting FY2020, sanitary sewers and Transport/storage sewers is Included in the Collection System pipes category, which includes combined storm and sanitary collection system pipes, sewer mains, transport/storage boxes, other storage structures, and tunnels.

*In addition to these regional reservoirs, San Francisco Public Utilities Commission has In-City System Storage Capacity of 413 million gallons (value revised based on current reservoir storage operation limits).

[△] The decrease in fiscal year 2017 was mainly due to repair work at Lake Lloyd.

** The decrease in fiscal years 2014, 2015 and 2018 was mainly due to the dry year condition which resulted in less water available for hydroelectric generation.

Moccasin Low-Head was out of service in fiscal years 2015, 2017- 2021.

^ The increase in fiscal years 2016 and 2017 was due to higher precipitation and lower water bank.

Source: Wastewater Monthly Operating Report, Hetch Hetchy Capital Outlays Summary, Treatment Plant Influent Flow, and Sewer Service Charge Calculation Reports.

Operating Information
Water and Wastewater Capacity Charge Revenues & Expenses
Fiscal Year Ended 2021
(Dollars in Thousands)

	<u>2021*</u>	<u>Percent of Total Project Annual Spending</u>	<u>2022 Expense Budget</u>
Water			
Beginning Balance	\$ 6,584		
Revenues	1,315		
Capacity Charges	1,326		
Interest Earnings	(11)		
Expenses	663		
Local Water Conveyance/Distribution	274	15.0%	362
Pipeline Replacement	389	1.0%	2,756
Ending Balance	\$ 7,236		
Wastewater			
Beginning Balance	\$ 13,713		
Revenues	3,703		
Capacity Charges	3,710		
Interest Earnings	(7)		
Expenses	1,631		
Collection System Renewal & Replacement	1,631	6.2%	10,365
Treatment Facilities Renewal & Replacement	—	0.0%	21
Ending Balance	\$ 15,785		

Data provided meets Government Code, Section 66013, <https://leginfo.legislature.ca.gov>.
 * Fiscal year 2021 is first year of presentation.

Source: San Francisco Public Utilities Commission Water Sewer System.

Statistical Section

Operating Information Major Water and Sewer Customer Accounts by Revenue Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

Customer Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Water Wholesale Customers										
California Water Service Company	\$ 42,512	47,655	47,436	46,911	48,792	57,541	63,489	60,859	66,944	67,781
Hayward Municipal Water System	20,176	21,475	21,193	21,475	21,475	28,613	32,316	31,103	31,518	32,130
City of Palo Alto	14,761	16,389	15,855	15,743	16,946	19,975	21,985	21,134	21,773	21,705
City of Sunnyvale	11,573	13,767	12,201	12,885	15,600	17,810	21,265	19,800	21,029	21,460
Alameda County Water District	10,732	13,274	16,141	13,213	13,847	14,366	16,947	16,849	17,609	21,089
City of Redwood City	11,763	13,488	12,847	13,151	14,661	17,169	18,781	18,190	19,408	18,948
City of Mountain View	11,187	13,059	12,691	12,407	13,750	15,340	16,791	16,248	16,790	17,415
City of Daly City	N/A	N/A	5,133	5,571	8,804	12,555	13,076	12,642	12,642	12,288
City of Milpitas	7,953	9,267	9,311	8,612	9,389	10,722	11,509	11,494	13,284	11,897
Estero Municipal Improvement District	N/A	N/A	5,709	6,384	7,216	9,307	9,475	9,015	9,576	9,470
Water Retail Customers										
San Francisco International Airport	2,748	2,938	3,046	3,095	3,220	3,907	4,452	4,880	4,748	3,685
NASA Shared Services Center (NSSC)	1,341	1,548	1,551	1,484	1,347	1,741	2,514	2,243	2,481	2,924
Lawrence Livermore National Laboratory	N/A	N/A	N/A	N/A	1,836	211	631	133	N/A	2,636
Recreation & Parks Department	N/A	N/A	N/A	878	578	1,393	1,397	1,353	2,679	2,481
University of California, San Francisco	1,331	1,318	1,364	1,100	1,435	1,534	1,689	1,694	2,185	2,304
Parkmerced Investors Properties, LLC	976	1,082	1,311	1,393	1,449	1,678	1,840	2,088	2,372	1,878
The Presidio	N/A	N/A	376	505	272	367	756	566	1,273	1,840
Golden Gate National Cemetery	N/A	N/A	N/A	649	839	836	946	900	1,320	1,557
Public Health Department	526	624	628	672	808	1,040	1,168	1,157	1,318	1,223
Menlo Country Club	N/A	N/A	N/A	639	785	785	833	786	951	1,012
Sewer Retail Customers										
University of California, San Francisco	2,564	2,120	2,078	1,882	2,266	2,068	2,360	2,414	2,852	3,068
Parkmerced Investors Properties, LLC	1,860	1,921	2,281	2,326	2,248	2,493	2,790	3,098	3,477	2,779
Public Health Department	897	941	897	647	1,041	1,334	1,547	1,461	1,635	1,513
Bayside Village	N/A	N/A	315	325	477	461	525	569	641	701
NRG Energy Center San Francisco	822	819	779	782	874	926	970	1,043	889	653
1169 Market	674	701	671	607	579	640	743	694	614	651
Recreation & Parks Department	N/A	N/A	566	308	332	391	431	418	482	574
1231 Market Street Owner LP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	298	523
Infinity Owners Association	N/A	N/A	197	167	176	196	218	277	462	520
San Francisco State University	N/A	N/A	601	601	618	648	860	810	803	496

N/A - No sales in the fiscal year or data not available
 Highlighted data were not part of major customers for the fiscal year.

Source: San Francisco Public Utilities Commission Water Sewer System and Customer Care and Billing System.

Statistical Section

Operating Information Major Electric Retail and Wholesale Customer Accounts by Revenue Fiscal Years Ended 2012 to 2021 (Dollars in Thousands)

Customer Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Retail Customers										
San Francisco International Airport	\$ 33,659	33,244	39,199	41,614	42,687	43,070	43,434	44,574	46,248	41,626
SFPUC - Wastewater Enterprise	8,388	8,180	8,861	9,748	9,847	10,397	9,979	10,687	10,531	10,522
SFPUC - Water Enterprise	7,250	8,009	8,582	8,640	7,954	8,950	8,592	9,369	9,831	10,130
Administrative Services Agency	2,100	2,508	3,025	4,386	5,419	5,442	5,743	9,739	9,919	8,707
Municipal Transportation Agency	4,387	4,805	5,403	6,466	7,631	8,193	8,594	8,249	7,758	6,353
Department of Public Health	2,058	983	1,319	1,878	2,842	3,125	3,470	4,837	5,228	5,723
San Francisco Unified School District	1,294	1,444	1,588	1,864	2,214	2,285	2,394	2,252	2,193	1,929
Port of San Francisco	1,229	1,369	1,563	1,971	1,941	1,983	2,294	2,236	2,061	1,639
San Francisco Public Library**	N/A	N/A	703	773	860	887	1,340	1,679	1,682	1,601
City-owned Parking Garages	1,618	1,689	1,780	1,876	1,910	1,924	1,960	1,857	1,524	1,368
Wholesale Customers										
CleanPowerSF	Data not available - CleanPowerSF launched in May 2016.				367	1,893	3,501	3,026	339	2,456
Western Systems Power Pool#	3,817	5,143	127 *	N/A	50	237	668	N/A	2,780	1
Modesto Irrigation District	2,718	2,283	1,879 *	2,666	6,345	8,003	2,422	N/A	N/A	N/A
Turlock Irrigation District	4,622	5,100	3,263 *	3,331	8,615	387	N/A	N/A	N/A	N/A

* Reflects reduced power generation and power available for sale.

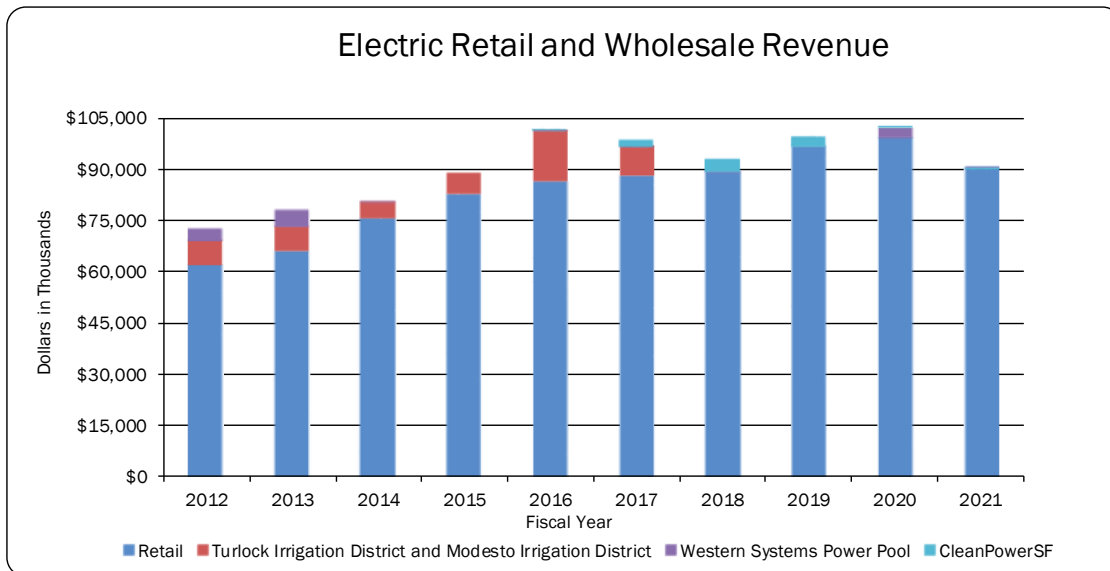
** Updated to reflect latest data.

WSPP includes only energy 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 Billing System and Customer To Meter Billing System.



Statistical Section

Operating Information Performance Measures Fiscal Year 2021

	Target	Projection	Actual
1. Reliable Service and Assets			
Number of dry weather main sewer overflows per 100 miles of main sewer	<3	2.8	1.6
Percent of in-city service connections without water for more than 4 hours due to an unplanned outage	0.10%	0.50%	0.12%
Percent of streetlight outages complying with 48-hour SFPUC response goal; complex streetlights evaluated	80.0%	100.0%	100.0%
System renewal and replacement rates for in-City water distribution mains	11.5 miles	11.5 miles	8.4 miles
System renewal and replacement rates for Wastewater pipelines	15miles/year 1.6%	13.2 miles	6.5 miles
2. Organizational Excellence			
Number of employees over the maximum permissible overtime threshold (25% of straight time)	0.0	0.0	9.0
3. Effective Workforce			
Number of promotions	129	114	61
Time to hire (days)	150	233	173
4. Financial Sustainability			
Average residential Power bill as a percent of median income in San Francisco	0.54%	0.65%	0.69%
Average residential Wastewater bill as a percent of median income in San Francisco	0.79%	0.80%	0.80%
Average residential Water bill as a percent of median income in San Francisco	0.66%	0.66%	0.66%
Operating cost coverage (total operational revenues/total operating costs) for Power	1.01	1.06	1.04
Operating cost coverage (total operational revenues/total operating costs) for Wastewater	1.93	1.27	1.23
Operating cost coverage (total operational revenues/total operating costs) for Water	1.91	1.92	1.92
Power debt service coverage - Indentured Coverage	1.35x	N/A	13.31
Wastewater debt service coverage - Indentured Coverage	1.35x	N/A	3.73
Water debt service coverage - Indentured Coverage	1.35x	N/A	1.88
5. Stakeholder and Community Interest			
Number of adults and children who have participated in transformative engagement through SFPUC sponsored education programs	4,000	4,600	5,353
Percent of eligible customers enrolled in California Alternate Rates for Energy (CARE) for CleanPowerSF Customers	90.0%	85%	86%
Percent of Eligible electric customers receiving low-income discount rate	75.0%	90.0%	99.0%
Percent of eligible households enrolled in Community Assistance Program (CAP)	4.32%	4.84%	4.84%
Percent of retail customers rating the SFPUC as "good" or better on a customer survey	90.0%	90.0%	90.0%
6. Environmental Stewardship			
Average water used by San Francisco residential customers (Gallons Per Capita Per Day - gpcd)	50.0	44.1	42.6
Gallons of stormwater removed annually from the combined sewer system by green infrastructure	89 million gallons	93 million gallons	96 million gallons
Percent of biogas going to beneficial uses - Oceanside Plant	N/A	Currently plant is in major upgrade and is scheduled to be completed in 2022	
Percent of biogas going to beneficial uses - Southeast Plant	40.0%	55.0%	47.0%
Percent of CleanPowerSF customer account retention rate	96.0%	95.0%	95.9%
Percent of water supplied by alternative sources to system as a whole	3.40%	3.30%	3.90%

Due to COVID-19, many normal data gathering and hiring procedures was limited or required changes. Therefore the Target, Projection and Actual data are presented the best that can be gathered or due to budget impact, projection numbers were reduced from original target numbers.

Source: Agency Strategic Plan



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: Lower Crystal Springs Dam Bridge
Back photo: Ocean Beach Climate Change Adaptation Project
Photo by: Robin Scheswohl

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