

File No. 130365

Committee Item No. 5

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: 05/8/2013

Board of Supervisors Meeting

Date: _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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Completed by: Victor Young Date May 3, 2013

Completed by: Victor Young Date _____

1 [De-Appropriation and Re-Appropriation - Public Utilities Commission Operating Budget
2 Amendment of \$5,096,000 and Capital Improvement Projects of \$42,178,878 - FY2013-
3 2014]

4 **Ordinance amending the adopted FY2013-2014 Appropriation Ordinance and other**
5 **adopted biennial capital appropriation ordinances for the Public Utilities**
6 **Commission, including \$3,100,000 in de-appropriation and re-appropriation for the**
7 **Hetch Hetchy Enterprise operating budget; de-appropriating \$16,414,070 and re-**
8 **appropriating \$7,513,665 in capital projects in the Hetch Hetchy Capital Improvement**
9 **Program projects; de-appropriating and re-appropriating \$1,996,000 in the Water**
10 **Enterprise operating budget; de-appropriating \$70,995,900 and re-appropriating**
11 **\$55,169,000 in the in the Water Enterprise Capital Improvement Program projects;**
12 **and de-appropriating \$56,370,059 and re-appropriating \$38,878,486 in the Wastewater**
13 **Enterprise Capital Improvement Program.**

14
15 Be it ordained by the People of the City and County of San Francisco:

16
17 Section 1. Ordinance de-appropriating and re-appropriating \$3,100,000 of the Hetch
18 Hetchy adopted operating budget for Fiscal Year 2013-2014.

19
20 Section 1.1. This supplemental appropriation authorizes the re-appropriation of \$3,100,000
21 in operating funds for the fiscal year 2013-14, to fund the Camp Mather Project, \$1,000,000;
22 Facilities Maintenance, \$1,600,000; and WECC/NERC Compliance of \$500,000.
23
24
25

1 **USES De-Appropriation – Hetch Hetchy Operating Budget**

2	Fund	Index Code/ Project Code	Subobject	Description	Amount
4	5T AAA AAA –	320000	098GR	Designated for	(\$519,184)
5	Hetchy Operating			General Reserve	
6	Fund				
7	5T AAA AAA –	326112	05241	Payments to Other	(\$1,568,000)
8	Hetchy Operating			Government	
9	Fund				
10	5T CPF LOC	320001	097CI	Reserve for Capital	(\$1,012,816)
11	Hetchy Capital	CUHZZZZZ		Improvements	
12	Projects Local Fund				
13					
14	Total USES De-Appropriation – Hetch Hetchy Operating				(\$3,100,000)

16 **USES Appropriation – Hetch Hetchy Operating Budget**

17	Fund	Index Code/ Project Code	Subobject	Description	Amount
19	5T AAA ACP –	519981	06700	Camp Mather Leach	\$1,000,000
20	Hetchy Continuing	CUH99801	Buildings	Field Project	
21	Capital Project Fund		Structures and		
22			Improvements		
23					
24					
25					

1	5T AAA AAP	500107	06F00	Facilities Maintenance	\$1,600,000
2	Hetchy Operating	FUH10001			
3	Annual Project Fund				
4					
5	5T AAA AAP	515041	06F00	WECC/NERC	\$500,000
6	Hetchy Operating	PUH50401		Compliance	
7	Annual Project Fund				
8					
9	Total USES Appropriation – Hetch Hetchy Operating Budget				\$3,100,000

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Section 1.2 Ordinance de-appropriating a total of \$8,900,405, consisting of de-appropriation of \$16,414,070 in existing Hetch Hetchy Capital Improvement Program project budgets and re-appropriating \$7,513,665 of proceeds from existing Revenue Bonds, Hetch Hetchy Fund Balance, and Cap and Trade Allowance for Fiscal Year 2013-2014.

Section 1.3 The sources of funding were previously approved and are herein de-appropriated and appropriated, and no additional funding is requested in this supplemental appropriation ordinance as indicated by Attachment A. The supplemental appropriation requests appropriation of \$1,169,798 of Hetchy Cap and Trade Allowance funds, which will be substituted for Hetchy revenues. Hetchy Operating Fund Balance of \$2,000,000 will be used as a source of funds for the GoSolar SF program. The sources of funding outlined below are herein de-appropriated and appropriated to reflect the funding available for Fiscal Year 2013-14.

1 **SOURCES De-appropriation / Appropriation – Hetch Hetchy Capital Improvement**

2 **Projects**

Fund	Index Code/ Project Code	Subobject	Description	Amount
5T CPF 13A – 2013A Hetchy Water Revenue Bonds	*HHP5TCPF13A CUH30000	80111	Proceeds From Sale of Bonds	(\$13,700,070)
5T AAA ACP – Hetchy Continuing Capital Project Fund	UHUHZZZ505T CUHZZZ00	9505T	ITI from Hetch Hetchy Revenue	(\$1,169,798)
5T CPF 14A – 2014A Power Enterprise Revenue Bonds	*HHP5TCPF14A CUH30000	80111	Proceeds From Sale of Bonds	\$2,799,665
5T AAA ACP – Hetchy Continuing Capital Project Fund	548294 PUHCAP00	99999B	Hetchy Cap and Trade Allowance	\$1,169,798
5T AAA AAA – Hetchy Operating Fund	320000 CUH94763	99999B	Fund Balance	\$2,000,000
Total SOURCES De-appropriation/Appropriation – Capital Improvement Projects				<u>(\$8,900,405)</u>

1 Section 1.4 The uses of funding outlined below are herein de-appropriated and
 2 appropriated in Subobject 06700 Buildings Structures and Improvements, 081C4 Internal
 3 Audits and 06B00 Revenue Bond Oversight Committee and reflects the projected uses of
 4 funding to support the Hetch Hetchy Capital Improvement Program at the San Francisco
 5 Public Utilities Commission for Fiscal Year 2013-14.

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 8 **USES De-appropriation/ Appropriation – Hetch Hetchy Capital Improvement Projects**

Fund	Index Code/ Project Code	Subobject	Description	Amount
5TCPF13A –	HHPX5TCPF13A	06700	Hetchy Water –	(\$9,400,000)
2013A Hetchy Water Revenue Bonds	CUH10000	Buildings Structures and Improvements	Water Only Project	
5TAAAACP –	511011	06700	Hetchy Water –	(\$2,276,150)
Hetchy Continuing Capital Project Fund	CUH10100	Buildings Structures and Improvements	Power Only Projects	
5TCPF13A –	HHPX5TCPF13A	06700	Hetchy Water	(\$4,714,216)
2013A Hetchy Water Revenue Bonds	CUH30000	Buildings Structures and Improvements	Financing Cost	

	Fund	Index Code/ Project Code	Subobject	Description	Amount
3	5TCPF13A –	HHPX5TCPF13A	081C4	Hetchy Water –	(\$16,854)
4	2013A Hetchy Water	CUH30000	Internal Audits	City Services Auditor	
5	Revenue Bonds				
7	5TCPF13A –	HHPX5TCPF13A	06B00	Hetchy Water –	(\$6,850)
8	2013A Hetchy Water	CUH30000	Revenue Bond	Revenue Bond	
9	Revenue Bonds		Oversight	Oversight Committee	
10			Committee		
12	5TAAAACP –	519463	06700	GoSolar SF	\$2,000,000
13	Hetchy Continuing	CUH94763	Buildings		
14	Capital Project Fund		Structures and		
15			Improvements		
17	5TAAAACP –	518961	06700	Streetlights	\$1,741,000
18	Hetchy Continuing	CUH89601	Buildings		
19	Capital Project Fund		Structures and		
20			Improvements		
22	5TCPF14A –	HHPX5TCPF14A	06700	Hetchy Water –	\$2,276,150
23	2014A Power	CUH10100	Buildings	Power Only Projects	
24	Enterprise Revenue		Structures and		
25	Bonds		Improvements		

	Fund	Index Code/ Project Code	Subobject	Description	Amount
1					
2					
3	5TCPF13A –	HHPX5TCPF13A	06700	Hetchy Joint Projects	\$437,850
4	2013A Hetchy Water	CUH10200	Buildings	– Water	
5	Revenue Bonds		Structures and		
6			Improvements		
7					
8	5TAAAACP –	511021	06700	Hetchy Joint Projects	\$535,150
9	Hetchy Continuing	CUH10200	Buildings	– Power	
10	Capital Project Fund		Structures and		
11			Improvements		
12					
13	5TCPF14A – 2014A	HHPX5TCPF14A	06700	Hetchy Power	\$518,633
14	Power Enterprise	CUH30000	Buildings	Financing Costs	
15	Revenue Bonds		Structures and		
16			Improvements		
17					
18	5TCPF14A – 2014A	HHPX5TCPF14A	081C4	Hetchy Power –	\$3,482
19	Power Enterprise	CUH30000	Internal Audits	City Services Auditor	
20	Revenue Bonds				
21					
22	5TCPF14A – 2014A	HHPX5TCPF14A	06B00	Hetchy Power –	\$1,400
23	Power Enterprise	CUH30000	Revenue Bond	Revenue Bond	
24	Revenue Bonds		Oversight	Oversight Committee	
25			Committee		

Fund	Index Code/ Project Code	Subobject	Description	Amount
Total USES De-Appropriation/Appropriation–Hetch Hetchy Capital Improvement Projects				<u>(\$8,900,405)</u>

Section 1.5 Of the above de-appropriated amount for Hetch Hetchy Water, \$4,714,216 is for financing costs, \$16,854 for the City Services Auditor, and \$6,850 is for the Revenue Bond Oversight Committee.

Section 1.6 Of the above appropriated amount for Hetch Hetchy Power, \$518,633 is for financing costs, \$3,482 for the City Services Auditor, and \$1,400 is for the Revenue Bond Oversight Committee.

Section 1.7 The appropriations herein are effective as of July 1, 2013. The bond-funded portion of all included appropriation shall be placed on Controller's Reserve pending the availability of funds. Release of project-related appropriation reserves by the Controller is also subject to the prior occurrence of the SFPUC's and the Board of Supervisors' discretionary adoption of CEQA findings for projects, following review and consideration of completed project-related environmental analysis, where required, pursuant to CEQA, the State CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code.

Section 2.1 Ordinance de-appropriating and re-appropriating \$1,996,000 of the Water Enterprise adopted operating budget for Fiscal Year 2013-2014 to fund the Watershed Protection Programmatic Project through reduction in reserve for the capital projects.

1 **USES De-Appropriation/Appropriation – Water Enterprise Operating Budget**

2	Fund	Index Code /	Subobject	Description	Amount
3		Project Code			
4	5W AAA AAA –	500106	06R00	Watershed	(\$1,996,000)
5	Water Capital	FUW10201	Capital Renewal	Protection	
6	Project - Local		Projects		
7	Fund				
8					
9	5W CPF LOC –	470003	097CI	Reserve for Capital	\$1,996,000
10	Water Capital	CUWZZZZZ	Reserve for	Improvements	
11	Project - Local		Capital		
12	Fund		Improvement		
13	Total USES Appropriation – Water Enterprise Operating Budget				\$0

14
15
16 Section 2.2 Ordinance de-appropriating \$70,955,900 in existing Water Capital Improvement
17 Program project budgets and re-appropriating \$55,169,000 of proceeds from Water
18 Enterprise revenues and capacity fee revenues for Fiscal Year 2013-2014.

19
20 Section 2.3 The sources of funding were previously approved and are herein de-
21 appropriated and appropriated, and no additional funding is requested in this supplemental
22 appropriation ordinance as indicated by Attachment B. This supplemental appropriation
23 requests an appropriation of \$1,727,924 of Water capacity fees and the substitution of
24 BAWSCA pre-payment funds received by the SFPUC for Water Revenue Bonds
25 appropriated in the FY 2012-13 budget approved by Ordinance 109-12. The sources of

1 funding outlined below are herein appropriated to reflect the appropriation for Fiscal Year
 2 2013-2014.

3
 4
 5 **SOURCES De-appropriation / Appropriation – Water Enterprise Capital Improvement**
 6 **Projects**

Fund	Index Code / Project Code	Subobject	Description	Amount
5W CPF 13A – Water Enterprise- 2013A Bond Fund	*WTR5WCPF13A WTR3000100	80111	Proceeds from Sale of Revenue Bonds	(\$67,559,900)
5W CPF LOC - Capital Projects – Local Fund	UWUWZZZI505W - CUWZZZZZ	9505W	Water Enterprise Revenue	(\$10,850,000)
5W CPF WCF – Wholesale Capital Project Fund	UWUWZZZG505W CUWZZZZZ	9505W	Water Enterprise Revenue	(\$2,207,400)
5W AAA ACP – Water Continuing Capital Project Fund	UWAAAACP505W CUWZZZZZ	9505W	Water Enterprise Revenue - Water Revenue Transfer	\$9,661,400

	Fund	Index Code / Project Code	Subobject	Description	Amount
3	5W AAA ACP –	UWAAAACP505W	9505W	Water Enterprise	\$52,041,076
4	Water Continuing	CUWZZZZZ		Revenue (BAWSCA	
5	Capital Project			Pre-Payment Funds)	
6	Fund				
8	5W CPF ACP	UWUWZZZK505W	9505W	Water Enterprise	\$1,400,000
9	Water Capital	CUWZZZZZ		Revenue - Water	
10	Projects – Retail			Revenue Transfer	
12	5W CPF CAP –	*WTR5WCPFCAP	79993	Water Capacity	\$1,727,924
13	Capacity Fees	CUW68301		Fees	
15	Total SOURCES De-appropriation/Appropriation – Water Enterprise Capital				
16	Improvement Projects				<u>(\$15,786,900)</u>

Section 2.4 The uses of funding outlined below are herein de-appropriated and re-appropriated in Subobject 06700 Buildings Structures and Improvements, 06R00 Capital Renewal Projects, 081C4 Internal Audits, and 06B00 Revenue Bond Oversight Committee and reflects the projected uses of funding to support the Water Capital Improvement Program at the San Francisco Public Utilities Commission for Fiscal Year 2013-2014.

1 **USES De-Appropriation/Appropriation – Water Enterprise Capital Improvement**

2 **Projects**

3	Fund	Index Code /	Subobject	Description	Amount
4		Project Code			
5	5W CPF 13A	WTRX5WCPF13A	06700	Town of Sunol –	(\$3,900,000)
6	Water Enterprise -	CUW26308	Buildings,	Fire Suppression	
7	2013A Bond Fund		Structures, and	System	
8			Improvements		
9					
10	5W CPF LOC	WTRX5WCPFLOC	06R00	Watershed & Land	(\$278,600)
11	Capital Projects –	CUW27500	Capital Renewal	Management	
12	Local Fund		Projects		
13					
14	5W CPF WCF –	WTRX5WCFWCF	06R00	Watershed & Land	(\$517,400)
15	Wholesale Customer	CUW27500	Capital Renewal	Management	
16	Fund		Projects		
17					
18	5W CPF 13A –	WTRX5WCPF13A	06700	Buildings &	(\$4,300,000)
19	Water Enterprise-	CUW27700	Buildings,	Grounds Regional	
20	2013A Bond Fund		Structures, and		
21			Improvements		
22					
23	5W CPF LOC –	WTRX5WCPFLOC	06R00	Buildings &	(\$910,000)
24	Capital Projects –	CUW27700	Capital Renewal	Grounds Regional	
25	Local Fund		Projects		

	Fund	Index Code / Project Code	Subobject	Description	Amount
1					
2					
3	5W CPF WCF -	WTRX5WCPFWCF	06R00	Buildings &	(\$1,690,000)
4	Wholesale Customer	CUW27700	Capital Renewal	Grounds Regional	
5	Fund		Projects		
6					
7	5W CPF 13A -	WTRX5WCPF13A	06700	Local Water	(\$44,185,000)
8	Water Enterprise-	CUW28000	Buildings,	Conveyance/	
9	2013A Bond Fund		Structures, and	Distribution	
10			Improvements		
11					
12	5W CPF 13A -	WTRX5WCPF13A	06700	Treasure Island	(\$3,000,000)
13	Water Enterprise-	CUW27001	Buildings,	Capital	
14	2013A Bond Fund		Structures, and	Improvements	
15			Improvements		
16					
17	5W CPF 13A -	WTRX5WCPF13A	06700	Building & Grounds	(\$500,000)
18	Water Enterprise-	CUW68801	Buildings,	Improvements -	
19	2013A Bond Fund		Structures, and	Local	
20			Improvements		
21					
22	5W CPF 13A -	WTRX5WCPF13A /	081C4 Internal	City Services	(\$8,224)
23	Water Enterprise-	WTR3000100	Audits	Auditor	
24	2013A Bond Fund				
25					

	Fund	Index Code / Project Code	Subobject	Description	Amount
3	5W CPF 13A –	WTRX5WCPF13A /	06B00	Revenue Bond	(\$33,780)
4	Water Enterprise-	WTR3000100	Revenue Bond	Oversight	
5	2013A Bond Fund		Oversight	Committee	
6			Committee		
7	5W AAA ACP –	WTRX5WAAAACP	06700	Town of Sunol –	\$6,084,000
8	Water Continuing	CUW26808	Buildings,	Fire Suppression	
9	Capital Project		Structures, and	System	
10	Fund		Improvements		
11					
12	5W AAA ACP –	WTRX5WAAAACP	06700	Local Water	\$42,457,076
13	Water Continuing	CUW28001	Buildings,	Conveyance/	
14	Capital Project		Structures, and	Distribution	
15	Fund		Improvements		
16					
17	5W CPF CAP –	WTRX5WCPFAP	06700	Local Water	\$1,727,924
18	Capacity Fee	CUW28000	Buildings,	Conveyance/	
19			Structures, and	Distribution	
20			Improvements		
21					
22	5W AAA ACP –	WTRX5WAAAACP	06700	Treasure Island	\$3,000,000
23	Water Continuing	CUW27001	Buildings,	Capital	
24	Capital Project		Structures, and	Improvements	
25	Fund		Improvements		

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Fund	Index Code / Project Code	Subobject	Description	Amount
5W AAA ACP – Water Continuing Capital Project Fund	WTRX5WAAAACP CUW68801	06700 Buildings, Structures, and Improvements	Building & Grounds Improvements - Local	\$500,000
5W CPF ACP – Water Capital Projects - Retail	502811 CUW28100	06R00 Capital Renewal Projects	Pacific Rod & Gun Club Remediation	\$1,400,000
Total USES De-Appropriation/Appropriation – Water Enterprise Capital Improvement Projects				(\$15,786,900)

Section 2.5 Of the above De-appropriated amount, \$8,224 representing 0.2% of the expenditure budget net of bond financing and audit costs, is to be de-appropriated from the Controller's Audit Fund, pursuant to Charter Appendix F1.113; and \$33,780 representing 0.05% of gross bond proceeds is to be de-appropriated and available from the Public Utilities Commission Revenue Bond Oversight Committee, pursuant to Administrative Code Section 5A.31. These appropriations may be increased or decreased by the Controller based on changes to expenditure appropriations or actual gross bond proceeds to conform to the applicable Charter and Administrative Code formulas.

1 Section 2.6. The appropriations herein are effective as of July 1, 2013. The bond-funded
2 portion of all included appropriation shall be placed on Controller's Reserve pending the
3 availability of funds. The portion of appropriation funded by FY 2013-14 local operating
4 revenues shall be placed on Controller's Reserve until July 1, 2013. Release of project-
5 related appropriation reserves by the Controller is also subject to the prior occurrence of the
6 SFPUC's and the Board of Supervisors' discretionary adoption of CEQA findings for
7 projects, following review and consideration of completed project-related environmental
8 analysis, where required, pursuant to CEQA, the State CEQA Guidelines, and Chapter 31 of
9 the San Francisco Administrative Code.

10
11 Section 2.7 Associated Bond financing costs is also hereby de-appropriated by
12 \$11,632,896, including but not limited to, issuance costs, debt service reserve, capitalized
13 interest, rating agency, and disclosure costs, all on Controller's reserve pending receipt of
14 bond proceeds. To the extent that net available bond proceeds after financing costs are
15 more than budgeted, the Department may use such surplus bond proceeds as a substitute
16 for other sources budgeted in this appropriation.

17
18 Section 3.1 Ordinance de-appropriating \$56,370,059 in the existing Wastewater Capital
19 Improvement Program for Fiscal Year 2013-2014 project budgets and appropriating
20 \$38,878,486 of proceeds from existing revenue bonds and capacity fee revenues fund
21 balance for revised Fiscal Year 2013-2014, placing \$28,500,000 on Board Finance
22 Committee reserve pending receipt of proceeds of indebtedness, and releasing
23 \$134,950,000 of the SSIP program funds for Fiscal Year 2013-2014 on July 1, 2013 from
24 Budget and Finance Committee Reserve, pending the approval of the sizing, timing and
25 scope by the Budget and Finance Committee.

Section 3.2 The sources of funding were previously appropriated and are herein de-appropriated and re-appropriated, and no additional funding is requested in this supplemental appropriation ordinance as indicated by Attachment C. This supplemental appropriation requests an appropriation of \$9,578,486 of Wastewater capacity fees fund balance which will be substituted for Wastewater Revenue Bonds. The sources of funding outlined below are herein appropriated to reflect the appropriation for Fiscal Year 2013-2014.

SOURCES De-appropriation/Appropriation – Wastewater Enterprise Capital Improvement Projects

Fund	Index Code / Project Code	Subobject	Description	Amount
5C CPF 13A - WWE- Capital Projects-2013A Bond Fund	*CWP5CCPF13A / - WWE30001 - Wastewater Bond/Commercial Paper	80111	Proceeds Sale of Bonds	(\$27,870,059)
5C CPF CAP - WWE- Capacity Fee	*CWP5CCPFCAP / - CWWRNRCS0000 - Wastewater RnR Collection System	99999B	Capacity Fees - Fund Balance	\$9,578,486
5C CPF 10B - 2010B WWE Revenue Bond Fund(Taxable BAB)	*CWP5CCPF10B - WWE30001 - Wastewater Bond/Commercial Paper	99999B	Interest Income - Fund Balance	\$800,000

Fund	Index Code / Project Code	Subobject	Description	Amount
Total SOURCES De-appropriation/Appropriation — Wastewater Enterprise Capital Improvement Projects				
				<u>(\$17,491,573)</u>

Section 3.3 The uses of funding outlined below are herein de-appropriated and re-appropriated in Subobject 06700 Buildings Structures and Improvements, 06R00 Capital Renewal Projects, 081C4 Internal Audits and 06B00 Revenue Bond Oversight Committee and reflects the projected uses of funding to support the Commission approved Phase 1 Implementation of the SSIP for Fiscal Year 2013-14. Pending the approval by the Budget and Finance Committee regarding sizing, timing, and scope of the SSIP, \$134,950,000 is released from Budget and Finance Committee reserve July 1, 2013.

USES De-appropriation/Appropriation – Wastewater Enterprise Capital Improvement Projects

Fund	Index Code / Project Code	Subobject	Description	Amount
5C CPF 13A - WWE- Capital Projects- 2013A Bond Fund	CWPX5CCPF13A / CWWSIPTP00	06700 Buildings, Structures, and Improvements	Treatment Plant Improvements	(\$4,900,000)
5C CPF 13A - WWE- Capital Projects- 2013A Bond Fund	CWPX5CCPF13A / CWWSIPCT00	06700 Buildings, Structures, and Improvements	Central Bayside System Improvements	(\$3,700,000)

	Fund	Index Code / Project Code	Subobject	Description	Amount
3	5C CPF 13A - WWE-	CWPX5CCPF13A /	06700 Buildings,	Collection System	(\$15,730,000)
4	Capital Projects-	CWWSIPCS00	Structures, and	Improvements	
5	2013A Bond Fund		Improvements		
7	5C CPF 13A - WWE-	CWPX5CCPF13A /	06700 Buildings,	Stormwater	(\$18,131,000)
8	Capital Projects-	CWWSIPFC00	Structures, and	Management	
9	2013A Bond Fund		Improvements		
11	5C CPF 13A - WWE-	CWPX5CCPF13A /	06R00 Capital	Renewal &	(\$10,378,486)
12	Capital Projects-	CWWRNRCS0000	Renewal Projects	Replacement –	
13	2013A Bond Fund			Collection System	
15	5C CPF 13A - WWE-	CWPX5CCPF13A /	06700 Buildings,	Financing Cost	(\$3,488,716)
16	Capital Projects-	CWW30001	Structures, and		
17	2013A Bond Fund		Improvements		
19	5C CPF 13A - WWE-	CWPX5CCPF13A /	081C4 Internal	City Services	(\$27,922)
20	Capital Projects-	CWW30001	Audits	Auditor	
21	2013A Bond Fund				
23	5C CPF 13A - WWE-	CWPX5CCPF13A /	06B00	Revenue Bond	(\$13,935)
24	Capital Projects-	CWW30001	Revenue Bond	Oversight	
25	2013A Bond Fund		Oversight	Committee	
			Committee		

	Fund	Index Code / Project Code	Subobject	Description	Amount
1					
2					
3	5C CPF 13A - WWE-	CWPX5CCPF13A /	06700 Buildings,	Planning / Budget	\$8,000,000
4	Capital Projects-	CWWSIPRPL00	Structures, and		
5	2013A Bond Fund		Improvements		
6					
7	5C CPF 13A - WWE	CWPX5CCPF13A /	06700 Buildings,	Treatment Plant	\$500,000
8	Capital Projects-	CWWSIPSE00	Structures, and	Improvements -	
9	2013A Bond Fund		Improvements	Southeast	
10					
11	5C CPF CAP - WWE	CWPX5CCPFCAP /	06R00 Capital	Renewal &	\$9,578,486
12	Capacity Fee	CWWRNRCS0000	Renewal Projects	Replacement -	
13				Collection System	
14					
15	5C CPF 10B - 2010B	CWPX5CCPF10B /	06700 Buildings,	Renewal &	\$800,000
16	WWE Revenue Bond	CWWRNRCS0000	Structures, and	Replacement -	
17	Fund (Taxable BAB)		Improvements	Collection System	
18					
19	5C CPF 13A - WWE-	CWPX5CCPF13A /	06700 Buildings,	Collection System	\$10,000,000
20	Capital Projects-	CWWFAC02	Structures, and	Consolidation	
21	2013A Bond Fund		Improvements		
22					
23	5C CPF 13A - WWE-	CWPX5CCPF13A /	06700 Buildings,	Southeast	\$10,000,000
24	Capital Projects-	CWWFAC03	Structures, and	Community Center	
25	2013A Bond Fund		Improvements	Improvements	

1	Fund	Index Code /	Subobject	Description	Amount
2		Project Code			
3					
4	Total USES De-appropriation / Appropriation – Wastewater Enterprise Capital				
5	Improvement Projects				<u>(\$17,491,573)</u>

8 Section 3.4 Of the above de-appropriated amount, \$27,922 representing 0.2% of the
 9 expenditure budget net of bond financing and audit costs is to be de-appropriated from the
 10 Controller's Audit Fund, pursuant to Charter Appendix F1.113; and \$13,935, representing
 11 0.05% of gross bond proceeds is to be de-appropriated and available from the Public
 12 Utilities Commission Revenue Bond Oversight Committee, pursuant to Administrative Code
 13 Section 5A.31. These appropriations may be increased or decreased by the Controller
 14 based on changes to expenditure appropriations or actual gross bond proceeds to conform
 15 to the applicable Charter and Administrative Code formulas.

17 Section 3.5 Of the above de-appropriated amount, \$3,488,716 is de-appropriated for bond
 18 financing costs, including but not limited to, issuance costs, debt service reserve, capitalized
 19 interest, rating agency, and disclosure costs, all on Controller's reserve pending receipt of
 20 bond proceeds. To the extent that net available bond proceeds after financing costs are
 21 more than budgeted, the Department may use such surplus bond proceeds as a substitute
 22 for other sources budgeted in this appropriation.

24 Section 3.6 The appropriations herein are effective as of July 1, 2013. The bond-funded
 25 portion of all included appropriation shall be placed on Controller's Reserve pending the

1 availability of funds. Release of project-related appropriation reserves by the Controller is
2 also subject to the prior occurrence of the SFPUC's and the Board of Supervisors'
3 discretionary adoption of CEQA findings for projects, following review and consideration of
4 completed project-related environmental analysis, where required, pursuant to CEQA, the
5 State CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code.

6
7 Section 3.7 The Controller is authorized to record transfers between funds and adjust the
8 accounting treatment of sources and uses appropriated in this ordinance as necessary to
9 conform to Generally Accepted Accounting Principles.

10
11
12
13
14 APPROVED AS TO FORM:
15 DENNIS J. HERRERA, City Attorney

FUNDS AVAILABLE:
BEN ROSENFELD, Controller

16
17
18 By:  _____

19 Deputy City Attorney

By:  _____

Date: April 23, 2013

Attachment A - Hetch Hetchy Enterprise

Funding Source

Project	Index Code	SUB FUND	SUB-OBJ	Description of Appropriation or Fund	Amount
CUH30000	*HHP5TCPF13A	5TCPF13A	80111	Water Revenue Bonds	(13,700,070)
CUHZZZ00	UHUHZZZ505T	5TAAAACP	9505T	ITI from Hetchy Funds (Hetchy Revenue)	(1,169,798)
CUH30000	*HHP5TCPF14A	5TCPF14A	80111	Power Revenue Bonds	2,799,665
PUHCAP00	548294	5TAAAACP	9999B	Hetchy Cap and Trade Allowance	1,169,798
CUH94763	320000	5TAAAAAA	99999B	GoSolar SF	2,000,000
TOTAL - Sources Adjustments					(8,900,405)

Use of Funds

Project	Index Code	SUB FUND	SUB-OBJ	Description of Appropriation or Fund	Amount
Reduction of Appropriation					
CUH10000	HHPX5TCPF13A	5TCPF13A	06700	Hetchy Water - Water Only Projects	(9,400,000)
CUH10100	511011	5TAAAACP	06700	Hetchy Water - Power Only Projects	(2,276,150)
CUH30000	HHPX5TCPF13A	5TCPF13A	06700	Hetchy Water Financing Costs	(4,714,216)
CUH30000	HHPX5TCPF13A	5TCPF13A	081C4	Hetchy Water - City Services Auditor	(16,854)
CUH30000	HHPX5TCPF13A	5TCPF13A	081XX	Hetchy Water - Revenue Bond Oversight Committee	(6,850)
Subtotal					(16,414,070)

Reallocation of Appropriation

CUH94763	519463	5TAAAACP	06700	GoSolar SF	2,000,000
CUH89601	518961	5TAAAACP	06700	Streetlights	1,741,000
CUH10100	HHPX5TCPF14A	5TCPF14A	06700	Hetchy Water - Power Only Projects	2,276,150
CUH10200	HHPX5TCPF13A	5TCPF13A	06700	Hetchy Joint Projects - Water	437,850
CUH10200	511021	5TAAAACP	06700	Hetchy Joint Projects - Power	535,150
CUH30000	HHPX5TCPF14A	5TCPF14A	06700	Hetchy Power Financing Costs	518,633
CUH30000	HHPX5TCPF14A	5TCPF14A	081C4	Hetchy Power - City Services Auditor	3,482
CUH30000	HHPX5TCPF14A	5TCPF14A	081XX	Hetchy Power - Revenue Bond Oversight Committee	1,400
Subtotal					7,513,665

TOTAL - Uses Adjustments	(8,900,405)
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Surplus/Shortfall	0
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Attachment B - Water Enterprise

Funding Source

Project	Index Code	SUB FUND	SUB-OBJ	Description of Appropriation or Fund	Amount
WTR3000100	*WTR5WCPF13A	5WCPF13A	80111	Proceeds from Sale of Bonds	(67,559,900)
CUWZZZZZ	UWUWZZZ1505W	5WCPFLOC	9505W	ITI from Water Enterprise Funds	(10,850,000)
CUWZZZZZ	UWUWZZZG505W	5WCPFWCF	9505W	ITI from Water Enterprise Funds	(2,207,400)
CUWZZZZZ	UWAAAACP505W	5WAAAACP	9505W	ITI from Water Enterprise Funds	9,661,400
CUWZZZZZ	UWAAAACP505W	5WAAAACP	9505W	ITI from Water Enterprise Funds	52,041,076
CUWZZZZZ	UWUWZZZK505W	5WCPFACP	9505W	ITI from Water Enterprise Funds	1,400,000
CUW68301	*WTR5WCPFCAP	5WCPFCAP	9999B	Water Capacity Fee	1,727,924
TOTAL - Sources Adjustments					(15,786,900)

Use of Funds

Project	Index Code	SUB FUND	SUB-OBJ	Description of Appropriation or Fund	Amount
CUW26308	WTRX5WCPF13A	5WCPF13A	06700	Town of Sunol-Fire Suppression System	(3,900,000)
CUW27500	WTRX5WCPFLOC	5WCPFLOC	06R00	Watershed & Land Management	(278,600)
CUW27500	WTRX5WCPFWCF	5WCPFWCF	06R00	Watershed & Land Management	(517,400)
CUW27700	WTRX5WCPF13A	5WCPF13A	06700	Buildings & Ground Regional	(4,300,000)
CUW27700	WTRX5WCPFLOC	5WCPFLOC	06R00	Buildings & Ground Regional	(910,000)
CUW27700	WTRX5WCPFWCF	5WCPFWCF	06R00	Buildings & Ground Regional	(1,690,000)
CUW28000	WTRX5WCPF13A	5WCPF13A	06700	Local Water Conveyance/Distribution	(44,185,000)
CUW27001	WTRX5WCPF13A	5WCPF13A	06700	Treasure Island Capital Program	(3,000,000)
CUW68801	WTRX5WCPF13A	5WCPF13A	06700	Building & Grounds Improvements Local	(500,000)
WTR3000100	WTRX5WCPF13A	5WCPF13A	06700	Financing Costs	(11,632,896)
WTR3000100	WTRX5WCPF13A	5WCPF13A	081C4	City Services Auditor	(8,224)
WTR3000100	WTRX5WCPF13A	5WCPF13A	081XX	Revenue Bond Oversight Committee	(33,780)
Subtotal					(70,955,900)
CUW26808	WTRX5WAAAACP	5WAAAACP	06700	Town of Sunol-Fire Suppression System	6,084,000
CUW28001	WTRX5WAAAACP	5WAAAACP	06700	Local Water Conveyance/Distribution	42,457,076
CUW28000	WTRX5WCPFCAP	5WCPFCAP	06700	Local Water Conveyance/Distribution	1,727,924
CUW27001	WTRX5WAAAACP	5WAAAACP	06700	Treasure Island Capital Program	3,000,000
CUW68801	WTRX5WAAAACP	5WAAAACP	06700	Building & Grounds Improvements Local	500,000
CUW28100	502811	5WCPFACP	06R00	Pacific Rod & Gun Club Remediation	1,400,000
Subtotal					55,169,000
TOTAL - Uses Adjustments					(15,786,900)
Surplus/Shortfall					0

Funding Source

Project	Index Code	SUB FUND	SUB-OBJ	Description of Appropriation or Fund	Amount
WWE30001	*CWP5CCPF13A	5CCPF13A	80111	Proceeds Sale of Bonds	(27,870,059)
CWWRNRCS0000	*CWP5CCPFCAP	5CCPFCAP	9999B	Wastewater Capacity Fee	9,578,486
WWE30001	*CWP5CCPF10B	5CCPF10B	99999B	Interest Income-Fund Balance	800,000
TOTAL - Sources Adjustments					(17,491,573)

Use of Funds

Project	Index Code	SUB FUND	SUB-OBJ	Description of Appropriation or Fund	Amount
Reduction of Appropriation					
SSIP					
CWWSIPTP00	CWPX5CCPF13A	5CCPF13A	06700	Treatment Plant Improvements	(4,900,000)
CWWSIPCT00	CWPX5CCPF13A	5CCPF13A	06700	Central Bayside System Improvements	(3,700,000)
CWWSIPCS00	CWPX5CCPF13A	5CCPF13A	06700	Collection System Improvements	(15,730,000)
CWWSIPFC00	CWPX5CCPF13A	5CCPF13A	06700	Stormwater Management	(18,131,000)
SSIP Reduction					(42,461,000)
Other Sewer Projects					
CWWRNRCS0000	CWPX5CCPF13A	5CCPF13A	06R00	Renewal & Replacement-Collection System	(10,378,486)
CWW30001	CWPX5CCPF13A	5CCPF13A	06700	Financing Cost	(3,488,716)
CWW30001	CWPX5CCPF13A	5CCPF13A	081C4	City Services Auditor	(27,922)
CWW30001	CWPX5CCPF13A	5CCPF13A	081XX	Revenue Bond Oversight Committee	(13,935)
Subtotal					(13,909,059)
Subtotal					(56,370,059)
Reallocation of Appropriation					
SSIP					
CWWSIPRPL00	CWPX5CCPF13A	5CCPF13A	06700	Program-Wide Planning & Management	8,000,000
CWWSIPSE00	CWPX5CCPF13A	5CCPF13A	06700	Treatment Plant Improvements - Southeast	500,000
SSIP Increase					8,500,000
Other Sewer Projects					
CWWRNRCS0000	CWPX5CCPFCAP	5CCPFCAP	06R00	Renewal & Replacement-Collection System	9,578,486
CWWRNRCS0000	CWPX5CCPF10B	5CCPF10B	06700	Renewal & Replacement-Collection System	800,000
CWWFAC02	CWPX5CCPF13A	5CCPF13A	06700	Collection System Consolidation	10,000,000
CWWFAC03	CWPX5CCPF13A	5CCPF13A	06700	Southeast Community Center Improvements	10,000,000
Subtotal					30,378,486
Subtotal					38,878,486
Total SSIP Adjustment					(33,961,000)
Other - Increase					16,469,427
TOTAL - Uses Adjustments					(17,491,573)
Surplus/Shortfall					0

Item 5
File 13-0365

Department:
Public Utilities Commission (PUC)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed ordinance amend the FY 2012-13 and FY 2013-14 Appropriation Ordinance to (1) re-appropriate \$5,096,000 in the Public Utilities Commission's (PUC) FY 2013-14 operating budget designated for maintenance and repair projects, and (2) de-appropriate \$42,178,878 in PUC's FY 2013-14 capital budget.

Key Points

- The Board of Supervisors appropriated \$122,516,450 in the PUC's FY 2013-14 budget for capital improvements in the Hetch Hetchy Water and Power Enterprise, Water Enterprise, and Wastewater Enterprise. Approval of the proposed ordinance would de-appropriate \$42,178,878, resulting in a FY 2013-14 capital budget of \$80,887,572

Fiscal Impact

- The proposed ordinance would re-appropriate \$5,096,000 within the PUC operating budget designated for capital projects, including (1) \$3,100,000 in the Hetch Hetchy Water and Power operating budget to pay for improvements to the Camp Mather drainage system, maintenance of Moccasin facilities, and compliance with electricity regulations; and (2) \$1,996,000 in the Water Enterprise to pay for watershed protection projects.
- The proposed ordinance would de-appropriate \$42,178,878 in the PUC's FY 2013-14 capital budget, including:
 - \$8,900,405 in the Hetch Hetchy Water and Power Enterprise due primarily to postponing the Moccasin Tunnel Lining Project to a later date in the PUC's 10-year Capital Improvement Program (CIP). As a result, PUC will issue a lower amount of 2013 Hetch Hetchy Water Revenue Bonds than previously anticipated.
 - \$15,786,900 in the Water Enterprise due largely to savings in bond issuance and financing costs. The PUC will receive a payment of \$356,138,828 from the Bay Area Water Supply and Conservation Agency (BAWSCA), representing PUC's wholesale customers, as part of the 2009 Water Supply Agreement, in which the wholesale customers must pay PUC for the regional water system's existing regional assets (see File 12-1203). Due to this payment, PUC will issue a lower amount of 2013 Water Revenue Bonds.
 - \$17,491,573 in the Wastewater Enterprise due to revised Sewer System Improvement Program (SSIP) service goals, scope and schedule changes. As a result of the revised SSIP scope, the PUC will issue a lower amount of 2013 Wastewater Revenue Bonds. The PUC will postpone certain SSIP projects, previously appropriated in FY 2013-14, and re-appropriate funds to other capital projects. New expenditures in FY 2013-14 include \$8,000,000 for SSIP Phase I planning and \$10,000,000 for improvements to the Southeast Community Center.

Recommendation

- Approve the proposed ordinance.

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

Charter Section 9.105 requires Board of Supervisors' approval of Annual Appropriation Ordinance amendments, after the Controller certifies the availability of funds.

Charter Section 9.101 authorizes the Mayor and Board of Supervisors by resolution to determine in an even-numbered fiscal year that the upcoming budgetary cycle shall be a fixed budgetary cycle for some or all City Departments. In a fixed budgetary cycle, the Board of Supervisors does not adopt a new budget for the second fiscal year of the cycle, but may adjust the second-year budget if certain conditions are met.

Background

The Board of Supervisors approved a resolution in 2011 (Resolution 464-11), adopting a fixed two-year budget for the Airport, Port, and Public Utilities Commission. The Board of Supervisors approved the Public Utilities Commission's (PUC) FY 2012-13 and FY 2013-14 budget in July 2012. Table 1 shows the PUC's FY 2012-13 and FY 2013-14 capital budget appropriations, previously approved by the Board of Supervisors.

Table 1: PUC's FY 2013-14 Capital Budget Appropriation

	FY 2012-13	FY 2013-14	Total
Hetch Hetchy	\$34,574,200	\$47,893,450	\$82,467,650
Water	22,216,000	37,623,000	59,839,000
Wastewater	33,000,000	37,000,000	70,000,000
Total	\$89,790,200	\$122,516,450	\$212,306,650

Source: Annual Appropriation Ordinance

DETAILS OF PROPOSED LEGISLATION

As shown in Table 2 below, the PUC is now requesting a supplemental appropriation to amend the (1) FY 2013-14 operating budget to re-appropriate \$5,096,000 designated for maintenance and repair projects, and (2) FY 2013-14 capital budget to de-appropriate \$42,178,878.

Table 2: Proposed Amendment to the PUC's FY 2013-14 Operating and Capital Budget

	Amount
FY 2013-14 Operating Budget	
Hetch Hetchy	\$3,100,000
Water	1,996,000
Total Operating Budget Re-appropriation	\$5,096,000
FY 2013-14 Capital Budget	
Hetch Hetchy	(\$8,900,405)
Water	(15,786,900)
Wastewater	(17,491,573)
Total Capital Budget De-appropriation	(\$42,178,878)

The Attachment to this report provides details of the proposed supplemental appropriation.

FISCAL IMPACT

FY 2013-14 Operating Budget Re-appropriation: \$5,096,000

The proposed ordinance re-appropriates PUC operating funds as follows:

- \$3,100,000 in the Hetch Hetchy Water and Power operating budget from funds designated for reserves or payments to other governments to the following three projects:
 - \$1,000,000 to leach field¹ repairs at Camp Mather to improve sewage drainage and prevent seepage into the Hetch Hetchy watershed;
 - \$1,600,000 to facilities maintenance at Moccasin to fund a portion of the maintenance backlog; and
 - \$500,000 to comply with electricity compliance regulations.
- \$1,996,000 in the Water Enterprise operating budget to fund watershed protection projects that do not qualify as capital projects and therefore are not eligible for bond funding.

FY 2013-14 Capital Budget De-appropriation: (\$42,178,878)

The PUC is proposing a net decrease in the FY 2013-14 capital budget of \$42,178,878, as shown in Table 2 above. The PUC de-appropriates capital funds as follows:

Hetch Hetchy Water and Power: (\$8,900,405)

According to Mr. Carlos Jacobo, PUC Budget Director, the Hetch Hetchy Water and Power Enterprise is reducing the capital budget by a net of \$8,900,405 due primarily to postponing the Moccasin Tunnel Lining Project to a later date in the PUC's 10-year Capital Improvement Program (CIP). As a result, PUC will issue a lower amount of 2013 Hetch Hetchy Water Revenue Bonds than previously anticipated.

Major reductions to the FY 2013-14 Hetch Hetchy capital budget include:

- \$9,400,000 reduction due to defunding of the Moccasin Water Tunnel Lining Project that will be funded in future years; and
- \$4,714,216 reduction in bond financing costs by issuing a lower amount of 2013 Hetch Hetchy Water Revenue Bonds.

These reductions are offset by the funding of two new programs, including:

- \$2,000,000 for the Mayor's Go Solar SF project to facilitate development of solar projects; and
- \$1,741,000 for streetlight improvements on the Van Ness Avenue Corridor.

Details of the \$8,900,405 reduction in the FY 2013-14 Hetch Hetchy capital budget are shown in the Attachment to this report.

¹ A leach field, or septic drain field, is used to remove contaminants and impurities from liquid that emerges from a septic tank.

Controller's Reserve

Some of the proposed FY 2013-14 Hetch Hetchy capital program projects are funded by Hetch Hetchy Water Revenue Bonds or Power Enterprise Revenue Bonds. In accordance with the proposed ordinance, bond-funded projects will be placed on Controller's reserve pending the availability of funds.

Water Enterprise: (\$15,786,900)

The FY 2013-14 Water Enterprise capital budget is being reduced by \$15,786,900 due largely to savings in bond issuance and financing costs. The proposed ordinance de-appropriates previously-appropriated 2013A Water Enterprise Revenue Bond Proceeds. PUC will receive a payment of \$356,138,828 from the Bay Area Water Supply and Conservation Agency (BAWSCA), representing PUC's wholesale customers, as part of the 2009 Water Supply Agreement, in which the wholesale customers must pay PUC for the regional water system's existing regional assets (see File 12-1203). Due to this payment, PUC will issue a lesser amount of 2013 Water Revenue Bonds, resulting in savings for bond financing and issuance costs of \$11,674,900.

The PUC is also proposing to postpone \$6,900,000 in regional water system facility improvements to a later date, based on updated project schedules and spending forecasts.

These reductions are offset by (1) a \$2,184,000 increase in the Sunol Fire Suppression project², from \$3,900,000, as previously appropriated, to \$6,084,000, due to a re-evaluation and scoping of the project; and (2) new expenditures of \$1,400,000 for the remediation of Lake Merced as part of a \$10,000,000 remediation project (see Policy Consideration section below).

Details of the \$15,786,900 net reduction in the FY 2013-14 Water Enterprise capital budget are in the Attachment to this report.

Wastewater Enterprise: (\$17,491,573)

The FY 2013-14 Wastewater capital budget is being reduced by \$17,491,573 due to revisions to the Sewer System Improvement Program (SSIP) and schedule changes. The Public Utilities Commission (Commission) endorsed the revised SSIP service goals and scope in August 2012. As a result of the revised SSIP scope, the PUC will issue a lower amount of 2013 Wastewater Revenue Bonds, resulting in a net reduction of \$3,530,573 in bond issuance and financing costs.

The PUC will postpone certain SSIP projects, previously appropriated in FY 2013-14, and re-appropriate funds to other capital projects. New expenditures in FY 2013-14 include \$8,000,000 for SSIP Phase I planning and \$10,000,000 for improvements to the Southeast Community Center.

Details of the \$17,491,573 net reduction in the FY 2013-14 Wastewater Enterprise capital budget are in the Attachment to this report.

Budget and Finance Committee Reserve

The Sewer System Improvement System budget is \$255,600,000, which the Board of Supervisors placed on Budget and Finance Committee reserve during the FY 2012-13 and FY

² The Sunol Fire Suppression project will improve the potable water pipelines leading to or in the town of Sunol, including upgrading the transmission and distribution pipes and installing new fire hydrants.

2013-14 budget review, pending further review of the SSIP timing, sizing and scope of work. The PUC will need to request release of SSIP funds from the Budget and Finance Committee prior to expenditure of these funds.

Controller's Reserve

Further, some of the proposed FY 2013-14 Wastewater capital program projects are funded by Wastewater Revenue Bonds. In accordance with the proposed ordinance, bond-funded projects will be placed on Controller's reserve pending the availability of funds.

POLICY CONSIDERATION

The Pacific Rod and Gun Club Continues on a Month-to-Month Lease on PUC Property Adjacent to Lake Merced

The Pacific Rod and Gun Club has leased PUC property at Lake Merced since 1934 through an agreement with the Recreation and Park Department. The Pacific Rod and Gun Club's use of lead shot prior to 1994 has resulted in lead contamination of the surface soil around Lake Merced. PUC estimates that the costs to clean up the lead contamination are \$10,000,000, of which \$1,400,000 is included in the FY 2013-14 capital budget request, as noted above. According to Mr. Jacobo, the PUC is actively reviewing their options to recover these remediation costs.

The Pacific Rod and Gun Club currently occupies the site on a month-to-month lease. The Board of Supervisors approved settlement of an unlawful detainer lawsuit in December 2012 (see File 12-1106) that provides for PUC to enter into an amended month-to-month lease with the Pacific Rod and Gun Club to improve the requirements for insurance, indemnity and other provisions to protect the City.

RECOMMENDATION

Approve the proposed ordinance.

Fund	Program	Amount
FY 2013-14 Operating Budget		
HETCH HETCHY		
<u>Sources of Funds</u>		
Hetch Hetchy Operating Budget	General Reserve	(519,184)
Hetch Hetchy Operating Budget	Payments to Other Government	(1,568,000)
Capital Projects Fund	Reserve for Capital Improvements	(1,012,816)
Net Sources of Funds		(3,100,000)
<u>Uses of Funds</u>		
Re-appropriation		
Hetch Hetchy Operating Budget	Camp Mather	1,000,000
Hetch Hetchy Operating Budget	Facilities Maintenance	1,600,000
Hetch Hetchy Operating Budget	WECC/NERC Compliance	500,000
Net Uses of Funds		3,100,000
WATER		
<u>Sources of Funds</u>		
Water Capital Projects	Watershed Protection	(1,996,000)
<u>Uses of Funds</u>		
Water Capital Projects	Reserve for Capital Improvements	1,996,000
Total Operating Budget Re-appropriation		5,096,000
FY 2013-14 Capital Budget		
HETCH HETCHY		
<u>Sources of Funds</u>		
2013A Hetch Hetchy Water Revenue Bonds	Bond Proceeds	(13,700,070)
Hetch Hetchy Continuing Project Capital Fund	Internal Transfer	(1,169,798)
2014A Power Enterprise Revenue Bonds	Bond Proceeds	2,799,665
Hetch Hetchy Continuing Project Capital Fund	Cap and Trade Allowance	1,169,798
Hetch Hetchy Operating Budget	Fund Balance	2,000,000
Net Sources of Funds		(8,900,405)
<u>Uses of Funds</u>		
2013A Hetch Hetchy Water Revenue Bonds	Water Projects	(9,400,000)
Hetch Hetchy Continuing Project Capital Fund	Power Projects	(2,276,150)
2013A Hetch Hetchy Water Revenue Bonds	Financing Costs	(4,714,216)
2013A Hetch Hetchy Water Revenue Bonds	Internal Audits	(16,854)
2013A Hetch Hetchy Water Revenue Bonds	Revenue Bond Oversight Committee	(6,850)
Hetch Hetchy Continuing Project Capital Fund	Go Solar SF	2,000,000
Hetch Hetchy Continuing Project Capital Fund	Streetlights	1,741,000
2014A Power Enterprise Revenue Bonds	Power Projects	2,276,150
2013Hetch Hetchy Water Revenue Bonds	Water Projects	437,850
Hetch Hetchy Continuing Project Capital Fund	Power Projects	535,150
2014A Power Enterprise Revenue Bonds	Financing Costs	518,633
2014A Power Enterprise Revenue Bonds	Internal Audits	3,482
2014A Power Enterprise Revenue Bonds	Revenue Bond Oversight Committee	1,400
Net Uses of Funds		(8,900,405)

Fund	Program	Amount
WATER		
<u>Sources of Funds</u>		
2013A Water Enterprise Bond Fund	Bond Proceeds	(67,559,900)
Capital Projects Fund	Water Enterprise Revenues	(10,850,000)
Wholesale Capital Project Fund	Water Enterprise Revenues	(2,207,400)
Water Continuing Capital Project Fund	Water Enterprise Revenues	9,661,400
Water Continuing Capital Project Fund	Suburban Water Payers	52,041,076
Water Continuing Capital Project Fund	Water Revenue Transfer	1,400,000
Capacity Fees	Capacity Fees	1,727,924
Net Sources of Funds		(15,786,900)
<u>Uses of Funds</u>		
2013A Water Enterprise Bond Fund	Sunol Fire Suppression	(3,900,000)
Water Continuing Capital Project Fund	Watershed & Land Management	(278,600)
Wholesale Capital Project Fund	Watershed & Land Management	(517,400)
2013A Water Enterprise Bond Fund	Regional Buildings & Grounds	(4,300,000)
Capital Projects Fund	Regional Buildings & Grounds	(910,000)
Wholesale Capital Project Fund	Regional Buildings & Grounds	(1,690,000)
2013A Water Enterprise Bond Fund	Local Water Conveyance and Distribution	(44,185,000)
2013A Water Enterprise Bond Fund	Treasure Island Capital Improvements	(3,000,000)
2013A Water Enterprise Bond Fund	Local Buildings and Grounds	(500,000)
2013A Water Enterprise Bond Fund	Financing	(11,632,896)
2013A Water Enterprise Bond Fund	Internal Audits	(8,224)
2013A Water Enterprise Bond Fund	Revenue Bond Oversight Committee	(33,780)
Water Continuing Capital Project Fund	Sunol Fire Suppression	6,084,000
Water Continuing Capital Project Fund	Local Water Conveyance and Distribution	42,457,076
Capacity Fees	Local Water Conveyance and Distribution	1,727,924
Water Continuing Capital Project Fund	Treasure Island Capital Improvements	3,000,000
Water Continuing Capital Project Fund	Local Buildings and Grounds	500,000
Capital Projects Fund	Pacific Rod & Gun Club Remediation	1,400,000
Net Uses of Funds		(15,786,900)
WASTEWATER		
<u>Sources of Funds</u>		
2013A Wastewater Enterprise Bonds	Bond Proceeds	(\$27,870,059)
Capacity Fees	Capacity Fees	9,578,486
2010B Wastewater Revenue Bonds	Interest	800,000
Net Sources of Funds		(17,491,573)
<u>Sources of Funds</u>		
2013A Wastewater Enterprise Bonds	SSIP Treatment Plant Improvements	(4,900,000)
2013A Wastewater Enterprise Bonds	SSIP Central Bayside	(3,700,000)
2013A Wastewater Enterprise Bonds	SSIP Collection System Improvements	(15,730,000)
2013A Wastewater Enterprise Bonds	SSIP Stormwater Management	(18,131,000)
2013A Wastewater Enterprise Bonds	Renewal & Replacement	(10,378,486)
2013A Wastewater Enterprise Bonds	Financing	(3,488,716)
2013A Wastewater Enterprise Bonds	Internal Audits	(27,922)
2013A Wastewater Enterprise Bonds	Revenue Bond Oversight Committee	(13,935)
2013A Wastewater Enterprise Bonds	Planning	8,000,000
2013A Wastewater Enterprise Bonds	SE Treatment Plant	500,000
Capacity Fees	Collection System	9,578,486
2010B Wastewater Revenue Bonds	Collection System	800,000
2013A Wastewater Enterprise Bonds	Collection System Consolidation	10,000,000
2013A Wastewater Enterprise Bonds	SE Community Center	10,000,000
Net Uses of Funds		(17,491,573)
Total Capital Budget De-appropriation		42,178,878

