

1 [Appropriation - Proceeds from Revenue Bonds, State Loans or Grant Funds, Wastewater
2 Revenues, and Wastewater Capacity Fees for Wastewater Capital Improvements -
3 \$1,142,597,402 - FY2023-2024]

3

4 **Ordinance appropriating a total of \$1,142,597, 402 of proceeds from revenue bonds,**
5 **State of California Water Resources Control Board’s revolving loan funds (State Loan**
6 **Funds) or grant funds (State Grant Funds), wastewater revenue and capacity fees for**
7 **the San Francisco Public Utilities Commission (SFPUC) Wastewater Enterprise’s**
8 **Capital Improvement Program for Fiscal Year (FY) 2023-2024, and placing**
9 **\$1,047,288,286 in Revenue Bonds or State Loan or Grant Funds by project on**
10 **Controller’s Reserve subject to the Controller's certification of funds availability,**
11 **including proceeds of indebtedness, and for construction related expenditures**
12 **(excluding program management, planning and design) for these projects, as**
13 **applicable, is also subject to the prior occurrence of the SFPUC's and the Board of**
14 **Supervisors' discretionary adoption of California Environmental Quality Act (CEQA)**
15 **Findings for projects, following review and consideration of completed project related**
16 **environmental analysis, where required in Fiscal Year (FY) 2023-2024.**

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18 Note: **Unchanged Code text and uncodified text** are in plain Arial font.
19 **Additions to Codes** are in single-underline italics Times New Roman font.
20 **Deletions to Codes** are in ~~strikethrough italics Times New Roman font~~.
21 **Board amendment additions** are in double-underlined Arial font.
22 **Board amendment deletions** are in ~~strikethrough Arial font~~.
23 **Asterisks (* * *)** indicate the omission of unchanged Code
24 subsections or parts of tables.
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23 Be it ordained by the People of the City and County of San Francisco:

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1 Section 1. The sources of funding outlined below are herein appropriated to reflect the
 2 funding available for Fiscal Year 2023-2024.

3
 4 **SOURCES Appropriation**

5 Fund /	Project & Activity /	Account	Description	Amount
6 Department ID	Authority			
7 20720	10026508-0001	480111	Proceeds from Sale	\$915,923,953
8 WWE SSIP 2023	Bond-Commercial	Proceeds from Sale	of Bonds	
9 Bond Fund/	Paper Expense,	of Bonds- Face		
10 229267 WWE0101	Budget Control /	Amount		
11 Administration	17732 WW Bond-			
12	commercial Paper			
13	Exp			
14				
15 20707 Wastewater	10026508-0001	480111	Proceeds from Sale	\$131,364,333
16 2021 Capital Fund /	Bond-Commercial	Proceeds from Sale	of Bonds	
17 229267 WWE0101	Paper Expense,	of Bonds- Face		
18 Administration	Budget Control /	Amount		
19	17732 WW Bond-			
20	commercial Paper			
21	Exp			

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	20550 WWE CPF	10031235-0001	495022	Wastewater	\$81,338,116
4	Repair & Replace /	WW Wwe Rnr	ITI Fr 5C-	Enterprise Revenue	
5	229267 WWE0101	Collection System/	Cleanwater		
6	Administration	15722 WW Wwe Rnr	ProgramFd		
7		Collection System			
8					
9	20530 WWE CPF	10031235-0001	479993	Wastewater	\$13,971,000
10	Capacity Fee Prog /	WW Wwe Rnr	Capacity Fees	Capacity Fee	
11	229267 WWE0101	Collection System/			
12	Administration	15722 WW Wwe Rnr			
13		Collection System			
14	Total SOURCES Appropriation				<u>\$1,142,597,402</u>

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16 Section 2. The uses of funding outlined below are herein appropriated in Accounts

17 567000 (Buildings, Structures, and Improvements), 584030 (Capital Renewal Projects),

18 581130 (CON-Internal Audits), 573110 (Bond Issuance Cost-Unamortized), and 567000

19 (Revenue Bond Oversight Committee), reflecting the projected uses of funding to support the

20 Wastewater Capital Improvement Program at the San Francisco Public Utilities Commission

21 for Fiscal Year 2023-2024.

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23 **USES Appropriation**

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1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	20720	10029731-0002	567000	SSIP Program-	\$18,000,000
4	WWE SSIP 2023	Planning Budget/	Blds; Structures &	Wide Management	
5	Bond Fund/	15733	Improvements		
6	229267 WWE0101	WW SSIP Program-			
7	Administration	Wide Management			
8					
9	20720	10015795-0001	567000	Biosolids Digester	\$535,788,474
10	WWE SSIP 2023	Biosolids Digester	Blds; Structures &	Project	
11	Bond Fund/	Project/15728	Improvements		
12	229267 WWE0101	WW SSIP Biosolids			
13	Administration	Digester Project			
14					
15	20720	10026823-0001	567000	Treatment Plants -	\$47,996,135
16	WWE SSIP 2023	Treatment Plant	Blds; Structures &	Southeast	
17	Bond Fund/	Improvements-S /	Improvements		
18	229267 WWE0101	15735 WW			
19	Administration	Treatment Plant			
20		Improvement			
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1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	20720	10015813-0001	567000	Treatment Plants –	\$25,443,455
4	WWE SSIP 2023	Treatment Plant	Blds; Structures &	Improvements	
5	Bond Fund/	Improvement /	Improvements		
6	229267 WWE0101	15736 WW			
7	Administration	Treatment Plant			
8		Improvement			
9					
10	20720	10015791-0001	567000	Collection System	\$83,121,607
11	WWE SSIP 2023	Collection System	Blds; Structures &	Improvements	
12	Bond Fund/	Improvements /	Improvements		
13	229267 WWE0101	15726 WW Collection			
14	Administration	System Improvement			
15					
16	20720	10002780-0001	567000	Green	\$24,836,303
17	WWE SSIP 2023	Drainage Basin-	Blds; Structures &	Infrastructure	
18	Bond Fund/	Early Implement /	Improvements	Projects	
19	229267 WWE0101	15729 WW			
20	Administration	Stormwater			
21		Management			
22					
23					
24					
25					

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	20720	10015801 -0001	567000	Flood Resilience-	\$43,349,386
4	WWE SSIP 2023	Flood	Blds; Structures &	Hydraulic	
5	Bond Fund/	Resilience/Hydraulic	Improvements		
6	229267 WWE0101	Improvement/			
7	Administration	15730 WW Flood			
8		Resilience-hydraulic			
9					
10	20550 WWE CPF	10031235-0001	584030	R & R Collection	\$74,975,947
11	Repair & Replace /	WW Wwe Rnr	Capital Renewal	System	
12	229267 WWE0101	Collection System /	Projects		
13	Administration	15722 WW Wwe Rnr			
14		Collection System			
15					
16	20530 WWE CPF	10031235-0001	584030	R & R Collection	\$13,971,000
17	Capacity Fee Prog /	WW Wwe Rnr	Capital Renewal	System	
18	229267 WWE0101	Collection System /	Projects		
19	Administration	15722 WW Wwe Rnr			
20		Collection System			
21					
22					
23	20550 WWE CPF	10031247-0001	584030	R & R Treatment	\$6,199,493
24	Repair & Replace /	WW Wwe Rnr	Capital Renewal	Facilities	
25		Treatment Facilities /	Projects		

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	229267 WWE0101	15724 WW Wwe Rnr			
4	Administration	Treatment Facilities			
5					
6	20707 Wastewater	10015546-0001	567000	WW Treasure	\$111,659,683
7	2021 Capital Fund /	Treasure Island	Blds; Structures &	Island Capital	
8	229267 WWE0101	Capital	Improvements	Improvements	
9	Administration	Improvement/15707			
10		WW Treasure Island			
11		Capital Imp			
12					
13	20720	10026508-0001	573110	Financing Costs	\$135,373,560
14	WWE SSIP 2023	Bond-Commercial	Bond Issuance		
15	Bond Fund/	Paper Expense,	Cost- Unamortized		
16	229267 WWE0101	Budget Control /			
17	Administration	17732 WW Bond-			
18		commercial Paper			
19		Exp			
20					
21	20720	10026508-0001	581130	CSA 0.2%	\$1,557,071
22	WWE SSIP 2023	Bond-Commercial	GF-CON-Internal	Controller's Audit	
23	Bond Fund/	Paper Expense,	Audits	Fund	
24	229267 WWE0101	Budget Control /			
25	Administration				

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3		17732 WW Bond-			
4		commercial Paper			
5		Exp			
6					
7	20720	10026508-0001	567000	Revenue Bond	\$457,962
8	WWE SSIP 2023	Bond-Commercial	Blds; Structures &	Oversight	
9	Bond Fund/	Paper Expense,	Improvements	Committee 0.05%	
10	229267 WWE0101	Budget Control /			
11	Administration	17732 WW Bond-			
12		commercial Paper			
13		Exp			
14					
15	20707 Wastewater	10026508-0001	573110	Financing Costs	\$19,415,648
16	2021 Capital Fund /	Bond-Commercial	Bond Issuance		
17	229267 WWE0101	Paper Expense,	Cost- Unamortized		
18	Administration	Budget Control /			
19		17732 WW Bond-			
20		commercial Paper			
21		Exp			
22					
23	20707 Wastewater	10026508-0001	581130	CSA 0.2%	\$223,320
24	2021 Capital Fund /		GF-CON-Internal	Controller's Audit	
25			Audits	Fund	

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	229267 WWE0101	Bond-Commercial			
4	Administration	Paper Expense,			
5		Budget Control /			
6		17732 WW Bond-			
7		commercial Paper			
8		Exp			
9					
10	20707 Wastewater	10026508-0001	567000	Revenue Bond	\$65,682
11	2021 Capital Fund /	Bond-Commercial	Blds; Structures &	Oversight	
12	229267 WWE0101	Paper Expense,	Improvements	Committee 0.05%	
13	Administration	Budget Control /			
14		17732 WW Bond-			
15		commercial Paper			
16		Exp			
17					
18	20550 WWE CPF	10026508-0001	581130	CSA 0.2%	\$162,676
19	Repair & Replace /	Bond-Commercial	GF-CON-Internal	Controller's Audit	
20	229267 WWE0101	Paper Expense,	Audits	Fund	
21	Administration	Budget Control /			
22		17732 WW Bond-			
23		commercial Paper			
24		Exp			
25					

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	Total USES Appropriation				<u>\$1,142,597,402</u>

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5 Section 3. Of the above appropriated amount, \$1,943,067 representing 0.2% of the
6 expenditure budget net of bond financing and audit costs, shall be allocated to support the
7 Controller's Audit Fund, pursuant to Charter Appendix F1.113; and \$523,644, representing
8 0.05% of gross bond proceeds, shall be allocated to support the Public Utilities Commission
9 Revenue Bond Oversight Committee, pursuant to Administrative Code Section 5A.31. These
10 appropriations may be decreased by the Controller based on changes to expenditure
11 appropriations or actual gross bond proceeds to conform to the applicable Charter and
12 Administrative Code formulas.

13

14 Section 4. \$1,047,288,286 of the total appropriation is hereby placed on Controller's
15 Appropriation Reserve, as set forth below. Release of appropriation reserves by the
16 Controller is subject to the Controller's certification of funds availability, including proceeds of
17 indebtedness, and for construction related expenditures (excluding program management,
18 planning and design) for these projects, as applicable, is also subject to the prior occurrence
19 of the SFPUC's and the Board of Supervisors' discretionary adoption of California
20 Environmental Quality Act (CEQA) Findings for projects, following review and consideration of
21 completed project related environmental analysis, where required.

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Appropriation on Reserve

	Fund /	Project & Activity /	Account	Description	Amount
	Department ID	Authority			
4	20720	10029731-0001	567000	SSIP Program-	\$18,000,000
5	WWE SSIP 2023	Planning/Budget	Blds; Structures &	Wide Management	
6	Bond Fund/	/15733	Improvements		
7	229267 WWE0101	WW SSIP Program-			
8	Administration	Wide Management			
9					
10	20720	10015795-0001	567000	Biosolids Digester	\$535,788,474
11	WWE SSIP 2023	Biosolids Digester	Blds; Structures &	Project	
12	Bond Fund/	Project/15728	Improvements		
13	229267 WWE0101	WW SSIP Biosolids			
14	Administration	Digestor Project			
15					
16	20720	10026823-0001	567000	Treatment Plants -	\$47,996,135
17	WWE SSIP 2023	Treatment Plant	Blds; Structures &	Southeast	
18	Bond Fund/	Improvements-S /	Improvements		
19	229267 WWE0101	15735 WW			
20	Administration	Treatment Plant			
21		Improvement			
22					
23					
24					
25					

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	20720	10015813-0001	567000	Treatment Plants –	\$25,443,455
4	WWE SSIP 2023	Treatment Plant	Blds; Structures &	Improvements	
5	Bond Fund/	Improvement /	Improvements		
6	229267 WWE0101	15736 WW			
7	Administration	Treatment Plant			
8		Improvement			
9					
10	20720	10015791-0001	567000	Collection System	\$83,121,607
11	WWE SSIP 2023	Collection System	Blds; Structures &	Improvements	
12	Bond Fund/	Improvements /	Improvements		
13	229267 WWE0101	15726 WW Collection			
14	Administration	System Improvement			
15					
16	20720	10002780-0001	567000	Green	\$24,836,303
17	WWE SSIP 2023	Drainage Basin/Early	Blds; Structures &	Infrastructure	
18	Bond Fund/	Implement /15729	Improvements	Projects	
19	229267 WWE0101	WW Stormwater			
20	Administration	Management			
21					
22					
23					
24					
25					

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	20720	10015801 -0001	567000	Flood Resilience-	\$43,349,386
4	WWE SSIP 2023	Flood	Blds; Structures &	Hydraulic	
5	Bond Fund/	Resilience/Hydraulic	Improvements		
6	229267 WWE0101	Imp/15730 WW Flood			
7	Administration	Resilience-hydraulic			
8					
9	20707 Wastewater	10015546-0001	567000	WW Treasure	\$111,659,683
10	2021 Capital Fund /	Treasure Island	Blds; Structures &	Island Capital	
11	229267 WWE0101	Capital Improvement	Improvements	Improvements	
12	Administration	/15707			
13		WW Treasure Island			
14		Capital Imp			
15					
16	20720	10026508-0001	573110	Financing Costs	\$135,373,560
17	WWE SSIP 2023	Bond-Commercial	Bond Issuance		
18	Bond Fund/	Paper Expense ,	Cost- Unamortized		
19	229267 WWE0101	Budget Control /			
20	Administration	17732 WW Bond-			
21		commercial Paper			
22		Exp			
23					
24					
25					

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	20720	10026508-0001	581130	CSA 0.2%	\$1,557,071
4	WWE SSIP 2023	Bond-Commercial	GF-CON-Internal	Controller's Audit	
5	Bond Fund/	Paper Expense ,	Audits	Fund	
6	229267 WWE0101	Budget Control /			
7	Administration	17732 WW Bond-			
8		commercial Paper			
9		Exp			
10					
11	20720	10026508-0001	567000	Revenue Bond	\$457,962
12	WWE SSIP 2023	Bond-Commercial	Blds; Structures &	Oversight	
13	Bond Fund/	Paper Expense ,	Improvements	Committee 0.05%	
14	229267 WWE0101	Budget Control /			
15	Administration	17732 WW Bond-			
16		commercial Paper			
17		Exp			
18					
19	20707 Wastewater	10026508-0001	573110	Financing Costs	\$19,415,648
20	2021 Capital Fund /	Bond-Commercial	Bond Issuance		
21	229267 WWE0101	Paper Expense ,	Cost- Unamortized		
22	Administration	Budget Control /			
23		17732 WW Bond-			
24		commercial Paper			
25		Exp			

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	20707 Wastewater	10026508-0001	581130	CSA 0.2%	\$223,320
4	2021 Capital Fund /	Bond-Commercial	GF-CON-Internal	Controller's Audit	
5	229267 WWE0101	Paper Expense ,	Audits	Fund	
6	Administration	Budget Control /			
7		17732 WW Bond-			
8		commercial Paper			
9		Exp			
10					
11	20707 Wastewater	10026508-0001	567000	Revenue Bond	\$65,682
12	2021 Capital Fund /	Bond-Commercial	Blds; Structures &	Oversight	
13	229267 WWE0101	Paper Expense ,	Improvements	Committee 0.05%	
14	Administration	Budget Control /			
15		17732 WW Bond-			
16		commercial Paper			
17		Exp			
18	Total Appropriation on Reserve				\$1,047,288,286

20 Section 5. Associated bond financing costs up to \$154,789,208 are also hereby
21 appropriated, including but not limited to, issuance costs, debt service reserve, capitalized
22 interest, rating agency, and disclosure costs, all on Controller's reserve pending receipt of
23 bond proceeds. To the extent that net available bond proceeds after financing costs are more
24 than budgeted, the SFPUC may use such surplus bond proceeds as a substitute for other
25 sources budgeted in this ordinance.

1 Section 6. The Controller is authorized to record transfers between funds and adjust
2 the accounting treatment of sources and uses appropriated in this ordinance as necessary to
3 conform to Generally Accepted Accounting Principles and other laws.

4
5 Section 7. This Board, by Ordinance No. 89-15, authorized the SFPUC to enter into
6 one or more State of California State Water Resources Control Board Installment Sale
7 Agreements under the Clean Water State Revolving Fund (State Loan Funds); by Ordinance
8 No. 144-18, authorized the SFPUC to enter into one or more federal Water Infrastructure
9 Financing Innovation Act loans (Federal Loan Funds); and amended and supplemented
10 Ordinance No. 107-14 to authorize, in addition to the issuance of Wastewater revenue bonds,
11 the execution and delivery of State Loan Funds to finance projects, provided that any such
12 indebtedness shall not exceed in an aggregate principal amount \$819,035,941. The Board is
13 concurrently considering with this Ordinance a SFPUC Wastewater Revenue Bond issuance,
14 including authorization to obtain one or more State Revolving Fund (SRF) and Water
15 Infrastructure Finance and Innovation Act (WIFIA) loans, not to exceed \$987,414,494. The
16 Sources of Funds herein appropriated in Section 1 of this Ordinance, or previously
17 appropriated by Ordinance 105-14, may include State Loan Funds, State Grant Funds,
18 Federal Grant Funds, or Federal Loan Funds when available, subject to compliance with the
19 terms of the authorizing legislation for such Funds. The Controller is authorized to record
20 substitution of the source of funds appropriated with State Loan Funds, State Grant Funds,
21 Federal Grant Funds, or Federal Loan Funds as necessary to conform to Generally Accepted
22 Accounting Principles and other laws.

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APPROVED AS TO FORM:
DAVID CHIU, City Attorney

FUNDS AVAILABLE
BEN ROSENFELD, Controller

By: /s/_____
JON GIVNER
Deputy City Attorney

By: /s/_____
BEN ROSENFELD
Controller

<p>Items 19 & 21 Files 23-0655 & 23-0666</p>	<p>Department: Public Utilities Commission</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p>	
<ul style="list-style-type: none"> • File 23-0666 is an ordinance authorizing the San Francisco Public Utilities Commission (SFPUC) to issue \$1,047,288,286 in Wastewater Revenue Bonds to fund Wastewater Enterprise capital projects. • File 23-0655 is an ordinance appropriating \$1,142,597,402 of Wastewater Revenue Bond proceeds or State Loan or Grant Funds, wastewater revenues, and wastewater capacity fees for the Wastewater Enterprise’s Capital Improvement Program for FY 2022-23 and placing \$704,198,901 on Controller’s Reserve. 	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • Proposition E, approved by voters in 2002, provides for the Board of Supervisors to authorize SFPUC to issue revenue bonds. To date, the Board of Supervisors has authorized \$5.2 billion and SFPUC has issued \$4.5 billion in Wastewater Revenue Bonds authorized by Proposition E. • The appropriation funds projects approved in the SFPUC Capital Plan. The Wastewater Enterprise’s \$4.9 billion ten-year capital improvement plan is a decrease from last year’s \$6.1 billion ten-year capital plan for Wastewater. The SFPUC reduced the capital budget by \$1.2 billion due to increasing financing and construction costs, annual Wastewater capital underspending of approximately \$1.5 billion between FY 2016-17 and FY 2021-22, and a desire to balance rate increases for all its Enterprises. The capital funding decreases were across all Wastewater capital programs. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • The 10-Year Financial Plan assumes no retail sewer rate increase in FY 2022-23 and a 9 percent rate in increase for sewer rates in FY 2023-24, and remain between 9 and 10 percent through FY 2030-31, after which they decrease to 5 percent per year in FYs 2031-32 and FY 2032-33. This is an increase from the 6 percent annual rate increases projected last year for FY 2023-24 – FY 2029-30. 	
<p style="text-align: center;">Recommendations</p>	
<ul style="list-style-type: none"> • Amend File 23-0666 to state that the required report to the Board of Supervisors detailing issuance of Wastewater Revenue Bonds be included in the legislative file for that item. • Approve the ordinances, as amended 	

MANDATE STATEMENT

Charter Section 8B.124 states that the Public Utilities Commission is authorized to issue revenue bonds and other forms of indebtedness, when authorized by two-thirds vote of the Board of Supervisors.

Charter Section F1.113 states that 0.2 percent of the City’s budget, excluding bond debt, must be set-aside for the Controller’s audit fund.

Charter Section 5A.31(d) states that one-twentieth of one percent (0.05%) from the proceeds of each issuance or sale of public utility revenue bonds must be set aside for use by the Public Utilities Commission Revenue Bond Oversight Committee to cover the costs of Committee activities.

Charter Section 9.105 states that the Board of Supervisors shall approve by ordinance all amendments to the Annual Appropriation Ordinance after the Controller certifies the availability of funds.

BACKGROUND

The Wastewater Enterprise has three capital improvement programs totaling \$4.9 billion over the ten-year period FY 2023-24 to FY 2032-33.

- 1. **Sewer System Improvement Program (SSIP):** consists of multiple projects that include addressing aging infrastructure and existing wastewater collection system and treatment facilities and seismic deficiencies, managing stormwater in the City’s eight urban watersheds, and upgrading the existing wastewater system. SSIP Phase 1 includes 70 projects and Other SSIP includes 43 projects (**\$2.9 billion**).
- 2. **Renewal and Replacement Program (R&R):** This program addresses (1) deficiencies in the sewer collection system to ensure they continue to function at proper capacity and meet regulatory standards, and (2) the extension of the useful life of treatment facilities throughout the City by helping to maintain their treatment capacity and performance and maintain regulatory compliance (**\$1.6 billion**).
- 3. **Facilities and Infrastructure Program (F&I):** consists of capital projects intended to provide for necessary upgrades to aging facilities not included in the SSIP and RRP. These projects include the Southeast Outfall Condition Assessment & Rehabilitation, New Treasure Island Wastewater Treatment Plant, Ocean Beach Climate Change Adaptation Project, Collection Division Consolidation (WWE Facilities Plan), Southeast Community Center at 1550 Evans, Southeast Bay Outfall Islais Creek Crossing Replacement, and Southwest Ocean Outfall (SWOO) (**\$330 million**).

The Wastewater Enterprise’s \$4.9 billion ten-year capital improvement plan is a decrease from last year’s \$6.1 billion ten-year capital plan for Wastewater. The PUC reduced the ten-year capital budget by \$1.2 billion due to increasing financing and construction costs, annual Wastewater Capital budget underspending of approximately \$1.5 billion between FY 2016-17 and FY 2021-

22, and a desire to balance rate increases for all its Enterprises. The capital funding decreases were across all Wastewater capital programs: \$636 million in SSIP, \$599 million in Renewal and Replacement, and \$13 million in Facilities.

DETAILS OF PROPOSED LEGISLATION

File 23-0666 is an ordinance (a) authorizing the issuance and sale of tax-exempt or taxable Wastewater Revenue Bonds and other forms of indebtedness by the San Francisco Public Utilities Commission (SFPUC) in an aggregate principal amount not to exceed \$1,047,288,286 to finance the costs of Wastewater Enterprise capital projects; (b) authorizing the issuance of Wastewater Revenue Refunding Bonds and the retirement of outstanding Wastewater Enterprise Commercial Paper; (c) declaring the intent of SFPUC to reimburse itself with one or more issues of tax-exempt bonds or other forms of indebtedness; and (d) ratifying previous actions taken in connection with the issuance of the bonds.

File 23-0655 is an ordinance (a) appropriating \$1,142,597,402 of proceeds from Revenue Bonds, State of California Water Resources Control Board's revolving loan funds (State Loan Funds) or grant funds (State Grant Funds), wastewater revenues, and wastewater capacity fees for the San Francisco Public Utilities Commission (SFPUC) Wastewater Enterprise's Capital Improvement Program for FY 2023-24. \$1,047,288,286 of Revenue Bond and State Loan Funds or State Grant Funds proceeds are placed on Controller's Reserve pending Controller certification of the availability of funds. Sources and uses of the appropriated funds are shown in Table 1 below. Projects funded by the appropriated funds are subject to final approval of the California Environmental Quality Act (CEQA) findings by the SFPUC and the Board of Supervisors.

Wastewater Revenue Bond Issuance

At the February 14, 2023 Commission meeting, the SFPUC approved the issuance of new Wastewater Revenue Bonds to finance wastewater capital projects in FY 2022-23. The proposed ordinance allows the issuance of commercial paper or other interim debt to finance the projects prior to the issuance of the revenue bonds and provides for SFPUC to access California Water Resources Control Board revolving loan funds or grant funds.

The SFPUC may issue taxable or tax-exempt bonds in one or more series through either a negotiated or competitive sale. The SFPUC is to report to the Board of Supervisors within 30 days of the bond issuance: (i) the principal amount sold and method of sale, (ii) true interest cost, (iii) final maturity, (iv) the facilities constructed and/or improved, and (v) a statement about the remaining bonding authorization.

In addition, the SFPUC may issue refunding bonds to repay outstanding Wastewater Revenue Bond debt if the issuance of the refunding bonds results in net present value debt service savings of 3 percent and does not extend the maturity date. If the SFPUC issues refunding bonds, then the SFPUC needs to submit to the Board of Supervisors the final official statement for the refunding bonds and a statement from the financial advisor on the 3 percent net present value debt service savings. SFPUC may request authorization to issue refunding bonds for other reasons

that debt service savings if other benefits accrue, such as removal of bond covenants deemed to be onerous to the SFPUC. The authorization to issue refunding bonds extends through June 2028.

FY 2023-24 Wastewater Capital Budget

The proposed ordinance appropriates \$793.0 million of bond proceeds, wastewater revenues, and capacity fees to various SSIP and wastewater projects in FY 2022-23, as shown in Table 1 below.

Table 1: Sources and Uses of Funds

	2023 Bond Proceeds (SSIP) ^a	2021 Bond Proceeds	Wastewater Revenues	Capacity Fees	Total
Sources	\$915,923,953	\$131,364,333	\$81,338,116	\$13,971,000	\$1,142,597,402
Uses					
SSIP Program Management	\$18,000,000				\$18,000,000
Biosolids Digester Project	\$535,788,474				\$535,788,474
Southeast Treatment Plant	\$47,996,135				\$47,996,135
Other Treatment Plants	\$25,443,455				\$25,443,455
Collection System	\$83,121,607		\$81,175,440	\$13,971,000	\$178,268,047
Green Infrastructure	\$24,836,303				\$24,836,303
Flood Resilience	\$43,349,386				\$43,349,386
Treasure Island Improvements		\$111,659,683			\$111,659,683
Financing Costs ^b	\$135,373,560	\$19,415,648			\$154,789,208
City Services Auditor	\$1,557,071	\$223,320	\$162,676		\$1,943,067
Revenue Bond Oversight Committee	\$457,962	\$65,682			\$523,644
Total Uses	\$915,923,953	\$131,364,333	\$81,338,116	\$13,971,000	\$1,142,597,402

Source: Appropriation Ordinance

^a Sewer System Improvement Program

^b Financing costs include the costs of interim, short-term funding for projects by the Commercial Paper Program, such as accrued interest and credit bank and dealer fees associated with outstanding commercial notes as well as capitalized interest and other issuance costs

Wastewater Revenues may include State Loan Funds, State Grant Funds, Federal Grant Funds, or Federal Loan Funds

Project descriptions are included in Attachment I.

Proposition E Bond Funds

San Francisco voters approved Proposition E in 2002, providing for the Board of Supervisors to authorize issuance of Wastewater Revenue Bonds with two-thirds approval of the Board members. To date, the Board has authorized \$5,289,647,281, of which \$4,482,180,128 has been issued and \$807,467,153 is authorized but not issued. Approval of the \$915,923,953 in new Wastewater Revenue Bond authority would increase the amount of bonds authorized in accordance with Proposition E to \$1,723,391,106. The SFPUC plans to issue approximately \$703

million, \$990 million, and \$867 million in Fiscal Year 2023-24, 2025-26, and 2026-27, respectively, as per their 10-year Financial Plan (amounts are preliminary are subject to change due to market conditions and actual project spending)

FISCAL IMPACT

Debt Issuance

SFPUC anticipates issuing \$1.05 billion in Wastewater Revenue Bonds at 5 percent interest. Issuance and interim financing costs are \$154.8 million¹ for net bond proceeds of approximately \$892.5 million. Average annual debt service over 30 years is approximately \$68 million. Actual debt service cost may be lower due to bond refunding and access to state lending and other capital revenues.

Ten-Year Financial Plan

The 10-Year Wastewater Capital Plan provides for issuing \$703 million in Wastewater Revenue Bonds in FY 2023-24 and future Wastewater Revenue Bond issuances totaling \$4.1 billion over 10 years. According to PUC's 10-Year Financial Plan, total annual Wastewater Enterprise debt service for outstanding debt is \$102.2 million in FY 2022-23, increasing to \$388.9 million in FY 2032-33.

The year-end Wastewater Enterprise fund balance is estimated to decrease from \$158.8 million in FY 2022-23 to \$134.3 million in FY 2032-33. The SFPUC fund balance reserve policy is for fund balance to equal at least 25 percent of annual operating and maintenance expenses. According to the 10-Year Financial Plan, the Wastewater Enterprise fund balance is estimated to equal 79 percent of annual operating and maintenance expenses in FY 2022-23, decreasing to 49 percent in FY 2031-32.

The SFPUC 10-Year Financial Plan projects that the Wastewater Enterprise will have sufficient net revenues and unrestricted fund balance to maintain debt service coverage ratios in compliance with its financial policies.

Wastewater Customer Rates

The 10-Year Financial Plan assumes no retail sewer rate increase in FY 2022-23 and a 9 percent rate in increase for sewer rates in FY 2023-24, and remain between 9 and 10 percent through FY 2030-31, after which they decrease to 5 percent per year in FYs 2031-32 and FY 2032-33. This is an increase from the 6 percent annual rate increases projected last year for FY 2023-24 – FY 2029-30.

¹ Issuance costs include underwriting fees, legal fees, financial advisory fees, credit enhancement fees, and other miscellaneous fees typically associated with a bond financing.

RECOMMENDATIONS

1. Amend File 23-0666 to state that the required report to the Board of Supervisors detailing issuance of Water Revenue bonds will be included in the legislative file for File 23-0665.
2. Approve ordinances, as amended.

Attachment I: Key Wastewater Enterprise Capital Projects**Collection System Renewal & Replacement (R&R) - Condition Assessment Projects: \$192.2 million**

This program includes cleaning and inspection of small and large diameter sewers. The results of the inspection program will inform the Small and Large Diameter Sewer Improvements subprograms, and potentially inform major improvements delivered by the Sewer System Improvement Program (SSIP). This project is a part of the on-going data gathering necessary for the Wastewater Enterprise Collection Systems Asset Management Program.

Collection System R&R - Small Diameter Sewer Improvements: \$498.6 million

This program maintains the existing functionality of the sewage collection system and includes planned and emergency repairs and replacement of structurally inadequate sewers. Failure of the collection system will reduce the City's ability to handle and dispose of wastewater and stormwater which can lead to public health, safety, and environmental risks, and non-compliance with the State discharge permit. Projects are identified utilizing an asset management approach which factors in physical condition, age, location, risk, public safety, paving schedule, and other factors. This program allows for the renewal and replacement of approximately 15 miles of sewer per year.

Collection System R&R - Large Diameter Sewer Improvements: \$403.3 million

This is a collection of large sewer improvement projects that will rehabilitate and/or replace Large Diameter Sewers (sewers greater than 36-inches in diameter or equivalent diameter) that have the highest risk for failure.

Treatment Facilities R&R: \$305.0 million

The Treatment Plant Improvement program helps maintain the capacity and reliable performance of the Wastewater treatment facilities owned and operated by the Wastewater Enterprise. This is a continuing annual program to extend the useful life of Wastewater treatment assets.

Treasure Island Wastewater Improvements: \$152.6 million

This project provides continued funding for a new wastewater treatment facility for the Treasure Island/Yerba Buena Island service area to replace the existing, aged facility.

Ocean Beach Climate Adaptation Project: \$130.9 million

This project will develop a comprehensive shoreline management and protection plan to establish a long-term solution to the erosion issues along Ocean Beach.

SSIP Treatment Facilities: \$1.7 billion

SSIP treatment facilities projects include the Bayside Biosolids Digester Facility Project in southeast San Francisco; improvements to the liquid treatment at the Southeast Water Pollution Control Plant, the North Point Wet Weather Facility, the North Shore Pump Station and

associated outfalls; and improvements to the Oceanside Water Pollution Control Plant, Westside Pump Station, and Westside Force Main.

SSIP Sewer/Collection System: \$279.6 million


This program also replaces existing sewers to increase hydraulic capacity, and rehabilitates transportation/storage facilities, combined sewer discharge structures, pump stations, and force mains.

SSIP Stormwater Management and Flood Resilience: \$548.9 million

This program includes work on green infrastructure, flood resilience, the Floodwater Management Grant Assistance Program, and the Green Infrastructure Stormwater Management Grant Program.

Side Stream Treatment Removal Project: \$15 million

Project to provide nutrient removal during the next 6 to 7 years at Southeast Treatment Plant. Following completion of the Biosolids Digester Facility Project, a separate capital project would be created to provide long term nutrient removal. The costs and timing of that permanent facility are not established yet.



SFPUC 23-24 Operating Budget midcycle changes and Capital Budget

June 14, 2023



San Francisco
**Water
Power
Sewer**

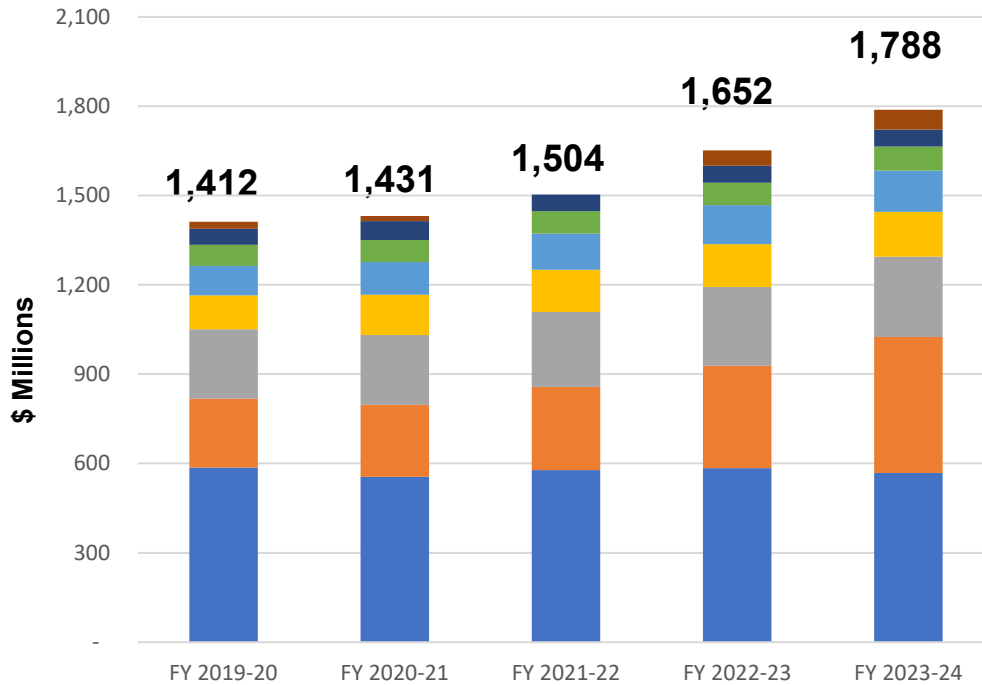


Budget Update

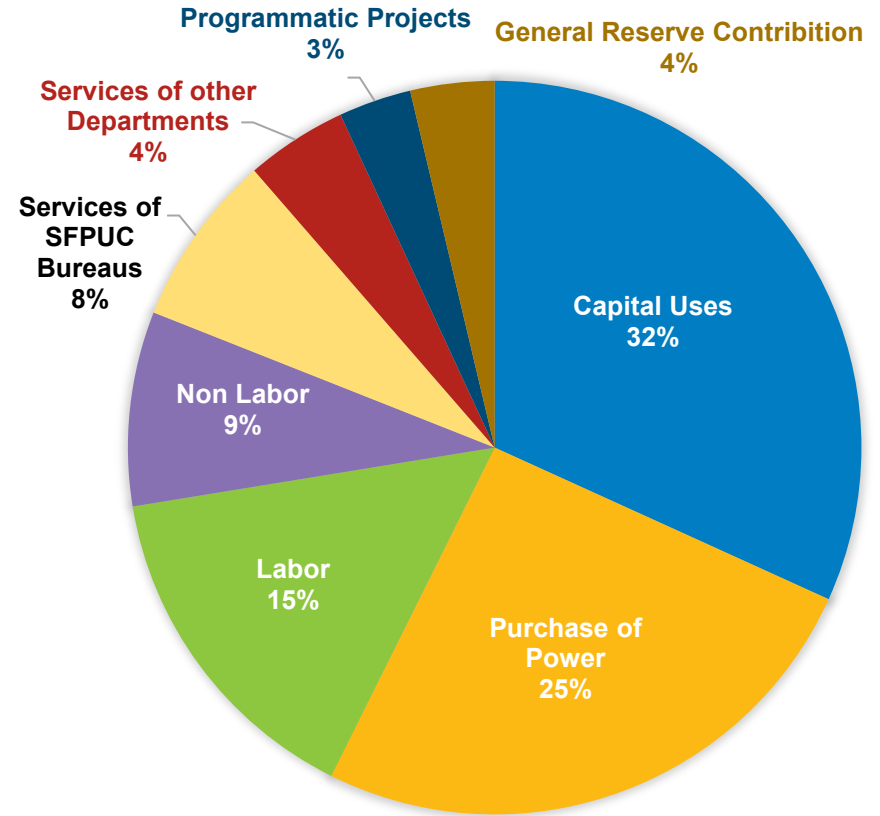
- Fixed 2-year operating budget was adopted last year. Now making minimal mid-cycle changes
- Last year we only adopted a 1-year capital budget so we could work intensively on rightsizing our capital plan for ratepayer affordability and deliverability
- That work is done, and we reduced our capital plan by over \$1 billion
- Asking for approval of FY 23-24 Capital Budget



Operating Budget Overview



- Capital Uses
- Labor
- Services of SFPUC Bureaus
- Programmatic Projects
- Purchase of Power
- Non Labor
- Services of other Departments
- General Reserve Contribution



FY 2023-24



Midcycle Operating Budget Changes

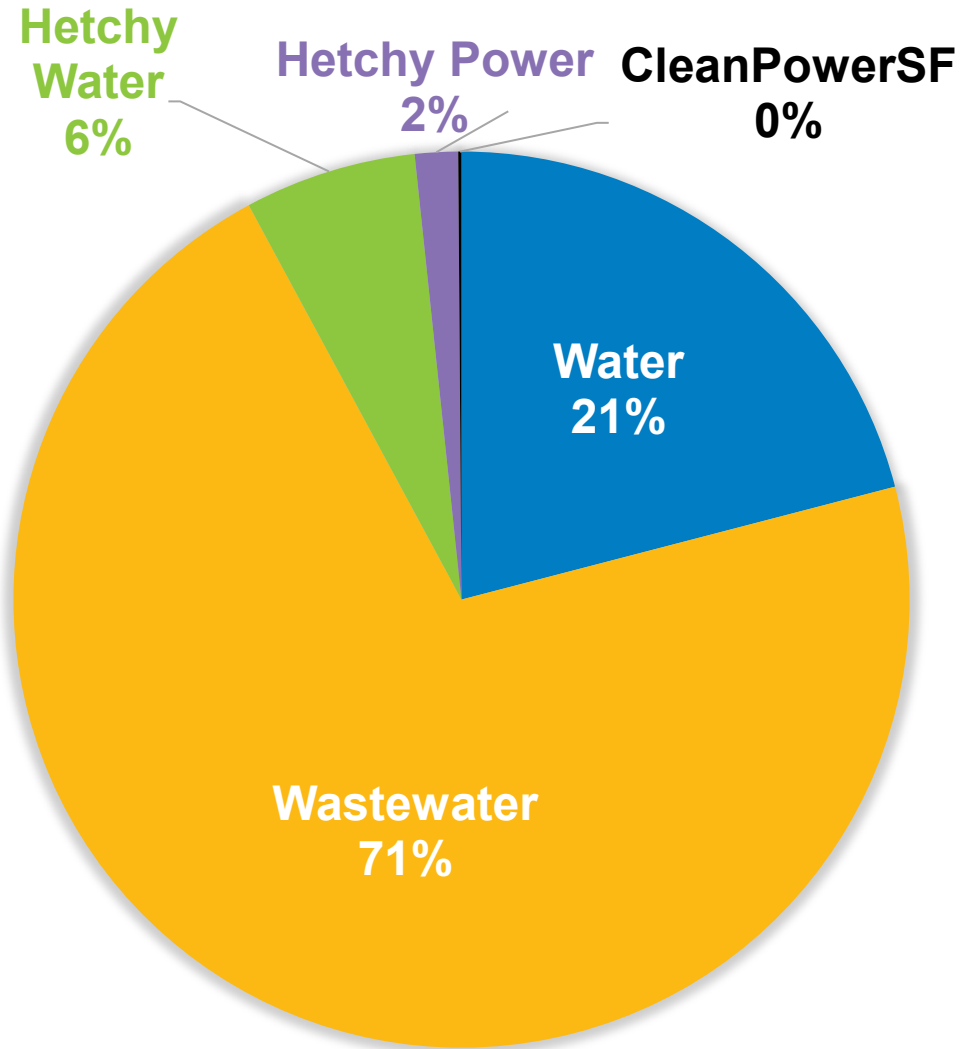
List of major changes from original FY 2023-24 budget

Item	\$
Increases in power purchase costs	123.7
Debt Service savings	(27.7)
Savings in Revenue Funded Capital	(14.2)
Increase to COWCAP	2.4
Recycled Water Plant operating costs	2.1
Mandatory Fringe Benefit increases	1.8
Other changes	(0.7)
Change in General Reserve contribution	9.3
Total	\$97 Million



FY 2023-24 Capital Budget

\$ million	FY 23-24 Capital Budget
Water	290.0
Wastewater	985.5
Hetchy-Water	85.9
Hetchy-Local Power	21.5
CleanPowerSF	1.6
Total	1,384.5



+ Bond Financing Authorizations



Key Capital Projects

- Southeast Plant Biosolids Digester Facilities
- Treasure Island Wastewater Treatment
- Repair and replacement of sewer and water mains
- Folsom and Lower Alemany stormwater upgrades
- Mountain Tunnel Improvements
- San Joaquin Pipeline Life Extension
- Sunol Valley Treatment Plant Improvements
- Millbrae Yard Improvements
- Redevelopment Power Distribution
- Public Power Expansion



Constraining Costs

- Capital is largest – and growing – share of operating costs
- Growing power purchase costs put pressure on Power's rates

Cost saving measures:

- No rate increases in FY 2022-23 in response to pandemic
- Massive agency-wide effort over last year to prioritize capital plan
 - Reduced 10-year capital plan by **over a billion dollars** compared to prior plan
- Successfully applying for low-interest state and federal loans
 - Results in interest savings vs. issuing our own bonds
 - \$2.4 billion in executed loans and grants, resulting in potential projected **savings of up to \$1.5 billion**
 - \$804 million in additional loan applications pending



SFPUC Capital Supplemental and Debt Authorization Legislation

1. [File 230656](#): AAO Amendment for the SFPUC FY 2023-2024 Operating Budget
2. [File 230652](#): Supplemental Appropriations for the Hetch Hetchy Water & Power Capital Program
3. [File 230653](#): Supplemental Appropriations for CleanPowerSF Capital Program
4. [File 230654](#): Supplemental Appropriations for Water Capital Program
5. [File 230655](#): Supplemental Appropriations for Wastewater Capital Program
6. [File 230665](#): Authorization to issue Water Revenue Bonds
7. [File 230666](#): Authorization to issue Wastewater Revenue Bonds
8. [File 230667](#): Authorization to issue Power Revenue Bonds

Questions?



Attachment A - Water Enterprise

Authority		Funding Source					FY 2023-24	
Roll Up	Authority ID	Project	Activity	Dept.	Fund	Account	Description of Appropriation or Fund	(Revised)
17731	17731	10026501	0001	232396	26418	480111	Proceeds from Sale of Bonds	184,090,089
17731	17731	10026501	0001	232396	26419	480111	Proceeds from Sale of Bonds	97,811,259
19133	15680	10015493	0001	232396	26603	495030	Water Enterprise Revenue	25,000,000
19133	15680	10015493	0001	232396	25960	495030	Water Enterprise Revenue	20,579,658
19063	15526	10015134	0001	232396	26510	479993	Water Capacity Fees	4,797,000
TOTAL - Funding Source								332,278,006

Authority		Use of Funds					FY 2023-24	
Roll Up	Authority ID	Project	Activity	Dept.	Fund	Account	Description of Appropriation or Fund	(Revised)
Regional Water								
19056	15479	10015056	0001	232421	26418	567000	Regional Water Treatment Program	150,892,971
19056	15479	10015056	0001	232421	26603	584030	Regional Water Treatment Program	2,164,877
19058	15492	10015089	0001	232421	26603	584030	Water Supply and Storage	4,764,596
19059	15499	10015102	0001	232421	26603	584030	Watersheds and Land Management	12,158,483
19060	15513	10015117	0001	232421	26603	584030	Communications and Monitoring	1,998,767
19061	15516	10015123	0001	232421	26418	567000	Buildings & Ground Regional	5,583,605
19061	15516	10015123	0001	232421	26603	584030	Buildings & Ground Regional	3,513,277
19069	15549	10015233	0001	232421	26603	584030	Long Term Monitoring & Permit Program	400,000

Local Water								
80119	20711	10034505	0001	232406	26419	567000	Water Supply Projects Local	2,336,692
19063	15531	10015134	0001	232406	26510	584030	Local Water Conveyance/Distribution	4,797,000
19063	15531	10015134	0001	232406	25960	584030	Local Water Conveyance/Distribution	16,746,216
19063	15531	10015134	0001	232406	26419	567000	Local Water Conveyance/Distribution	66,246,594
19065	22139	10038792	0001	232406	25960	584030	System Monitoring & Control	3,833,442
19066	15538	10015222	0001	232406	26419	567000	Local Reservoir & Tank Improvements	10,582,000
19067	15543	10015227	0001	232406	26419	567000	Pump Station Improvements	859,859
19112	15612	10015425	0001	232406	26419	567000	Automated Meter Reading System	3,114,425
TOTAL - Project Costs								289,992,804

17731	17731	10026501	0001	232396	26418	573110	Financing Cost	27,208,515
17731	17731	10026501	0001	232396	26418	581130	Controller's Audit Fund	312,953
17731	17731	10026501	0001	232396	26418	567000	Revenue Bond Oversight Committee	92,045
TOTAL - Regional Financing/Other Cost								27,613,513

17731	17731	10026501	0001	232396	26419	573110	Financing Cost	14,456,504
17731	17731	10026501	0001	232396	26419	581130	Controller's Audit Fund	166,279
17731	17731	10026501	0001	232396	26419	567000	Revenue Bond Oversight Committee	48,906
TOTAL - Local Financing/Other Cost								14,671,689

17731	17731	10026501	0001	232396	26603	581130	Controller's Audit Fund	0
17731	17731	10026501	0001	232396	25960	581130	Controller's Audit Fund	0
17731	17731	10026501	0001	232396	26510	581130	Controller's Audit Fund	0

TOTAL - Use of Funds **332,278,006**

Attachment A - Wastewater Enterprise

Funding Source

Authority								FY 2023-24
Roll Up	Authority ID	Project	Activity	Dept	Fund	Account	Description of Appropriation or Fund	(Revised)
19471	17732	10026508	0001	229267	20720	480111	Proceeds Sale of Bonds	915,923,953
19471	17732	10026508	0001	229267	20707	480111	Proceeds Sale of Bonds	131,364,333
19141	15722	10031235	0001	229267	20550	495022	Wastewater Enterprise Revenue	81,338,116
19141	15722	10031235	0001	229267	20530	479993	Wastewater Capacity Fee	13,971,000
TOTAL - Funding Source								1,142,597,402

Use of Funds

Authority								FY 2023-24
Roll Up	Authority ID	Project	Activity	Dept	Fund	Account	Description of Appropriation or Fund	(Revised)
19142	15733	10029731	0002	229267	20720	567000	SSIP Program-Wide Management	18,000,000
19142	15728	10015795	0001	229267	20720	567000	Biosolids Digester Project	535,788,474
19142	15735	10026823	0001	229267	20720	567000	Treatment Plants - Southeast	47,996,135
19142	15736	10015813	0001	229267	20720	567000	Treatment Plants - Other	25,443,455
SSIP - Treatment Facilities Program								609,228,064
19142	15726	10015791	0001	229267	20720	567000	Collection System Improvements	83,121,607
SSIP - Sewer/Collection System Program								83,121,607
19142	15729	10002780	0001	229267	20720	567000	Green Infrastructure Projects	24,836,303
19142	15730	10015801	0001	229267	20720	567000	Flood Resilience-Hydraulic	43,349,386
SSIP - Storm Water/Flood Control Program								68,185,689
TOTAL - SSIP								778,535,360
19141	15722	10031235	0001	229267	20550	584030	R & R Collection System	74,975,947
19141	15722	10031235	0001	229267	20530	584030	R & R Collection System	13,971,000
19141	15724	10031247	0001	229267	20550	584030	R & R Collection System	6,199,493
19134	15707	10015546	0001	229267	20707	567000	WW Treasure Island Capital Improvements	111,659,683
TOTAL - Non SSIP								206,806,123
TOTAL - Project Costs								985,341,483
19471	17732	10026508	0001	229267	20720	573110	Financing Costs	135,373,560
19471	17732	10026508	0001	229267	20720	581130	Controller's Audit Fund	1,557,071
19471	17732	10026508	0001	229267	20720	567000	Revenue Bond Oversight Committee	457,962
TOTAL - SSIP Financing/Other Costs								137,388,593
19471	17732	10026508	0001	229267	20707	573110	Financing Costs	19,415,648
19471	17732	10026508	0001	229267	20707	581130	Controller's Audit Fund	223,320
19471	17732	10026508	0001	229267	20707	567000	Revenue Bond Oversight Committee	65,682
TOTAL - Non-SSIP Financing/Other Costs								19,704,650
19471	17732	10026508	0001	229267	20550	581130	Controller's Audit Fund	162,676
19471	17732	10026508	0001	229267	20530	581130	Controller's Audit Fund	0
TOTAL - Use of Funds								1,142,597,402

Attachment A - Hetchy Hetchy

Funding Source

Authority Roll Up	Authority ID	Project	Activity	Dept.	Fund	Account	Description of Appropriation or Fund	FY 2023-24 (Revised)
15366	15366	10014121	0001	231621	25337	480111	Proceeds from Sale of Bonds	17,070,463
15366	15366	10014121	0001	231621	25337	480111	Proceeds from Sale of Bonds	23,960,904
15366	15366	10014121	0001	231621	26602	480111	Proceeds from Sale of Bonds	77,084,105
15405	15405	10014672	0001	231621	24990	495029	Hetch Hetchy Revenue	5,015,000
15404	15404	10014665	0001	298648	24990	479988	Cap and Trade Revenue	890,000
TOTAL								124,020,472

Use of Funds

Authority Roll Up	Authority ID	Project	Activity	Dept.	Fund	Account	Description of Appropriation or Fund	FY 2023-24 (Revised)
80427	22141	10014226	0001	298648	25337	567000	Distribution Services Retail	9,122,894
15377	15377	10014281	0001	298648	24990	584030	Streetlight Replacement	2,815,000
15404	15404	10014665	0001	298648	24990	584030	General Fund Energy Efficiency	890,000
15383	15383	10034512	0001	298648	24990	584030	Public Power Expansion Project	2,200,000
15383	15383	10034512	0001	298648	25337	567000	Public Power Expansion Project	5,387,000

TOTAL - Power	20,414,894
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15363	15363	10014065	0001	298646	26602	567000	Hetchy Water - Water Infrastructure	48,857,770
15365	15365	10014093	0001	298646	26602	567000	Hetchy Joint Projects - Water	16,663,719
15365	15365	10014093	0001	298646	25337	567000	Hetchy Joint Projects - Power	20,366,768

TOTAL - Water	85,888,257
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TOTAL - Project Costs	106,303,151
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15366	15366	10014121	0001	298646	26602	573110	Hetchy Water Financing Costs	11,393,031
15366	15366	10014121	0001	298646	26602	581130	Controller's Audit Fund	131,043
15366	15366	10014121	0001	298646	26602	567000	Revenue Bond Oversight Committee	38,542

TOTAL - Financing/Other Costs	11,562,616
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15366	15366	10014121	0001	298647	25337	573110	Hetchy Power Financing Costs	6,134,189
15366	15366	10014121	0001	298647	25337	581130	Controller's Audit Fund	0
15366	15366	10014121	0001	298647	25337	567000	Revenue Bond Oversight Committee	20,516

TOTAL - Financing/Other Costs	6,154,705
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15366	15366	10014121	0001	298646	24990	581130	Controller's Audit Fund	0
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TOTAL - Use of Funds	124,020,472
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Authority Roll Up	Authority ID	Project	Activity	Dept.	Fund	Account	De-Appropriation or Fund	
15371	15371	10014221	0001	298648	25353	567000	Alice Griffith/Candlestick Point	(7,814,332)
15391	15391	10014576	0001	298648	25353	567000	Treasure Island Capital Improvement	(1,707,065)
15391	15391	10014576	0001	298648	25337	567000	Treasure Island Capital Improvement	(8,915,086)
Total-Uses of Fund								(18,436,483)

Authority Roll Up	Authority ID	Project	Activity	Dept.	Fund	Account	Re-Appropriation or Fund	
80427	22141	10014221	0001	298648	25353	567000	Alice Griffith/Candlestick Point	7,814,332
80427	22142	10014576	0001	298648	25353	567000	Treasure Island Capital Improvement	1,707,065
80427	22142	10014576	0001	298648	25337	567000	Treasure Island Capital Improvement	8,915,086
Total-Uses of Fund								18,436,483

Authority Roll Up	Authority ID	Project	Activity	Dept.	Fund	Account	De-Appropriation or Fund	
15378	15378	10014335	0001	298646	24990	584030	Rim Fire	6,935,994.48

Authority Roll Up	Authority ID	Project	Activity	Dept.	Fund	Account	Re-Appropriation or Fund	
10000	10000	10029992	0004	231621	24970	598040	Hetchy Operating Fund Balance	6,935,994.48

Attachment A - CleanPowerSF

Funding Source

Authority Roll Up	Authority ID	Project	Activity	Dept.	Fund	Account	Description of Appropriation or Fund	FY 2023-24
80233	21297	10036187	0001	198644	24761	495045	ITI from CleanPowerSF Funds	759,000
80444	22235	10038863	0001	198644	25160	479902	Other Revenues	848,220
TOTAL-Source of Fund								1,607,220

Use of Funds

Authority Roll Up	Authority ID	Project	Activity	Dept.	Fund	Account	Description of Appropriation or Fund	FY 2023-24
80233	21785	10036106	0001	198644	24761	584030	Local Renewable Energy Program	759,000
80444	22235	10038863	0001	198644	25160	584030	DAC Solar Program	848,220
Total-Uses of Fund								1,607,220

REQUEST FOR SUPPLEMENTAL APPROPRIATION

DEPARTMENT: SFPUC – Wastewater Enterprise **DATE:** 5/11/2023

To the Mayor:

Request is hereby made for supplemental appropriation from the following appropriation(s) or fund(s) in the amount(s) indicated;

APPROPRIATION NUMBER	DESCRIPTION OF APPROPRIATION OR FUND	AMOUNT
Fund Department ID Authority Project Activity Account	See Attachment A	

to the credit of the following appropriation(s) or fund(s) in the amount(s) indicated:

APPROPRIATION NUMBER	DESCRIPTION OF APPROPRIATION OR FUND	AMOUNT
Fund Department ID Authority Project Activity Account	See Attachment A	


There are no surpluses in any of this department's appropriations available for transfer for the requested purpose(s). Complete detail as to the necessity for THIS appropriation is stated in attached letter.


APPLICABLE BOXES MUST BE CHECKED

- This request included capital projects (s.o. 06700 OR 06700); a separate copy has been sent to the Chair, Capital Improvement Advisory Committee.
- These funds have not been previously requested.
- These funds were previously requested by:

() <i>Supplemental Appropriation</i>	or	() <i>Budget Estimate</i>	and were
() <i>reduced</i> or	() <i>denied</i>	by The Mayor, or The Board of Supervisors.	

CERTIFIED AS TO FACTS AND AMOUNTS AS ABOVE STATED, AND

RECOMMENDED:  (Department Head)
Nancy L. Hom, AGM Business Services, SFPUC

APPROVED:  (Board or Commission)
Dennis Herrera, General Manager, SFPUC

Recorded Controller's Budget Division

By: _____ Date: _____ Request No. _____

FOR MAYOR'S USE

To the Controller:

The above request meets with my approval; as indicated above. You are hereby requested to prepare the necessary appropriation ordinance.

APPROVED:
Mayor London N. Breed BY: _____ DATE: _____

OFFICE OF THE MAYOR
SAN FRANCISCO



RECEIVED
LONDON N. BREED
SAN FRANCISCO MAYOR
2023 MAY 32 9:05 AM
PH 2:31
BY *[Signature]*

To: Angela Calvillo, Clerk of the Board of Supervisors
From: Anna Duning, Mayor's Budget Director
Date: June 1, 2023
Re: Mayor's FY 2023-24 and FY 2024-25 Budget Submission

Madam Clerk,

In accordance with City and County of San Francisco Charter, Article IX, Section 9.100, the Mayor's Office hereby submits the Mayor's proposed budget by June 1st, corresponding legislation, and related materials for Fiscal Year (FY) 2023-24 and FY 2024-25.

In addition to the Mayor's Proposed FY 2023-24 and FY 2024-25 Budget Book, the following items are included in the Mayor's submission:

- The Annual Appropriation Ordinance and Annual Salary Ordinance, along with Administrative Provisions
- The proposed budget for the Office of Community Investment and Infrastructure for FY 2023-24
- The Airport Annual Salary Ordinance Supplemental for FY 2023-24
- The Port of San Francisco Annual Salary Ordinance Supplemental for FY 2023-24 and Annual Appropriation Ordinance Supplemental for FY 2023-24
- The Public Utilities Commission Capital Budget for FY 2023-24 and Annual Appropriation Ordinance Supplemental for FY 2023-24
- 34 separate pieces of trailing legislation (see list attached)
- A Transfer of Function letter detailing the transfer of positions from one City department to another
- An Interim Exception letter
- A letter addressing funding levels for nonprofit corporations or public entities for the coming two fiscal years
- Memo to the Board President requesting for 30-day rule waivers on ordinances

Please note the following:

- Technical adjustments to the June 1 budget are being prepared, but are not submitted with this set of materials.

Sincerely,

[Signature]
Anna Duning
Mayor's Budget Director

cc: Members of the Board of Supervisors
Budget & Legislative Analyst's Office
Controller

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2023 JUN -1 PM 2:34
BY *[Signature]*

DEPT	Item	Description	Type of Legislation	File #
ADM	Code Amendment	Amending the Administrative Code to eliminate the Annual Joint Fundraising Drive	Ordinance	230648
ADM	Code Amendment	Amending the Administrative and Environment Codes to reduce reporting burdens, so as to update insurance manuals when requested or necessary, instead of on an annual basis, and eliminating some scheduled reports	Ordinance	230647
ADM	Code Amendment	Amending the Administrative Code relating to Technology Commodities and Services Procurements, to eliminate the Tech Marketplace fee	Ordinance	230649
ADM	Continuing Prop J	City Administrator's Office convention facility management services, Real Estate custodial services, and Fleet and Real Estate security services	Resolution	230672
BOS	Continuing Prop J	Board of Supervisors Budget and Legislative Analyst Services for FY 2023-24	Resolution	230672
CON	Access Line Tax (ALT) Tax Rates	Sets Access Line Tax in line with 2023 Consumer Price Index. Revenues assumed in budget.	Ordinance	230676
CON	Neighborhood Beautification Fund	Neighborhood Beautification and Graffiti Clean-Up Fund Option (now known as the Community Challenge Grant Program)	Ordinance	230668
DBI	Department of Building Inspection Fee Changes	Changing the fee structure for DBI fees that are charged for permitting and inspection	Ordinance	230658
DEC	Early Care and Education Commercial Rents Tax Baseline	Amending the baseline funding requirements for early care and education programs to enable the City to use Early Care and Education Commercial Rents Tax revenues for those programs	Ordinance	230661
DEC	Early Care and Education, Commercial Rents Tax Deductions	Amending the Business and Tax Regulations Code relating to the Early Care and Education Commercial Rents Tax Sublessor Deduction	Ordinance	230660
DEM	EMSA Fee Changes	Updating medical services fees due to annual adjustments for the purposes of funding trauma and pediatric centers. Fees also required for certain additional services.	Ordinance	230659

DPH	Patient Rates	Amending the Health Code to set patient rates and rates for other services provided by the Department of Public Health.	Ordinance	230662
DPH	Recurring State Grants	Accept and expend for annual, recurring state grant funds.	Resolution	230677
DPH	Managed Care Rates	Amending the Health Code to set managed care rates provided by the Department of Public Health.	Ordinance	230650
DPH	Public Health Foundation MOU	MOU between DPH and San Francisco Public Health Foundation to establish roles and responsibilities for purposes of fundraising and capital projects	Resolution	230673
DPH	Hospital Foundation MOU	MOU between DPH and San Francisco General Hospital Foundation to establish roles and responsibilities for purposes of fundraising and capital projects	Resolution	230674
DPH	Mobile Crisis Grant	Grant agreement between DPH and Advocates for Human Potential Inc. for anticipated revenue that support behavioral health mobile crisis and non-mobile crisis services	Resolution	230679
DPH	Continuing Prop J	Department of Public Health Security Services	Resolution	230672
DPW	Continuing Prop J	Department of Public Works Security Services for FY 2023-24	Resolution	230672
ECN	Contract Amendment - MidMarket Foundation	Contract amendment to reflect budgeted funding levels for the Mid-Market Foundation - Mid-Market/Tenderloin Community-Based Safety Program	Resolution	230681
ECN	Contract Amendment – San Francisco Tourism Improvement District Management Corporation	Contract amendment to reflect budgeted funding levels for the San Francisco Tourism Improvement District Management Corporation – Downtown Welcome Ambassador Program	Resolution	230680
ECN	Film Commission Fee Changes	Increase of filming fees for the SF Film Commission	Ordinance	230651
HOM	CAAP Legislation	Annual legislation for CAAP housing, required if appropriations for HSH fund exceed \$11.9 million, including expenditure details and explanation of benefits provided	Resolution	230675
HOM	Continuing Prop J	Homelessness and Supportive Housing security services	Resolution	230672

HSA	Continuing Prop J	Human Services Agency Security Services for FY 2023-24	Resolution	230672
HSH/ DPH	Funding Reallocation - Our City, Our Home Homelessness Gross Receipts Tax	Ordinance reallocating approximately \$60,000,000 in unencumbered revenues from the Our City, Our Home Fund to allow the City to use revenues from the Homelessness Gross Receipts Tax to provide services to prevent homelessness.	Ordinance	230657
LIB	Friends of the Library A&E	Annual Accept & Expend legislation for the SFPL's Friends of the Library Fund	Resolution	230678
MOHCD	Continuing Prop J	Mayor's Office of Housing and Community Development security services for undeveloped real property	Resolution	230672
OCII	OCII Interim Budget Resolution	OCII Interim Budget Resolution	Resolution	230670
	Citywide Tax Changes	Gross Receipts Tax Rate Increase Postponement and Credits for Opening City Location	Ordinance (Introduced)	File No. 230155
REG	Continuing Prop J	Department of Elections Envelope Assembly Services for FY 2023-24	Resolution	230672
REG	Ballot Arguments Opt-Out	Legislation for CCSF opt out of arguments on ballots required in AB 1416	Ordinance	230663
SHF	Continuing Prop J	Sheriff's Department County Jails Food Services for FY 2023-24	Resolution	230672
TTX	First Year Free	Continues waiving certain small business first-year permit, license, and business registration fees	Ordinance	230664

OFFICE OF THE MAYOR
SAN FRANCISCO



LONDON N. BREED
MAYOR

TO: Aaron Peskin, President of the Board of Supervisors; Angela Calvillo, Clerk of
the Board of Supervisors
FROM: Tom Paulino
RE: 30-day Waiver Request for 7 Ordinances Related to Budget
DATE: June 2, 2023

A formal request to waive the 30-day hold on the following 7 ordinances introduced along with the budget on Thursday, June 1, 2023:

- Interim AAO
- Interim ASO
- Proposed AAO
- Proposed ASO
- Airport ASO Supplemental
- Port ASO Supplemental
- PUC Capital Budget and AAO Supplemental

Should you have any questions, please contact Tom Paulino at 415-554-6153.

President, District 3
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. 554-7450
Fax No. 554-7454
TDD/TTY No. 544-6546

Aaron Peskin

PRESIDENTIAL ACTION

Date:

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,

Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No.

(Primary Sponsor)

Title.

Transferring (Board Rule No 3.3)

File No.

(Primary Sponsor)

Title.

From:

Committee

To:

Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor:

Replacing Supervisor:

For:

Meeting

(Date)

(Committee)

Start Time:

End Time:

Temporary Assignment: Partial

Full Meeting

Aaron Peskin, President
Board of Supervisors

**Board of Supervisors
Legislation Introduced**

Legislation Introductions - 6/6/23					
Number	Requests or IA	File No.	Sponsor	File Type	Description
	30-Day	230642	Mayor	O	Proposed Interim Budget and Annual Appropriation Ordinance (AAO)
	30-Day	230643	Mayor	O	Proposed Interim Annual Salary Ordinance (ASO)
	30-Day	230644	Mayor	O	Proposed Budget and Annual Appropriation Ordinance (AAO)
	30-Day	230645	Mayor	O	Proposed Annual Salary Ordinance (ASO)
	30 Day Waiver	230646	Mayor	O	Admin Code - Minimum Compensation Ordinance
	30 Day Waiver	230647	Mayor	O	Admin & Environment Codes - Reducing Reporting Burdens
	30 Day Waiver	230648	Mayor	O	Admin Code - Eliminating Annual Joint Fundraising Drive
	30 Day Waiver	230649	Mayor	O	Admin Code - Technology Commodities and Services Procurements
	30 Day Waiver	230650	Mayor	O	Admin Code - DPH Managed Care Contracts
	30 Day Waiver	230651	Mayor	O	Admin Code - Film Commission Programs
	30-Day	230652	Mayor	O	Appropriation - \$124,020,472 in Proceeds from Revenue Bonds, Hetch Hetchy Revenue, Cap and Trade Allowance - FY 2023-24
	30-Day	230653	Mayor	O	Appropriation - Proceeds from CleanPowerSF Revenue and CPUC Grant Funds for CleanPowerSF Capital Improvements - \$1,607,220 - FY2023-24
	30-Day	230654	Mayor	O	Appropriation - \$332,278,006 in Proceeds from Revenue Bonds, State Loan or Grant Funds, Water Revenues, and Water Capacity Fees - FY2023-24
	30-Day	230655	Mayor	O	Appropriation - Proceeds from Revenue Bonds, State Loans or Grant Funds, Wastewater Revenues, and Wastewater Capacity Fees for Wastewater Capital Improvements - \$1,142,597,402 - FY2023-24
	30-day	230656	Mayor	O	Appropriation - Port Commission - \$501,908 - PUC - \$97,057,341 - FY2023-24
	30 Day Waiver	230657	Mayor	O	Funding Reallocation - Our City, Our Home Homelessness Gross Receipts Tax
	30 Day Waiver	230658	Mayor	O	Building Code - Fees
	30 Day Waiver	230659	Mayor	O	Business & Tax Regulations, Health Codes - Emergency Medical Services Fees
	30 Day Waiver	230660	Mayor	O	Business & Tax Regulations Code - Early Care and Education Commerical Rents Tax Sublessor Deduction
	30 Day Waiver	230661	Mayor	O	Business & Tax Regulations Code - Early Care and Education Commerical Rents Tax Baseline
	30 Day Waiver	230662	Mayor	O	Health Code - Patient Rates for FY 2023-24 and 2024-25
	30 Day Waiver	230663	Mayor	O	Municipal Elections Code - Supporters and Opponents in Ballot Questions for Local Measures
	30 Day Waiver	230664	Mayor	O	Business & Tax Regulations Code - Waiver of Permit, License, and Business Registration Fees for Certain Small Businesses

**Board of Supervisors
Legislation Introduced**

Legislation Introductions - 6/6/23					
Number	Requests or IA	File No.	Sponsor	File Type	Description
	30-Day	230665	Mayor	O	SFPUC Water Revenue Bond and Other Forms of Indebtedness Issuance - NTE \$358,985,453
	30-Day	230666	Mayor	O	SFPUC Wastewater Revenue Bond Issuance - NTE \$1,047,288,286
	30-Day	230667	Mayor	O	SFPUC Power Revenue Bond and Other Forms of Indebtedness Issuance - NTE \$41,031,367
	30 Day Waiver	230668	Mayor	O	Neighborhood Beautification and Graffiti Clean-Up Fund Tax Designation Ceiling
	30-Day	230669	Mayor	O	Public Employment - Amendment to the Salary Ordinance for the Port Commission and the Airport Commission - FY2023-24

OFFICE OF THE MAYOR
SAN FRANCISCO



LONDON N. BREED
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Tom Paulino, Liaison to the Board of Supervisors
RE: Appropriation - Proceeds from Revenue Bonds, State Loans or Grant Funds,
Wastewater Revenues, and Wastewater Capacity Fees for Wastewater Capital
Improvements – \$1,142,597,402 - FY2023-2024
DATE: June 1, 2023

Ordinance appropriating a total of \$1,142,597, 402 of proceeds from revenue bonds, State of California Water Resources Control Board's revolving loan funds (State Loan Funds) or grant funds (State Grant Funds), wastewater revenue and capacity fees for the San Francisco Public Utilities Commission (SFPUC) Wastewater Enterprise's Capital Improvement Program for Fiscal Year (FY) 2023-2024, and placing \$1,047,288,286 in Revenue Bonds or State Loan or Grant Funds by project on Controller's Reserve subject to the Controller's certification of funds availability, including proceeds of indebtedness, and for construction related expenditures (excluding program management, planning and design) for these projects, as applicable, is also subject to the prior occurrence of the SFPUC's and the Board of Supervisors' discretionary adoption of California Environmental Quality Act (CEQA) Findings for projects, following review and consideration of completed project related environmental analysis, where required in Fiscal Year (FY) 2023-2024.

Should you have any questions, please contact Tom Paulino at 415-554-6153.