

File No. 230654

Committee Item No. _____

Board Item No. 28

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Appropriations Committee Date June 14, 2023

Board of Supervisors Meeting Date July 25, 2023

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" 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 |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>MYR Budget Submission Letter 6/1/2023</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>MYR Trailing Legislation List</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>MYR 30-Day Waiver Request</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Presidential Action Memo - 30-Day Waiver 6/5/2023</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Water Enterprise Attachment A - Source/Use Funds</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>PUC Supplemental Appropriation Request 5/11/2023</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>PUC Presentation 6/14/2023</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
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| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Completed by: Brent Jalipa Date June 7, 2023

Completed by: Brent Jalipa Date June 26, 2023

1 [Appropriation - \$332,278,006 in Proceeds from Revenue Bonds, State Loan or Grant Funds,
2 Water Revenues, and Water Capacity Fees - FY2023-2024]

3 **Ordinance appropriating a total of \$332,278,006 of proceeds from Revenue Bonds,**
4 **State of California Water Resources Control Board’s revolving loan funds (State Loan**
5 **Funds) or grant funds (State Grant Funds), water revenues, and water capacity fees for**
6 **the San Francisco Public Utilities Commission (SFPUC) Water Enterprise’s Capital**
7 **Improvement Program for FY2023-2024;and placing \$281,901,348 of Revenue Bond and**
8 **State Loan Funds or State Grant Funds proceeds by project on Controller’s Reserve**
9 **subject to the Controller's certification of funds availability, including proceeds of**
10 **indebtedness, and for construction related expenditures (excluding program**
11 **management, planning and design) for these projects, as applicable, is also subject to**
12 **the prior occurrence of the SFPUC's and the Board of Supervisors' discretionary**
13 **adoption of California Environmental Quality Act (CEQA) Findings for projects,**
14 **following review and consideration of completed project related environmental**
15 **analysis, where required, in Fiscal Year (FY) 2023-2024.**

16
17 Note: **Unchanged Code text and uncodified text** are in plain Arial font.
18 **Additions to Codes** are in *single-underline italics Times New Roman font*.
19 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
20 **Board amendment additions** are in double-underlined Arial font.
21 **Board amendment deletions** are in ~~strikethrough Arial font~~.
22 **Asterisks (* * *)** indicate the omission of unchanged Code
23 subsections or parts of tables.

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

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

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SOURCES Appropriation

Fund /	Project & Activity /	Account	Description	Amount
Department ID	Authority			
26418 Water	10026501-0001	480111	Proceeds from Sale	\$184,090,089
Regional 2021 Bond	Water	Proceeds from Sale	of Bonds	
Fund /	Bond/Commercial	of Bonds- Face		
232396 WTR01	Paper Ex /	Amount		
Administration	17731 UB Non-WSIP			
	Water Bond-CP Exp			
26419 Water Local	10026501-0001	480111	Proceeds from Sale	\$97,811,259
2021 Bond Fund /	Water	Proceeds from Sale	of Bonds	
232396 WTR01	Bond/Commercial	of Bonds- Face		
Administration	Paper Ex /	Amount		
	17731 UB Non-WSIP			
	Water Bond-CP Exp			
26603 Water	10015493-0001	495030	Water Enterprise	\$25,000,000
Regional Revenue	Wtr: Revenue	ITI Fr 5W-Water	Revenue	
Fund/	Transfer-Sub Fund /	Department Fd		
232396 WTR01	15680 UW			
Administration	Wtr_revenue			
	Transfer-sub Fu			

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	25960 WTR	10015493-0001	495030	Water Enterprise	\$20,579,658
4	Continuing Authority/	Wtr:Revenue	ITI Fr 5W-Water	Revenue	
5	232396 WTR01	Transfer-Sub Fun /	Department Fd		
6	Administration	15680 UW			
7		Wtr_revenue			
8		Transfer-sub Fu			
9					
10	26510 WTR CPF	10015134_0001	479993	Water Capacity	\$4,797,000
11	Capacity Fee Prog /	Local Water	Capacity Fees	Fees	
12	232396 WTR01	Conveyance			
13	Administration	Distribution/			
14		15526 UW Local			
15		Water Conveyance-			
16		distribution			
17					
18	Total SOURCES Appropriation				\$332,278,006

19 Section 2. The uses of funding outlined below are herein appropriated in Accounts
20 567000 (Buildings, Structures, and Improvements), 584030 (Capital Renewal Projects),
21 581130 (CON-Internal Audits), 573110 (Bond Issuance Cost-Unamortized), and 567000
22 (Revenue Bond Oversight Committee), reflecting projected uses of funding to support the
23 Water Capital Improvement Program at the San Francisco Public Utilities Commission for
24 Fiscal Year 2023-2024.

25

1 **USES Appropriation**

2	Fund /	Project & Activity /	Account	Description	Amount
3	Department ID	Authority			
4	26418 Water	10015056-0001	567000	Regional Water	\$150,892,971
5	Regional 2021 Bond	Regional Water	Blds; Structures &	Treatment Program	
6	Fund /	Treatment Program /	Improvements		
7	232421 WTR0501	15479 UW Regional			
8	WST Admin	Water Treatment			
9		Program			
10					
11	26603 Water	10015056-0001	584030	Regional Water	\$2,164,877
12	Regional Revenue	Regional Water	Capital Renewal	Treatment Program	
13	Fund/	Treatment Program /	Projects		
14	232421 WTR0501	15479 UW Regional			
15	WST Admin	Water Treatment			
16		Program			
17					
18	26603 Water	10015089-0001	584030	Water Supply and	\$4,764,596
19	Regional Revenue	Water Supply &	Capital Renewal	Storage	
20	Fund/	Storage/	Projects		
21	232421 WTR0501	15492 UW Water			
22	WST Admin	Supply & Storage			
23					
24					
25					

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	26603 Water	10015102-0001	584030	Watershed and	\$12,158,483
4	Regional Revenue	Watershed & Land	Capital Renewal	Land Management	
5	Fund/	Management/	Projects		
6	232421 WTR0501	15499 UW			
7	WST Admin	Watershed & Land			
8		Management			
9					
10	26603 Water	10015117-0001	584030	Communications	\$1,998,767
11	Regional Revenue	Communications &	Capital Renewal	and Monitoring	
12	Fund/	Monitoring Pro/	Projects		
13	232421 WTR0501	15513 UW			
14	WST Admin	Communications &			
15		Monitoring			
16					
17					
18					
19	26418 Water	10015123-0001	567000	Buildings &	\$5,583,605
20	Regional 2021 Bond	Buildings & Grounds	Blds; Structures &	Grounds Regional	
21	Fund /	Regional /	Improvements		
22	232421 WTR0501	15516 UW Buildings			
23	WST Admin	& Grounds - Regional			
24					
25					

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	26603 Water	10015123-0001	584030	Buildings &	\$3,513,277
4	Regional Revenue	Buildings & Grounds	Capital Renewal	Grounds Regional	
5	Fund/	Regional /	Projects		
6	232421 WTR0501	15516 UW Buildings			
7	WST Admin	& Grounds - Regional			
8					
9	26603 Water	10015233-0001 Long	584030	Long Term	\$400,000
10	Regional Revenue	Term Monitoring &	Capital Renewal	Monitoring and	
11	Fund/	Permit	Projects	Permit Program	
12	232421 WTR0501	15549 UW Long			
13	WST Admin	Term Monitoring &			
14		Perm			
15					
16					
17					
18	26419 Water Local	10034505-0001	567000	Water Supply	\$2,336,692
19	2021 Bond Fund /	Water Supply	Blds; Structures &	Projects Local	
20	232406 WTR0304	Projects Local/	Improvements		
21	CDD Engineering	20711 Water			
22		Diversification			
23		Projects			
24					
25					

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	26510 WTR CPF	10015134-0001	584030	Local Water	\$4,797,000
4	Capacity Fee Prog /	Local Water	Capital Renewal	Conveyance/	
5	232406 WTR0304	Conveyance	Projects	Distribution	
6	CDD Engineering	Distribution/			
7		15531 UW Pipeline			
8		Replacement			
9					
10	25960 WTR	10015134-0001	584030	Local Water	\$16,746,216
11	Continuing Authority /	Local Water	Capital Renewal	Conveyance/	
12	232406 WTR0304	Conveyance	Projects	Distribution	
13	CDD Engineering	Distribution/			
14		15531 UW Pipeline			
15		Replacement			
16					
17	26419 Water Local	10015134-0001	567000	Local Water	\$66,246,594
18	2021 Bond Fund /	Local Water	Blds; Structures &	Conveyance/	
19	232406 WTR0304	Conveyance	Improvements	Distribution	
20	CDD Engineering	Distribution/			
21		15531 UW Pipeline			
22		Replacement			
23					
24	25960 WTR	10038792-0001	584030	System Monitoring	\$3,833,442
25	Continuing Authority /			and Control	

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	232406 WTR0304	WTR Customer	Capital Renewal		
4	CDD Engineering	Service System/	Projects		
5		22139 Customer			
6		Service System			
7					
8	26419 Water Local	10015222-0001 Local	567000	Local Reservoir &	\$10,582,000
9	2021 Bond Fund /	Reservoir – Budget/	Blds; Structures &	Tank Improvements	
10	232406 WTR0304	15538 UW Local	Improvements		
11	CDD Engineering	Reservoir - Budget			
12					
13					
14					
15					
16	26419 Water Local	10015227-0001	567000	Pump Station	\$859,859
17	2021 Bond Fund /	Pump Station	Blds; Structures &	Improvements	
18	232406 WTR0304	Improvements/	Improvements		
19	CDD Engineering	15543 UW Pump			
20		Station			
21		Improvements			
22					
23	26419 Water Local	10015425-0001	567000	Automated Meter	\$3,114,425
24	2021 Bond Fund /	Automated Meter	Blds; Structures &	Reading System	
25		Reading System/	Improvements		

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	232406 WTR0304	15612 UW			
4	CDD Engineering	Automated Meter			
5		Reading Sys			
6					
7	26418 Water	10026501-0001	573110	Financing Cost	\$27,208,515
8	Regional 2021 Bond	Water	Bond Issuance Cost-		
9	Fund /	Bond/Commercial	Unamortized		
10	232396 WTR01	Paper Expense /			
11	Administration	17731 UB Non-WSIP			
12		Water Bond-CP Exp			
13					
14	26418 Water	10026501-0001	581130	CSA 0.2%	\$312,953
15	Regional 2021 Bond	Water	GF-CON-Internal	Controller's Audit	
16	Fund /	Bond/Commercial	Audits	Fund	
17	232396 WTR01	Paper Expense /			
18	Administration	17731 UB Non-WSIP			
19		Water Bond-CP Exp			
20					
21	26418 Water	10026501-0001	567000	Revenue Bond	\$92,045
22	Regional 2021 Bond	Water	Blds; Structures &	Oversight	
23	Fund /	Bond/Commercial	Improvements	Committee 0.05%	
24	232396 WTR01	Paper Expense /			
25	Administration				

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3		17731 UB Non-WSIP			
4		Water Bond-CP Exp			
5					
6	26419 Water Local	10026501-0001	573110	Financing Cost	\$14,456,504
7	2021 Bond Fund /	Water	Bond Issuance Cost-		
8	232396 WTR01	Bond/Commercial	Unamortized		
9	Administration	Paper Expense /			
10		17731 UB Non-WSIP			
11		Water Bond-CP Exp			
12					
13	26419 Water Local	10026501-0001	581130	CSA 0.2%	\$166,279
14	2021 Bond Fund /	Water	GF-CON-Internal	Controller's Audit	
15	232396 WTR01	Bond/Commercial	Audits	Fund	
16	Administration	Paper Expense /			
17		17731 UB Non-WSIP			
18		Water Bond-CP Exp			
19					
20	26419 Water Local	10026501-0001	567000	Revenue Bond	\$48,906
21	2021 Bond Fund /	Water	Blds; Structures &	Oversight	
22	232396 WTR01	Bond/Commercial	Improvements	Committee 0.05%	
23	Administration	Paper Expense /			
24		17731 UB Non-WSIP			
25		Water Bond-CP Exp			

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3					
4	Total USES Appropriation				\$332,278,006

5

6 Section 3. Of the above appropriated amount, \$479,232, representing 0.2% of the

7 expenditure budget net of bond financing and audit costs, shall be allocated to support the

8 Controller's Audit Fund, pursuant to Charter Appendix F1.113; and \$140,951 representing

9 0.05% of gross bond proceeds, shall be allocated to support the Public Utilities Commission

10 Revenue Bond Oversight Committee, pursuant to Administrative Code Section 5A.31. These

11 appropriations may be increased or decreased by the Controller based on changes to

12 expenditure appropriations or actual gross bond proceeds to conform to the applicable

13 Charter and Administrative Code formulas.

14 Section 4. \$281,901,348 is hereby placed on Controller's Appropriation Reserve, as set

15 forth below. Release of appropriation reserves by the Controller is subject to the Controller's

16 certification of funds availability, including proceeds of indebtedness, and for construction

17 related expenditures (excluding program management, planning and design) for these

18 projects, as applicable, is also subject to the prior occurrence of the SFPUC's and the Board

19 of Supervisors' discretionary adoption of California Environmental Quality Act (CEQA) findings

20 for projects, following review and consideration of completed project related environmental

21 analysis, where required.

22

23 **Appropriation on Reserve**

24

25

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	26418 Water	10015056-0001	567000	Regional Water	\$150,892,971
4	Regional 2021 Bond	Regional Water	Blds; Structures &	Treatment Program	
5	Fund /	Treatment Program /	Improvements		
6	232421 WTR0501	15479 UW Regional			
7	WST Admin	Water Treatment			
8		Program			
9					
10	26418 Water	10015123-0001	567000	Buildings &	\$5,583,605
11	Regional 2021 Bond	Buildings & Grounds	Blds; Structures &	Grounds Regional	
12	Fund /	Regional /	Improvements		
13	232421 WTR0501	15516 UW Buildings			
14	WST Admin	& Grounds - Regional			
15					
16	26419 Water Local	10034505-0001	567000	Water Supply	\$2,336,692
17	2021 Bond Fund /	Water Supply	Blds; Structures &	Projects Local	
18	232406 WTR0304	Projects Local/	Improvements		
19	CDD Engineering	20711 Water			
20		Diversification			
21		Projects			
22					
23					
24					
25					

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	26419 Water Local	10015134-0001	567000	Local Water	\$66,246,594
4	2021 Bond Fund /	Local Water	Blds; Structures &	Conveyance/	
5	232406 WTR0304	Conveyance	Improvements	Distribution	
6	CDD Engineering	Distribution/			
7		15531 UW Pipeline			
8		Replacement			
9					
10	26419 Water Local	10015222-0001 Local	567000	Local Reservoir &	\$10,582,000
11	2021 Bond Fund /	Reservoir - Budget	Blds; Structures &	Tank Improvements	
12	232406 WTR0304	15538 UW Local	Improvements		
13	CDD Engineering	Reservoir - Budget			
14					
15	26419 Water Local	10015227-0001	567000	Pump Station	\$859,859
16	2021 Bond Fund /	Pump Station	Blds; Structures &	Improvements	
17	232406 WTR0304	Improvements/	Improvements		
18	CDD Engineering	15543 UW Pump			
19		Station			
20		Improvements			
21					
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25					

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	26419 Water Local	10015425-0001	567000	Automated Meter	\$3,114,425
4	2021 Bond Fund /	Automated Meter	Blds; Structures &	Reading System	
5	232406 WTR0304	Reading System/	Improvements		
6	CDD Engineering	15612 UW			
7		Automated Meter			
8		Reading Sys			
9					
10	26418 Water	10026501-0001	573110	Financing Cost	\$27,208,515
11	Regional 2021 Bond	Water	Bond Issuance Cost-		
12	Fund /	Bond/Commercial	Unamortized		
13	232396 WTR01	Paper Expense /			
14	Administration	17731 UB Non-WSIP			
15		Water Bond-CP Exp			
16					
17	26418 Water	10026501-0001	581130	CSA 0.2%	\$312,953
18	Regional 2021 Bond	Water	GF-CON-Internal	Controller's Audit	
19	Fund /	Bond/Commercial	Audits	Fund	
20	232396 WTR01	Paper Expense /			
21	Administration	17731 UB Non-WSIP			
22		Water Bond-CP Exp			
23					
24					
25					

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	26418 Water	10026501-0001	567000	Revenue Bond	\$92,045
4	Regional 2021 Bond	Water	Blds; Structures &	Oversight	
5	Fund /	Bond/Commercial	Improvements	Committee 0.05%	
6	232396 WTR01	Paper Expense /			
7	Administration	17731 UB Non-WSIP			
8		Water Bond-CP Exp			
9					
10	26419 Water Local	10026501-0001	573110	Financing Cost	\$14,456,504
11	2021 Bond Fund /	Water	Bond Issuance Cost-		
12	232396 WTR01	Bond/Commercial	Unamortized		
13	Administration	Paper Expense /			
14		17731 UB Non-WSIP			
15		Water Bond-CP Exp			
16					
17	26419 Water Local	10026501-0001	581130	CSA 0.2%	\$166,279
18	2021 Bond Fund /	Water	GF-CON-Internal	Controller's Audit	
19	232396 WTR01	Bond/Commercial	Audits	Fund	
20	Administration	Paper Expense /			
21		17731 UB Non-WSIP			
22		Water Bond-CP Exp			
23					
24					
25					

1	Fund /	Project & Activity /	Account	Description	Amount
2	Department ID	Authority			
3	26419 Water Local	10026501-0001	567000	Revenue Bond	\$48,906
4	2021 Bond Fund /	Water	Blds; Structures &	Oversight	
5	232396 WTR01	Bond/Commercial	Improvements	Committee 0.05%	
6	Administration	Paper Expense /			
7		17731 UB Non-WSIP			
8		Water Bond-CP Exp			
9					
10	Total Appropriation on Reserve				\$281,901,348

11 Section 5. Associated bond financing costs up to \$41,665,019 are also hereby
12 appropriated, 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 more
15 than budgeted, the SFPUC may use such surplus bond proceeds as a substitute for other
16 sources budgeted in this ordinance.

17
18 Section 6: The Controller is authorized to record transfers between funds and adjust
19 the accounting treatment of sources and uses appropriated in this ordinance as necessary to
20 conform to Generally Accepted Accounting Principles and other laws.

21
22 Section 7. This Board, by Ordinance No. 03-16, authorized the SFPUC to enter into
23 one or more State of California State Water Resources Control Board Installment Sale
24 Agreements under the Clean Water State Revolving Fund (State Loan Funds), and amended
25 and supplemented Ordinance No. 89-10 to authorize, in addition to the issuance of Water

1 revenue bonds, the execution and delivery of State Loan Funds to finance projects, provided
2 that any such indebtedness shall not exceed in an aggregate principal amount
3 \$1,737,724,038. Ordinance No. 03-16 also authorized the SFPUC to accept State Water
4 Resources Control Board Grant funds (State Grant Funds) to be applied to pay for the costs
5 of the San Francisco Westside Recycled Water Project, as approved by SFPUC Commission
6 Resolution No. 15-0196, adopted September 22, 2015. The Board is concurrently considering
7 with this Ordinance a SFPUC Water Revenue Bond issuance, including authorization to
8 obtain State Loan Funds and State Grant Funds, not to exceed \$478,440,136. The Sources
9 of Funds herein appropriated in Section 1 of this Ordinance, or previously appropriated by
10 Ordinance 103-14, may include State Loan Funds, State Grant Funds, Federal Grant Funds,
11 or Federal Loan Funds when available, subject to compliance with the terms of the authorizing
12 legislation for such Funds. The Controller is authorized to record substitution of the source of
13 funds appropriated with State Loan Funds, State Grant Funds, Federal Grant Funds, or
14 Federal Loan Funds as necessary to conform to Generally Accepted Accounting Principles
15 and other laws.

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17

18 APPROVED AS TO FORM:
19 DAVID CHIU, City Attorney

FUNDS AVAILABLE
BEN ROSENFELD, Controller

20 By: /s/ _____
21 JON GIVNER
Deputy City Attorney

By: /s/ _____
BEN ROSENFELD
Controller

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<p>Items 18 & 20 Files 23-0654 & 23-0665</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 23-0665 is an ordinance authorizing the San Francisco Public Utilities Commission (SFPUC) to issue \$358,985,453 in Water Revenue Bonds to fund Water Enterprise capital projects. ▪ File 23-0654 is an ordinance appropriating \$322,278,006 of Water Revenue Bond proceeds or State Loan or Grant Funds, water revenues, and water capacity fees for the Water Enterprise’s Capital Improvement Program for FY 2023-24. <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 \$4.6 billion and SFPUC has issued \$4.3 billion in Water Revenue Bonds and commercial paper. ▪ The appropriation of \$322.3 million funds projects approved in the SFPUC Capital Plan. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> ▪ The PUC’s Financial Plan assumes no rate increase for retail customers in FY 2022-23 and a 5 percent rate increase for retail customers in FY 2023-24, consistent with last year’s financial plan. Annual retail rate increases are between 2 and five percent over the ten-year period. ▪ The 10-Year Financial Plan assumes a 15.9 percent rate increase for wholesale customers in FY 2022-23 and a 11.6 percent rate increase for wholesale customers in FY 2023-24, consistent with last year’s financial plan. <p style="text-align: center;">Recommendations</p> <ul style="list-style-type: none"> ▪ Amend File 23-0665 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. ▪ Approve 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 San Francisco Public Utilities Commission (SFPUC) Water Enterprise provides both regional water conveyance and local (in-city) water distribution. The regional water conveyance system includes the Hetch Hetchy Reservoir, the Irvington Tunnel conveying water from the Hetch Hetchy Reservoir, the San Antonio and Calaveras Reservoirs in Alameda County, and the San Andreas and Crystal Springs Reservoirs on the Peninsula. The in-city distribution system is a series of pipelines that distributes water from the regional water conveyance system to residences and retail businesses in the city.

The SFPUC approved the 10-year financial plan for FY 2023-24 through FY 2032-33 in February 2023 in accordance with Charter Section 8B.123. The Water Enterprise 10-year capital plan through June 2033 is \$2.3 billion, of which 27 percent is funded through Water Enterprise revenues and the remaining is funded through debt. The Board of Supervisors is being asked to approve the Water Enterprise capital improvement budget for FY 2023-24 and the issuance of Water Revenues Bonds, as detailed below.

DETAILS OF PROPOSED LEGISLATION

File 23-0665 is an ordinance (a) authorizing the issuance and sale of tax-exempt or taxable Water Revenue Bonds by the San Francisco Public Utilities Commission (SFPUC) in an aggregate principal amount not to exceed \$358,985,453 to finance the costs of Water Enterprise capital projects; (b) authorizing the issuance of Water Revenue Refunding Bonds and the retirement of outstanding Water 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 23-0654 is an ordinance (a) appropriating \$332,278,006 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), water revenues, and water capacity fees for the San Francisco Public Utilities Commission (SFPUC) Water Enterprise's Capital Improvement Program for FY 2023-24. \$281,901,348 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 by the SFPUC and the Board of Supervisors of the California Environmental Quality Act (CEQA) findings.

Water Revenue Bond Issuance

At the February 14, 2023 Commission meeting, the SFPUC approved the issuance of new Water Revenue Bonds to finance Water capital projects in FY 2023-24. 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 Water 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 Capital Budget

The proposed ordinance appropriates \$332.3 million in new funds to Water Enterprise projects in the 10-Year Capital Plan for FY 2023-24 through FY 2032-23, as shown below.

Table 1: Sources and Uses of Funds

	Regional Programs		Local Programs			Total
	Water Revenue Bonds (Regional)	Water Revenues (Wholesale Customer)	Water Revenue Bonds (Local)	Water Enterprise Revenues	Water Capacity Fees	
Sources	\$184,090,089	\$25,000,000	\$97,811,259	\$20,579,658	\$4,797,000	\$332,278,006
Uses						\$0
Regional Water Treatment Program	\$150,892,971	\$2,164,877				\$153,057,848
Water Supply and Storage		\$4,764,596				\$4,764,596
Watersheds and Land Management		\$12,158,483				\$12,158,483
Communications and Monitoring		\$1,998,767				\$1,998,767
Buildings & Ground Regional	\$5,583,605	\$3,513,277				\$9,096,882
Long Term Monitoring & Permit Program		\$400,000				\$400,000
Water Supply Projects Local			\$2,336,692			\$2,336,692
Local Water Conveyance/Distribution			\$66,246,594	\$16,746,216	\$4,797,000	\$87,789,810
System Monitoring & Control				\$3,833,442		\$3,833,442
Local Reservoir & Tank Improvements			\$10,582,000			\$10,582,000
Pump Station Improvements			\$859,859			\$859,859
Automated Meter Reading System			\$3,114,425			\$3,114,425
Financing ^a	\$27,208,515		\$14,456,504			\$41,665,019
Controller's Audit	\$312,953		\$166,279			\$479,232
RBOC ^b	\$92,045		\$48,906			\$140,951
Total Uses	\$184,090,089	\$25,000,000	\$97,811,259	\$20,579,658	\$4,797,000	\$332,278,006

Source: File 23-0654

^a 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.

^b Revenue Bond Oversight Committee

Descriptions of the projects shown in Table 1 is provided in Attachment I.

Proposition E Bond Funds

To date, the Board of Supervisors has authorized \$4,758,517,508 and SFPUC has issued \$4,275,067,000 in bonds authorized by Proposition E (including outstanding commercial paper)

The SFPUC plans to issue approximately \$450 million (including the retirement of currently outstanding commercial paper), \$430 million, and \$439 million in Fiscal Year 2023-24, 2024-25, and 2026-27, respectively as per the 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 \$359 million in Water Revenue Bonds (including \$77.1 million to benefit Hetch Hetchy Water and Power, discussed in our report Files 23-0652 & 23-0667) at 5 percent interest and for a 30-year term. Interim financing and issuance costs are \$41.8 million¹ for net bond proceeds of approximately \$317.2 million.² Average annual debt service over 30 years is approximately \$23.4 million. Actual debt service cost may be lower due to bond refunding and access to state lending and other capital revenues.

The 10-Year Financial Plan provides for issuing no Water Revenue Bonds in FY 2023-24 and future Water Revenue Bond issuances totaling \$1.3 billion over 10 years. Annual Water Enterprise debt service for outstanding debt is \$328.4 million in FY 2022-23, increasing to \$427.4 million in FY 2032-33.

The year-end Water Enterprise fund balance is estimated to increase from \$253.7 million in FY 2022-23 to \$183.3 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 Water Enterprise fund balance is estimated to equal at least 78 percent of annual operating and maintenance FY 2022-23, declining to 39 percent in FY 2031-32.

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

Water Customer Rates

The 10-Year Financial Plan assumes no rate increase for retail customers in FY 2022-23 and a 5 percent rate increase for retail customers in FY 2023-24, consistent with last year's financial plan. Annual retail rate increases are between 2 and five percent over the ten-year period.

The 10-Year Financial Plan assumes a 15.9 percent rate increase for wholesale customers in FY 2022-23 and an 11.6 percent rate increase for wholesale customers in FY 2023-24, consistent with last year's financial plan. Annual wholesale rate increase range between 0 and 4.5 percent over the remaining eight years.

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

² As noted above, a portion of the Water Revenue Bond proceeds are allocated to Hetch Hetchy Water and Power Enterprise projects.

RECOMMENDATIONS

1. Amend File 23-0665 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: Ten-Year Water Capital Project Summary**Regional Water – Regional Water Treatment Program: \$323.8 million**

This program provides funding for improvements to the major water treatment facilities located at Tesla Portal Ultra-Violet Light Disinfection Facility, Thomas Shaft Chlorination Facility, Sunol Valley Chloramination Facility, Sunol Valley Water Treatment Plant (SVWTP), Pulgas Dechloramination Facility, Harry Tracy Water Treatment Plant (HTWTP), and other locations.

Regional Water – Regional Water Transmission Program: \$327.5 million

This program provides upgrades to the Transmission System including pipeline inspection and repairs, pipeline and valve replacements, metering upgrades, corrosion protection, and pump station and vault upgrades. As part of the pipeline improvement program, funding is included to monitor, strengthen, and replace older pipeline to achieve higher level performance and reliability.

Regional Water – Regional Water Supply and Storage Program: \$162.9 million

This program includes upgrades to reservoir dams and structures to meet State Division of Safety of Dams requirements including geotechnical work, installation of monitoring systems, and major improvements to dam spillways and structures as needed.

Regional Water – Regional Watersheds and Land Management: \$17.9 million

This program supports projects that improve and/or protect the water quality and/or ecological resources impacted by the siting and operation of SFPUC facilities. Projects include the repair, replacement, maintenance, or construction of roads, fences, or trails, the acquisition of easements and/or fee title of properties, and other ecosystem restoration or public access, recreation, and education projects.

Regional Water – Regional Communications and Monitoring Program: \$22.2 million

This project will provide much needed redundant emergency communications capability and increased bandwidth for secure data transfer. Specifically, it will build a microwave backbone to link the entire SFPUC regional water system from the O’Shaughnessy Dam site in Yosemite to the rest of the SFPUC sites (San Francisco, San Mateo, Santa Clara, and Alameda counties).

Regional Water – Regional Buildings and Grounds Programs: \$249.5 million

This program provides funding for major improvements to the Sunol and Millbrae Yards. Sunol Yard improvements are already complete and included LEED replacement facilities for maintenance shops and equipment storage, a new fueling center and administration building, re-surfacing of the yard, demolition of six dilapidated structures, and on-going renewal and replacement of worn or aging equipment.

Regional Water- Long Term Monitoring & Permit Program: \$31.6 million

The purpose of this program is to meet the long-term monitoring and permit requirements associated with capital projects and the operation and maintenance of the SFPUC water supply system and watershed/right-of-way lands within the Bay Area.

Local Water – Water Supply Projects: \$26.4 million

This program includes planning for local water diversification to explore alternative methods for expanding local water sources. Such sources include the Eastside Water Purification Project and Innovations for San Francisco ratepayers that highlight innovative water supplies and technologies.

Local Water – Local Water Conveyance/Distribution System: \$650.5 million

This program includes funding to install, replace and renew distribution system pipelines (\$420.9 million) and service connections for the 1,230 miles of drinking water mains in San Francisco to meet customer level of service goals for uninterrupted service. Improvements include replacement, rehabilitation, re-lining, and cathodic protection of all pipe categories to extend or renew pipeline useful life. The program also includes partial funding for new Potable Emergency Firefighting Water System pipelines as well as funding for joint-department City street improvement projects.

Local Water –Systems Monitoring and Control: \$15.5 million

Projects include an upgrade to the Customer Service Center System that will modernize current existing technology to optimize business processes aligning with current and future Customer Service needs and increased operational effectiveness. Continued improvements to facilities for controlling and monitoring San Francisco's water distribution system include enhancements to the Supervisory Control and Data Acquisition (SCADA) system for remote monitoring of pressure, flow, and valve position status at key locations throughout the distribution system

Local Water – Local Reservoir and Tanks Improvements: \$29.8 million

This program provides long-term funding for renewal and rehabilitation of water storage reservoirs and tanks within the San Francisco Distribution System. Projects included improvements to the Sunset South and University Mound reservoirs and replacement of coatings for roofs and tanks at multiple locations to extend the useful service life of the facilities and to provide for the installation of solar energy panels. Major seismic improvements for the College Hill Reservoir and outlet structure are included, as well as geotechnical improvements for Lombard Reservoir.


Local Water – Pump Station Improvements: \$7.1 million

The SFPUC's 12 major water pump stations and seven hydropneumatics tanks that boost pressure within the San Francisco distribution system need ongoing renewal and rehabilitation. This program provides long term funding for renewal and rehabilitation of the water pump stations and hydro-pneumatic tanks that boost water pressure within the distribution system including the automation of the five pump suction valves at Lake Merced Pump Station. The

program also includes improvements at the Harding Park Recycled Water Pump Station and the Bay Bridge West Pump Station.

Local Water – Automated Meter Reading System: \$40.2 million

This program provides funding for the ongoing Automated Water Meter Program (AWMP) including meter renewal, replacement, automation, and replacement planning for the entire AWMP System by the end of its 20-year useful life (ending in 2031).



SFPUC 23-24 Operating Budget midcycle changes and Capital Budget

June 14, 2023



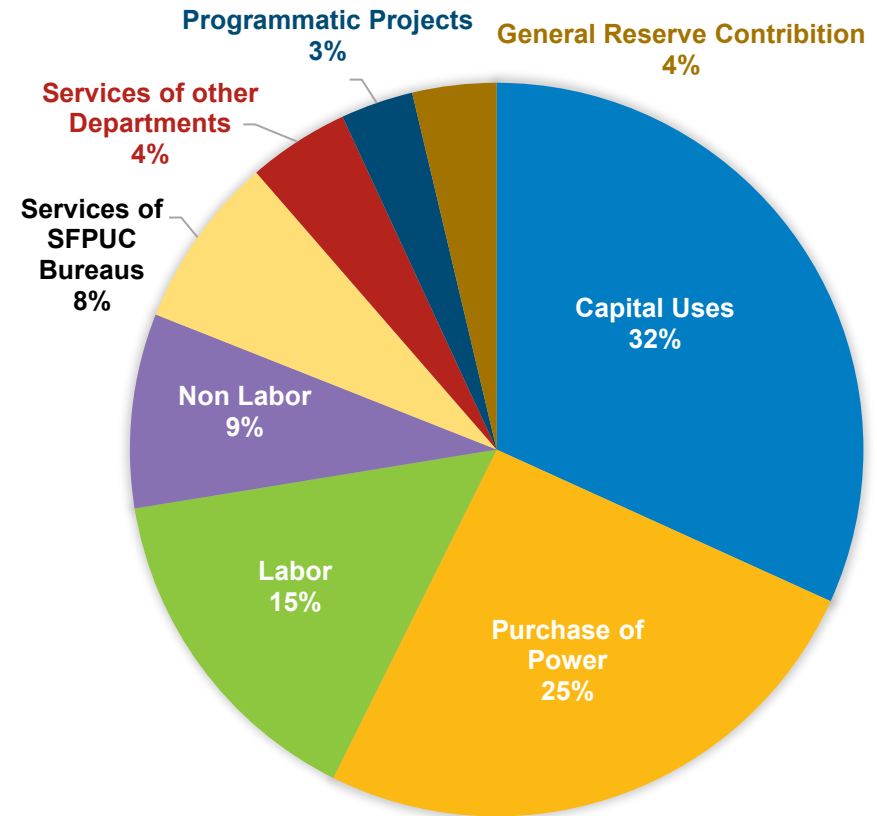
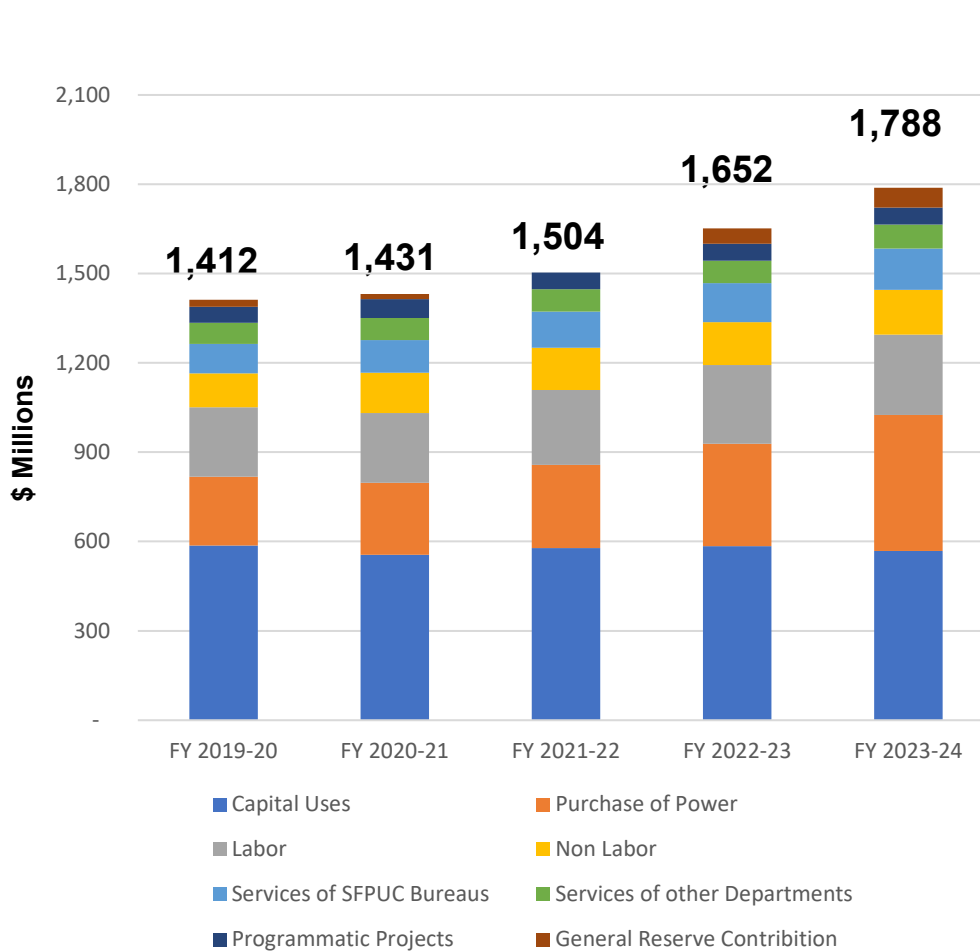
San Francisco
**Water
Power
Sewer**



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



FY 2023-24



Midcycle Operating Budget Changes

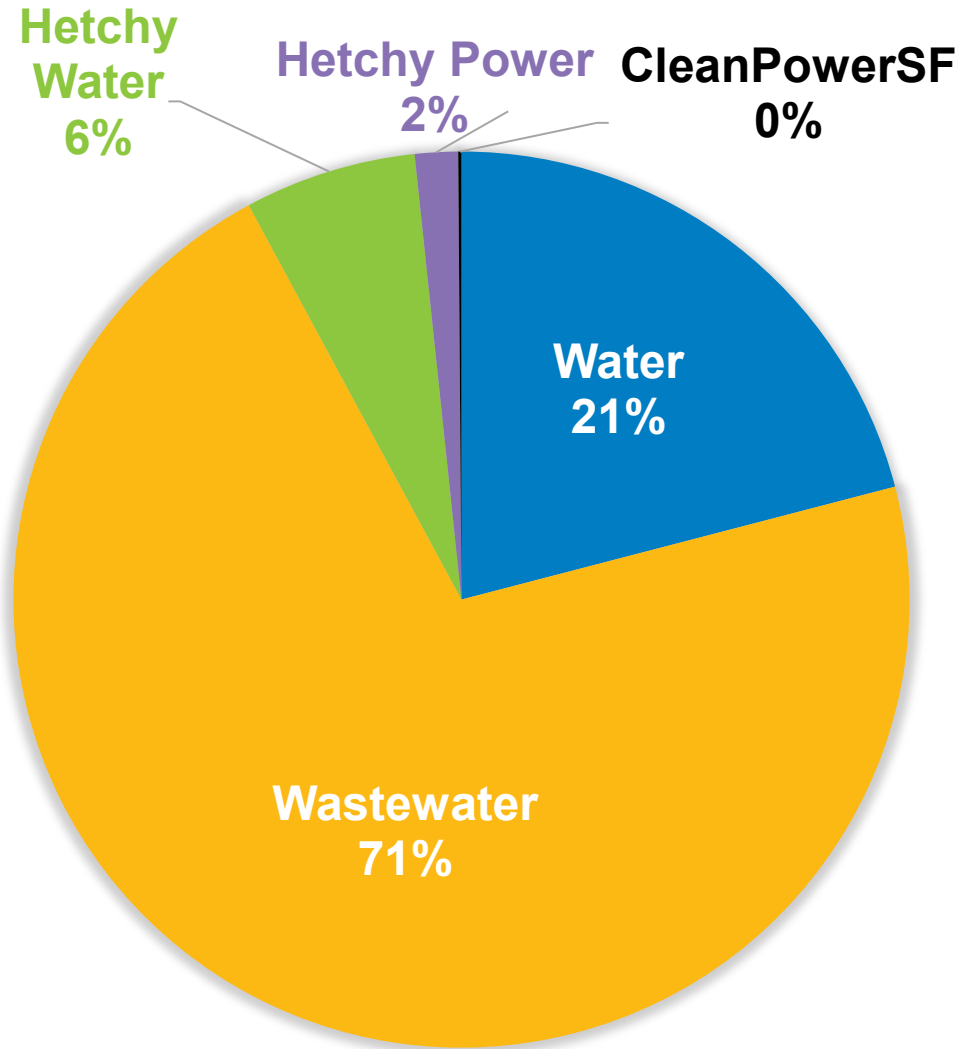
List of major changes from original FY 2023-24 budget

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

Funding Source

Authority Roll Up	Authority ID	Project	Activity	Dept.	Fund	Account	Description of Appropriation or Fund	FY 2023-24 (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

Use of Funds

Authority Roll Up	Authority ID	Project	Activity	Dept.	Fund	Account	Description of Appropriation or Fund	FY 2023-24 (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
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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 – Water 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	

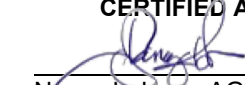
There are no surpluses in any of this department's appropriations available for transfer for the requested purpose(s). Complete detail as to the necessity for THIS appropriation is stated in attached letter.

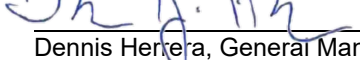
APPLICABLE BOXES MUST BE CHECKED

- 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. Horn, 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 - \$332,278,006 in Proceeds from Revenue Bonds, State Loan or Grant Funds, Water Revenues, and Water Capacity Fees – FY2023-2024
DATE: June 1, 2023

Ordinance appropriating a total of \$332,278,006 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), water revenues, and water capacity fees for the San Francisco Public Utilities Commission (SFPUC) Water Enterprise's Capital Improvement Program for FY2023-2024; and placing \$281,901,348 of Revenue Bond and State Loan Funds or State Grant Funds proceeds 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.