

San Francisco Public Utilities Commission: Update to Capital Budget and Bond Authorization FY 2020-21 & FY 2021-22

Capital Planning Committee

July 20, 2020



Discussion Items Today

Discuss changes to the SFPUC 2 – Year Capital Budget and Bond Financing items approved by the CPC March 9th :

- SFPUC Capital Budget decrease of \$36.5 million in FY2020-21 and \$46.4 million in FY2021-22
- SFPUC Revenue Bond Financing decrease of \$26.1 million in FY2020-21 and \$35.4 million in FY2021-22



SFPUC Budget Impact - Overview

- Impact of COVID-19 and economic disruption significant for the SFPUC, with resulting revenue impacts felt across the agency
- Projected revenue declines prompted extensive rebalancing effort for FY2019-20 as well as FY 2020-21 and FY 2021-22 budgets
- Rebalancing included Operating (60%) and Capital Budget (40%) reductions
- Proposed capital budget and financing changes:
 - Capital budget decrease: \$36.5 million FY2020-21, \$46.4 million FY2021-22
 - Bond financing decrease: \$26.1 million FY2020-21, \$35.4 million FY2021-22
- Rebalancing plan continues to provide core essential services to the public, move forward with most budget enhancements originally planned and maintain financial sustainability by preserving reserves



SFPUC 2 Year Capital Budget & 10- Year Capital Plan Summary

Enterprise (\$ Millions)	CPC Approved March 9th	CPC Requested July 20th	Change
FY 2020-21 Budget			
Wastewater	189.3	170.9	(18.4)
Water*	302.8	285.1	(17.7)
Hetchy Water/Power	94.4	94.4	0.0
Clean Power	2.3	1.9	(0.4)
Total	588.8	552.3	(36.5)
FY 2021-22 Budget			
Wastewater	447.7	408.3	(39.4)
Water	220.1	212.7	(7.4)
Hetchy Water/Power	165.9	165.9	0.0
Clean Power	2.0	2.4	0.4
Total	835.7	789.3	(46.4)
10-Year Plan			
Wastewater	5,146.9	5,126.9	(20.0)
Water*	2,206.2	2,204.8	(1.4)
Hetchy	1,566.8	1,566.8	0.0
Clean Power	75.8	75.8	0.0
Total	8,995.7	8,974.3	(21.4)

* \$153M Auxiliary Water Supply System (AWSS) funding is included in Water Enterprise FY 2020-21 Capital Plan.



Wastewater 2 Year Capital Budget Reduction

Programs (\$ Millions)	CPC Approved FY 2020-21	FY 2020-21 Reduction	CPC Approved FY 2021-22	FY2021-22 Reduction
Sewer System Improvement Program	16.6	(7.1)	190.9	(10.0)
Renewal and Replacement	142.5	(10.0)	152.3	(10.0)
Treasure Island	0.0	0.0	50.0	(15.0)
Facilities & Infrastructure	20.3	0.0	6.1	0.0
Financing Cost	9.8	(1.3)	48.3	(4.4)
Total	189.2	(18.4)	447.6	(39.4)

- SSIP 2-Year Capital budget decreased \$17.1M
- Renewal and Replacement projects decreased \$20M, reflecting realistic estimate of project timelines
- Treasure Island decreased \$15M in FY 2021-22, reflecting updated project schedule
- 2-Year Financing budget decreased \$5.7M



Water 2 Year Capital Budget Reduction

Program/Project (\$ Millions)	CPC Approved FY 2020-21	FY 2020-21 Reduction	CPC Approved FY 2021-22	FY2021-22 Reduction
Regional - Water	69.5	(15.0)	68.9	(5.1)
Local - Water	65.2	0.0	127.0	(1.4)
Financing Cost	15.1	(2.7)	24.2	(0.9)
Total	149.8	(17.7)	220.1	(7.4)

- Local Water Main Replacement Project budget decreased \$1.4M in FY 2021-22 and the 10-year plan total
- Rollins Road project funding shifted to Millbrae Yard project with no increase to 10-year plan total. Staff consolidation will now be at Millbrae location.
- 2-Year Financing budget decreased \$3.6M



CleanPowerSF 2 Year Capital Budget Reduction

Program/Project (\$ Millions)	CPC Approved FY 2020-21	FY 2020-21 Reduction	CPC Approved FY 2021-22	FY2021-22 Increase
Local Renewable Energy Program	0.6	(0.2)	0.4	0.2
CleanPower SF Customer Program	1.7	(0.2)	1.7	0.2
Total	2.3	(0.4)	2.1	0.4

- Shift in project timelines only from FY 2020-21 to FY 2021-22, due to revised project schedule



Two-Year Bond Financing Authorization Summary

Enterprise (\$ Millions)	CPC		Change
	Approved March 9th	Requested July 20th	
Wastewater			
Wastewater Bonds	\$ 329.6	\$ 297.4	\$ (32.2)
Financing Costs	58.1	52.5	(5.6)
Totals	387.7	349.9	(37.8)
Water			
Water Bonds	\$ 222.8	\$ 202.7	\$ (20.1)
Financing Costs	39.3	35.7	(3.6)
Hetchy Water Bonds	92.4	92.4	0.0
Financing Costs	16.3	16.3	0.0
Totals	370.8	347.1	(23.7)
Hetch Hetchy Power			
Hetchy Power Bonds	\$ 121.6	\$ 121.6	\$ -
Financing Costs	21.4	21.4	0.0
Total	143.0	143.0	0.0
SFPUC Total	\$ 901.5	\$ 840.0	\$ (61.5)