The FY 2019-20 second quarter budgetary reports are attached for the three Enterprises and CleanPowerSF, with high-level changes to revenues and expenses summarized in the following table:

<table>
<thead>
<tr>
<th></th>
<th>Beginning Available Fund Balance</th>
<th>Fund Balance Budgeted to be (Used)</th>
<th>Revenue Surplus / (Shortfall)</th>
<th>Expenditure Savings / (Shortfall)</th>
<th>Net Revenues Surplus / (Shortfall)</th>
<th>General Reserve</th>
<th>Projected Year End Available Fund Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water</td>
<td>$232.3</td>
<td>$ (17.2)</td>
<td>$ 8.4</td>
<td>$ 17.0</td>
<td>$ 25.4</td>
<td></td>
<td>$ 240.5</td>
</tr>
<tr>
<td>Wastewater</td>
<td>$208.0</td>
<td>$ (3.5)</td>
<td>$ 0.0</td>
<td>$ 6.9</td>
<td>$ 6.9</td>
<td></td>
<td>$ 211.3</td>
</tr>
<tr>
<td>Power</td>
<td>$62.1</td>
<td>$ (7.7)</td>
<td>$(15.8)</td>
<td>$ 7.5</td>
<td>$(8.3)</td>
<td></td>
<td>$ 45.0</td>
</tr>
<tr>
<td>CleanPowerSF</td>
<td>$35.7</td>
<td>$</td>
<td>$ 24.6</td>
<td>$ 51.2</td>
<td>$ 75.8</td>
<td>$ 49.7</td>
<td>$ 61.9</td>
</tr>
</tbody>
</table>

**Summary:**
- Positive operating results are projected for Water, Wastewater and CleanpowerSF for the quarter.
- Water revenues are higher than budget primarily due to higher water sales while Wastewater revenues are projected to come in at budget.
- Power revenues are $15.8M (6.9%) below budget primarily from energy usage below forecast; delay in transfer customer loads coming online; lower district transmission cost recovery.

**OUR MISSION:** To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.
• CleanPowerSF Final enrollment has been completed; personnel savings are projected.
• The three Enterprise’s and CleanPowerSF are projected to meet the Commission policy targets for available fund balance at year-end.

If you have questions, please contact me at (415) 934-5707.

CC: Michael Carlin, Deputy General Manager, SFPUC
     Juliet Ellis, AGM, External Affairs, SFPUC
     Barbara Hale, AGM, Power Enterprise, SFPUC
     Kathryn How, AGM, Infrastructure, SFPUC
     Greg Norby, AGM, Wastewater Enterprise, SFPUC
     Steve Ritchie, AGM, Water Enterprise, SFPUC
     Kelly Kirkpatrick, Budget Director, Mayor's Office
     Ben Rosenfield, Controller

Attachments:
Appendix A Water Enterprise
Appendix B Wastewater Enterprise
Appendix C Hetch Hetchy Water & Power, including the Power Enterprise
Appendix D CleanPowerSF
## Appendix A

**WATER ENTERPRISE OPERATING FUNDS**  
**FY 2019-20 2nd Quarter - Budgetary Basis, 5W AAA**  
($ Millions)

<table>
<thead>
<tr>
<th>Sources</th>
<th>FY 2018-19 Actuals</th>
<th>Original Budget (includes carryforwards)</th>
<th>Revised Budget (includes carryforwards)</th>
<th>Projection (includes carryforwards)</th>
<th>Variance (Projection - Revised Budget)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Water Sales</td>
<td>270.1</td>
<td>299.1</td>
<td>299.1</td>
<td>300.1</td>
<td>1.0 A</td>
</tr>
<tr>
<td>Wholesale Water Sales</td>
<td>255.8</td>
<td>264.9</td>
<td>264.9</td>
<td>268.6</td>
<td>3.6 B</td>
</tr>
<tr>
<td>Interest Income</td>
<td>4.6</td>
<td>2.2</td>
<td>2.2</td>
<td>2.2</td>
<td>-</td>
</tr>
<tr>
<td>Rental Income</td>
<td>12.7</td>
<td>13.0</td>
<td>13.0</td>
<td>13.0</td>
<td>-</td>
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<tr>
<td>Miscellaneous Income</td>
<td>21.2</td>
<td>19.0</td>
<td>19.0</td>
<td>22.8</td>
<td>3.7 C</td>
</tr>
<tr>
<td>Departmental Transfer Adjustment</td>
<td>(33.6)</td>
<td>(34.5)</td>
<td>(34.5)</td>
<td>(34.5)</td>
<td>-</td>
</tr>
<tr>
<td>Federal Bond Interest Subsidy</td>
<td>23.9</td>
<td>23.8</td>
<td>23.8</td>
<td>23.8</td>
<td>-</td>
</tr>
<tr>
<td>Appropriated/Budgeted Use of Fund Balance</td>
<td>2.4</td>
<td>17.2</td>
<td>56.1</td>
<td>56.1</td>
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<tr>
<td><strong>Total Sources</strong></td>
<td>557.1</td>
<td>604.7</td>
<td>643.6</td>
<td>652.1</td>
<td>8.4</td>
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</table>

<table>
<thead>
<tr>
<th>Operating Uses</th>
<th>FY 2018-19 Actuals</th>
<th>Original Budget (includes carryforwards)</th>
<th>Revised Budget (includes carryforwards)</th>
<th>Projection (includes carryforwards)</th>
<th>Variance (Projection - Revised Budget)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>94.0</td>
<td>102.8</td>
<td>100.8</td>
<td>98.9</td>
<td>1.9 D</td>
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<tr>
<td>Non-Personnel Services</td>
<td>17.7</td>
<td>18.3</td>
<td>25.3</td>
<td>25.3</td>
<td>-</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>13.9</td>
<td>15.1</td>
<td>16.4</td>
<td>16.4</td>
<td>-</td>
</tr>
<tr>
<td>Equipment</td>
<td>3.5</td>
<td>4.1</td>
<td>8.9</td>
<td>8.9</td>
<td>-</td>
</tr>
<tr>
<td>Light, Heat, and Power</td>
<td>9.5</td>
<td>10.2</td>
<td>10.2</td>
<td>10.2</td>
<td>-</td>
</tr>
<tr>
<td>Overhead (SFPUC Bureaus)</td>
<td>38.7</td>
<td>49.3</td>
<td>54.4</td>
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<td>-</td>
</tr>
<tr>
<td>Services of Other Departments</td>
<td>13.6</td>
<td>13.5</td>
<td>14.4</td>
<td>14.4</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Operating Uses</strong></td>
<td>190.9</td>
<td>213.4</td>
<td>230.4</td>
<td>228.6</td>
<td>1.9</td>
</tr>
</tbody>
</table>

| Total Uses - Operating, Debt Service, Capital & Other | $ 557.1 | $ 604.7 | $ 790.6 | $ 773.6 | $ 17.0 |

| Net Operating Results | 51.9 | $ 254 |

**Available Fund Balance as of Fiscal Year-End**  
$ 232.3  
240.5  
84.8%

**Debt Service Coverage (Year-End Budgetary Basis)**  
Indenture Basis (includes Available Fund Balance) (G) ≥ 1.35  
Indicated Basis 1.89  
Current Basis (H) ≥ 1.10  
Indicated Basis 1.19
Appendix A

WATER ENTERPRISE OPERATING FUNDS
FY 2019-20 2nd Quarter - Budgetary Basis, 5W AAA
($ Millions)

Revenue Variances
A. Retail water sales projected to be 60.4 MGD, a 0.4% increase from budget of 60.0 MGD and a 1.3% increase from prior year actuals of 59.5 MGD.
B. Wholesale water sales are up against budget due to a one-time minimum purchase penalty. MGD are projected to be 129.6, a 0.5% decrease from budget of 129.9 MGD and a 3.4% increase from prior year actuals of 125.0 MGD.
C. Miscellaneous income projected to increase from budget, mainly due to $2.8M increase in water service installation charges.

Expenditure Variances
D. Salary savings due to vacant positions.

Other Notes
F. Calculated as Ending Available Fund Balance (including additions to General Reserve) as a percent of Operating Uses plus Facilities Maintenance/Programmatic Uses. SFPUC's Fund Balance Reserve Policy requires this to be within a range of 25-68%.
G. Calculated as ratio between (a) Total Sources plus Beginning Available Fund Balance plus Capacity Charges, less Operating Uses less Facilities Maintenance/Programmatic, excluding all revenues and expenses related to the 525 Golden Gate COPs, and (b) Debt Service. The Indenture requires this ratio to be a minimum of 1.25 times, and SFPUC's Debt Service Coverage Policy requires this ratio to be a minimum of 1.35 times.
H. Calculated as ratio between (a) Total Sources plus any appropriated fund balance, plus Capacity Charges, less Operating Uses less Facilities Maintenance/Programmatic, excluding all revenues and expenses related to the 525 Golden Gate COPs, and (b) Debt Service. SFPUC's Debt Service Coverage Policy requires this ratio to be a minimum of 1.10 times.
### SOURCES

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2018-19 Actuals</th>
<th>Original Budget (includes carryforwards)</th>
<th>Revised Budget (includes carryforwards)</th>
<th>Projection (includes carryforwards)</th>
<th>Variance (Projection - Revised Budget)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sewer Service Charges</td>
<td>322.0</td>
<td>350.5</td>
<td>350.5</td>
<td>350.5</td>
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<tr>
<td>Interest Income</td>
<td>4.2</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>4.1</td>
<td>3.7</td>
<td>3.7</td>
<td>3.7</td>
<td>-</td>
</tr>
<tr>
<td>Federal Bond Interest Subsidy</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>-</td>
</tr>
<tr>
<td>Appropriated/Budgeted Use of Fund Balance</td>
<td>-</td>
<td>3.5</td>
<td>18.0</td>
<td>18.0</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td><strong>334.2</strong></td>
<td><strong>363.7</strong></td>
<td><strong>378.2</strong></td>
<td><strong>378.2</strong></td>
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</table>

### Operating Uses

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2018-19 Actuals</th>
<th>Original Budget (includes carryforwards)</th>
<th>Revised Budget (includes carryforwards)</th>
<th>Projection (includes carryforwards)</th>
<th>Variance (Projection - Revised Budget)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>66.1</td>
<td>75.8</td>
<td>75.5</td>
<td>73.0</td>
<td>2.5</td>
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<td>Non-Personnel Services</td>
<td>20.2</td>
<td>18.5</td>
<td>22.2</td>
<td>22.2</td>
<td>-</td>
</tr>
<tr>
<td>City Grant Programs</td>
<td>0.0</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
<td>-</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>9.7</td>
<td>11.2</td>
<td>12.7</td>
<td>12.7</td>
<td>-</td>
</tr>
<tr>
<td>Equipment</td>
<td>0.8</td>
<td>1.8</td>
<td>3.8</td>
<td>3.8</td>
<td>-</td>
</tr>
<tr>
<td>Light, Heat, and Power</td>
<td>10.9</td>
<td>11.7</td>
<td>11.7</td>
<td>11.7</td>
<td>-</td>
</tr>
<tr>
<td>Overhead (SFPUC Bureaus)</td>
<td>25.7</td>
<td>29.9</td>
<td>33.7</td>
<td>33.7</td>
<td>-</td>
</tr>
<tr>
<td>Services of Other Departments</td>
<td>23.7</td>
<td>23.6</td>
<td>24.3</td>
<td>24.3</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Operating Uses</strong></td>
<td><strong>157.2</strong></td>
<td><strong>172.7</strong></td>
<td><strong>184.1</strong></td>
<td><strong>181.6</strong></td>
<td><strong>2.5</strong></td>
</tr>
</tbody>
</table>

### Total Uses - Operating, Debt Service, Capital & Other

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2018-19 Actuals</th>
<th>Original Budget (includes carryforwards)</th>
<th>Revised Budget (includes carryforwards)</th>
<th>Projection (includes carryforwards)</th>
<th>Variance (Projection - Revised Budget)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service</td>
<td>63.2</td>
<td>70.7</td>
<td>70.7</td>
<td>66.3</td>
<td>4.4</td>
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<tr>
<td>Capital Projects</td>
<td>57.0</td>
<td>113.0</td>
<td>202.4</td>
<td>202.4</td>
<td>-</td>
</tr>
<tr>
<td>Facilities Maintenance/Programmatic</td>
<td>6.5</td>
<td>7.3</td>
<td>10.4</td>
<td>10.4</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Uses - Operating, Debt Service, Capital &amp; Other</strong></td>
<td><strong>$ 283.8</strong></td>
<td><strong>$ 363.7</strong></td>
<td><strong>$ 467.6</strong></td>
<td><strong>$ 460.7</strong></td>
<td><strong>$ 6.9</strong></td>
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</tbody>
</table>

### Net Operating Results

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2018-19 Actuals</th>
<th>Original Budget (includes carryforwards)</th>
<th>Revised Budget (includes carryforwards)</th>
<th>Projection (includes carryforwards)</th>
<th>Variance (Projection - Revised Budget)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Operating Results</strong></td>
<td><strong>107.4</strong></td>
<td><strong>101.8</strong></td>
<td><strong>7.0</strong></td>
<td><strong>211.3</strong></td>
<td><strong>110.1%</strong></td>
</tr>
</tbody>
</table>

### Available Fund Balance as of Fiscal Year-End

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2018-19 Actuals</th>
<th>Original Budget (includes carryforwards)</th>
<th>Revised Budget (includes carryforwards)</th>
<th>Projection (includes carryforwards)</th>
<th>Variance (Projection - Revised Budget)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Available Fund Balance</strong></td>
<td><strong>$ 208.0</strong></td>
<td><strong>$ 211.3</strong></td>
<td><strong>$ 211.3</strong></td>
<td><strong>$ 211.3</strong></td>
<td><strong>110.1%</strong></td>
</tr>
</tbody>
</table>

### Debt Service Coverage (Year-End Budgetary Basis)

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2018-19 Actuals</th>
<th>Original Budget (includes carryforwards)</th>
<th>Revised Budget (includes carryforwards)</th>
<th>Projection (includes carryforwards)</th>
<th>Variance (Projection - Revised Budget)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indenture Basis (includes Available Fund Balance) (E) ≥ 1.35</td>
<td>4.20</td>
<td>5.84</td>
<td>6.25</td>
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<td></td>
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<tr>
<td>Current Basis (F) ≥ 1.10</td>
<td>2.49</td>
<td>2.86</td>
<td>3.00</td>
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<td></td>
</tr>
</tbody>
</table>
Appendix B
WASTEWATER ENTERPRISE OPERATING FUNDS
FY 2019-20 2nd Quarter - Budgetary Basis, 5C AAA
($ Millions)

Revenue Variances

Expenditure Variances

A. Salary savings resulting from vacant positions.
B. Savings due to lower than projected debt service from the postponement of the issuance of the 2019 Wastewater Revenue Notes.

Other Notes

C. Calculated as Ending Available Fund Balance (including additions to General Reserve) as a percent of Operating Uses plus Facilities Maintenance/Programmatic Uses. SFPUC's Fund Balance Reserve Policy requires this to be within a range of 25-68%.
D. Calculated as ratio between (a) Total Sources plus Beginning Available Fund Balance plus Capacity Charges, less Operating Uses less Facilities Maintenance/Programmatic (excluding all revenues and expenses related to the 525 Golden Gate COPs), and (b) Debt Service. The Indenture requires this ratio to be a minimum of 1.25 times, and SFPUC’s Debt Service Coverage Policy requires this ratio to be a minimum of 1.35 times.
E. Calculated as ratio between (a) Total Sources plus any appropriated fund balance plus Capacity Charges, less Operating Uses less Facilities Maintenance/Programmatic (excluding all revenues and expenses related to the 525 Golden Gate COPs), and (b) Debt Service. SFPUC’s Debt Service Coverage Policy requires this ratio to be a minimum of 1.10 times.
### HETCH HETCHY WATER & POWER OPERATING FUNDS

**FY 2019-20 2nd Quarter - Budgetary Basis, 5T AAA**

($ Millions)

<table>
<thead>
<tr>
<th>Sources</th>
<th>FY 2018-19 Actuals</th>
<th>Original Budget (includes carryforwards)</th>
<th>Revised Budget (includes carryforwards)</th>
<th>Projection (includes carryforwards)</th>
<th>Variance (Projection - Revised Budget)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric Sales - City Work Orders - General Fund Depts.</td>
<td>24.6</td>
<td>27.8</td>
<td>27.8</td>
<td>27.0</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Electric Sales - City Work Orders - Enterprise Depts.</td>
<td>73.2</td>
<td>78.5</td>
<td>78.5</td>
<td>80.3</td>
<td>1.8</td>
</tr>
<tr>
<td>Electric Sales - Wholesale (Districts, CAISO, CleanPowerSF, WSPP, Riverbank)</td>
<td>16.5</td>
<td>21.6</td>
<td>21.6</td>
<td>17.2</td>
<td>(4.5)</td>
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<tr>
<td>Electric Sales - Non-City Depts. (SFUSD, Community College)</td>
<td>18.8</td>
<td>20.4</td>
<td>20.4</td>
<td>19.9</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Electric Sales - Retail</td>
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<td>14.3</td>
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<td>8.9</td>
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<tr>
<td>Electric Sales - Treasure Island</td>
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<td>3.6</td>
<td>3.6</td>
<td>2.3</td>
<td>(1.3)</td>
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<tr>
<td><strong>Subtotal - Electric Revenues</strong></td>
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<td>166.2</td>
<td>166.2</td>
<td>155.6</td>
<td>(10.7)</td>
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<td>34.6</td>
<td>34.6</td>
<td>34.6</td>
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<tr>
<td>Water Sales - Groveland, Lawrence Livermore Labs</td>
<td>0.3</td>
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<td>2.9</td>
<td>0.2</td>
<td>(2.8)</td>
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<tr>
<td><strong>Subtotal - Water Revenues</strong></td>
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<td>37.5</td>
<td>37.5</td>
<td>34.8</td>
<td>(2.8)</td>
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<tr>
<td>Natural Gas &amp; Steam - City Work Orders</td>
<td>12.1</td>
<td>10.9</td>
<td>13.0</td>
<td>10.7</td>
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<tr>
<td>Interest Income</td>
<td>4.7</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
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</tr>
<tr>
<td>Federal Interest Subsidy - Power Bonds</td>
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<td>0.5</td>
<td>0.5</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>7.3</td>
<td>4.6</td>
<td>4.6</td>
<td>4.6</td>
<td>-</td>
</tr>
<tr>
<td>Appropriated/Budgeted Use of Fund Balance</td>
<td>28.2</td>
<td>7.7</td>
<td>20.7</td>
<td>20.7</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td>235.8</td>
<td>228.1</td>
<td>243.2</td>
<td>227.4</td>
<td>(15.8)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Uses</th>
<th>FY 2018-19 Actuals</th>
<th>Original Budget (includes carryforwards)</th>
<th>Revised Budget (includes carryforwards)</th>
<th>Projection (includes carryforwards)</th>
<th>Variance (Projection - Revised Budget)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>41.9</td>
<td>48.3</td>
<td>46.2</td>
<td>45.2</td>
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<tr>
<td>Non-Personnel Services</td>
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<td>27.3</td>
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<td>Power Purchases and Transmission Distribution &amp; Related Cha</td>
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<td>59.4</td>
<td>(7.6)</td>
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<tr>
<td>Materials and Supplies</td>
<td>3.1</td>
<td>3.2</td>
<td>3.3</td>
<td>3.3</td>
<td>-</td>
</tr>
<tr>
<td>Equipment</td>
<td>1.5</td>
<td>1.3</td>
<td>2.8</td>
<td>2.8</td>
<td>-</td>
</tr>
<tr>
<td>Overhead (SFPUC Bureaus)</td>
<td>17.1</td>
<td>16.6</td>
<td>18.2</td>
<td>18.2</td>
<td>-</td>
</tr>
<tr>
<td>Services of Other Departments</td>
<td>7.8</td>
<td>8.3</td>
<td>9.8</td>
<td>9.8</td>
<td>-</td>
</tr>
<tr>
<td>Natural Gas &amp; Steam</td>
<td>12.1</td>
<td>10.9</td>
<td>13.0</td>
<td>10.7</td>
<td>2.4</td>
</tr>
<tr>
<td><strong>Total Operating Uses</strong></td>
<td>171.1</td>
<td>166.6</td>
<td>180.3</td>
<td>184.5</td>
<td>(4.2)</td>
</tr>
<tr>
<td>Debt Service</td>
<td>4.8</td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
<td>1.3</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>187.8</td>
<td>38.5</td>
<td>180.1</td>
<td>173.6</td>
<td>6.5</td>
</tr>
<tr>
<td>Facilities Maintenance/Programmatic</td>
<td>30.6</td>
<td>13.0</td>
<td>14.5</td>
<td>14.5</td>
<td>-</td>
</tr>
<tr>
<td>Contingency/Purchase of Power</td>
<td>-</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Uses - Operating, Debt Service, Capital &amp; Other</strong></td>
<td>$394.3</td>
<td>$228.1</td>
<td>$384.9</td>
<td>$377.3</td>
<td>$7.5</td>
</tr>
</tbody>
</table>

| Net Operating Results | $29.2 | $3.0 | (8.3) |

| Available Fund Balance as of Fiscal Year-End | $62.1 | 46.0 |

| Available Fund Balance, % of Operating Uses (M) 25-68% | 38.5% | 28.9% |

| Debt Service Coverage... Year-End Budgetary Basis |
|--------------------------------------------------|------------------------------------------------|
| Indenture Basis (includes Available Fund Balance) (N) ≥ 1.35 | 27.64 | 40.90 | 32.18 |
| Current Basis (O) ≥ 1.10 | 15.49 | 8.45 | 11.01 |
**Revenue Variances**

A. Sales lower than budget due to streetlight volume decreases from LED conversion.

B. Enterprise workorder revenues higher than budget due to higher rate increases.

C. Sales below budget mainly driven by $4.2M lower irrigation district transmission cost recovery and $3M lower market sales, partly offset by $2.8M energy sales to MID during Warnerville substation shutdown.

D. Lower sales mainly due to lower than expected customer loads

E. Lower sales mainly driven by delays in transfer customer accounts, and delayed load from redevelopment customers.

F. Treasure Island utility sales decreased from budget due to lower gas and electric usage by TIDA customers.

G. Water sales below budget from Lawrence Livermore National Labs no longer purchasing water.

H. Gas and steam sales slightly below budget due to lower usage than originally projected.

**Expenditure Variances**

I. Salary savings due to vacant positions.

J. Mainly driven by greater energy purchases due to system shutdown and higher than expected purchase price. CAISO charges and distribution costs lower than budget partly due to less load than planned.

K. Savings due to lower usage of gas and steam.

L. Debt service savings due to delayed power bond sale.

M. Due to project closeout.

N. Contingency reserve for dry year/power price volatility for purchase of power unspent.

**Other Notes**

O. Calculated as Ending Available Fund Balance (including additions to General Reserve) as a percent of Power Operating Uses plus Power Facilities Maintenance/Programmatic Uses. SFPUC's Fund Balance Reserve Policy requires this to be within a range of 25-68%.

P. Calculated as the ratio between (a) Total Sources plus Beginning Available Fund Balance, less Operating Uses less Facilities Maintenance/Programmatic (excluding all revenues and expenses related to the 525 Golden Gate COPs, Treasure Island, Gas & Steam, and Transbay Cable revenues), and (b) Senior Lien Debt Service in the amount of $2.6M. The Indenture requires this ratio to be a minimum of 1.25 times, and SFPUC's Debt Service Coverage Policy requires this ratio to be a minimum of 1.35 times.

Q. Calculated as ratio between (a) Operating Sources plus Fund Balance as a Source, less Operating Uses less Facilities Maintenance/Programmatic (excluding all revenues and expenses related to the 525 Golden Gate COPs, Treasure Island, Gas & Steam, and Transbay Cable revenues), and (b) Senior Lien Debt Service in the amount of $2.6M. SFPUC's Debt Service Coverage Policy requires this ratio to be a minimum of 1.10 times.
## Appendix D

**CleanPowerSF**  
**FY 2019-20 2nd Quarter - Budgetary Basis, 5Q**  
($ Millions)

<table>
<thead>
<tr>
<th>Operating Sources</th>
<th>FY 2018-19 Actuals</th>
<th>Original Budget (includes carryforwards)</th>
<th>Revised Budget (includes carryforwards)</th>
<th>Projection (includes carryforwards)</th>
<th>Variance (Projection - Revised Budget)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric Sales - Green Product</td>
<td>159.6</td>
<td>207.3</td>
<td>207.3</td>
<td>225.3</td>
<td>18.0</td>
</tr>
<tr>
<td>Electric Sales - SuperGreen Product</td>
<td>7.5</td>
<td>4.7</td>
<td>4.7</td>
<td>11.3</td>
<td>6.6</td>
</tr>
<tr>
<td>Wholesale Sales</td>
<td>2.9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subtotal - Electric Revenues</strong></td>
<td><strong>170.0</strong></td>
<td><strong>212.1</strong></td>
<td><strong>212.1</strong></td>
<td><strong>236.6</strong></td>
<td><strong>24.6</strong></td>
</tr>
<tr>
<td>Interest Income</td>
<td>0.5</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
<td>-</td>
</tr>
<tr>
<td>Appropriated/Budgeted Use of Fund Balance</td>
<td>-</td>
<td>40.4</td>
<td>40.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td><strong>170.5</strong></td>
<td><strong>212.9</strong></td>
<td><strong>253.3</strong></td>
<td><strong>277.9</strong></td>
<td><strong>24.6</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Uses</th>
<th>FY 2018-19 Actuals</th>
<th>Original Budget (includes carryforwards)</th>
<th>Revised Budget (includes carryforwards)</th>
<th>Projection (includes carryforwards)</th>
<th>Variance (Projection - Revised Budget)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>1.9</td>
<td>6.6</td>
<td>6.6</td>
<td>3.1</td>
<td>3.5</td>
</tr>
<tr>
<td>Overhead</td>
<td>2.0</td>
<td>2.1</td>
<td>2.2</td>
<td>2.2</td>
<td>-</td>
</tr>
<tr>
<td>Non Personnel Services</td>
<td>7.7</td>
<td>12.5</td>
<td>14.0</td>
<td>14.0</td>
<td>-</td>
</tr>
<tr>
<td>Materials &amp; Supplies</td>
<td>0.1</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>-</td>
</tr>
<tr>
<td>Power Purchases</td>
<td>122.6</td>
<td>164.6</td>
<td>177.2</td>
<td>177.2</td>
<td>-</td>
</tr>
<tr>
<td>Services of Other Departments</td>
<td>2.6</td>
<td>3.1</td>
<td>3.1</td>
<td>3.1</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Operating Uses</strong></td>
<td><strong>137.0</strong></td>
<td><strong>189.2</strong></td>
<td><strong>203.3</strong></td>
<td><strong>199.9</strong></td>
<td><strong>3.5</strong></td>
</tr>
<tr>
<td>Debt Service</td>
<td>2.0</td>
<td>-</td>
<td>-</td>
<td>2.0</td>
<td>(2.0) D</td>
</tr>
<tr>
<td>Programmatic</td>
<td>0.1</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
<td>-</td>
</tr>
<tr>
<td>General Reserve</td>
<td>-</td>
<td>23.5</td>
<td>49.7</td>
<td>-</td>
<td>49.7 E</td>
</tr>
<tr>
<td><strong>Total Uses - Operating, Debt Service, Capital &amp; Other</strong></td>
<td><strong>$ 139.1</strong></td>
<td><strong>$ 212.9</strong></td>
<td><strong>$ 253.3</strong></td>
<td><strong>$ 202.2</strong></td>
<td><strong>$ 51.2</strong></td>
</tr>
</tbody>
</table>

| Net FY 2019-20 Operating Results  | $ 31.4             | $ 26.1                                  |

| Available Fund Balance as of Fiscal Year-End | $ 35.7 | $ 61.9 |

### Revenue Variances
- **A.** Electric sales are greater than budget due to higher sales volume and rates than budgeted.
- **B.** Electric sales are greater than budget due to higher sales volume and rates than budgeted.

### Expenditure Variances
- **C.** Salary savings due to vacant positions.

### Other Notes
- **D.** Repayment of Loan to HHPower was not included in the budget due to initial uncertainty around CleanPowerSF.
- **E.** General Reserve was intentionally budgeted and planned to go unspent to build reserves.