



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

# Delivering Reliability Around the Clock

Popular Annual Financial Report  
For Fiscal Year Ended June 30, 2023



# San Francisco Public Utilities Commission

(AS OF DATE OF PUBLICATION)

**Tim Paulson**, PRESIDENT

**Anthony Rivera**, VICE PRESIDENT

**Newsha Ajami**, COMMISSIONER

**Sophie Maxwell**, COMMISSIONER

**Kate H. Stacy**, COMMISSIONER

## Water

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

## Power

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

## Sewer

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

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# Message from our General Manager

Dear Customers and Interested Parties,



On behalf of the San Francisco Public Utilities Commission (SFPUC), I am pleased to present our Popular Annual Financial Report for Fiscal Year 2022-2023.

This report shares the SFPUC's work, accomplishments, and financial position from July 1, 2022 to June 30, 2023 in an easy-to-use format. It offers insight into how public dollars are spent providing essential water, power, and sewer services 24 hours a day, seven days a week. It also showcases some of the accomplishments our dedicated staff have achieved on behalf of our customers, our communities, and the environment.

As our city and region rebound from the COVID-19 pandemic, we face another challenge.

Climate change has been a driving factor in our work, and we are addressing it head on. During the past year, California went from a historic drought to one of the wettest winters on record. Unprecedented storms delivered half the average annual rainfall in just a matter of days in San Francisco. Staff across our agency are committed to effectively managing the challenges that climate change poses to our communities.

Every day, 2.7 million people in the San Francisco Bay Area depend on water we supply. Through a growing portfolio of power resources, including a new standalone battery-storage project in the Bay Area, both our Hetchy Power and CleanPowerSF now serve about 75% of the electricity demand in San Francisco. We are making generational upgrades to our Southeast Treatment Plant, the workhorse of our combined sewer system, while also delivering other major improvements across that system to enhance seismic safety and climate resiliency.

We are proud to provide reliable services and value to our customers by optimizing the operations, maintenance, and improvement of all our assets. Our approach is strategic, long-term, and focused on cost effectiveness.

We have a robust asset management plan in place, while also continually testing innovative approaches to maximize

effectiveness and public investments. Nowhere is the financial health of our agency more evident than when one looks at the improvements we make to our complex infrastructure to ensure the long-term reliability of those vital public assets.

We are also tackling affordability challenges head on. Working to make utility services more affordable for communities that have faced systemic barriers is central to our work.

With a proven track record as a leader in customer affordability, this year we expanded our Customer Assistance Program to provide additional help to low-income customers and those struggling to pay their bills on time. Among the improvements, we increased discounts on water and sewer bills to 40% for customers with very low incomes, exempted low-income customers from shutoffs or liens for late payment of bills, and ended late fees for residential customers.

Additionally, we successfully advocated for the extension of the state's relief program for utility debt accrued during the COVID-19 pandemic. Last year the SFPUC secured millions of dollars for customers who accrued pandemic water and sewer utility debt. We are committed to helping those who need it the most. That's part of what it means to be a utility of the future.

Finally, this year's report showcases not just our financial health and fiscal responsibility, but our commitment to environmental stewardship and the value of our diverse partnerships.

Even during times of adversity, the SFPUC team has continued to deliver. That will not change.

Thank you to the Commissioners and staff who make the SFPUC a utility that we can all be proud of.

Dennis J. Herrera,  
SFPUC General Manager

# Resolute and Resilient

Millions of people and businesses rely on the water the San Francisco Public Utilities Commission supplies through our Hetch Hetchy Regional Water System. The winter of 2022-2023 was an example of what we can expect from climate change. Despite unprecedented wind and rain in every corner of our watersheds, there were no interruptions to water or power deliveries during those historic winter storms.



Left: Installing new 36-inch (36") diameter welded steel pipe (WSP) for Potable Emergency Firefighting Water Systems, Right: Harry Tracy Water Treatment Plant (HTWTP), Photos by: Robin Scheswohl

### **Water Quality and Asset Protection**

The SFPUC owns and operates over 1,200 miles of pipelines in San Francisco, many of which are 100 years old. We continue to maintain and upgrade our critical water system to serve our customers.

The Linear Asset Management Program identifies the segments of our water network that face the most critical need for replacement, either due to new demand levels, aging infrastructure, or seismic reliability. This past year along 19th Avenue we installed a new 36-inch main that greatly improves service for residents of San Francisco's west side. At the College Hill Reservoir and along Prospect Avenue we installed new seismically resistant pipeline that reaches as far as City Hall and San Francisco General Hospital. Other projects include residential neighborhoods where existing infrastructure is reaching the end of its expected lifespan.

### **Hetch Hetchy Risk Management Pilot Projects**

To help us plan for the future, the Hetch Hetchy Regional Water System employs a strategy of pilot projects and initiatives to test concepts for addressing risks, including capital planning and climate change risks, to help ensure reliable service and assets. One example is our Risk Tool, which establishes a risk framework, assigning consequence and likelihood-of-failure scores to all existing and candidate capital projects. The results from that have been integrated into the 10-year capital development process to optimize our future planning efforts.

### **Water Supply Reliability and Corrosion Control**

To keep our water supply safe and operational, we constantly examine and develop our vast network of supply lines. They stretch 167 miles from the O'Shaughnessy Dam through the Central Valley, to our other reservoirs and facilities in the East Bay, South Bay, and Peninsula before finally reaching San Francisco.

Our Corrosion Control project utilizes basic chemistry to keep our transmission pipelines free from rust. Cathodic

protection prevents corrosion from happening to a pipeline and has been installed across dozens of miles of pipeline and continues to be extended to additional sites.

All of our retail and wholesale customers depend on receiving high-quality potable water without interruption. The Harry Tracy Water Treatment Plant, for example, ensures that water deliveries on the Peninsula and in San Francisco are pure and safe. We recently installed new underdrains for six of the plant's 15 filters in order to maintain full capacity. With more reliable drains now installed, we are able to provide up to 140 million gallons a day.

### **Hetch Hetchy Water Strategic Capital Planning and Special Projects Department**

Unplanned asset failures and natural disasters can put a strain on the capital program for the Hetch Hetchy regional system. To help streamline, this year the SFPUC established a Strategic Capital Planning & Special Projects Department to help address the most significant challenges affecting the SFPUC's ability to plan, budget, and deliver water and power capital improvements.

Created as a pilot, this new department complements the centralized project delivery teams by being responsible for architecting a comprehensive capital plan that can be planned, designed, and constructed to meet asset management needs. The specific focus is on scope, schedule, and budget, as well as the contracting and staffing resources required to deliver successful projects.

With many successes already to date, this strategic capital planning group, has allowed Hetch Hetchy Water and Power to address both future and current risks by utilizing a risk-based approach to prioritize capital planning funding, and manage time-sensitive and high-risk projects, including weather-related emergency projects.

A man with a beard and glasses, wearing a light-colored jacket, is standing next to a white electric car. He is holding a charging cable and appears to be plugging it into the car's charging port. The car is parked at a charging station with a sign that says "CHARGE HERE". The background is a brick wall. The entire image has a purple and orange color overlay.

# Creating the Clean Energy Future

For more than a century, Hetch Hetchy Power has been generating reliable, clean, 100% greenhouse gas-free electricity. The SFPUC continues to lead the way on cleaner, greener future.



Left: Electric vehicle (EV) charging stations, Top right: Hetchy Town Hall, Bottom right: Houses built by Habitat for Humanity with electric vehicle charging stations, Photos by: Robin Scheswohl

### Getting Amped Up with EV Charge SF

Transportation is the largest source of greenhouse gas emissions in the United States, and electrifying vehicles is key to reducing their impact on the planet and our communities. Having reliable electric vehicle charging infrastructure close to home and work is a major factor in deciding to go with an electric vehicle. That's where EV Charge SF can help.

This new SFPUC program provides financial incentives for property owners to install electric vehicle charging infrastructure in new construction, commercial garages, and other projects in San Francisco. Through EV Charge SF, new residential and commercial buildings can take advantage of up to \$120,000 in financial incentives to install reliable electric vehicle chargers and related infrastructure.

The Bristol, a new residential development on Yerba Buena Island, is one of the newest EV Charge SF customers. The Bristol was able to take advantage of the new customer program and successfully financed and installed more than 30 new electric vehicle charging stations in their parking structure. New electric vehicle charging projects are underway at several customer sites, and funding is available for more projects for both CleanPowerSF and Hetch Hetchy Power customers.

### Bay Area Battery Storage

Ensuring reliable power service and achieving San Francisco's ambitious climate change goals go hand in hand. This year, the SFPUC's clean energy procurement program, CleanPowerSF, signed its first standalone battery

storage project contract in the greater San Francisco Bay Area. Called the Corby Project, the battery storage system allows energy produced in the middle of the day, when solar is abundant and electricity is at its cheapest, to be stored and discharged later at night when electricity is scarcer and costlier to get. Stored energy can also be discharged when demand for electricity is high, like during hot days, contributing to regional power reliability. This will help lessen the grid's reliance on expensive fossil fuels and help reduce costs for CleanPowerSF ratepayers.

### Powering Affordable Housing

Hetch Hetchy Power energized over 700 new units of affordable or public housing this year, helping to ensure that San Franciscans from all walks of life get to benefit from 100% greenhouse gas-free electricity.

To welcome customers into their new homes, the SFPUC coordinated a series of community town hall events providing in-language presentations about Hetch Hetchy Power's services, billing, and customer programs to help residents get acquainted with their new provider. To support customers with low or fixed incomes, the SFPUC was able to enroll eligible customers in discount programs, like the newly revamped Customer Assistance Program, which provides a 30% monthly bill discount for eligible Hetch Hetchy Power customers.

Thanks to its reliable service, Hetch Hetchy Power offers a sense of security for customers inside their new homes. The SFPUC is committed to ensuring that residents in San Francisco continue to receive the benefits of clean, reliable, and affordable public power for generations to come.

# Storms, Floodproofing, and Heroes

San Francisco's combined sewer system is a critical part of our city's work to protect public health and coastal water quality. It collects and treats about 40 billion gallons of combined wastewater and stormwater each year. We're making major infrastructure investments, but as climate change brings increasingly intense storms, it's important for residents and businesses to partner with us to divert more stormwater and make properties flood resilient.





Left: Temporary sandbag deployment for flooding barrier, Right: Adopt a Drain VIP Volunteer Event at Oceanside Treatment Plant  
Photos by: Carmen Magana, Robin Scheswohl

### Green Infrastructure Grant Program

One way in which the SFPUC is making our city's combined sewer system more resilient is through green infrastructure, a set of sustainable stormwater management tools that take advantage of natural processes to capture stormwater and prevent it from overwhelming our sewer system. Examples of green infrastructure include permeable pavement, rain gardens, and rainwater harvesting.

The SFPUC's Green Infrastructure Grant Program provides funding for the construction of green infrastructure on large, highly impervious properties, such as schools, parks, and churches. The primary goal of this program is to reduce the amount of stormwater runoff entering the SFPUC's sewer system, which reduces the burden on our sewer system during intense rain events. This program also requires that projects deliver multiple benefits on top of the stormwater management that they provide, including increased urban greenspace and habitat, neighborhood beautification, community engagement, and environmental education. In addition to protecting our environment and improving properties in the city, making these upgrades provides the added benefit of receiving a discount on the stormwater portion of a customer's bill.

Projects to date have included green schoolyards that integrate nature-play with stormwater management at K-12 schools, new rain gardens and permeable pathways in public parks, and a rainwater harvesting system at an arts cooperative. Twenty Green Infrastructure Grants have been awarded since the program launched in February 2019. Nine of these projects totaling \$10.9 million were awarded during the fiscal year 2022-2023. When completed, these projects will collectively capture over 14 million gallons of stormwater each year, providing an important buffer for our sewer system in the face of climate change.

### Floodproofing Grants Benefits Property Owners

The Floodwater Management Grant Program is for San Francisco property owners who have experienced flooding during heavy rains. Awarding over \$750,000 in grants since it was launched in 2013, the program provides funding for eligible applicants who install flood protection on their properties. Some projects include deployable flood barriers, raised planters that act as flood walls,

backflow preventer valves, regrading of driveways to keep flows out, and much more.

The program has undergone improvements over the years to make it more accessible and equitable to customers. These include the addition of hardship eligibility criteria that allow eligible grantees to receive upfront payments in lieu of only reimbursements, increased technical assistance from SFPUC staff to support the design and delivery of successful projects, and increasing the SFPUC's cost share up to 100% of eligible costs.

The program saw a dramatic increase this fiscal year in participation, receiving 135 interest forms compared to 31 for the previous fiscal year. This has resulted in 65 site visits and 10 grant applications, more than any year prior. The program team is currently working on additional improvements so the program can continue to support homeowners in floodproofing their homes and making our city more resilient to a changing climate.

### Celebrating Adopt a Drain Heroes

Launched in 2016, Adopt a Drain is a SFPUC program that enables San Franciscans to "adopt" one or more of the city's 25,000 storm drains/catch basins and pledge to keep it free of leaves and debris to reduce localized flooding. On the mobile-friendly site at [adoptadrain.sfwater.org](http://adoptadrain.sfwater.org), users scroll over a map of San Francisco, claim a storm drain, pledge to care for it, and even give it a name. The program helps reduce localized flooding by engaging residents and businesses to take an active role in caring for and improving the neighborhood where they live and work. It also builds a partnership between the SFPUC and community members by enabling residents to take action to keep local storm drains clear of debris and help keep stormwater flowing smoothly.

Adopt a Drain is also an opportunity to educate the public about the combined sewer system, and the importance of stormwater management – a top priority for our organization. To date, there are 6,486 drains adopted by over 4,500 community members. The program is proving popular with our customers. Over one two-week period stretching from New Year's Eve 2022 into 2023, the program added 1,859 new drain heroes and 2,317 newly adopted drains.



# Investing in People and Community

The SFPUC is committed to being a good neighbor and helping to improve the quality of life in the diverse communities where we operate.

## Diversity, Equity, and Inclusion

The SFPUC hired its first Chief Diversity, Equity, and Inclusion Officer in July 2023 to lead the development and implementation of initiatives to advance racial equity within our organization. This strategic move underscores SFPUC's unwavering commitment to creating and sustaining an inclusive and diverse workplace. Recognizing the importance of addressing systemic inequities, we have embarked on a journey to embed equity into all operations. SFPUC views the pursuit of racial equity as a moral imperative and an essential component for sustainable growth and success. By creating a more inclusive community, we are fulfilling our social responsibility and enhancing our organizational resilience and adaptability in an ever-evolving global landscape.

## Social Impact Partnership Program

The SFPUC is committed to being a good neighbor to communities affected by our contracts, projects, and operations, and our Social Impact Partnership Program allows private contractors we work with to do the same. This past year this impactful program was strengthened and codified into local law with unanimous support from the SFPUC Commission, the San Francisco Board of Supervisors, and Mayor London Breed.

The program invites companies competing for SFPUC qualifying contracts to voluntarily submit a proposal detailing how they would deliver commitments as either volunteer hours and/or financial contributions in the areas of job exposure, awareness, and internships; small business; education; and environmental and community health. If awarded a contract, contractors are then committed to providing those benefits to the community.

Making a difference for more than a decade, the program has led to deep, meaningful, and positive benefits in communities in San Francisco and across our service territory. It has brought more technology into San Francisco public schools; created science, technology, engineering, and math career awareness opportunities for K-12 students; and supported a construction pre-apprenticeship program for women in the trades. There are currently over 90 contracts where companies have voluntarily committed to deliver volunteer hours and financial contributions to local public schools and nonprofit organizations. With the legislation this year, the program now has even stronger tools to maximize transparency and effectiveness. As we invest in our systems, we invest in our communities.

## Support for Low-Income Customers

Recovering from the economic hardships wrought by the global pandemic has been hardest on those who can least afford it. That's why the SFPUC continued to take groundbreaking steps this fiscal year to provide support to our customers who need it the most.

There were three major accomplishments on this front: expanding our discount program for low-income customers, instituting a new shutoff avoidance policy that keeps utility service on for low-income customers who are behind on their bills, and securing additional state funding for debt forgiveness to provide customers relief on past-due bills.

In spring of 2023, the SFPUC approved an expansion of the Customer Assistance Program, deepening water and sewer discounts for residential customers in most need of financial assistance. The SFPUC has long been a leader in ratepayer affordability. We launched our Customer Assistance Program for residential customers in 2004



Left: Jobs Training and Opportunities Program (JTOP), Top right: Southeast Wastewater Treatment Plant (SEP), Headworks Facility Project: Women in Construction week, Bottom right: Southeast Community Center, Photos by: Robin Scheswohl, Sabrina Wong

and it has improved and expanded over the years. We also approved a policy to exempt very low-income customers and those with certain extenuating circumstances from facing a shutoff or lien if behind on their bill.

The SFPUC is also working closely with the State of California regarding funding recently made available to address historic customer arrearages accrued through the end of 2022 – a win for public utilities and for customers in need of assistance across the state.

### Conservation Success

Creating partnerships with the San Francisco Giants, San Francisco International Airport and Golden Gate Restaurant Association helped the SFPUC exceed our water conservation goals in the face of a historic drought. Undertaking joint conservation outreach campaigns with these high-profile partners allowed us to reach new audiences as part of a multilingual, regional water conservation outreach campaign.

Outreach methods included electronic billboards along major highways in the Bay Area, restaurant tabletop signage inviting people to request water if needed, advertising on BART stations and trains, as well as a sophisticated digital marketing campaign with ads on Google, Facebook, Twitter, and Spotify. Tailored campaigns focused on Spanish, Cantonese, and Filipino speakers.

The San Francisco Giants partnership was a high-profile campaign that included a water conservation trivia and a prize wheel at select home games that allowed SFPUC staff to have more than 2,000 direct educational interactions with Giants fans. Other program features included in-game announcements, social media posts from Major League Baseball's San Francisco Giants and Oracle Park accounts, Spanish-language ads on Gigantes Radio, and a public service announcement featuring Giants mascot Lou Seal.

The campaign continued our strong track record of environmental stewardship. Overall, this outreach generated a five-fold increase in visits to our water conservation web pages, tripled the amount of water conservation devices distributed, and generated more than 80 million impressions on social media. The goal was a 11% reduction in water use across our system, which serves four Bay Area counties. The result was a 12% reduction in water use systemwide.

### Southeast Communities Partnership

In October 2022 the new state-of-the-art Southeast Community Center opened in the heart of the Bayview-Hunters Point neighborhood. Drawing 700 community members to the grand opening event, the center is a partnership between the SFPUC and San Francisco's southeast communities. Tenant partners in the center provide key services to the community, including in the areas of health, youth development, financial empowerment, workforce skill development, family support, high school and GED programs, economic development, and entrepreneurship.

This vital neighborhood hub features an expanded low-cost childcare center, free Wi-Fi, co-working spaces, an on-site café, more than 30 works of art from local artists, nonprofit workspaces, community meeting rooms, large multi-purpose rooms, and a stand-alone Alex Pitcher Pavilion for community events. The open spaces include an amphitheater, gardens, outdoor dining areas, and play spaces for children. From June to November, the center hosts a farmers' market featuring local fresh produce and baked goods. As of June 2023, more than 25,000 people had visited the center and more than 640 events had been held there, from quinceañeras to graduation celebrations.

This major investment created a key neighborhood asset that will provide valuable services and resources for decades to come.

# Keeping Our Water Rates Affordable

## Single-Family Residential FY 2022-23

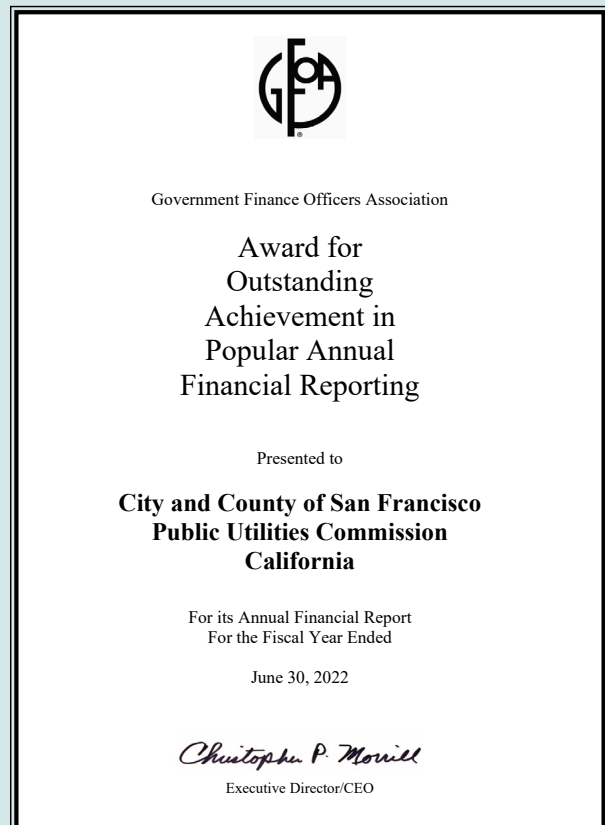
Average Monthly Usage (ccf) .....	4.60
Average Monthly Bill .....	\$129.30
Cost per Person per Day .....	\$1.88
Total Cost per Gallon .....	\$0.038
Total Combined Bill as % of San Francisco Median Household Income .....	1.57%
Total Combined Bill as % of San Francisco Low Income Household .....	3.81%

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

## Financial Performance

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

This award recognizes our commitment to increase public awareness by providing an overview of our financial condition. The financial information for this report is drawn from the audited financial statements in the **SFPUC’s Fiscal Year 2023 Annual Comprehensive Financial Report (ACFR)**, using the full accrual basis of accounting and providing complete financial information and disclosures in conformance with generally accepted accounting principles (GAAP). PAFR is not audited and is presented on a non-GAAP basis as note disclosures have been excluded in the report. Our ACFR, which provides complete financial information and disclosures in conformance with GAAP, is available online at <http://www.sfpuc.org/about-us/reports>.



The **Comparative Consolidated Net Position** provide information about the nature and amount of resources and obligations at a specific point in time. SFPUC continued to reflect a strong and healthy financial condition over the last several fiscal years. Investments in capital assets constituted 78% of our net position and represented the amount by which the carrying value of capital assets exceeds capital-related debt, which comprises the outstanding balances of bonds, commercial paper, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. For FY2023, SFPUC net position increased by 6% or \$177 million as compared to FY2022, mainly due to increase in unrestricted and net investment in capital assets.

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

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

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

Total revenues, transfers in and contributions increased by \$224 million when compared to prior year. This is mainly due to higher charges for services attributed to an average rate increase of 15.9% for water wholesale customers and 1.1% increased electricity consumptions for CleanPowerSF.

Total expenses and transfers out increased by \$133 million, as compared to prior year. This was primarily due to higher pension expense based on actuarial estimates,

higher interest expense due to increased outstanding bond principal balance, and electricity purchased.

## Definitions

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

# A Closer Look at the Numbers

## SFPUC 2023 By the Numbers

Miles .....	1,719 miles of water mains   1,131 miles of collection system pipes
Millions of gallons (MG) .....	264,116 MG water reservoir storage   64,446 MG water production   62,227 MG water consumption
Millions of gallons per day (MGD) .....	171.3 MGD water consumption   85.2 MGD sewer treatment
San Francisco Population .....	798,206
San Francisco Personal Income per Capita .....	\$169,758
SFPUC Website .....	sfpuc.org

### SFPUC Assets (DOLLARS IN MILLIONS)

Fiscal Year	FY2023	Restated FY2022^	FY2021	2023-22 \$ Change	2022-21 \$ Change
Cash & Investments .....	\$ 1,448	1,225	1,287	223	(62)
Charges for Services Receivables (net of allowance for doubtful accounts) .....	159	162	137	(3)	25
Capital Assets .....	11,200	10,451	9,864	749	587
Others .....	207	537	192	(330)	345
<b>Total Assets .....</b>	<b>\$ 13,014</b>	<b>12,375</b>	<b>11,480</b>	<b>639</b>	<b>895</b>

^Restated due to the implementation of GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements (SBITAs)*.

Fiscal year 2023, SFPUC assets increased by \$639 million or 5%, mainly due to \$749 million additional construction and capital improvements, and \$223 million in cash and investments. The increase is offset by decreases of \$333 million mainly in receivables from State Water Resources Control Board for various construction projects, and restricted net pension asset based on actuarial estimates.

Fiscal year 2022, SFPUC assets increased by \$895 million or 8%, mainly due to \$587 million additional construction and capital improvements, \$345 million increase in receivables from other government entities and interest income, \$25 million higher receivables related to charges for services offset by a decrease of \$62 million in cash and investments mainly due higher capital spending and power purchases attributed to volatile and increased pricing in power market.

### SFPUC Liabilities (DOLLARS IN MILLIONS)

Fiscal Year	FY2023	Restated FY2022^	FY2021	2023-22 \$ Change	2022-21 \$ Change
Certificates of Participation .....	\$ 129	134	138	(5)	(4)
Commercial Papers .....	488	625	859	(137)	(234)
Bonds .....	7,639	6,987	6,631	652	356
Notes .....	350	350	—	—	350
State Revolving Fund Loans .....	482	424	216	58	208
Water Infrastructure Finance and Innovation Act loans .....	122	—	—	122	—
Others .....	951	787	1,134	164	(347)
<b>Total Liabilities .....</b>	<b>\$ 10,161</b>	<b>9,307</b>	<b>8,978</b>	<b>854</b>	<b>329</b>

^Restated due to the implementation of GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements (SBITAs)*.

Fiscal year 2023, SFPUC liabilities increased by \$854 million or 9%. The increases included \$690 million in outstanding debts due to bonds, WIFIA loans and State loans issuances, and \$164 million mainly due to pensions based on actuarial estimates.

Fiscal year 2022, SFPUC liabilities increased by \$329 million or 4%. The increases included \$676 million in outstanding debts due to bonds and State revolving fund loans issuances, offset by a decrease of \$347 million in other liabilities mainly related to net pension liabilities.

# Financials at a Glance

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

	Water	Wastewater	Hetchy Water	Hetchy Power	CleanPowerSF	SFPUC
Standard & Poor's Bond Rating . . . . .	AA-	AA	N/A	AA	N/A	N/A
Moody's Investors Service. . . . .	Aa2	Aa2	N/A	N/A	A2	N/A
Fitch. . . . .	N/A	N/A	N/A	AA-	N/A	N/A
Current Ratio . . . . .	1.90 times	2.01 times	8.06 times	3.86 times	4.66 times	2.38 times
Debt Ratio . . . . .	91.1%	73.7%	13.4%	45.6%	24.1%	78.1%
Debt Service Coverage . . . . .	1.85	3.17	N/A	63.29	N/A	N/A
Average Borrowing Rate <sup>1</sup> . . . . .	3.30%	2.89%	N/A	2.88%	N/A	N/A
<sup>1</sup> The SFPUC's high credit ratings helps to reduce high borrowing costs. Average Borrowing Rate is the weighted average interest rate on outstanding bonds as of 6/30/23.						
Total Assets <sup>2</sup> . . . . .	\$ 6,344.0	5,260.7	310.9	941.3	157.9	13,014.3
Deferred Outflows of Resources. . . . .	\$ 223.3	44.1	12.1	14.8	2.3	296.6
Total Liabilities <sup>2</sup> . . . . .	\$ 5,778.1	3,874.9	41.6	428.9	38.0	10,161.0
Deferred Inflows of Resources. . . . .	\$ 97.2	31.1	7.3	8.8	4.2	148.6
Net Position . . . . .	\$ 692.0	1,398.8	274.1	518.4	118.0	3,001.3
<sup>2</sup> SFPUC total included elimination of \$0.5 million interfund payables and receivables between Wastewater and Hetchy Power.						
Number of Customer Accounts. . . . .	177,613	175,680	5	6,238	397,154	756,690
Capital Budget. . . . .	\$ 111.2	687.2	114.9	66.2	3.7	983.2
Adopted Annual Operating Budget. . .	\$ 663.7	406.1	95.1	170.9	315.7	1,651.5

## Definitions

- **Current Ratio:** measures the enterprise's ability to pay short-term obligations with its current assets. It is defined as current assets divided by current liabilities.
- **Debt Ratio:** measures how much of the enterprise's assets are financed by debt. It is defined as total liabilities divided by total assets.
- **Debt Service Coverage:** measures the enterprise's ability to meet both legal and policy-driven revenue obligations associated with debt. To ensure that the SFPUC retains financial flexibility for contingencies, it has adopted and implemented financial policies that impose higher standards than the bond indenture minimum debt service coverage requirements of 1.00x (current) and 1.25x (indenture).

# Five-Year Comparative Consolidated Net Position

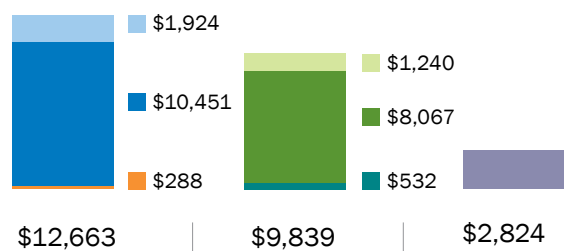
(DOLLARS IN MILLIONS)

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

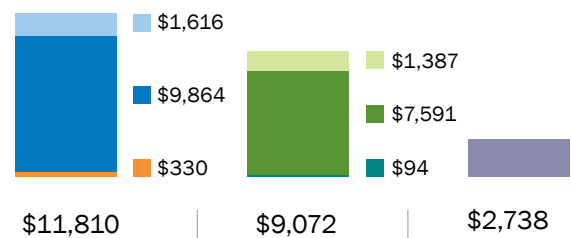
## 2023



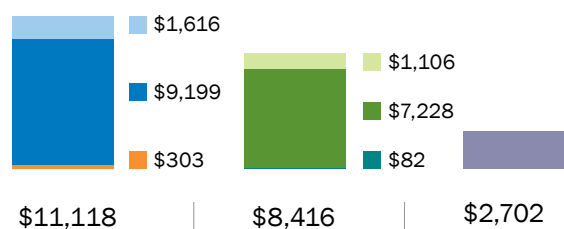
## 2022<sup>^</sup>



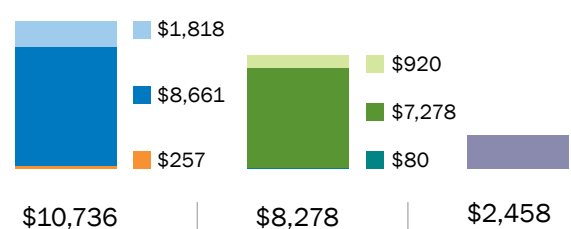
## 2021



## 2020



## 2019



<sup>^</sup>Restated due to the implementation of GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements (SBITAs)*.



# Five-Year Comparative Revenues and Expenses

(DOLLARS IN MILLIONS)

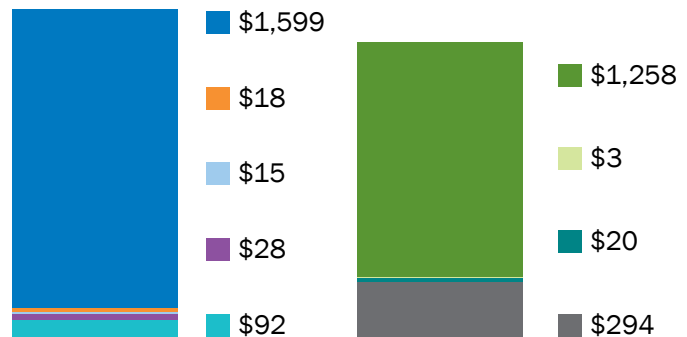
## Revenues, Transfers in and Capital Contributions

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

## Expenses & Transfers out

- Operating expenses
- Non-operating expenses
- Transfers out
- Interest expenses, amortization of premium, discount, refunding loss & issuance costs

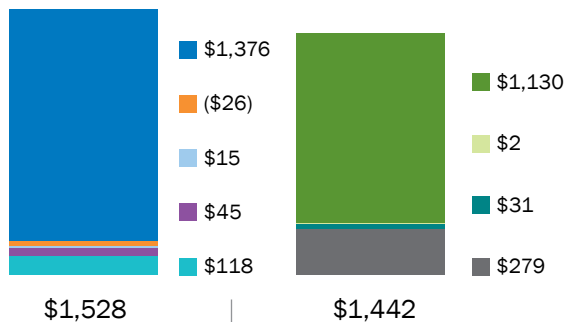
### 2023



**\$1,752**  
Total Revenues,  
Transfer In &  
Capital Contribution

**\$1,575**  
Total Expenses  
& Transfers Out

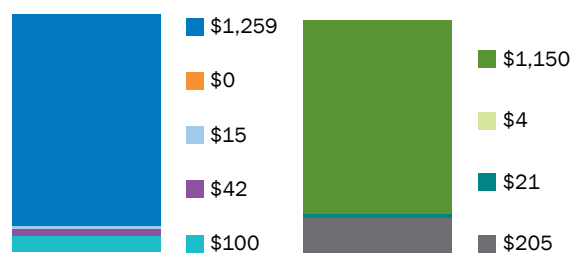
### 2022<sup>^</sup>



\$1,528

\$1,442

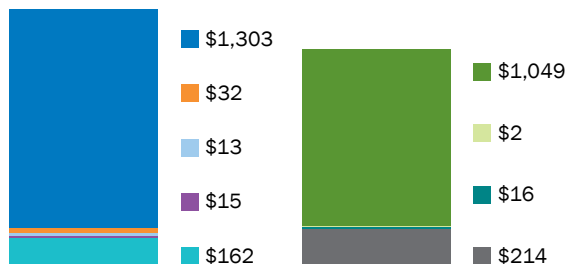
### 2021



\$1,416

\$1,380

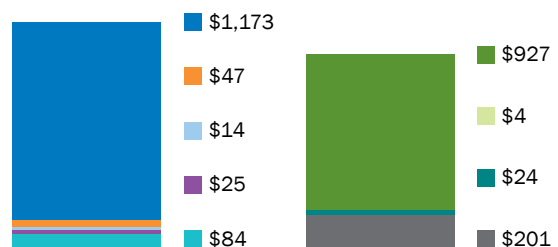
### 2020



\$1,525

\$1,281

### 2019



\$1,343

\$1,156

<sup>^</sup>Restated due to the implementation of GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements (SBITAs)*.



Cover photo: Ductile Iron Water Main Replacement, Green infrastructure, Electric Vehicle Charge San Francisco Program

Back cover photo: Harry Tracy Water Treatment Plant-Filters No. 1 to 6, Ductile Iron Water Main Replacement

Photos by: Robin Scheswohl, Sabrina Wong

Date of Publication: January 2024

# Our mission

To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.

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