

SFPUC FY 2025-26 Mid-Cycle

Budget Updates

June 13, 2025

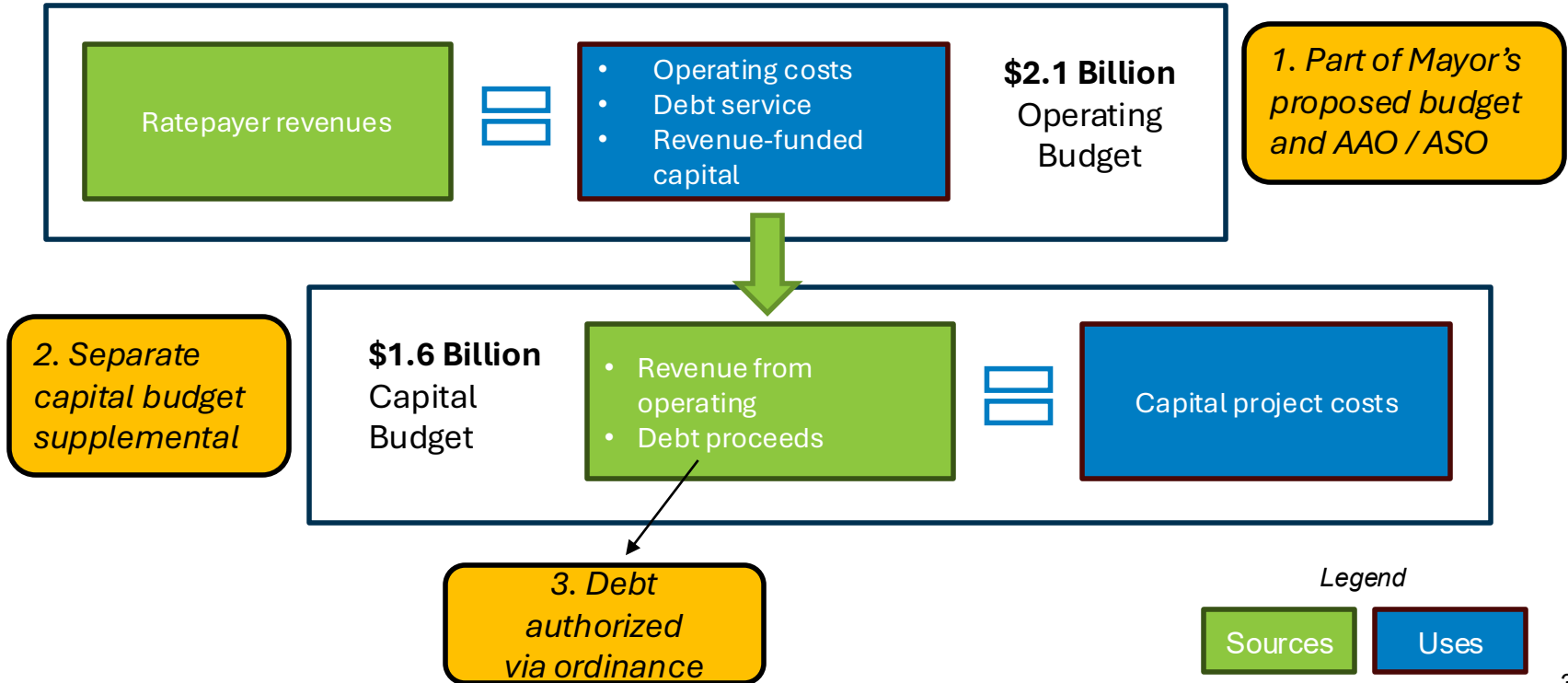




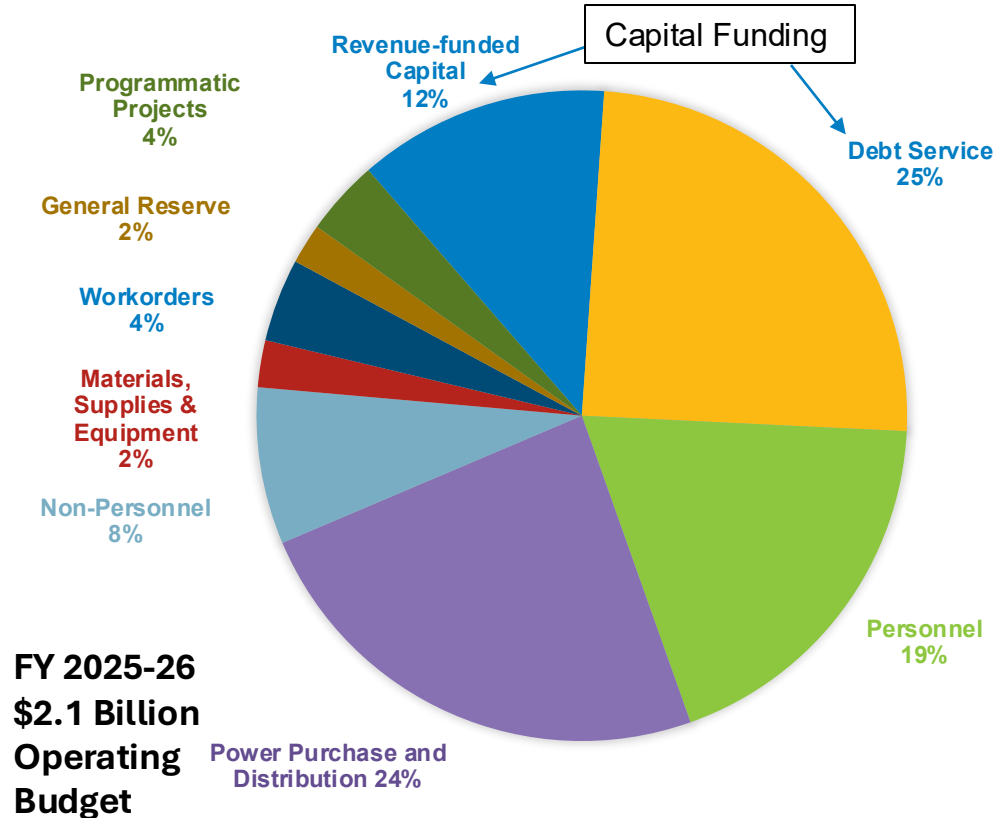
PUC's FY 2025-26 Budget Updates

- Second year of fixed, two-year budget
- 1.3% overall change from adopted FY 2025-26 budget
- Minimal changes by the PUC, some requiring Board approval – Files 25-0600, 25-0601, 25-0602

PUC's Operating & Capital Budgets



Operating Budget Summary



Capital is SFPUC's largest cost driver at 37% - Debt service + revenue-funded capital

Power purchase and distribution is next at 24%

Followed by personnel (19%) and non-personnel (8%) costs that support daily operations



Capital Budget Summary

Wastewater

- Biosolids Digester Facilities Project (\$188.5M)
- Repair & Replacement (\$167.1M)
- Flood Resilience (\$155.2M)
- Ocean Beach Climate Adaptation (\$52M)

Water

- Local Water Conveyance (\$136.9M)
- Water Transmission (\$58.8M)
- SJPL Valve & Safe Entry Imp. (\$30M)
- Moccasin Penstock Rehabilitation (\$9.1M)

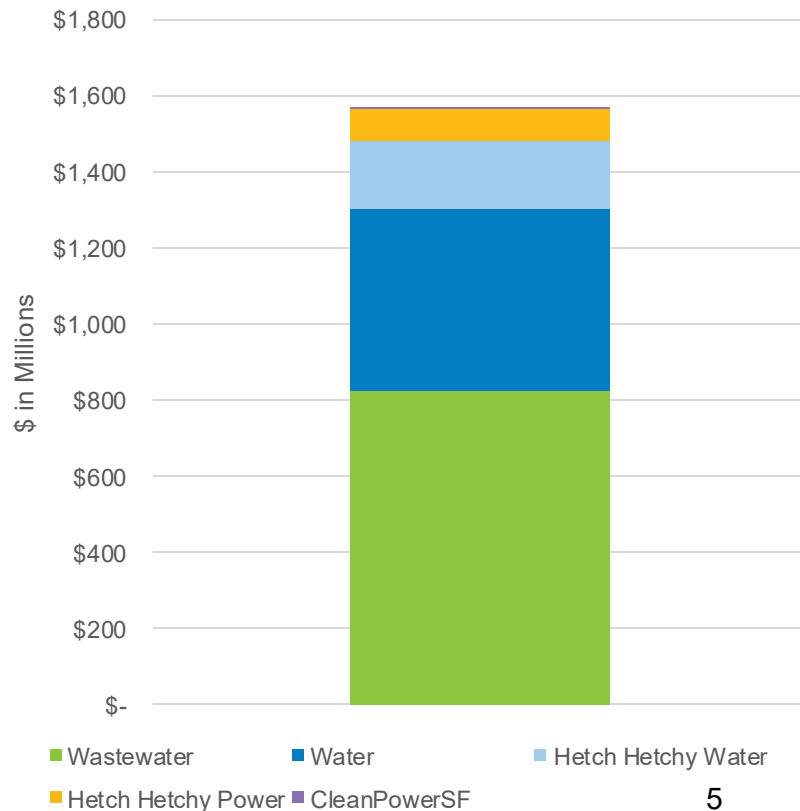
Power

- Moccasin Powerhouse (\$46.5M)
- SFO Substation (\$21.5M)
- Distribution Interface Redev. Projects (\$18.5M)

**\$1.6 Billion
Capital
Budget**

No proposed changes to the approved FY 2025-26 Capital Budget

FY2025-26 Capital Budget by Enterprise



Changes to FY 2025-26 Budget

Minimal changes to FY 2025-26 **Operating Budget** (<1.3%) - capital changes require BOS approval

- \$27 million *overall* reduction driven by CleanPowerSF forecasts
- Updated utility budgets for City departments based on usage trends & adopted rates
- Other changes proposed by Mayor's Office and in workorders with other departments

Update to FY 2025-26 **capital funding sources** (<0.01%)

- Optimizes the balance of debt vs. cash-funding in capital projects
- Decrease in revenue-funded capital and increase in debt authorization
- Updated debt ordinance increases borrowing capacity in Water Enterprise
- **No change** to FY 2025-26 capital projects

Pending Ordinances

1. **Capital Budget De-appropriation Ordinance** - Makes a net de-appropriation of \$86K from the PUC's FY 25–26 Capital Budget by reallocating funding among capital project accounts to align with updated revenue projections and revenue types. **(Agenda Item 6, File # 250600)**
2. **Water Debt Authorization Ordinance** - Authorizes the PUC to issue up to \$1,054,138,857 in Water Revenue Bonds, an increase of \$14.1 million, reflects the Board-approved expansion of PUC's commercial paper program, and updates certain resolution and ordinance numbers. **(Agenda Item 7, File # 250601)**
3. **AAO De-appropriation Ordinance** - De-appropriates \$12.9 million from the PUC's FY 25–26 operating budget. Changes largely driven by the balance of revenue vs. debt funds that are set aside and transferred to fund the capital budget in item 6. **(Agenda Item 8, File # 250602)**

Questions?

