



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

November 2014

SFPUC Indirect Cost Study

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Patricia McGovern Engineers

INDIRECT COST STUDY

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1.0 OVERVIEW

The San Francisco Public Utilities Commission (SFPUC), a department of the City and County of San Francisco, provides retail potable water to San Francisco and wastewater services to San Francisco and three neighboring sanitary districts, wholesale water to three Bay Area counties and greenhouse gas free hydroelectric and solar power to San Francisco's municipal departments. These customers, which exceed two million, depend on the SFPUC to supply safe and dependable water and power services to conduct their daily lives and businesses.

Established in the 1930s, the Commission is overseen by a board of five Commissioners, who are nominated by the Mayor of San Francisco and confirmed by the San Francisco Board of Supervisors. The Mayor appoints a General Manager as the chief executive of the SFPUC and Assistant General Managers as division heads. The divisions consist of: Bureaus, which includes Office of the General Manager, Business Services, External Affairs, Infrastructure, Power Enterprise (Operated within Hetch Hetchy Water and Power), Water Enterprise, and Wastewater Enterprise.

The SFPUC's mission is to provide their customers with high quality, efficient and reliable water, power and sewer services in a manner inclusive of environmental and community interests and that sustains the resources entrusted to their care.

Resulting from the 2002 election, Proposition E established a Rate Fairness Board to advise the San Francisco Public Utilities Commission on water and sewer rate matters. It requires that an independent consultant be retained every five years to conduct a cost of service rate study. This study meets the five-year requirement.

2.0 PROJECT GUIDELINES

Carollo/PME JV was engaged by the SFPUC as part of a Water, Sewer, and Stormwater Rate Process, to review and update the existing Cost Allocation Plan methodology. A cost allocation plan is developed to allocate an agency's overhead from administrative functions, such as that of the Bureau, to operating functions such as the Water Enterprise. In developing the cost allocation plan, work was completed to identify, confirm, and update the indirect cost pools by choosing allocation factors that serve as the best basis for achieving an equitable and explainable distribution of costs. As SFPUC has an existing cost allocation plan, continued equity and feasibility of future updates are the overriding goals of these efforts to:

- Determine the most relevant level of functional detail with which to allocate departmental costs, working from a top-down approach.

- Identify the appropriate costs to include in the cost pools.
- Recommend workload measures that are readily available over time and provide an equitable, or at least reasonable, means for distributing costs.

This report reviews and updates the current methodology used by the SFPUC for Overhead, OMB A-87 Costs, Infrastructure Overhead Rates, and Enterprise Recovery Rates.

Overhead Costs Analyses are a crucial part of the SFPUC allocation process to accurately reflect the true level of service in each division. As part of this analysis, evaluations of the following costs were prepared:

- SFPUC Bureau Full Overhead Costs – Costs incurred by the SFPUC Bureaus are for the benefit of the Water Enterprise, Wastewater Enterprise, and Hetch Hetchy, including the Power Enterprises. Each expense category must be reviewed to determine the cost allocation method and the most accurate way to reflect the level of service the Bureau is providing to each Enterprise.
- Overhead Costs permitted by OMB A-87 – This analysis is developed from the Bureau Full Overhead Costs analysis. Under the Office of Management and Budget (OMB) Circular A-87, certain indirect cost categories are not allowable for reimbursement under Federal funded projects. These costs are removed from the Full Overhead Costs to determine the Overhead Costs permitted.
- Infrastructure Bureau Costs and Overhead Rate – Costs within the Infrastructure Bureau are specifically for capital projects, project management, and project support.
- Enterprise Recovery Rates are developed for government-reimbursable work under OMB A-87, and for custom work performed for individual SFPUC customers.

3.0 OVERHEAD COST ANALYSIS

3.1 Bureaus

The SFPUC Bureaus budget reflects costs incurred in support of Water, Wastewater, and Power Operations and Services. The revenues necessary to fund these expenditures include an overhead rate developed to properly allocate costs that are utilized by all departments of the SFPUC. This factor permits an acceptable distribution of indirect costs necessary for the general operation of the organization and the conduct of activities it performs.

Recouping these costs is essential to funding all aspects of water, sewer, and power services in the San Francisco area. The overhead rate facilitates this need and is vital to the business and appropriate cost recovery of the SFPUC. In 2009, the SFPUC, utilizing Raffelis Financial Consultants, developed a Cost Allocation Plan that identified the basis for

the allocation of costs. As discussed in the 2009 report, most Bureau sections also provide services to not only the Water, Wastewater, and Hetch Hetchy Water and Power Enterprises, but also provide services to other divisions within the Bureaus. In 2009, it was determined that utilizing an approach to quantify these inter-section and inter-division allocations was immaterial in the distribution of total costs from the Bureaus. As such, the most practical methodology is to make Bureau allocations directly to the Enterprises without going through additional intermediate layers of inter-section allocations. Although, Carollo did not confirm the immaterial nature, it is consistent with industry standards and is recommended that this approach continue to be employed in the allocation of costs.

Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. Typical examples of indirect costs include administrative operations, rent, utilities, telephone, motor vehicles, legal fees, finance charges, and maintenance. Although this list is not exhaustive, it does give an indication of the variety of activities needed to operate a large organization.

Fiscal Year 2012/13 Bureau and Enterprise budgets were the source documents used in developing overhead rates. These documents provide appropriate, reliable, and supportable expense details for use in preparing the allocation analysis. In conjunction with management, budgeted costs identified not relevant to the analysis were removed. These cost categories include Interdepartmental Recovery, Intrafund Transfers Out, and Appropriated/Unappropriated Revenues. All cost categories were discussed with the SFPUC staff to confirm all appropriate cost centers were included.

Bureau Costs that must be allocated among the Enterprise are provided in Table 1.

3.2 Bureau Costs Allocated to Enterprises

The Bureaus Budget consists of three main divisions: Office of General Manager, SFPUC Business Services, and External Affairs. These divisions are further defined by sections and units. For purposes of this analysis, the existing allocation method used for each section and unit was reviewed.

3.3 Office of the General Manager

The Office of the General Manager consists of two divisions; General Manager, which includes Security Services, and Real Estate Services.

- The General Manager division oversees the regional utility that delivers water, collects and treats wastewater and storm water, and provides hydroelectric and other renewable power resources. Although budget size is a viable basis to allocate overhead costs, full-time equivalent employees are often used by the City to distribute charges to the SFPUC. To be consistent with the method of allocation used by the

City for distribution of charges to the SFPUC, it is recommended that the Office of the General Manager also use this method to distribute costs to the Enterprises.

Table 1 Bureau Costs Allocated to Enterprises 2014 Indirect Cost Study San Francisco Public Utilities Commission	
	Fiscal 2012-13 Budget All Bureau Costs (Except Infrastructure)
<u>Office of the General Manager</u>	
General Manager	\$14,037,461
Real Estate Services	1,563,752
Total Office of General Manager	\$15,601,213
<u>PUC Business Services</u>	
Administration	\$5,642,393
Assurance and Internal Controls	781,782
Financial Services	
Accounting	6,527,606
Budgets and Financial Planning	3,255,042
Fleet Management	887,548
Subtotal	10,670,196
Information Technology Services	20,603,495
Human Resources	
Human Resources	7,760,582
Health and Safety	2,365,957
Subtotal	10,126,539
Customer Services	
Administration	620,823
Business Center	1,682,668
Customer Accounts	4,612,525
Field Services	3,718,209
Customer Contact	1,927,419
Subtotal	<u>12,561,644</u>
Total PUC Business Services	60,386,049
<u>Bureau of External Affairs</u>	
Communications	2,616,733
Governmental Affairs	1,636,559
Community Benefits	<u>905,680</u>
Total Bureau of External Affairs	<u>5,158,972</u>
Total Bureau Costs	\$81,146,234

- Real Estate Services - This division, under the Office of General Manager, is the asset manager for the income-producing properties of the SFPUC. The work of the Real Estate Services Division (RES) includes negotiating leases and licenses in conjunction with the City Attorney's Office: earning a commercial return on properties where practical; and assisting with the development of policies and procedures relating to property use and asset management. RES manages the financial and legal obligations of SFPUC tenants and licensees; it does not, however, perform traditional property management services, which the three enterprises perform.
- The 2009 Cost Allocation Plan explored five bases for Real Estate Services allocation methods:
 - Number of transactions
 - Dollar value of transactions
 - Appraised value
 - Acres of land
 - Full -Time Equivalent Employees

The first four methods may not be representative of the time and effort needed to complete a transaction. It is not uncommon for a "small" real estate transaction to be highly complex; while a large dollar transaction could be simpler to complete. Therefore, these methods would not accurately reflect support levels, and in some instances may be hard to obtain support documentation to implement. The 2009 Cost Allocation Plan report recommended a change in allocation basis from FTE's to an approach developed from the Internal Management Analysis. The internal management analysis relies on how RES staff divides its time among the Enterprise functions. The analysis is straightforward and provides a stronger relationship between costs and services provided. After discussions with management on division tasks and responsibilities, the Internal Management Analysis approach continues to be the recommended allocation method.

3.4 SFPUC Business Services

SFPUC Business Services is comprised of six divisions: Administration, Assurance & Internal Controls, Financial Services, Information Technology Services, Human Resources, and Customer Services. The diversity of these services does not allow for a single allocation basis, therefore, each division was reviewed independently to develop a customized allocation basis.

- Administration – Oversight of Business Services is budgeted under Administration. Division budgets and full-time equivalent employee methods were reviewed as potential allocation methods; however, based on the broad responsibilities of the division, these approaches were considered ill suited. The existing Administration allocation method is based on a proration of the results of all other Business Services

division allocations. Given the operational nature of the division, this is the most effective methodology to fairly distribute indirect costs.

- Assurance & Internal Controls supports the SFPUC Enterprise and Bureaus through management of the Governance Risk & Compliance (GRC) framework. Responsibilities include administrating risk assessments, advisement, and implementing processes by championing best practices for risk management, internal controls, accountability, compliance and completeness; with the objective to minimize inefficiencies, managing for positive outcomes, and advance achievement of strategic goals. There are four primary areas of service provided; Enterprise Risk Management, Governance/Assurance, Audit & Compliance, and Data Analysis/Forensics.
- Financial Services – Financial Services supports SFPUC Enterprises and Bureaus. Responsibilities include all accounting, financial planning, procurement, debt management, budgeting functions, and fleet management. Allocation methods typically used can be based on a number of transactions or FTE's, however neither of these methods are a fair representation of where labor hours are actually applied. The number of accounting transactions can be easily obtained, however the level of complexity and time to prepare individual transactions may not translate equitably. FTE's are also easily obtainable, but when compared to the current method is less accurate. Currently, a Salary Survey and Analysis is prepared by management to more accurately define an employee's effort. Table 2 summarizes the effect of the FTE's method versus the Salary Survey and Analysis method.

As demonstrated in Table 2, the Salary Survey & Analysis defines the staff time expended in support of other divisions in a more accurate manner. It is recommended that this analysis by management, prepared on an annual basis, continue to be the basis for cost allocations.

- Information Technology Services – Information Technology Services supports all technology, inclusive of internal-customer support, software management, development of new applications, hardware management, and equipment requirements/updates. The allocations could logically be based on number of computers, cost of computers, or number or cost of software licenses, all with similar results. However, the ability to track and analyze computer costs or software data is more difficult than using the number of computers. Therefore, the current method of using the number of computers by Enterprise is a fair and effective approach to distribute costs.

Table 2 Financial Services Allocation Method Comparison 2014 Indirect Cost Study San Francisco Public Utilities Commission					
Allocation Method	Water Enterprise	Wastewater Enterprise	Hetch Hetchy Water	Hetch Hetchy Power	Bureau (except Infrastructure)
Salary Survey & Analysis					
Accounting	40%	29%	11%	13%	7%
Budget & Financial Planning	45%	20%	9%	22%	5%
Full-time Equivalent Employees	37%	27%	11%	6%	19%
Cost Allocation Summary by Method	Water Enterprise	Wastewater Enterprise	Hetch Hetchy Water	Hetch Hetchy Power	Bureau (except Infrastructure)
Salary Survey & Analysis	\$4,075,846	\$2,527,704	\$981,660	\$1,597,319	\$603,374
Accounting	2,624,098	1,879,951	704,981	874,699	443,877
Budget & Financial Planning	1,451,749	647,753	276,679	722,619	159,497
Total Based on Salary Survey & Analysis	4,075,846	2,527,704	981,660	1,597,319	603,374
Full-time Equivalent Employees	3,619,580	2,641,315	1,076,091	586,959	1,858,703
Variance	\$456,267	\$(113,611)	\$(94,431)	\$1,010,360	\$(1,255,329)

- Human Resources – Human Resources is an essential division responsible for a full range of tasks relating to recruitment, new hire orientation, administration of personnel and payroll, employee relations, health & safety, and benefits management. These services direct relationship to staff levels validates the use of FTE's as the allocation basis over other options, such as number of transactions or budgeted salaries, both of which would be less correlated.
- Customer Service – Customer Service is responsible for all meter reading, billing, collections, and account maintenance. Customer Service is comprised of five sections, Administration, Business Center, Customer Accounts, Customer Contact Center, and Field Services. With the exception of Field Services, the functions of the Customer Service department have a direct correlation to the number of customer accounts. The 2009 report identified two other methods of allocations; Internal Survey and Call Center records. Using an Internal Survey tends to be more subjective, but as noted in the aforementioned 2009 report, produced allocations similar to the number of accounts methodology. It was also noted in the 2009 report, that the Call Center records do not produce the necessary data required to develop allocations. The use of the number of accounts as the allocation basis remains the most supportable method. Field Services relate only to water meters, therefore 100% is allocated to the Water Enterprise.

3.5 Bureau of External Affairs

The Bureau of External Affairs includes Communications, Government Affairs, and Community Benefits.

- Communications – The Communications Division oversees the SFPUC's education, media and outreach functions. Outreach programs include public awareness of capital improvement projects, media events, oversight of the publication of SFPUC printed documents, development and maintenance of the SFPUC website, and all other community outreach activities. Tasks done within this division can fluctuate substantially based on various issues which may arise. Allocation methods utilizing the number of transactions or number of employees would not take into account the diversity of tasks; therefore, based on conversations with Management, it is recommended that the Manager's Staff Analysis continue to be used as the basis for developing the Enterprise's allocation percentages. Doing so provides the most reasonable and freely available basis for allocating the division's costs.
- Government Affairs – Government Affairs oversees the SFPUC's legislation affairs and strategic planning functions. Staff maintains open communications with industry, special-interest groups, and other government entities at the local, State and Federal level. It is recommended that the FTE method in each division continue to be used for the allocation basis. This method is consistent with the method used for the Office of the General Manager, which also acts as an umbrella division for the Enterprises.

- Community Benefits – Community Benefits coordinates and implements SFPUC community benefits programs and policies, environmental justice and land use policies and jobs as well as work force and economic development policies. Priorities include developing effective processes that engage individual communities impacted by SFPUC programs, develop a community benefits and community engagement plan for the Southeast Community Center Facility, work with operations across the SFPUC to implement community engagement and benefit policies, and act as the SFPUC central point of contact for other City and County of San Francisco department’s community benefits program. Discussions were held with the Community Benefits Manager regarding staff time, departmental responsibilities, and allocation methods. This division benefits all service areas and is similar in scope as the Government Affairs division. Therefore, it is appropriate that the same allocation method as the Government Affairs division be used for Community Benefits. The Full Time Equivalent Employee’s method is recommended.

Table 4 reflects the resulting percentage allocations using the basis determined in Table 3.

For purposes of this analysis, expenditures were based on the Fiscal 2012-2013 Budget as presented and published in the GFOA report.

The results of the full-costs allocations to the Enterprises are provided in Table 5.

3.6 OMB Circular A-87

3.6.1 Federal Requirements

The Office of Budget and Management (OMB) provides a central location of rules and regulations to be utilized by individuals and other entities applying for federal grants and other types of federal funding. Circulars define critical terms as well as outline in detail the restrictions and boundaries imposed on grantees and other solicitors of financing.

OMB Circular A-87 establishes principles and standards to provide a uniform approach for determining costs and to promote effective program delivery, efficiency and better relationships between governmental units and the Federal government. These Federal principles are for determining allowable costs only and will be applied to all grants, cost reimbursement contracts and other agreements with state and local governments. Federal audits and field reviews will utilize this Circular as the foundation for verifying allowable costs used in the financing process.

OMB A-87 is important to the SFPUC analysis because it dictates the parameters that must be followed in excluding costs deemed unallowable by the federal government. Additionally, the Circular provides guidelines for allocating the indirect costs still deemed allowable for reimbursement. OMB A-87 guidelines and cost allocation results are both discussed in the following sections.

Table 3 Bureaus Cost Allocation Basis 2014 Indirect Cost Study San Francisco Public Utilities Commission							
Allocation Basis		Enterprise Fund Allocation Data				Bureaus	Totals
		Water Enterprise	Wastewater Enterprise	Hetch Hetchy Water	Hetch Hetchy Power	All Except Infrastructure	
<u>Office of the General Manager</u>							
General Manager	Budgeted FTE employee count.	738.5	536.6	209.7	111.8	380.3	1,976.91
Real Estate Bureau	Manager's staff analysis	90.0%	9.5%	0.0%	0.5%		100.0%
<u>PUC Business Services</u>							
Administration	Pro-rated based on the cost allocation results of all other PUC Business Services	48.0%	26.7%	7.0%	6.2%	12.2%	100%
Assurance & Internal Control	Pro-rated based on the cost allocation results of all other PUC Business Services	48.0%	26.7%	7.0%	6.2%	12.2%	
Financial Services							
Accounting	Financial Services Salary Survey & Analysis	40.2%	28.8%	10.8%	13.4%	6.8%	100%
Budgets & Financial Planning	Financial Services Salary Survey & Analysis	44.6%	19.9%	8.5%	22.2%	4.9%	100%
Fleet Management	Financial Services Salary Survey & Analysis	40.2%	28.8%	10.8%	13.4%	6.8%	100%
Information Technology Services							
ITS Administration	Number of Computers	633	421	116	95	478	1,743.00
ITS Technical Support	Budgeted FTE employee count.	738.5	536.6	209.7	111.8	380.3	1,976.91
SCADA (water only)	Direct Assigned to the Water Enterprise	100%					100%
Human Resources							
Human Resources	Budgeted FTE employee count.	738.5	536.62	209.7	111.77	380.32	1,976.91
Health & Safety	Budgeted FTE employee count.	738.5	536.62	209.7	111.77	380.32	1,976.91

Table 3 Bureaus Cost Allocation Basis 2014 Indirect Cost Study San Francisco Public Utilities Commission							
Allocation Basis		Enterprise Fund Allocation Data				Bureaus	Totals
		Water Enterprise	Wastewater Enterprise	Hetch Hetchy Water	Hetch Hetchy Power	All Except Infrastructure	
Customer Services							
Administration	Number of Accounts	173,763	163,478		2,201		339,442
Business Center	Number of Accounts	173,763	163,478		2,201		339,442
Customer Accounts	Number of Accounts	173,763	163,478		2,201		339,442
Field Services	Direct assigned to water	100%					100%
Customer Contact	Number of Accounts	173,763	163,478		2,201		339,442
<u>Bureau of External Affairs</u>							
Communications	Manager's staff analysis	35%	45%	0%	20%		100%
Governmental Affairs	Budgeted FTE employee count.	738.5	536.62	209.7	111.77	380.32	1,976.91
Community Benefits	Budgeted FTE employee count.	738.5	536.62	209.7	111.77	380.32	1,976.91

**Table 4 Enterprise Fund Allocation Percentages
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	Enterprise Fund Allocation Percentages				Bureaus ⁽¹⁾
	Water Enterprise	Wastewater Enterprise	Hetch Hetchy Water	Hetch Hetchy Power	
<u>Office of the General Manager</u>					
General Manager	37%	27%	11%	6%	19%
Real Estate Services	90%	9%	0%	1%	0%
<u>PUC Business Services</u>					
Administration	48%	27%	7%	6%	12%
Assurance & Internal Controls	48%	27%	7%	6%	12%
Financial Services					
Accounting	40%	29%	11%	13%	7%
Budgets	45%	20%	8%	22%	5%
Fleet Management	40%	29%	11%	13%	7%
Information Technology Services					
ITS Administration	36%	24%	7%	5%	28%
Human Resources					
Human Resources	37%	27%	11%	6%	19%
Health & Safety	37%	27%	11%	6%	19%
Customer Services					
Administration	51%	48%	-	1%	-
Business Center	51%	48%	-	1%	-
Customer Accounts	51%	48%	-	1%	-
Field Services	100%	-	-	-	-
Customer Contact	51%	48%	-	1%	-
<u>Bureau of External Affairs</u>					
Communications	35%	45%	-	20%	-
Governmental Affairs	37%	27%	11%	6%	19%
Community Benefits	37%	27%	11%	6%	19%

Note:
 (1) Allocations to Bureaus are shown for informational purposes only. Final allocations to the Enterprises do not perform internal Bureau allocations because such assumptions would require a multilevel allocation approach and would little improve the final results.

3.6.2 Allowable Costs

The circular also provides general criteria affecting the allowance of costs. As described within the OMB A-87 guidelines, to be allowable under Federal awards, costs must meet the following general criteria:

- Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
- Be allocable to Federal awards under the provisions of the Circular.
- Be authorized or not prohibited under state or local laws or regulations.
- Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
- Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
- Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- Except as otherwise provided for in the Circular, be determined in accordance with generally accepted accounting principles.
- Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
- Be the net of all applicable credits.
- Be adequately documented.

Table 5 SFPUC Bureau Costs Allocation Results (Full Costs) 2014 Indirect Cost Study San Francisco Public Utilities Commission							
		Fiscal 2012-13 Budget All Bureau Costs (except Infrastructure)	Enterprise Allocation Results				
			Water Enterprise	Wastewater Enterprise	Hetch Hetchy Water	Hetch Hetchy Power	Bureaus⁽¹⁾
<u>Office of the General Manager</u>							
	General Manager	\$14,037,461	\$5,243,873	\$3,810,382	\$1,489,019	\$793,646	\$2,700,541
	Real Estate Services	1,563,752	1,407,377	148,556	-	7,819	-
	Total Office of General Manager	15,601,213	6,651,250	3,958,938	1,489,019	801,465	2,700,541
<u>PUC Business Services</u>							
	Administration	5,642,393	2,711,092	1,504,550	392,581	347,809	686,362
	Assurance & Internal Controls	781,782	375,635	208,463	54,394	48,191	95,099
	Financial Services						
	Accounting	6,527,606	2,624,969	1,877,319	705,756	876,781	442,781
	Budgets & Financial Planning	3,255,042	1,451,921	646,669	275,774	721,410	159,269
	Fleet Management	887,548	356,913	255,256	95,961	119,214	60,204.22
	Subtotal	10,670,196	4,433,803	2,779,243	1,077,491	1,717,405	662,254
	Information Technology Services	20,603,495	7,482,509	4,976,518	1,371,202	1,122,967	5,650,299
	Human Resources						
	Human Resources	7,760,582	2,899,065	2,106,562	823,201	438,766	1,492,989
	Health & Safety	2,365,957	883,833	642,224	250,968	133,766	455,165
	Subtotal	10,126,539	3,782,898	2,748,786	1,074,169	572,532	1,948,154
	Customer Services						
	Administration	620,823	317,804	298,993	-	4,025.52	-
	Business Center	1,682,668	861,371	810,386	-	10,910.71	-
	Customer Accounts	4,612,525	2,361,187	2,221,429	-	29,908	-
	Field Services	3,718,209	3,718,209	-	-	-	-
	Customer Contact	1,927,419	986,661	928,261	-	12,498	-

Table 5 SFPUC Bureau Costs Allocation Results (Full Costs) 2014 Indirect Cost Study San Francisco Public Utilities Commission							
		Fiscal 2012-13 Budget All Bureau Costs (except Infrastructure)	Enterprise Allocation Results				
			Water Enterprise	Wastewater Enterprise	Hetch Hetchy Water	Hetch Hetchy Power	Bureaus⁽¹⁾
	Subtotal	12,561,644	8,245,232	4,259,069	-	57,342	-
	Total PUC11 Business Services	60,386,049	27,031,169	16,476,631	3,969,836	3,866,246	9,042,168
<u>Bureau of External Affairs</u>							
	Communications	2,616,733	915,857	1,177,530	-	523,347	-
	Governmental Affairs	1,636,559	611,358	444,234	173,597	92,527	314,843
	Community Benefits	905,680	338,328	245,841	96,070	51,205	174,236
	Total PUC12 Bureau of External Affairs	5,158,972	1,865,542	1,867,605	269,667	667,079	489,079
Total Bureau Costs		\$81,146,234	\$35,547,961	\$22,303,174	\$5,728,522	\$5,334,790	\$ 12,231,788
			43.81%	27.49%	7.06%	6.57%	15.07%

Circular OMB A-87 also provides principles to be applied in establishing the allowable or unallowable costs of certain items. There are 43 cost categories identified within Circular OMB A-87 that are not allowed. Discussions with the SFPUC identified costs within three of the categories that are not allowed costs under OMB A-87; Entertainment, Equipment and Other Capital Expenditures (including Debt Service), and Lobbying. As described by Table 6, unallowable costs detail has been reviewed and is compliant to the restrictions as outlined in OMB A-87.

Table 6	Unallowable Costs Under OMB A-87			
	2014 Indirect Cost Study			
	San Francisco Public Utilities Commission			
	Unallowable Costs			
	Entertainment	Equipment and Other Capital Expenditures	Debt Service	Lobbying
SFPUC Bureaus	\$15,000	\$1,856,455	-	\$671,053
Infrastructure Bureau	15,000	84,784	-	-
Water Enterprise	-	1,991,977	173,605,892	-
Wastewater Enterprise	850	1,319,167	56,509,466	-
Hetch Hetchy Power Enterprise	-	66,550	1,906,912	-
Hetch Hetchy Water Enterprise	-	644,274	-	-
Total Unallowed Costs	\$30,850	\$5,963,207	\$232,022,270	\$671,053

3.6.3 Entertainment

Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable.

The SFPUC Bureaus budget has budgeted \$20,000 for promotional items for giveaways during festivals, conferences, and street affairs in an effort to increase the SFPUC's visibility in the community, as well as \$10,000 to fund a College Student Recruitment Program for entry-level engineering positions. The Wastewater budget of \$850 covers costs of speakers for the for the Southeast Community Facilities functions.

3.6.4 Equipment and Other Capital expenditures

The following rules pertaining to equipment and other capital expenditures are used to determine if costs are allowed:

- Capital expenditures for general-purpose equipment, buildings, and land are unallowable as direct charges, except where approved in advance by the awarding agency.

- Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior approval of the awarding agency.
- Capital expenditures for improvements to land, buildings, or equipment that materially increase their value or useful life are unallowable as a direct cost except with the prior approval of the awarding agency.
- Equipment and other capital expenditures are unallowable as indirect costs. To be allowable under OMB A-87, capital costs must be captured under either a depreciation allowance or a use allowance, and cannot use Debt Service as a substitute.

Unallowable under OMB A-87 are acquisition costs for capital assets such as equipment, buildings, and land. Also not allowed are expenditures for capital improvements made to assets that materially increase their value or useful life.

As highlighted above, in order to be allowable under OMB A-87, capital costs must be captured under either a depreciation allowance or a use allowance. Based on the 2009 report, SFPUC management indicated that neither of these approaches would be appropriate due to how capital costs are accounted for in the budget and the level of effort that would be required to generate suitable depreciation allowance schedules for OMB A-87. Accordingly, SFPUC debt service costs as well as direct acquisition expenditures are disallowed in the analysis.

3.6.5 Lobbying

Lobbying costs include the cost of certain influencing activities associated with obtaining grants, contracts, cooperative agreements, or loans are unallowable. Costs incurred in an attempt to improperly influence, directly or indirectly, an employee or officer of the Executive Branch of the Federal Government or to give consideration or to act regarding a sponsored agreement or a regulatory matter are unallowable. Improper influence means any influence that induces or tends to induce a Federal employee or officer to give consideration or to act regarding a federally sponsored agreement or regulatory matter on any basis other than the merits of the matter. In general, all lobbying costs are unallowed.

The SFPUC budget includes \$671,053 for lobbying expenses that are to be unallowed. Included in the budget for lobbying expenses are \$442,400 for consultant contracts for legislative representation and advocacy services, \$226,537 representing SFPUC's contribution to the City's legislative support, and \$2,116 for miscellaneous travel expenses. All SFPUC lobbying costs have been excluded.

The following Table 7 details costs included in the SFPUC that are not allowed under OMB A-87. Table 7 was produced by the SFPUC.

3.7 OMB A-87 Allocation Results

Based on our independent review, the allocation results are in compliance with OMB A-87 guidelines. Roughly, \$2.5 million in costs were deemed unallowable reducing the total Bureau costs from \$81.1 million to \$78.6. Table 8 reflects the SFPUC Bureau cost allocation results net of unallowable costs based on OMB A-87.

3.8 Infrastructure Division

The on-going responsibility of the Infrastructure Division is the maintenance and continued development and construction of the capital functions of the SFPUC. The Infrastructure Division records costs in two separate funds: Personnel Fund and Operating Fund. The Personnel Fund includes all labor, paid time off, benefits, and other labor-related costs. Infrastructure staff record time through a project cost system allowing for the direct allocation of time performed on projects. This effort defines the Direct Labor costs that will be used to develop the Infrastructure Overhead rate. The Operating Fund includes all non-labor costs. These costs are considered indirect costs. For purposes of this report, Fiscal Year 2012/2013 unaudited actual expenses were used to develop the overhead rate. This methodology and calculated overhead rate enables the Infrastructure fund to recover indirect costs.

The overhead rate is calculated from Personnel Fund Salaries and Mandatory Fringe Benefits, Direct Labor with Mandatory Fringe Benefits, and Operating Fund costs. As shown in Exhibit 9, once the direct charges and associated mandatory fringe benefits are extracted from the overall Personnel costs, the remaining personnel costs reflect indirect charges to be allocated. The calculated indirect labor is added to the Operating Fund costs. The Infrastructure Overhead Rate is the result of dividing the Total Indirect Costs by Direct Labor $((\text{Indirect Labor} + \text{Operating Fund}) / \text{Direct Labor})$.

Table 7 Unallowable Equipment and Other Capital Under OMB A-87 2014 Indirect Cost Study San Francisco Public Utilities Commission		
	Amount	Description
SFPUC Bureaus		
Equipment Purchase - Finance	\$42,862	Two hybrid vehicles to replace two existing gas vehicles.
Equipment Purchase - IT	1,806,093	Equipment for ITS's operations, including blade servers, switches, storage, and vehicles.
Equipment Purchase	7,500	Replacement industrial sampler hygiene kit, to collect air samples for asbestos, lead, and other hazardous substances, to determine employee exposure compliance with Cal/OSHA regulations.
Total SFPUC Bureaus	\$1,856,455	
Infrastructure Bureau		
Equipment Purchase	\$74,284	Three replacement vehicles.
Equipment Purchase	10,500	Plotter printer for printing/plotting contract drawing documents and for copying contract drawing documents.
Total Infrastructure Bureau	\$84,784	
Water Enterprise		
City Distribution	\$861,149	Various equipment to support operations.
Water Quality	338,499	Various equipment to support operations.
Water Supply	585,773	Various equipment to support operations.
Natural Resources	171,556	Various equipment to support operations.
Water Resources	35,000	Various equipment to support operations.
Total Water Enterprise	\$1,991,977	
Wastewater Enterprise		
Equipment Purchase	\$467,436	Equipment for Wastewater Maintenance, including an industrial rider sweeper, vehicles, and trash pumps.
Equipment Purchase	72,800	Equipment for Wastewater Operations, including electric carts.
Equipment Purchase	467,187	Equipment for Sewer Operations, including a diesel-power generator, mini cams, tilt cameras, a trash pump, a replacement vehicle, and a hot water pressure washer.
Equipment Purchase	170,292	Equipment for the Bureau of Environment and Regulatory Management (BERM), including vehicles, pumps, a hot water pressure washer, hydrogen sulfide analyzer, and FloDar sensor.
Equipment Purchase	141,452	Equipment for Wastewater Labs, including a spectrometer, centrifuge, rotary evaporator, and microwave tunnel digestion system.
Total Wastewater Enterprise	\$1,319,167	
Hetch Hetchy		
Hetch Hetchy Power	\$66,550	Funds equipment required to maintain, repair, and replace streetlights.
Hetch Hetchy Water	644,274	Funds equipment required to efficiently and effectively operate and maintain the overall system consisting of dams, reservoirs, water and power transmission line, and generation facilities.
Total Hetch Hetchy	\$710,824	
Total Unallowable Equipment	\$5,963,207	

Table 8 Allocations Among Bureaus and Enterprise: Full Cost (Less Adjustments for OMB A-87) 2014 Indirect Cost Study San Francisco Public Utilities Commission						
		OMB A-87 Allowable Bureau Costs (except Infrastructure)	Bureau Allocations to Enterprise Funds			
			Water Enterprises	Wastewater Enterprises	Hetch Hetchy Water	Hetch Hetchy Power
Office of the General Manager						
	General Manager	\$13,810,924	\$6,388,220	\$4,641,904	\$1,813,960	\$966,840
	Real Estate Services	1,563,752	1,407,377	148,556	-	7,819
	Total Office of General Manager	15,374,676	7,795,596	4,790,461	1,813,960	974,659
PUC Business Services						
	Administration	5,642,393	3,086,551	1,712,916	446,949	395,977
	Assurance & Internal Controls	781,782	427,657	237,333	61,927	54,864.61
	Financial Services					
	Accounting	6,484,744	2,797,492	2,000,703	752,141	934,407
	Budgets & Financial Planning	3,255,042	1,526,618	679,938	289,961	758,524
	Fleet Management	887,548	382,885	273,830	102,943	127,890
		10,627,334	4,706,996	2,954,472	1,145,046	1,820,820
	Information Technology Systems	18,797,402	9,622,536	9,052,980	-	121,886
	Human Resources					
	Human Resources	7,760,582	3,589,644	2,608,361	1,019,294	543,283
	Health & Safety	2,358,457	1,090,900	792,686	309,765	165,105
		10,119,039	4,680,544	3,401,048	1,329,059	708,388
	Customer Services					
	Administration	620,823	317,804	298,993	-	4,026
	Business Center	1,682,668	861,371	810,386	-	10,911
	Customer Accounts	4,612,525	2,361,187	2,221,429	-	29,908
	Field Services	3,718,209	3,718,209	-	-	0
	Customer Contact	1,927,419	986,661	928,261	-	12,498
		12,561,644	8,245,232	4,259,069	-	57,342
	Total PUC11 Business Services	58,529,594	30,769,517	21,617,818.01	2,982,982	3,159,278
Bureau of External Affairs						
	Communications	2,601,733	910,607	1,170,780	-	520,347
	Governmental Affairs	1,192,043	551,377	400,650	156,566	83,450
	Community Benefits	905,680	418,921	304,403	118,954	63,403
	Total PUC12 External Affairs	4,699,456	1,880,905	1,875,833	275,520	667,199
	Total Allocations	\$78,603,726	\$40,446,018	\$28,284,111	\$5,072,462	\$4,801,135

Methodology used to develop the Infrastructure Overhead rate is consistent with acceptable overhead rate calculations. Costs are reasonable, obtainable, and supportable, therefore it is recommended that the SFPUC continue to utilize the method as demonstrated in Table 9.

Table 9 Infrastructure Overhead Rate 2014 Indirect Cost Study San Francisco Public Utilities Commission		
Infrastructure Overhead Rate Calculation Based on FY 2012/13 Unaudited Actual		
Personnel Fund Salaries (Char 001) + MFB	\$48,049,908	
Less: Salary Direct Charges	19,204,015	
Mandatory Fringe Benefits	6,647,152	
Net Indirect Labor Costs	22,198,740	
Add: Operating Fund	21,665,219	
Add: Carry forward from previous period	-	
Total Project Overhead to Recover	\$43,863,959	
	Salary Direct Charges	Benefits
Divide by:	\$19,204,015	\$6,647,152
Overhead Rates	2.284	0.346

3.9 Enterprise Cost Recovery Rates

Enterprise Rates for Individual Customers

As stated in the SFPUC Rate Schedules:

Any request for field visits outside normal operating hours, troubleshooting problems not caused by SFPUC equipment or service, meter testing or repairs or any other customer-requested service not covered elsewhere in the Schedule of Charges or any rate schedule, will be billed to the customer at the SFPUC actual cost, at the discretion of the General Manager. Such charges may include, but are not limited to, labor, materials, vehicles, administration, overhead, etc.

The requests for services are scheduled in the MAXIMO work order system, which also captures labor cost associated with each job. Once a job is completed, IT prepares a report that collects the data from the work order system, utilizes the recovery rate and creates the overhead cost to be included in the customer billing. As the data relating to vehicles and equipment, in addition to all administrative and overhead cost categories is not captured in the job cost system, it is appropriate for the SFPUC to utilize the PUC administrative Services budget in development of the corresponding recovery rate.

An optional billing or cost recovery approach would consist of creating billing rates for vehicles and equipment that would capture full incremental costs. For example, an hourly rate for a vehicle could be calculated to include all maintenance, gas, insurances, etc. The same would apply for any equipment. Billings would be standardized based on hourly rates of equipment. As these costs would no longer be encompassed in the existing overhead rate, the labor costs would decrease by a corresponding amount. However, this method would take considerable time and effort to identify all costs associated with the vehicles and equipment, calculate the billing rates, and verify the appropriateness of the system. Further, it is likely the overall results would be similar to the current method. Additionally the varied request for services may not lend itself to such a rigid standardized system.

The current method in which total Bureau Costs are divided by total Salaries, excluding mandatory Fringe Benefits is the most efficient method and is recommended for developing the Enterprise Recovery Rate.

Table 10 Enterprise Recovery Rate 2014 Indirect Cost Study San Francisco Public Utilities Commission					
Board Adopted	Water	Wastewater	Hetch Hetchy Water	Hetch Hetchy Power	Total
Eligible Indirect Costs					
Bureaus	\$43,014,870	\$24,888,031	\$7,571,612	\$5,870,129	\$81,344,642
Indirect Cost Activity Base					
Total Salaries	\$55,243,611	\$42,006,086	\$17,107,706	\$7,248,443	\$121,605,846
Total Cost Recovery Rate	0.78	0.59	0.44	0.81	.67

3.10 Enterprise Recovery Rate for Government OMB A-87 Reimbursements

When applying overhead rates on projects that are being reimbursed through either federal or state programs, the rate cannot include any costs that have been excluded by OMB A-87. Rates are calculated using the Enterprise budgets adjusted for OMB A-87 unallowable costs, Interdepartmental Recovery, and Intrafund Transfers. The net costs are then divided by Total Salaries and Benefits resulting in the final cost recovery rate.

Table 11 presents the calculation for the OMB A-87 Enterprise Cost Recovery Rate.

Table 11 OMB A-87 Enterprise Cost Recovery Rates 2014 Indirect Cost Study San Francisco Public Utilities Commission				
	Water	Wastewater	Hetch Hetchy Water	Hetch Hetchy Power
FY 2012-13 Enterprise Budgets	\$342,926,251	\$233,815,756	\$56,884,094	\$37,598,290
Adjusted for:				
Interdepartmental Recovery & Intrafund Transfers	4,054,078	(33,467,853)	31,000	-
Costs Unallowed under OMB A-87	(175,597,869)	(57,829,483)	(644,274)	(1,973,462)
Net Costs for Ratio Calculations	\$171,382,460	\$142,518,420	\$56,270,820	\$35,624,828
Activity Base:				
Total Salaries	\$54,844,548	\$42,209,882	\$17,533,506	\$7,330,962
Total Benefits	25,100,624	18,956,246	6,593,389	4,520,722
Total Base	\$79,945,172	\$61,166,128	\$24,126,895	\$11,851,684
Cost Recovery Ratio	2.14	2.33	2.33	3.01
Cost Ratio based on salaries only	3.12	3.38	3.21	4.86

3.11 Overhead Rate Survey

As part of the Enterprise overhead rate analysis, a survey was done of overhead rates charged by other major utilities for custom utility work. The results of this survey are presented in Table 12.

Table 12 Overhead Rate Survey 2014 Indirect Cost Study San Francisco Public Utilities Commission		
Agency	Indirect Rate Factor	Population (2013 estimate)⁵
City of Long Beach Dept. of Public Works ¹	149.63%	469,428
City of Los Angeles Dept. of Public Works ¹	138.46%	3,884,307
City of Oakland Dept. of Engineering and Construction ¹	153.56%	406,253
City of Sacramento Dept. of Utilities ¹	164.46%	479,686
City of San Diego Dept. of Engineering and Capital Projects ¹	164.61%	1,355,896
City and County of San Francisco Dept. of Public Works ¹	168.31%	837,442
City of San Jose Dept. of Public Works ¹	197.11%	998,537
City of San Antonio ²	126.00%	1,409,019
City of Brentwood ⁴	114.54%	55,000
Average	152.96%	1,099,508
Source		Page
1 http://eng.lacity.org/techdocs/cabm/Benchmarking_report_2013.pdf		p. C-1
2 https://www.sanantonio.gov/Portals/0/Files/CityAuditor/Reports/FY2014/AU13-002.pdf		p. 3
3 http://www.fresno.gov/NR/rdonlyres/03B978B7-AD3F-4722-9F58-C3B697AAC42F/16127/webPublicWorksCapitalProjectsProcessesOverheadRate.pdf		p.7
4 http://www.brentwoodca.gov/civicax/filebank/blobdload.aspx?BlobID=24068		p. 3
5 http://www.census.gov/en.html		--

When comparing anything across such disparate agencies or functions, it is important to keep in mind that beyond their obvious differences (salaries, system complexity, etc.), each utility may have different definitions of "overhead". Additionally, there is signification variation in the conceptual approaches used amongst utilities. This is illustrated by the SFPUC rate shown in Table 10 versus those calculated in Table 9.

So even though a comparison of overhead rates among utilities does provide an added sense of perspective, care should be taken in trying to make direct comparisons between the different rates. Overall, the surveyed rates are not out of line with SFPUC's updated Enterprise Cost recovery rates.

3.12 Schedules

Schedule 1	Allocations Among Bureaus and Enterprises: OMB A-87 Allowed costs
Schedule 2	Enterprise Allocation Percentages: OMB A-87 Allowed Costs
Schedule 3	Bureau Allocations to Enterprises: OMB A-87 Allowed Costs
Schedule 4	Bureau OMB A-87 Allocations to Enterprises: Percentage Results
Schedule 5	Enterprise Overhead Ratios: OMB A-87 Allowed Costs
Schedule 6	Allocations Among Bureaus and Enterprise: Full Cost (Less Adjustments)
Schedule 7	Enterprise Allocation Percentages: Full Cost (Less Adjustments)
Schedule 8	Bureau Allocations to Enterprises: Full Cost (Less Adjustments)
Schedule 9	Bureau Full Cost Allocation to Enterprises: Percentages Results
Schedule 10	Infrastructure Overhead Rate: OMB A-87 Allowed Costs
Schedule 11	Bureau Budgets and Adjustments
Schedule 12	Bureau Costs Unallowable under OMB A-87
Schedule 13	Enterprise Budgets and Adjustments
Schedule 14	Enterprise Costs Unallowable under OMB A-87
Schedule 15	Allocation Bases: Bureaus and Enterprises
Schedule 16	Allocation Percentages: Bureaus and Enterprises

**Schedule 1 Allocations Among Bureaus and Enterprises: OMB A-87 Allowed Costs
2014 Indirect Cost Study
San Francisco Public Utilities Commission**

	OMB A-87 Allowable Bureau Costs FY 2013	Enterprise Fund Allocation Results				Bureaus ⁽¹⁾
		Water Enterprise	Wastewater Enterprise	Hetch Hetchy Water	Hetch Hetchy Power	
Office of the General Manager						
General Manager	\$13,810,924	\$5,159,247	\$3,748,890	\$1,464,989	\$780,838	\$ 2,656,960
Real Estate Services	1,563,752	1,407,377	148,556	-	7,818.76	\$ -
Total Office of General Manager	15,374,676	6,566,624	3,897,446	1,464,989	788,657	2,656,960
PUC Business Services						
Administration	5,642,393	2,711,092	1,504,550	392,581	347,809	686,362
Assurance & Internal Controls	781,782	375,635	208,463	54,394	48,191	95,099
Financial Services						
Accounting	6,484,744	2,607,733	1,864,992	701,122	871,024	439,874
Budgets	3,255,042	1,451,921	646,669	275,774	721,410	159,269
Fleet Management	887,548	356,913	255,256	95,961	119,214	60,204
Subtotal	10,627,334	4,416,567	2,766,916	1,072,856	1,711,648	659,347
Information Technology Services						
ITS Admin	18,797,402	6,826,595	4,540,279	1,251,003	1,024,529	5,154,996
Human Resources						
Human Resources	7,760,582	2,899,065	2,106,562	823,201	438,766	1,492,989
Health & Safety	2,358,457	881,032	640,189	250,172	133,342	453,722
Subtotal	10,119,039	3,780,096	2,746,751	1,073,373	572,107	1,946,711
Customer Services						
Administration	620,823	317,804	298,993	0	4,026	0
Business Center	1,682,668	861,371	810,386	0	10,911	0
Customer Accounts	4,612,525	2,361,187	2,221,429	0	29,908	0
Field Services	3,718,209	3,718,209	0	0	0	0
Customer Contact	1,927,419	986,661	928,261	0	12,498	0
Subtotal	12,561,644	8,245,232	4,259,069	0	57,342	0
Total PUC11 Business Services	58,529,594	26,355,217	16,026,029	3,844,208	3,761,626	8,542,515
Bureau of External Affairs						
Communications	2,601,733	910,607	1,170,780	-	520,347	-
Governmental Affairs	1,192,043	445,303	323,573	126,446	67,395	229,326
Community Benefits	905,680	338,328	245,841	96,070	51,205	174,236
Total PUC12 External Affairs	4,699,456	1,694,238	1,740,194	222,515	638,947	403,562
Total Bureau Budgets	\$78,603,726	\$34,616,079	\$21,663,669	\$5,531,711	\$5,189,230	\$11,603,037
(Other Than Infrastructure)	<i>Percent of Total</i>	44.0%	27.6%	7.0%	6.6%	14.8%
Note:						
(1) Allocations between Bureau sections are shown for informational purposes only. Final allocations to the Enterprises do not perform internal Bureau allocations because such assumptions would require a multilevel allocation approach adding little accuracy to the final results. These costs do not include the Infrastructure Division, which is handled in a separate analysis.						

Schedule 2 Enterprise Allocation Percentages: OMB A-87 Allowed Costs 2014 Indirect Cost Study San Francisco Public Utilities Commission				
	Bureau Allocations to Enterprise Funds			
	Water Enterprises	Wastewater Enterprises	Hetch Hetchy Water	Hetch Hetchy Power
Office of the General Manager				
General Manager	46.3%	33.6%	13.1%	7.0%
Real Estate Services	90.0%	9.5%	-	0.5%
<i>Office of General Manager Avg</i>	<i>51.6%</i>	<i>30.6%</i>	<i>11.5%</i>	<i>6.2%</i>
PUC Business Services				
Administration	54.7%	30.4%	7.9%	7.0%
Assurance & Internal Controls	54.7%	30.4%	7.9%	7.0%
Financial Services				
Accounting	43.1%	30.9%	11.6%	14.4%
Budgets & Financial Planning	46.9%	20.9%	8.9%	23.3%
Fleet Management	43.1%	30.9%	11.6%	14.4%
<i>Financial Services Avg</i>	<i>44.3%</i>	<i>27.8%</i>	<i>10.8%</i>	<i>17.2%</i>
ITS - Administration	50.0%	33.3%	9.2%	7.5%
Human Resources				
Human Resources	46.3%	33.6%	13.1%	7.0%
Health & Safety	46.3%	33.6%	13.1%	7.0%
<i>Human Resources Avg</i>	<i>46.3%</i>	<i>33.6%</i>	<i>13.1%</i>	<i>7.0%</i>
Customer Services				
Administration	51.2%	48.2%	-	0.6%
Business Center	51.2%	48.2%	-	0.6%
Customer Accounts	51.2%	48.2%	-	0.6%
Field Services	100.0%	-	-	-
Customer Contact	51.2%	48.2%	-	0.6%
<i>Customer Services Avg</i>	<i>65.6%</i>	<i>33.9%</i>	<i>-</i>	<i>0.5%</i>
PUC11 Business Services Avg	52.7%	32.1%	7.7%	7.5%
Bureau of External Affairs				
Communications	35.0%	45.0%	-	20.0%
Governmental Affairs	46.3%	33.6%	13.1%	7.0%
Community Benefits	46.3%	33.6%	13.1%	7.0%
PUC12 External Affairs Avg	39.4%	40.5%	5.2%	14.9%

Schedule 3 Bureau Allocation to Enterprises: OMB A-87 Allowed Costs 2014 Indirect Cost Study San Francisco Public Utilities Commission						
	OMB A-87 Allowable Bureau Costs	Bureau Allocations to Enterprise Funds				Total Allocated
		Water Enterprises	Wastewater Enterprises	Hetch Hetchy Water	Hetch Hetchy Power	
Office of the General Manager						
General Manager	\$13,810,924	\$6,388,220	\$4,641,904	\$1,813,960	\$966,840	\$13,810,924
Real Estate Services	1,563,752	1,407,377	148,556	-	7,819	1,563,752
Total Office of General Manager	15,374,676	7,795,596	4,790,461	1,813,960	974,659	15,374,676
PUC Business Services						
Administration	5,642,393	3,086,551	1,712,916	446,949	395,977	5,642,393
Assurance & Internal Controls	781,782	427,657	237,333	61,927	54,864.61	781,782
Financial Services						
Accounting	6,484,744	2,797,492	2,000,703	752,141	934,407	6,484,744
Budgets & Financial Planning	3,255,042	1,526,618	679,938	289,961	758,524	3,255,042
Fleet Management	887,548	382,885	273,830	102,943	127,890	887,548
Total Financial Services	10,627,334	4,706,996	2,954,472	1,145,046	1,820,820	10,627,334
ITS - Admin	18,797,402	9,622,536	9,052,980	-	121,886	18,797,402
Human Resources						
Human Resources	7,760,582	3,589,644	2,608,361	1,019,294	543,283	7,760,582
Health & Safety	2,358,457	1,090,900	792,686	309,765	165,105	2,358,457
Total Human Resources	10,119,039	4,680,544	3,401,048	1,329,059	708,388	10,119,039
Customer Services						
Administration	620,823	317,804	298,993	-	4,026	620,823
Business Center	1,682,668	861,371	810,386	-	10,911	1,682,668
Customer Accounts	4,612,525	2,361,187	2,221,429	-	29,908	4,612,525
Field Services	3,718,209	3,718,209	-	-	0	3,718,209
Customer Contact	1,927,419	986,661	928,261	-	12,498	1,927,419
Total Customer Services	12,561,644	8,245,232	4,259,069	-	57,342	12,561,644

Schedule 3 Bureau Allocation to Enterprises: OMB A-87 Allowed Costs 2014 Indirect Cost Study San Francisco Public Utilities Commission						
	OMB A-87 Allowable Bureau Costs	Bureau Allocations to Enterprise Funds				Total Allocated
		Water Enterprises	Wastewater Enterprises	Hetch Hetchy Water	Hetch Hetchy Power	
Total PUC11 Business Services	58,529,594	30,769,517	21,617,818.01	2,982,982	3,159,278	58,529,594
Bureau of External Affairs						
Communications	2,601,733	910,607	1,170,780	-	520,347	2,601,733
Governmental Affairs	1,192,043	551,377	400,650	156,566	83,450	1,192,043
Community Benefits	905,680	418,921	304,403	118,954	63,403	905,680
PUC12 External Affairs Avg	4,699,456	1,880,905	1,875,833	275,520	667,199	4,699,456
Total Allocations	\$78,603,726	\$40,446,018	\$ 28,284,111	\$5,072,462	\$4,801,135	\$78,603,726

Schedule 4 Bureau OMB A-87 to Enterprises: Percentage Results 2014 Indirect Cost Study San Francisco Public Utilities Commission				
	Bureau Allocations to Enterprise Funds			
	Water Enterprises	Wastewater Enterprises	Hetch Hetchy Water	Hetch Hetchy Power
Office of the General Manager				
General Manager	46.3%	33.6%	13.1%	7.0%
Real Estate Services	90.0%	9.5%	-	0.5%
<i>Office of General Manager Avg</i>	50.7%	31.2%	11.8%	6.3%
PUC Business Services				
Administration	54.7%	30.4%	7.9%	7.0%
Assurance & Internal Controls	54.7%	30.4%	7.9%	7.0%
Financial Services				
Accounting	43.1%	30.9%	11.6%	14.4%
Budgets & Financial Planning	46.9%	20.9%	8.9%	23.3%
Fleet Management	43.1%	30.9%	11.6%	14.4%
<i>Financial Services Avg</i>	44.3%	27.8%	10.8%	17.1%
ITS - Administration	51.2%	48.2%	0.0%	0.6%
Human Resources				
Human Resources	46.3%	33.6%	13.1%	7.0%
Health & Safety	46.3%	33.6%	13.1%	7.0%
<i>Human Resources Avg</i>	46.3%	33.6%	13.1%	7.0%
Customer Services				
Administration	51.2%	48.2%	-	0.6%
Business Center	51.2%	48.2%	-	0.6%
Customer Accounts	51.2%	48.2%	-	0.6%
Field Services	100.0%	-	-	-
Customer Contact	51.2%	48.2%	-	0.6%
<i>Customer Services Avg</i>	65.6%	33.9%	-	0.5%
PUC11 Business Services Avg	52.6%	36.9%	5.1%	5.4%
Bureau of External Affairs				
Communications	35.0%	45.0%	-	20.0%
Governmental Affairs	46.3%	33.6%	13.1%	7.0%
Community Benefits	46.3%	33.6%	13.1%	7.0%
PUC12 External Affairs Avg	40.0%	39.9%	5.9%	14.2%
Total Allocations	51.5%	36.0%	6.5%	6.1%

**Schedule 5 Enterprise Overhead Ratios: OMB A-87 Allowed Costs
2014 Indirect Cost Study
San Francisco Public Utilities Commission**

FY 2013 Budget	Enterprise Funds				
	Water Enterprise	Wastewater Enterprise	Hetch Hetchy Water	Hetch Hetchy Power	Total
Total Enterprise Budgets(1)	\$342,926,251	\$233,815,756	\$56,884,094	\$37,598,290	\$671,224,391
Adjustments for Interdepartmental Recovery and Intrafund transfers	4,054,078	(33,467,853)	(89,000)	-	(29,502,775)
Costs Unallowable under OMB A-87	(175,597,869)	(57,829,483)	(644,274)	(1,973,462)	(236,045,088)
Net Enterprise Costs Used for Overhead Ratio Calculations	\$171,382,460	\$142,518,420	\$56,150,820	\$35,624,828	\$405,676,528
	Water Enterprise	Wastewater Enterprise	Hetch Hetchy Water	Hetch Hetchy Power	Total
Overhead base: Total Salaries (Char 001) + Benefits Char 13)(2)	\$79,945,172	\$61,166,128	\$24,126,895	\$11,851,684	\$177,089,879
Enterprise Overhead Ratios	Water Enterprise	Wastewater Enterprise	Hetch Hetchy Water	Hetch Hetchy Power	
Both Salaries and Benefits Include in Overhead Base	2.14%	2.33%	2.33%	3.01%	
Only Including Salaries in Overhead Base	3.12%	3.38%	3.20%	4.86%	
<p>(1) From Schedule 13, 'Enterprise Budgets and Adjustments'. (2) From FY 2013 Approved Budget detail. Includes full-time and temporary/part-time salaries, premium and overtime salaries, and mandatory fringe benefits.</p>					

**Schedule 6 Allocation Among Bureaus and Enterprise: Full Cost (Less Adjustments)
2014 Indirect Cost Study
San Francisco Public Utilities Commission**

	All Bureau Costs	Enterprise Allocation Results					Total Allocated
		Water Enterprises	Wastewater Enterprises	Hetch Hetchy Water	Hetch Hetchy Power	Bureaus (1)	
Office of the General Manager							
General Manager	\$14,037,461	\$5,243,873	\$3,810,382	\$1,489,019	\$793,646	\$2,700,541	\$14,037,461
Real Estate Services	1,563,752	1,407,377	148,556	-	7,819	-	1,563,752
Total Office of General Manager	15,601,213	6,651,250	3,958,938	1,489,019	801,465	2,700,541	15,601,213
PUC Business Services							
Administration	5,642,393	2,711,092	1,504,550	392,581	347,809	686,362	5,642,393
Assurance & Internal Controls	781,782	375,635	208,463	54,394	48,191	95,099	781,782
Financial Services							
Accounting	6,527,606	2,624,969	1,877,319	705,756	876,781	442,781	6,527,606
Budgets & Financial Planning	3,255,042	1,451,921	646,669	275,774	721,410	159,269	3,255,042
Fleet Management	887,548	356,913	255,256	95,961	119,214	60,204	887,548
Total Financial Services	10,670,196	4,433,803	2,779,243	1,077,491	1,717,405	662,254	10,670,196
ITS - Administration	20,603,495	7,482,509	4,976,518	1,371,202	1,122,967	5,650,299	20,603,495
Human Resources							
Human Resources	7,760,582	2,899,065	2,106,562	823,201	438,766	1,492,989	7,760,582
Health & Safety	2,365,957	883,833	642,224	250,968	133,766	455,165	2,365,957
Total Human Resources	10,126,539	3,782,898	2,748,786	1,074,169	572,532	1,948,154	10,126,539
Customer Services							
Administration	620,823	317,804	298,993	-	4,026	-	620,823
Business Center	1,682,668	861,371	810,386	-	10,911	-	1,682,668
Customer Accounts	4,612,525	2,361,187	2,221,429	-	29,908	-	4,612,525
Field Services	3,718,209	3,718,209	-	-	-	-	3,718,209
Customer Contact	1,927,419	986,661	928,261	-	12,498	-	1,927,419
Total Customer Services	12,561,644	8,245,232	4,259,069	-	57,342	-	12,561,644
Total PUC11 Business Services	60,386,049	27,031,169	16,476,631	3,969,836	3,866,246	9,042,168	60,386,049

**Schedule 6 Allocation Among Bureaus and Enterprise: Full Cost (Less Adjustments)
2014 Indirect Cost Study
San Francisco Public Utilities Commission**

	All Bureau Costs	Enterprise Allocation Results					Total Allocated
		Water Enterprises	Wastewater Enterprises	Hetch Hetchy Water	Hetch Hetchy Power	Bureaus (1)	
Bureau of External Affairs							
Communications	2,616,733	915,857	1,177,530	-	523,347	-	2,616,733
Governmental Affairs	1,636,559	611,358	444,234	173,597	92,527	314,843	1,636,559
Community Benefits	905,680	338,328	245,841	96,070	51,205	174,236	905,680
PUC12 External Affairs Avg	5,158,972	1,865,542	1,867,605	269,667	667,079	489,079	5,158,972
Total Allocations	\$81,146,234	\$35,547,961	\$22,303,174	\$5,728,522	\$5,334,790	\$12,231,788	\$81,146,234
Percentage of Total		43.81%	27.49%	7.06%	6.57%	15.07%	100%
<p>(1) Allocations to Bureaus are shown for informational purposes only. Final allocations to the Enterprises do not perform internal Bureau allocations because such assumptions would require a multilevel allocation approach adding little accuracy to the final results. This schedule does not include the Infrastructure Division, which is handled in a separate analysis.</p>							

Schedule 7 Enterprise Allocation Percentages: Full Cost (Less Adjustments) 2014 Indirect Cost Study San Francisco Public Utilities Commission				
	Enterprise Allocation Percentages			
	Water Enterprises	Wastewater Enterprises	Hetch Hetchy Water	Hetch Hetchy Power
Office of the General Manager				
General Manager	46.3%	33.6%	13.1%	7.0%
Real Estate Services	90.0%	9.5%	-	0.5%
<i>Office of General Manager Avg</i>	51.6%	30.7%	11.5%	6.2%
PUC Business Services				
Administration	54.7%	30.4%	7.9%	7.0%
Assurance & Internal Controls	54.7%	30.4%	7.9%	7.0%
Financial Services				
Accounting	43.1%	30.9%	11.6%	14.4%
Budgets & Financial Planning	46.9%	20.9%	8.9%	23.3%
Fleet Management	43.1%	30.9%	11.6%	14.4%
<i>Financial Services Avg</i>	44.3%	27.8%	10.8%	17.2%
ITS - Administration	50.0%	33.3%	9.2%	7.5%
Human Resources				
Human Resources	46.3%	33.6%	13.1%	7.0%
Health & Safety	46.3%	33.6%	13.1%	7.0%
<i>Human Resources Avg</i>	46.3%	33.6%	13.1%	7.0%
Customer Services				
Administration	51.2%	48.2%	-	0.6%
Business Center	51.2%	48.2%	-	0.6%
Customer Accounts	51.2%	48.2%	-	0.6%
Field Services	100.0%	-	-	-
Customer Contact	51.2%	48.2%	-	0.6%
<i>Customer Services Avg</i>	65.6%	33.9%	-	0.5%
PUC11 Business Services Avg	52.6%	32.1%	7.7%	7.5%
Bureau of External Affairs				
Communications	35.0%	45.0%	-	20.0%
Governmental Affairs	46.3%	33.6%	13.1%	7.0%
Community Benefits	46.3%	33.6%	13.1%	7.0%
PUC12 External Affairs Avg	39.9%	40.0%	5.8%	14.3%

**Schedule 8 Bureau Allocations to Enterprises: Full Cost (Less Adjustments)
2014 Indirect Cost Study
San Francisco Public Utilities Commission**

	All Bureau Costs	Enterprise Allocation Results				Total Allocated
		Water Enterprises	Wastewater Enterprises	Hetch Hetchy Water	Hetch Hetchy Power	
Office of the General Manager						
General Manager	\$14,037,461	\$6,493,004	\$4,718,044	\$1,843,714	\$982,699	\$14,037,461
Real Estate Services	1,563,752	1,407,377	148,556	-	7,819	1,563,752
<i>Total Office of General Manager</i>	<i>15,601,213</i>	<i>7,900,381</i>	<i>4,866,601</i>	<i>1,843,714</i>	<i>990,518</i>	<i>15,601,213</i>
PUC Business Services						
Administration	5,642,393	3,086,551	1,712,916	446,949	395,977	5,642,393
Assurance & Internal Controls	781,782	427,657	237,333	61,927	54,865	781,782
Financial Services						
Accounting	6,527,606	2,815,983	2,013,927	757,113	940,583	6,527,606
Budgets & Financial Planning	3,255,606	1,526,618	679,938	289,961	758,524	3,255,606
Fleet Management	887,548	382,885	273,830	102,943	127,890	887,548
<i>Total Financial Services</i>	<i>10,670,196</i>	<i>4,725,486</i>	<i>2,967,696</i>	<i>1,150,018</i>	<i>1,826,996</i>	<i>10,670,196</i>
ITS - Administration	20,603,495	10,309,891	6,856,973	1,889,332	1,547,298	20,603,495
Human Resources						
Human Resources	7,760,582	3,589,644	2,608,361	1,019,294	543,283	7,760,582
Health & Safety	2,365,957	1,094,369	795,207	310,751	165,630	2,365,957
<i>Total Human Resources</i>	<i>10,126,539</i>	<i>4,684,013</i>	<i>3,403,568</i>	<i>1,330,044</i>	<i>708,913</i>	<i>10,126,539</i>
Customer Services						
Administration	620,823	317,804	298,993	-	4,026	620,823
Business Center	1,682,668	861,371	810,386	-	10,911	1,682,668
Customer Accounts	4,612,525	2,361,187	2,221,429	-	29,908	4,612,525
Field Services	3,718,209	3,718,209	-	-	-	3,718,209
Customer Contact	1,927,419	986,661	928,261	-	12,498	1,927,419
<i>Total Customer Services</i>	<i>12,561,644</i>	<i>8,245,232</i>	<i>4,259,069</i>	<i>-</i>	<i>57,342</i>	<i>12,561,644</i>
Total PUC11 Business Services	60,386,049	31,478,831	19,437,556	4,878,271	4,591,391	60,386,049

**Schedule 8 Bureau Allocations to Enterprises: Full Cost (Less Adjustments)
2014 Indirect Cost Study
San Francisco Public Utilities Commission**

	All Bureau Costs	Enterprise Allocation Results				Total Allocated
		Water Enterprises	Wastewater Enterprises	Hetch Hetchy Water	Hetch Hetchy Power	
Bureau of External Affairs						
Communications	2,616,733	915,857	1,177,530	-	523,347	2,616,733
Governmental Affairs	1,636,559	756,988	550,054	214,950	114,568	1,636,559
Community Benefits	905,680	418,921	304,403	118,954	63,403	905,680
PUC12 External Affairs Avg	5,158,972	2,091,765	2,031,987	333,906	701,320	5,158,972
Total Allocations	\$81,146,234	\$41,470,977	\$26,336,144	\$7,055,891	\$6,283,229	\$81,146,234
Percentage of Total		43.81%	27.49%	7.06%	6.57%	100%

Schedule 9 Bureau Full Cost Allocation to Enterprises: Percentage Results 2014 Indirect Cost Study San Francisco Public Utilities Commission				
	Enterprise Allocation Percentages			
	Water Enterprises	Wastewater Enterprises	Hetch Hetchy Water	Hetch Hetchy Power
Office of the General Manager				
General Manager	46.3%	33.6%	13.1%	7.0%
Real Estate Services	90.0%	9.5%	-	0.5%
<i>Office of General Manager Avg</i>	<i>50.6%</i>	<i>31.2%</i>	<i>11.8%</i>	<i>6.3%</i>
PUC Business Services				
Administration	54.7%	30.4%	7.9%	7.0%
Assurance & Internal Controls	54.7%	30.4%	7.9%	7.0%
Financial Services				
Accounting	43.1%	30.9%	11.6%	14.4%
Budgets & Financial Planning	46.9%	20.9%	8.9%	23.3%
Fleet Management	43.1%	30.9%	11.6%	14.4%
<i>Financial Services Avg</i>	<i>44.3%</i>	<i>27.8%</i>	<i>10.8%</i>	<i>17.1%</i>
ITS - Administration	50.0%	33.3%	9.2%	7.5%
Human Resources				
Human Resources	46.3%	33.6%	13.1%	7.0%
Health & Safety	46.3%	33.6%	13.1%	7.0%
<i>Human Resources Avg</i>	<i>46.3%</i>	<i>33.6%</i>	<i>13.1%</i>	<i>7.0%</i>
Customer Services				
Administration	51.2%	48.2%	-	0.6%
Business Center	51.2%	48.2%	-	0.6%
Customer Accounts	51.2%	48.2%	-	0.6%
Field Services	100.0%	-	-	-
Customer Contact	51.2%	48.2%	-	0.6%
<i>Customer Services Avg</i>	<i>65.6%</i>	<i>33.9%</i>	<i>-</i>	<i>0.5%</i>
PUC11 Business Services Avg	52.1%	32.2%	8.1%	7.6%
Bureau of External Affairs				
Communications	35.0%	45.0%	-	20.0%
Governmental Affairs	46.3%	33.6%	13.1%	7.0%
Community Benefits	46.3%	33.6%	13.1%	7.0%
PUC12 External Affairs Avg	40.5%	39.4%	6.5%	13.6%
Total Allocations	51.1%	32.5%	8.7%	7.7%

Schedule 10 Infrastructure Overhead Rate: OMB A-87 Allowed Costs 2014 Indirect Cost Study San Francisco Public Utilities Commission		
	Full Cost	OMB A-87 Allowed Cost
Personnel Fund Salaries (Char 001) + MFB	\$48,049,907	\$48,049,907
Less: Salary Direct Charges	19,204,015	19,204,015
Mandatory Fringe Benefits	6,647,152	6,647,152
Net Indirect Labor Costs	\$22,198,740	\$22,198,740
Add: Operating Fund	21,665,219	21,665,219
Less: OMB A-87 Un-allowed Costs		(\$99,784)
Total Project Overhead To Recover	\$43,863,959	\$43,764,175
	Salary Direct Charges	Salary Direct Charges
Direct Charges	\$19,204,015	\$19,204,015
Overhead Rates	2.284	2.279
	Benefits	Benefits
Mandatory Fringe Benefits	\$6,647,152	\$6,647,152
Overhead Rates	0.346	0.346

**Schedule 11 Bureau Budgets and Adjustments
2014 Indirect Cost Study
San Francisco Public Utilities Commission**

	Full Cost Adjustments			Adjusted for OMB A-87	
	FY 2013 Approved Budget	Excluded City Overhead, Etc	Net Full Costs After Adjustments	Unallowable Costs per OMB A-87	Net Allowable Costs under OMB A-87
Office of the General Manager					
General Manager					
O&M	\$8,035,066		\$8,035,066	\$(226,537)	\$7,808,529
Capital Outlay	-		-	-	-
Services of Other Departments	6,002,395		6,002,395	-	6,002,395
Subtotal	14,037,461	-	14,037,461	(226,537)	13,810,924
Real Estate Services					
O&M	1,463,752		1,463,752		1,463,752
Capital Outlay	-		-		-
Services of Other Departments	100,000		100,000		100,000
Subtotal	1,563,752	-	1,563,752	-	1,563,752
Total General Manager Division	\$15,601,213	\$-	\$15,601,213	\$(226,537)	\$15,374,676
<u>PUC Business Services</u>					
Administration					
O&M	5,546,648		5,546,648	-	5,546,648
Capital Outlay	-		-	-	-
Services of Other Departments	95,745		95,745	-	95,745
Subtotal	5,642,393	-	5,642,393	-	5,642,393
Assurance & Internal Controls					
O&M	779,782		779,782	-	779,782
Capital Outlay	-		-	-	-
Services of Other Departments	2,000		2,000	-	2,000
Subtotal	781,782		781,782	-	781,782
Financial Services					
Accounting					
O&M	5,934,988		5,934,988	-	5,934,988
Capital Outlay	-		-	(42,862)	(42,862)
Services of Other Departments	592,618		592,618	-	592,618
Subtotal	6,527,606	-	6,527,606	(42,862)	6,484,744

**Schedule 11 Bureau Budgets and Adjustments
2014 Indirect Cost Study
San Francisco Public Utilities Commission**

	Full Cost Adjustments			Adjusted for OMB A-87	
	FY 2013 Approved Budget	Excluded City Overhead, Etc	Net Full Costs After Adjustments	Unallowable Costs per OMB A-87	Net Allowable Costs under OMB A-87
Budgets					
O&M	3,183,384		3,183,384	-	3,183,384
Capital Outlay	-		-	-	-
Services of Other Departments	71,658		71,658	-	71,658
Subtotal	3,255,042	-	3,255,042	-	3,255,042
Fleet Management					
O&M	630,819		630,819	-	630,819
Capital Outlay	42,862		42,862	-	42,862
Services of Other Departments	213,867		213,867	-	213,867
Subtotal	887,548		887,548	-	887,548
Information Technology Services					
O&M	17,524,103		17,524,103	-	17,524,103
Capital Outlay	1,806,093		1,806,093	(1,806,093)	-
Services of Other Departments	1,273,299		1,273,299	-	1,273,299
Subtotal	20,603,495	-	20,603,495	(1,806,093)	18,797,402
Human Resources					
Human Resources					
O&M	5,910,887		5,910,887	-	5,910,887
Capital Outlay	-		-	-	-
Services of Other Departments	1,849,695		1,849,695	-	1,849,695
Subtotal	7,760,582	-	7,760,582	-	7,760,582
Health & Safety					
O&M	2,346,844		2,346,844	-	2,346,844
Capital Outlay	7,500		7,500	(7,500)	-
Services of Other Departments	11,613		11,613	-	11,613
Subtotal	2,365,957	-	2,365,957	(7,500)	2,358,457
Customer Services					
Administration					
O&M	611,153		611,153	-	611,153

**Schedule 11 Bureau Budgets and Adjustments
2014 Indirect Cost Study
San Francisco Public Utilities Commission**

	Full Cost Adjustments		Adjusted for OMB A-87		
	FY 2013 Approved Budget	Excluded City Overhead, Etc	Net Full Costs After Adjustments	Unallowable Costs per OMB A-87	Net Allowable Costs under OMB A-87
Capital Outlay	-		-	-	-
Services of Other Departments	9,670		9,670	-	9,670
Subtotal	620,823	-	620,823	-	620,823
Business Center					
O&M	1,661,045		1,661,045	-	1,661,045
Capital Outlay	-		-	-	-
Services of Other Departments	21,623		21,623	-	21,623
Subtotal	1,682,668	-	1,682,668	-	1,682,668
Customer Accounts					
O&M	3,987,088		3,987,088	-	3,987,088
Capital Outlay	-		-	-	-
Services of Other Departments	625,437		625,437	-	625,437
Subtotal	4,612,525	-	4,612,525	-	4,612,525
Field Services					
O&M	3,681,209		3,681,209	-	3,681,209
Capital Outlay	-		-	-	-
Services of Other Departments	37,000		37,000	-	37,000
Subtotal	3,718,209	-	3,718,209	-	3,718,209
Customer Contact					
O&M	\$1,927,419		1,927,419	-	1,927,419
Capital Outlay	-		-	-	-
Services of Other Departments	-		-	-	-
Subtotal	1,927,419	-	1,927,419	-	1,927,419
Total PUC11 Business Services	60,386,049	-	60,386,049	(1,856,455)	58,529,594
<u>Bureau of External Affairs</u>					
Communications					
O&M	2,562,590		2,562,590	(15,000)	2,547,590
Capital Outlay	-		-	-	-
Services of Other Departments	54,143		54,143	-	54,143

**Schedule 11 Bureau Budgets and Adjustments
2014 Indirect Cost Study
San Francisco Public Utilities Commission**

	Full Cost Adjustments			Adjusted for OMB A-87	
	FY 2013 Approved Budget	Excluded City Overhead, Etc	Net Full Costs After Adjustments	Unallowable Costs per OMB A-87	Net Allowable Costs under OMB A-87
Subtotal	2,616,733	-	2,616,733	(15,000)	2,601,733
Government Affairs					
O&M	1,634,624		\$1,634,624	(\$444,516)	\$1,190,108
Capital Outlay	-		-	-	-
Services of Other Departments	1,935		1,935	-	1,935
Subtotal	1,636,559	-	1,636,559	(444,516)	1,192,043
Community Benefits					
O&M	895,680		\$895,680	-	\$895,680
Capital Outlay	-		-	-	-
Services of Other Departments	10,000		10,000	-	10,000
Subtotal	905,680	-	905,680	-	905,680
Southeast Community Facilities					
O&M					
Capital Outlay	-		-	-	-
Services of Other Departments					
Subtotal	-	-	-	-	-
Total PUC12 External Affairs	5,158,972	-	5,158,972	(459,516)	4,699,456
Total Bureaus (before Infrastructure)	\$65,545,021	\$-	\$65,545,021	\$(2,315,971)	\$63,229,050
Infrastructure					
AGM Infrastructure					
Operating Fund (5WPUCOPF)					
O&M	28,799		28,799	(10,000)	18,799
Capital Outlay	-		-	-	-
Services of Other Departments	-		-	-	-
Subtotal	28,799	-	28,799	(10,000)	18,799
Personnel Fund (5WPUCPSF)					
Salaries	1,954,336		1,954,336	-	1,954,336
Mandatory Fringe Benefits	507,145		507,145	-	507,145

**Schedule 11 Bureau Budgets and Adjustments
2014 Indirect Cost Study
San Francisco Public Utilities Commission**

	Full Cost Adjustments			Adjusted for OMB A-87	
	FY 2013 Approved Budget	Excluded City Overhead, Etc	Net Full Costs After Adjustments	Unallowable Costs per OMB A-87	Net Allowable Costs under OMB A-87
Subtotal	2,461,481	-	2,461,481	-	2,461,481
Project Management					
Operating Fund (5WPUCOPF)					
O&M	173,550		173,550	-	173,550
Capital Outlay	-		-	-	-
Services of Other Departments	-		-	-	-
Subtotal	173,550	-	173,550	-	173,550
Personnel Fund (5WPUCPSF)					
Salaries	5,876,266		5,876,266	-	5,876,266
Mandatory Fringe Benefits	1,468,389		1,468,389	-	1,468,389
Subtotal	7,344,655	-	7,344,655	-	7,344,655
Construction Management					
Operating Fund (5WPUCOPF)					
O&M	309,200		309,200	-	309,200
Capital Outlay	74,284		74,284	(74,284)	-
Services of Other Departments	-		-	-	-
Subtotal	383,484	-	383,484	(74,284)	309,200
Personnel Fund (5WPUCPSF)					
Salaries	7,671,662		7,671,662	-	7,671,662
Mandatory Fringe Benefits	1,917,835		1,917,835	-	1,917,835
Subtotal	9,589,497	-	9,589,497	-	9,589,497
Engineering & Design					
Operating Fund (5WPUCOPF)					
O&M	229,093		229,093	-	229,093
Capital Outlay	10,500		10,500	(10,500)	-
Services of Other Departments	-		-	-	-
Subtotal	239,593	-	239,593	(10,500)	229,093
Personnel Fund (5WPUCPSF)					
Salaries	13,782,767		13,782,767	-	13,782,767
Mandatory Fringe Benefits	3,520,848		3,520,848	-	3,520,848
Subtotal	17,303,615	-	17,303,615	-	17,303,615

**Schedule 11 Bureau Budgets and Adjustments
2014 Indirect Cost Study
San Francisco Public Utilities Commission**

	Full Cost Adjustments			Adjusted for OMB A-87	
	FY 2013 Approved Budget	Excluded City Overhead, Etc	Net Full Costs After Adjustments	Unallowable Costs per OMB A-87	Net Allowable Costs under OMB A-87
Infrastructure Resource Mgmt Operating Fund (5WPUCOPF)			-		
O&M	4,610,868		4,610,868	(5,000)	4,605,868
Capital Outlay	-	-	-	-	-
Services of Other Departments	11,944,039		11,944,039	-	11,944,039
Subtotal	16,554,907	-	16,554,907	(5,000)	16,549,907
Personnel Fund (5WPUCPSF)					
Salaries	4,835,193		4,835,193	-	4,835,193
Mandatory Fringe Benefits	1,245,703		1,245,703	-	1,245,703
Subtotal	6,080,896	-	6,080,896	-	6,080,896
Program Development & Support Operating Fund (5WPUCOPF)					
O&M	95,150		95,150	-	95,150
Capital Outlay	-		-	-	-
Services of Other Departments	-		-	-	-
Subtotal	95,150	-	95,150	-	95,150
Personnel Fund (5WPUCPSF)					
Salaries	4,134,305		4,134,305	-	4,134,305
Mandatory Fringe Benefits	1,005,855		1,005,855	-	1,005,855
Subtotal	5,140,160	-	5,140,160	-	5,140,160
Environmental/Reg. Compliance Operating Fund (5WPUCOPF)					
O&M	63,250		63,250	-	63,250
Capital Outlay	-		-	-	-
Services of Other Departments	-		-	-	-
Subtotal	63,250	-	63,250	-	63,250
Personnel Fund (5WPUCPSF)					
Salaries	3,088,886		3,088,886	-	3,088,886
Mandatory Fringe Benefits	800,152		800,152	-	800,152
Subtotal	3,889,038	-	3,889,038	-	3,889,038

**Schedule 11 Bureau Budgets and Adjustments
2014 Indirect Cost Study
San Francisco Public Utilities Commission**

	Full Cost Adjustments			Adjusted for OMB A-87	
	FY 2013 Approved Budget	Excluded City Overhead, Etc	Net Full Costs After Adjustments	Unallowable Costs per OMB A-87	Net Allowable Costs under OMB A-87
<u>Total Infrastructure</u>					
Operating Fund (5WPUCOPF)	17,538,733	-	17,538,733	(99,784)	17,438,949
Personnel Fund (5WPUCPSF)	51,809,342	-	51,809,342	-	51,809,342
Total Infrastructure	69,348,075		69,348,075	(99,784)	69,248,291
Grand Total Bureaus	\$150,494,309	\$-	\$150,494,309	\$(2,642,292)	\$147,852,017

Schedule 12 Bureau Costs Unallowable Under OMB A-87 2014 Indirect Cost Study San Francisco Public Utilities Commission				
	Total Unallowable Costs	Unallowable Costs Categories		
		Entertainment Costs	Equipment and Other Capital Expenditures	Lobbying
<u>Office of the General Manager</u>				
General Manager	\$226,537	\$-	\$-	\$226,537
O&M	-	-	-	-
Capital Outlay	-	-	-	-
Services of Other Departments	\$226,537	-	-	226,537
Subtotal				
Real Estate Services				
O&M	-	-	-	-
Capital Outlay	-	-	-	-
Services of Other Departments	-	-	-	-
Subtotal	-	-	-	-
Total General Manager	\$226,537	\$-	\$-	\$226,537
<u>PUC Business Services</u>				
Administration				
O&M	\$-	\$-	\$-	\$-
Capital Outlay	-	-	-	-
Services of Other Departments	-	-	-	-
Subtotal	-	-	-	-
Assurance & Internal Controls				
O&M	-	-	-	-
Capital Outlay	-	-	-	-
Services of Other Departments	-	-	-	-
Subtotal	-	-	-	-
Financial Services				
Accounting				
O&M	-	-	-	-
Capital Outlay	42,862	-	42,862	-
Services of Other Departments	-	-	-	-
Subtotal	42,862	-	42,862	-
Budgets				
O&M	-	-	-	-
Capital Outlay	-	-	-	-
Services of Other Departments	-	-	-	-
Subtotal	-	-	-	-
Fleet Management				
O&M	-	-	-	-
Capital Outlay	-	-	-	-
Services of Other Departments	-	-	-	-
Subtotal	-	-	-	-

Schedule 12 Bureau Costs Unallowable Under OMB A-87 2014 Indirect Cost Study San Francisco Public Utilities Commission				
	Total Unallowable Costs	Unallowable Costs Categories		
		Entertainment Costs	Equipment and Other Capital Expenditures	Lobbying
Information Technology Services				
ITS Administration				
O&M	-	-	-	-
Capital Outlay	1,806,093	-	1,806,093	-
Services of Other Departments	-	-	-	-
Subtotal	1,806,093	-	1,806,093	-
Human Resources				
Human Resources				
O&M	-	-	-	-
Capital Outlay	-	-	-	-
Services to Other Departments	-	-	-	-
Subtotal	-	-	-	-
Health & Safety				
O&M	-	-	-	-
Capital Outlay	7,500	-	7,500	-
Services of Other Departments	-	-	-	-
Subtotal	7,500	-	7,500	-
Customer Services				
Administration				
O&M	-	-	-	-
Capital Outlay	-	-	-	-
Services of Other Departments	-	-	-	-
Subtotal	-	-	-	-
Business Center				
O&M	-	-	-	-
Capital Outlay	-	-	-	-
Services of Other Departments	-	-	-	-
Subtotal	-	-	-	-
Customer Accounts				
O&M	-	-	-	-
Capital Outlay	-	-	-	-
Services of Other Departments	-	-	-	-
Subtotal	-	-	-	-
Field Services				
O&M	-	-	-	-
Capital Outlay	-	-	-	-
Services of Other Departments	-	-	-	-
Subtotal	-	-	-	-

Schedule 12 Bureau Costs Unallowable Under OMB A-87 2014 Indirect Cost Study San Francisco Public Utilities Commission				
	Total Unallowable Costs	Unallowable Costs Categories		
		Entertainment Costs	Equipment and Other Capital Expenditures	Lobbying
Customer Contact				
O&M	-	-	-	-
Capital Outlay	-	-	-	-
Services of Other Departments	-	-	-	-
Subtotal	-	-	-	-
Subtotal: PUC11 Business Services	\$2,082,992	\$-	\$1,856,455	\$226,537
<u>Bureau of External Affairs</u>				
Communications				
O&M	15,000	15,000	-	-
Capital Outlay	-	-	-	-
Services of Other Departments	-	-	-	-
Subtotal	15,000	15,000	-	-
Government Affairs				
O&M	444,516	-	-	444,516
Capital Outlay	-	-	-	-
Services of Other Departments	-	-	-	-
Subtotal	444,516	-	-	444,516
Community Benefits				
O&M	-	-	-	-
Capital Outlay	-	-	-	-
Services of Other Departments	-	-	-	-
Subtotal	-	-	-	-
Southeast Community Facilities				
O&M	-	-	-	-
Capital Outlay	-	-	-	-
Services of Other Departments	-	-	-	-
Subtotal	-	-	-	-
Subtotal PUC12 External Affairs	459,516	15,000	-	444,516
Total Bureaus (before Infrastructure)	\$2,542,508	\$15,000	\$1,856,455	\$671,053

Schedule 12 Bureau Costs Unallowable Under OMB A-87 2014 Indirect Cost Study San Francisco Public Utilities Commission				
	Total Unallowable Costs	Unallowable Costs Categories		
		Entertainment Costs	Equipment and Other Capital Expenditures	Lobbying
<u>Infrastructure</u>				
AGM Infrastructure				
Operating Fund (5WPUCOPF)				
O&M	10,000	10,000	-	-
Capital Outlays	-	-	-	-
Services to Other Departments	-	-	-	-
Subtotal	10,000	10,000	-	-
Personnel Fund (5WPUCPSF)				
Salaries	-	-	-	-
Mandatory Fringe Benefits	-	-	-	-
Subtotal	-	-	-	-
Project Management				
Operating Fund (5WPUCOPF)				
O&M	-	-	-	-
Capital Outlays	-	-	-	-
Services to Other Departments	-	-	-	-
Subtotal	-	-	-	-
Personnel Fund (5WPUCPSF)				
Salaries	-	-	-	-
Mandatory Fringe Benefits	-	-	-	-
Subtotal	-	-	-	-
Construction Management				
Operating Fund (5WPUCOPF)				
O&M	-	-	-	-
Capital Outlays	74,284	-	74,284	-
Services to Other Departments	-	-	-	-
Subtotal	74,284	-	74,284	-
Personnel Fund (5WPUCPSF)				
Salaries	-	-	-	-
Mandatory Fringe Benefits	-	-	-	-
Subtotal	-	-	-	-
Engineering & Design				
Operating Fund (5WPUCOPF)				
O&M	-	-	-	-
Capital Outlays	10,500	-	10,500	-
Services to Other Departments	-	-	-	-
Subtotal	10,500	-	10,500	-
Personnel Fund (5WPUCPSF)				
Salaries	-	-	-	-
Mandatory Fringe Benefits	-	-	-	-

Schedule 12 Bureau Costs Unallowable Under OMB A-87 2014 Indirect Cost Study San Francisco Public Utilities Commission				
	Total Unallowable Costs	Unallowable Costs Categories		
		Entertainment Costs	Equipment and Other Capital Expenditures	Lobbying
Subtotal	-	-	-	-
Infrastructure Resource Mgmt Operating Fund (5WPUCOPF)				
O&M	5,000	5,000	-	-
Capital Outlays	-	-	-	-
Services to Other Departments	-	-	-	-
Subtotal	5,000	5,000	-	-
Personnel Fund (5WPUCPSF)				
Salaries	-	-	-	-
Mandatory Fringe Benefits	-	-	-	-
Subtotal	-	-	-	-
Program Development & Support Operating Fund (5WPUCOPF)				
O&M	-	-	-	-
Capital Outlays	-	-	-	-
Services to Other Departments	-	-	-	-
Subtotal	-	-	-	-
Personnel Fund (5WPUCPSF)				
Salaries	-	-	-	-
Mandatory Fringe Benefits	-	-	-	-
Subtotal	-	-	-	-
Environmental/Reg. Compliance Operating Fund (5WPUCOPF)				
O&M	-	-	-	-
Capital Outlays	-	-	-	-
Services to Other Departments	-	-	-	-
Subtotal	-	-	-	-
Personnel Fund (5WPUCPSF)				
Salaries	-	-	-	-
Mandatory Fringe Benefits	-	-	-	-
Subtotal	-	-	-	-
Total Infrastructure				
Operating Fund (5WPUCOPF)	99,784	15,000	84,784	-
Personnel Fund (5WPUCPSF)	-	-	-	-
Grand Total	\$2,868,829	\$30,000	\$1,941,239	\$897,590

**Schedule 13 Enterprise Budget and Adjustments
2014 Indirect Cost Study
San Francisco Public Utilities Commission**

	FY 2013	Full Cost Adjustments			Adjusted for OMB A-87	
	Approved Budget	Excluded City Overhead	Interdept. Recovery, Intrafund Transfers, Power Resale, Etc.	Net Full Costs After Adjustments	Unallowable Costs per OMB A-87	Net Allowable Costs under OMB A-87
Water Enterprise						
Administration						
O&M	\$7,719,422	-	-	\$7,719,422	-	\$7,719,422
Capital Outlay	-	-	-	-	-	-
Debt Service	173,605,892	-	-	173,605,892	(173,605,892)	-
Services of Other Departments	50,141,883	-	-	50,141,883	-	50,141,883
Interdepartmental Recovery (+)	(5,577,791)	-	5,577,791	-	-	-
Intrafund Transfers Out (-)	2,580,889	-	(2,580,889)	-	-	-
Subtotal	228,470,295	-	2,996,902	231,467,197	(173,605,892)	57,861,305
City Distribution Division						
O&M	29,600,723	-	-	29,600,723	-	29,600,723
Capital Outlay	861,149	-	-	861,149	(861,149)	-
Services of Other Departments	4,485,222	-	-	4,485,222	-	4,485,222
Interdepartmental Recovery (+)	(105,115)	-	105,115	-	-	-
Subtotal	34,841,979	-	105,115	34,947,094	(861,149)	34,085,945
Water Quality Division						
O&M	14,380,395	-	-	14,380,395	-	14,380,395
Capital Outlay	338,499	-	-	338,499	(338,499)	-
Services of Other Departments	2,576	-	-	2,576	-	2,576
Interdepartmental Recovery (+)	(225,000)	-	225,000	-	-	-
Subtotal	14,496,470	-	225,000	14,721,470	(338,499)	14,382,971
Water Supply and Treatment Division						
O&M	39,742,118	-	-	39,742,118	-	39,742,118
Capital Outlay	585,773	-	-	585,773	(585,773)	-
Services of Other Departments	7,065,797	-	-	7,065,797	-	7,065,797
Interdepartmental Recovery (+)	-	-	-	-	-	-
Subtotal	47,393,688	-	-	47,393,688	(585,773)	46,807,915
Natural Resources						
O&M	9,967,128	-	-	9,967,128	-	9,967,128
Capital Outlay	171,556	-	-	171,556	(171,556)	-
Services of Other Departments	184,265	-	-	184,265	-	184,265
Interdepartmental Recovery (+)	(727,061)	-	727,061	-	-	-
Subtotal	9,595,888	-	727,061	10,322,949	(171,556)	10,151,393

**Schedule 13 Enterprise Budget and Adjustments
2014 Indirect Cost Study
San Francisco Public Utilities Commission**

	FY 2013	Full Cost Adjustments			Adjusted for OMB A-87	
	Approved Budget	Excluded City Overhead	Interdept. Recovery, Intrafund Transfers, Power Resale, Etc.	Net Full Costs After Adjustments	Unallowable Costs per OMB A-87	Net Allowable Costs under OMB A-87
Water Resources						
O&M	7,676,511	-	-	7,676,511	-	7,676,511
Capital Outlay	35,000	-	-	35,000	(35,000)	-
Services of Other Departments	416,420	-	-	416,420	-	416,420
Interdepartmental Recovery (+)	-	-	-	-	-	-
Subtotal	8,127,931	-	-	8,127,931	(35,000)	8,092,931
Total Water Enterprise	342,926,251	-	4,054,078	346,980,329	(175,597,869)	171,382,460
Wastewater Enterprise						
Administration						
O&M	6,505,989	-	-	6,505,989	(850)	6,505,139
Capital Outlay	-	-	-	-	-	-
Debt Service	56,509,466	-	-	56,509,466	(56,509,466)	-
Service of Other Departments	28,944,558	-	-	28,944,558	-	28,944,558
Interdepartmental Recovery (+)	(4,963,720)	-	4,963,720	-	-	-
Intrafund Transfers Out	38,702,573	-	(38,702,573)	-	-	-
Subtotal	125,698,866	-	(33,738,853)	91,960,013	(56,510,316)	35,449,697
Maintenance						
O&M	22,735,437	-	-	22,735,437	-	22,735,437
Capital Outlay	467,436	-	-	467,436	(467,436)	-
Service of Other Departments	2,760,806	-	-	2,760,806	-	2,760,806
Interdepartmental Recovery (+)	(30,000)	-	30,000	-	-	-
Subtotal	25,933,679	-	30,000	25,963,679	(467,436)	25,496,243
Operations						
O&M	26,268,213	-	-	26,268,213	-	26,268,213
Capital Outlay	72,800	-	-	72,800	(72,800)	-
Service of Other Departments	9,306,686	-	-	9,306,686	-	9,306,686
Interdepartmental Recovery (+)	(188,000)	-	188,000	-	-	-
Subtotal	35,459,699	-	188,000	35,647,699	(72,800)	35,574,899
Environmental Engineering						
O&M	3,898,990	-	-	3,898,990	-	3,898,990
Capital Outlay	-	-	-	-	-	-
Service of Other Departments	-	-	-	-	-	-
Interdepartmental Recovery (+)	-	-	-	-	-	-

**Schedule 13 Enterprise Budget and Adjustments
2014 Indirect Cost Study
San Francisco Public Utilities Commission**

	FY 2013	Full Cost Adjustments			Adjusted for OMB A-87	
	Approved Budget	Excluded City Overhead	Interdept. Recovery, Intrafund Transfers, Power Resale, Etc.	Net Full Costs After Adjustments	Unallowable Costs per OMB A-87	Net Allowable Costs under OMB A-87
Subtotal	3,898,990	-	-	3,898,990	-	3,898,990
Planning and Regulation						
O&M	7,019,825	-	-	7,019,825	-	7,019,825
Capital Outlay	-	-	-	-	-	-
Service of Other Departments	365,000	-	-	365,000	-	365,000
Interdepartmental Recovery (+)	-	-	-	-	-	-
Subtotal	7,384,825	-	-	7,384,825	-	7,384,825
Collection Systems						
O&M	14,754,369	-	-	14,754,369	-	14,754,369
Capital Outlay	637,479	-	-	637,479	(637,479)	-
Service of Other Departments	15,752,583	-	-	15,752,583	-	15,752,583
Interdepartmental Recovery (+)	-	-	-	-	-	-
Subtotal	31,144,431	-	-	31,144,431	(637,479)	30,506,952
Labs						
O&M	4,206,814	-	-	4,206,814	-	4,206,814
Capital Outlay	141,452	-	-	141,452	(141,452)	-
Service of Other Departments	-	-	-	-	-	-
Interdepartmental Recovery (+)	(53,000)	-	53,000	-	-	-
Subtotal	4,295,266	-	53,000	4,348,266	(141,452)	4,206,814
Total Wastewater Enterprises	233,815,756	-	(33,467,853)	200,347,903	(57,829,483)	142,518,420
<u>Hetch-Hetchy Power Enterprises</u>						
Administration						
O&M	4,458,146	-	-	4,458,146	-	4,458,146
Capital Outlay	-	-	-	-	-	-
Services of Other Departments	6,774,489	-	-	6,774,489	-	6,774,489
Interdepartmental Recovery (+)	-	-	-	-	-	-
Intrafund Transfers out	40,355,200	-	-	-	-	-
Subtotal	51,587,835	-	-	51,587,835	-	51,587,835
Energy Services						
O&M	43,444,972	-	-	43,444,972	-	43,444,972
Power for Resale (-)	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-

**Schedule 13 Enterprise Budget and Adjustments
2014 Indirect Cost Study
San Francisco Public Utilities Commission**

	FY 2013	Full Cost Adjustments			Adjusted for OMB A-87	
	Approved Budget	Excluded City Overhead	Interdept. Recovery, Intrafund Transfers, Power Resale, Etc.	Net Full Costs After Adjustments	Unallowable Costs per OMB A-87	Net Allowable Costs under OMB A-87
Services of Other Departments	2,306,656	-	-	2,306,656	-	2,306,656
Interdepartmental Recovery (+)	-	-	-	-	-	-
Subtotal	45,751,628	-	-	45,751,628	-	45,751,628
Long-Range Planning & Policy						
O&M	790,720	-	-	790,720	-	790,720
Capital Outlay	-	-	-	-	-	-
Debt Service	2,863,560	-	-	2,863,560	(2,863,560)	-
Debt Service	(956,648)	-	-	(956,648)	956,648	-
Services of Other Departments	595,519	-	-	595,519	-	595,519
Interdepartmental Recovery (+)	-	-	-	-	-	-
Subtotal	3,293,151	-	-	3,293,151	(1,906,912)	1,386,239
Bureau of Light, Heat, & Power						
O&M	16,900,052	-	-	16,900,052	-	16,900,052
Capital Outlay	66,550	-	-	66,550	(66,550)	-
Services of Other Departments	448,550	-	-	448,550	-	448,550
Interdepartmental Recovery (+)	(80,449,476)	-	-	(80,449,476)	-	(80,449,476)
Subtotal	(63,034,324)	-	-	(63,034,324)	(66,550)	(63,100,874)
Total Hetch Hetchy Power Enterprise	37,598,290	-	-	37,598,290	(1,973,462)	35,624,828
<u>Hetch-Hetchy Water Enterprise</u>						
O&M	46,522,875	-	-	46,522,875	-	46,522,875
Capital Outlay	644,274	-	-	644,274	(644,274)	-
Services of Other Departments	9,627,945	-	-	9,627,945	-	9,627,945
Interdepartmental Recovery (+)	(31,000)	-	31,000	-	-	-
Intrafund Transfers Out	120,000	-	(120,000)	-	-	-
Subtotal	56,884,094	-	(89,000)	56,795,094	(644,274)	56,150,820
Total Hetch Hetchy Water Enterprise	\$56,884,094	-	\$(89,000)	\$56,795,094	\$(644,274)	\$56,150,820
Grand Total: Enterprise Budgets	\$671,224,391	-	\$(29,502,775)	\$641,721,616	\$(236,045,088)	\$405,676,528

**Schedule 14 Enterprise Costs Unallowable Under OMB A-87
2014 Indirect Cost Study
San Francisco Public Utilities Commission**

	Total Unallowable	Unallowable Cost Categories	
		Entertainment costs	Equipment and other capital expenditures
<u>Water Enterprise</u>			
Administration			
O&M	\$-	\$-	\$-
Capital Outlay	-	-	-
Debt Service	173,605,892	-	173,605,892
Services of Other Departments	-	-	-
Interdepartmental Recovery (+)	-	-	-
Intrafund Transfers Out (-)	-	-	-
Subtotal	173,605,892	-	173,605,892
City Distribution Division			
O&M	-	-	-
Capital Outlay	861,149	-	861,149
Services of Other Departments	-	-	-
Interdepartmental Recovery (+)	-	-	-
Subtotal	861,149	-	861,149
Water Quality			
O&M	-	-	-
Capital Outlay	338,499	-	338,499
Services of Other Departments	-	-	-
Interdepartmental Recovery (+)	-	-	-
Subtotal	338,499	-	338,499
Water Supply and Treatment Division			
O&M	-	-	-
Capital Outlay	585,773	-	585,773
Services of Other Departments	-	-	-
Interdepartmental Recovery (+)	-	-	-
Subtotal	585,773	-	585,773
Natural Resources			
O&M	-	-	-
Capital Outlay	171,556	-	171,556
Services of Other Departments	-	-	-
Interdepartmental Recovery (+)	-	-	-
Subtotal	171,556	-	171,556
Water Resources			
O&M	-	-	-
Capital Outlay	35,000	-	35,000
Services of Other Departments	-	-	-
Interdepartmental Recovery (+)	-	-	-
Subtotal	35,000	-	35,000
Total Water Enterprise	\$175,597,869	\$-	\$175,597,869

**Schedule 14 Enterprise Costs Unallowable Under OMB A-87
2014 Indirect Cost Study
San Francisco Public Utilities Commission**

	Total Unallowable	Unallowable Cost Categories	
		Entertainment costs	Equipment and other capital expenditures
<u>Wastewater Enterprise</u>			
Administration			
O&M	850	850	-
Capital Outlay	-	-	-
Debt Service	56,509,466	-	56,509,466
Services of Other Departments	-	-	-
Interdepartmental Recovery	-	-	-
Intrafund Transfers Out	-	-	-
Subtotal	56,510,316	850	56,509,466
Maintenance			
O&M	-	-	-
Capital Outlay	467,436	-	467,436
Services of Other Departments	-	-	-
Interdepartmental Recovery	-	-	-
Subtotal	467,436	-	467,436
Operations			
O&M	-	-	-
Capital Outlay	72,800	-	72,800
Services of Other Departments	-	-	-
Interdepartmental Recovery	-	-	-
Subtotal	72,800	-	72,800
Environmental Engineering			
O&M	-	-	-
Capital Outlay	-	-	-
Services of Other Departments	-	-	-
Interdepartmental Recovery	-	-	-
Subtotal	-	-	-
Planning & Regulation			
O&M	-	-	-
Capital Outlay	-	-	-
Services of Other Departments	-	-	-
Interdepartmental Recovery	-	-	-
Subtotal	-	-	-
Collection Systems			
O&M	-	-	-
Capital Outlay	637,479	-	637,479
Services of Other Departments	-	-	-
Interdepartmental Recovery	-	-	-
Subtotal	637,479	-	637,479
Labs			
O&M	-	-	-
Capital Outlay	141,452	-	141,452
Services of Other Departments	-	-	-
Interdepartmental Recovery	-	-	-

Schedule 14 Enterprise Costs Unallowable Under OMB A-87			
2014 Indirect Cost Study			
San Francisco Public Utilities Commission			
	Total Unallowable	Unallowable Cost Categories	
		Entertainment costs	Equipment and other capital expenditures
Subtotal		-	141,452
Total Wastewater Enterprise	57,829,483	850	57,828,633
<u>Hetch-Hetchy Power Enterprise</u>			
Administration			
O&M	-	-	-
Capital Outlay	-	-	-
Services of Other Departments	-	-	-
Interdepartmental Recovery (+)	-	-	-
Intrafund Transfers Out	-	-	-
Subtotal	-	-	-
Energy Services			
O&M	-	-	-
Power for Resale (-)	-	-	-
Capital Outlay	-	-	-
Services of Other Departments	-	-	-
Interdepartmental Recovery (+)	-	-	-
Subtotal	-	-	-
Long Range Planning			
O&M	-	-	-
Capital Outlay	-	-	-
Debt Service	1,906,912	-	1,906,912
Services to Other Departments	-	-	-
Interdepartmental Recovery (+)	-	-	-
Subtotal	1,906,912	-	1,906,912
Bureau of Light, Heat, & Power			
O&M	-	-	-
Capital Outlay	66,550	-	66,550
Services to Other Departments	-	-	-
Interdepartmental Recovery (+)	-	-	-
Subtotal	66,550	-	66,550
Total Hetch Hetchy Power Enterprise	\$1,973,462	\$0	\$1,973,462
<u>Hetch-Hetchy Water Enterprise</u>			
O&M	-	-	-
Capital Outlay	\$644,274	-	\$644,274
Services of Other Departments	-	-	-
Interdepartmental Recovery (+)	-	-	-
Subtotal	644,274	-	644,274
Total Hetch-Hetchy Water Enterprise	644,274	-	644,274
Grand Total: Enterprise	\$236,045,088	\$850	\$236,044,238

Schedule 14 Enterprise Costs Unallowable Under OMB A-87 2014 Indirect Cost Study San Francisco Public Utilities Commission			
	Total Unallowable	Unallowable Cost Categories	
		Entertainment costs	Equipment and other capital expenditures
Totals by Enterprise			
Water Enterprise	\$175,597,869	\$-	\$175,597,869
Wastewater Enterprise	57,829,483	850	57,828,633
Hetch Hetchy Power Enterprise	1,973,462	-	1,973,462
Hetch Hetchy Water Enterprise	644,274	-	644,274
	\$236,045,088	\$850	\$236,044,238

Schedule 15 Allocation Bases: Bureaus and Enterprises 2014 Indirect Cost Study San Francisco Public Utilities Commission							
Allocation Basis	Enterprise Fund Allocation Data				Bureaus	Totals	
	Water Enterprise	Wastewater Enterprise	Hetch Hetchy Water	Hetch Hetchy Power	All Except Infrastructure		
Office of the General Manager							
- General Manager	Budgeted FTE employee count.	738.5	536.6	209.7	111.8	380.3	1,976.91
- Real Estate Services	Manager's staff analysis	90.0%	9.5%	0.0%	0.5%		100.0%
-							
<u>PUC Business Services</u>							
- Administration	Pro-rated based on the cost allocation results of all other PUC Business Services	48.0%	26.7%	7.0%	6.2%	12.2%	100%
- Assurance & Internal Control	Pro-rated based on the cost allocation results of all other PUC Business Services	48.0%	26.7%	7.0%	6.2%	12.2%	100%
- Financial Services							
- Accounting	Financial Services Salary Survey & Analysis	40.2%	28.8%	10.8%	13.4%	6.8%	100%
- Budgets & Financial Planning	Financial Services Salary Survey & Analysis	44.6%	19.9%	8.5%	22.2%	4.9%	100%
- Fleet Management	Financial Services Salary Survey & Analysis	40.2%	28.8%	10.8%	13.4%	6.8%	100%
-							
- Information Technology Services	Number of Computers	633	421	116	95	478	1,743
- Human Resources							
- Human Resources	Budgeted FTE employee count.	738.5	536.6	209.7	111.8	380.3	1976.9
- Health & Safety	Budgeted FTE employee count.	738.5	536.6	209.7	111.8	380.3	1976.9
- Customer Services							
- Administration	Number of Accounts	173,763	163,478		2,201		339,442
- Business Center	Number of Accounts	173,763	163,478		2,201		339,442
- Customer Accounts	Number of Accounts	173,763	163,478		2,201		339,442
- Field Services	Direct assigned to water	100%					100%
- Customer Contact	Number of Accounts	173,763	163,478		2,201		339,442
-							
<u>Bureau of External Affairs</u>							
- Communications	Manager's staff analysis	35%	45%	0%	20%	-	100%
- Governmental Affairs	Budgeted FTE employee count.	738.5	536.62	209.7	111.8	380.3	1976.9
- Community Benefits	Budgeted FTE employee count.	738.5	536.62	209.7	111.8	380.3	1976.9

Schedule 16 Allocation Percentages: Bureaus and Enterprises 2014 Indirect Cost Study San Francisco Public Utilities Commission					
	Bureau Allocations to Enterprise Funds				
	Water Enterprises	Wastewater Enterprises	Hetch Hetchy Water	Hetch Hetchy Power	Bureaus
Office of the General Manager					
General Manager	37%	27%	11%	6%	19%
Real Estate Services	90%	10%	0%	1%	0%
PUC Business Services					
Administration	48%	27%	7%	6%	12%
Assurance & Internal Controls	48%	27%	7%	6%	12%
Financial Services					
Accounting	40%	29%	11%	13%	7%
Budgets & Financial Planning	45%	20%	8%	22%	5%
Fleet Management	40%	29%	11%	13%	7%
ITS - Admin					
ITS - Admin	36%	24%	7%	5%	27%
Human Resources					
Human Resources	37%	27%	11%	6%	19%
Health & Safety	37%	27%	11%	6%	19%
Customer Services					
Administration	51%	48%	-	1%	-
Business Center	51%	48%	-	1%	-
Customer Accounts	51%	48%	-	1%	-
Field Services	100%	-	-	-	-
Customer Contact	51%	48%	-	1%	-
Customer Services Avg	51%	48%	-	1%	-
Bureau of External Affairs					
Communications	35%	45%	-	20%	-
Governmental Affairs	37%	27%	11%	6%	19%
Community Benefits	37%	27%	11%	6%	19%

Agency	Indirect Rate Factor	Population (2013 estimate) ⁵
City of Long Beach Dept. of Public Works ¹	149.63%	469,428
City of Los Angeles Dept. of Public Works ¹	138.46%	3,884,307
City of Oakland Dept. of Engineering and Construction ¹	153.56%	406,253
City of Sacramento Dept. of Utilities ¹	164.46%	479,686
City of San Diego Dept. of Engineering and Capital Projects ¹	164.61%	1,355,896
City and County of San Francisco Dept. of Public Works ¹	168.31%	837,442
City of San Jose Dept. of Public Works ¹	197.11%	998,537
City of San Antonio ²	126.00%	1,409,019
City of Brentwood ⁴	114.54%	55,000
Average	152.96%	1,099,508

Other agencies using a different methodology		
City of Fresno Public Works Department ^{3,a}	74.31%	509,924

Source	Page
1 http://eng.lacity.org/techdocs/cabm/Benchmarking_report_2013.pdf	p. C-1
2 https://www.sanantonio.gov/Portals/0/Files/CityAuditor/Reports/FY2014/AU13-002.pdf	p. 3
3 http://www.fresno.gov/NR/rdonlyres/03B978B7-AD3F-4722-9F58-C3B697AAC42F/16127/webPublicWorksCapitalProjectsProcessesOverheadRate.pdf	p.7
4 http://www.brentwoodca.gov/civicax/filebank/blobdload.aspx?BlobID=24068	p. 3
5 http://www.census.gov/en.html	--

Notes
a Rates developed in 2003; reflects the division rate for General Engineering