

File# 150573 Received in' Amini the 6/15/15 FW

San Francisco Public Utilities Commission Budget Overview

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Our Approach to Fiscal Balancing

Core Priorities

- 1) Deliver High Quality 24/7 Essential Services
- 2) Maintain Critical Infrastructure to Ensure Our Assets are in a State of Good Repair
- 3) Preserve Ratepayer Affordability

Levers to Balance These Priorities

- Operating Budgets & Staffing
- Bond Financing
- Timing & Phasing of Capital Improvements



Water Power Sewer Annual Operating Budget

Enterprise	FY 2014-15	FY 2015-16
Water – Regional & In- City	\$484.5 M	512.8 M
Water – Up-Country (Hetch Hetchy)	\$35.0 M	41.3 M
Power (Hetch Hetchy)	\$146.7 M	147.2 M
Wastewater	\$273.4 M	287.5 M
TOTAL	\$939.6 M	\$988.8 M



Recent Successes

Water

- Water System Improvement Program, over 85% Complete
- Water Conservation

Power

- Power bond rating
 - Fitch AA-, Standards & Poor's A+
- Power Strategic Business Plan
- Community Choice Aggregation

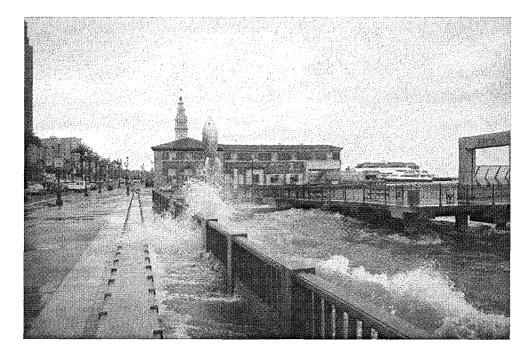
Sewer

- Sewer System Improvement Program Phase 1 underway
- Digester design ahead of schedule



Challenges Ahead

- Revenue impacts of the drought
- Climate change impacts
- Keeping pace with development





SFPUC FY 2015-16 Operating Budget Adjustments

Revenues

- Voluntary Water Reduction resulting in lower water & sewer revenues
 - Water **\$9.6M** offset fund balance
 - Sewer **1**\$14.9M offset unappropriated reserves

Expenditures – Supplemental Appropriation Request

- New Services Installation Support
 Five new project-funded positions
 Capital outlay
 0.50M
- Salaries

Conversion of ten temporary positions to permanent MOU adjustments

• Floodwater Management

<u>0.25M</u> **\$2.17M**

0.62M

0.80M



- 1. Mid-Cycle Budget Adjustment \$2.17 M
- 2. CCA Supplemental Appropriation \$4 M
- 3. CCA Release of Reserves \$2.2 M



Questions