

<p>Items 8 and 11 Files 18-0447 and 18-0450</p>	<p>Department: Public Utilities Commission</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p>	
<p>File 18-0447 is an ordinance appropriating \$340,106,949 of San Francisco Public Utilities Commission (SFPUC) Hetch Hetchy Enterprise revenue, Cap and Trade revenue, and Power and Water Revenue Bond proceeds.</p>	
<p>File 18-0450 is an ordinance authorizing the issuance and sale of \$154,928,058 in tax-exempt and taxable Power Revenue Bonds to finance various capital projects.</p>	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • The San Francisco Public Utilities Commission’s (SFPUC) Hetch Hetchy Enterprise is responsible for power trading and scheduling, customer relations and billing, in-City facilities, distribution infrastructure, street lights, public policy and financial planning. The Hetch Power sales must generate sufficient revenues to fund the Hetch Hetchy Enterprise’s operating expenses and capital program. • The Board of Supervisors previously authorized the sale of \$196,929,931 in Power Revenue Bonds. Approval of File 18-0450 authorizes the sale of an additional \$154,928,058 in Power Revenue Bonds, for total authorized Power Revenue Bonds of \$351,857,989. • The SFPUC’s 10-Year Capital Plan provides for \$909 million in Hetch Hetchy water capital project expenditures through 2028, and \$371 million in Hetch Hetchy power capital project expenditures through 2028, totaling \$1.28 billion over ten years. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • According to the SFPUC’s 10-Year Financial Plan for FY 2018-19 to FY 2027-28, total annual debt service for the Hetch Hetchy Power Enterprise is within the SFPUC’s debt service coverage policy requirements. • Electricity rates paid by the City’s General Fund departments increase by \$0.005 (1/2 cent) per kilowatt hour (kWh) in FY 2018-19 and FY 2019-20 to fund Hetch Hetchy Power Enterprise operating, maintenance, and capital costs. 	
<p style="text-align: center;">Policy Consideration</p>	
<ul style="list-style-type: none"> • The Board of Supervisors previously authorized \$196.9 million in Power Revenue Bonds, of which \$43.7 million have been sold with \$153.3 million in authorized and unsold bonds. The proposed ordinance (File 18-0450) authorizes an additional \$154.9 million in Power Revenue Bonds and other forms of debt. The SFPUC’s policy is to request authorization for bonds and other forms of debt to fund new capital appropriations. Because capital projects occur over a long period of time, projects and project financing change, which may result in previously authorized bonds no longer being needed. 	
<p style="text-align: center;">Recommendations</p>	
<ul style="list-style-type: none"> • Amend the proposed ordinance (File 18-0450) to request the SFPUC General Manager to provide a written report to the Board of Supervisors as part of the two-year budget review detailing the total amount of authorized Power Revenue Bonds, the total amount sold, the total amount authorized and unsold, and the amount of authorized bonds that are no longer needed due to changes in projects and project financing, beginning in May 2020. • Approve File 18-0450 as amended, and File 18-0447. 	

MANDATE STATEMENT

Charter Section 9.107(6, 8) states that the Board of Supervisors is authorized to provide for the issuance of revenue bond issued for the purpose of the reconstruction or replacement of existing water facilities or electric power facilities or combinations of water and electric power facilities under the jurisdiction of the Public Utilities Commission, when authorized by resolution adopted by a three-fourths affirmative vote of all members of the Board of Supervisors; and issued to finance or refinance the acquisition, construction, installation, equipping, improvement or rehabilitation of equipment or facilities for renewable energy and energy conservation.

Charter Section 5A.31(d) states that one-twentieth of one percent 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.

Section 3.3 of the City's Administrative Code provides that the committee of the Board of Supervisors that has jurisdiction over the budget (i.e., Budget and Finance Committee) may place requested expenditures on reserve, which are then subject to release by the Budget and Finance Committee.

BACKGROUND

The San Francisco Public Utilities Commission's (SFPUC) Hetch Hetchy Enterprise is responsible for power trading and scheduling, customer relations and billing, in-City facilities, distribution infrastructure, street lights, public policy and financial planning. The Hetch Hetchy Enterprise is also responsible for all water and power facilities at Hetch Hetchy. Power sales must generate sufficient revenues to fund the Hetch Hetchy Enterprise's operating expenses and capital program.

DETAILS OF PROPOSED LEGISLATION

File 18-0447 is an ordinance appropriating \$340,106,949 of Hetch Hetchy revenue, Cap and Trade revenue, and Power and Water Revenue Bond proceeds¹. \$140,527,284 of the funds would be appropriated in FY 2018-19 and \$199,579,665 of the funds would be appropriated in FY 2019-20. \$154,928,058 of the Power Bonds and \$102,188,742 of the Water Bonds would be placed on Controller's reserve subject to the Controller's certification of funds availability.

File 18-0450 is an ordinance (a) authorizing the issuance and sale of tax-exempt or taxable Power Revenue Bonds and other forms of indebtedness in an amount not to exceed \$154,928,058 to finance the costs of various capital projects, (b) authorizing the issuance of Refunding Power Revenue Bonds, (c) declaring the Official Intent of the Public Utilities

¹ Issuance and appropriation of the Water Revenue Bonds is the subject of Files 18-0448 and 18-0451.

Commission to reimburse itself with one or more issues of tax-exempt bonds; and (d) ratifying previous actions.

File 18-0450: Power Bonds

The Board of Supervisors previously authorized the sale of \$196,929,931 in Power Revenue Bonds (Files 14-0482, 15-0078, 15-0079, 15-0942, and 16-0473). Approval of the proposed ordinance authorizes the sale of an additional \$154,928,058 in Power Revenue Bonds, for total authorized Power Revenue Bonds of \$351,857,989.

Approval of the proposed ordinance would:

- Authorize SFPUC to sell \$154,928,058 in Power Bonds at a maximum interest rate of 12 percent per year. SFPUC could sell the bonds in series at a time and in an amount and manner (competitive or negotiated sale) determined by SFPUC.
- Authorize SFPUC to sell refunding bonds to refund outstanding Power Bonds or other debt without further Board of Supervisors approval. According to the proposed ordinance, SFPUC could only sell the refunding bonds if they achieved at least 3 percent net present value debt service savings. Authorization to sale refunding bonds would expire on June 30, 2020.
- Provide for SFPUC to reimburse prior capital project expenditures with bond proceeds as allowed by federal income tax principles.
- Ratify actions taken by the SFPUC and other City officials in connection with the issuance of the Power Bonds.

The allocation of bond proceeds is shown in Table 1 below:

Table 1: Allocation of \$154,928,058 in Power Revenue Bonds

Use	Amount
Capital Project Appropriation	131,688,850
Financing Costs (17%)	22,898,366
City Services Auditor (0.2%)	263,378
Revenue Bond Oversight Committee (0.05%)	77,464
Total	\$154,928,058

Financing costs of \$22,898,366, equal to 17 percent of the bond allocation to capital projects, are for issuance costs, debt service reserve, capitalized interest², bond counsel, and other costs.

File 16-0470 Appropriation to Support Hetch Hetchy Capital Improvement Program

The Public Utilities Commission approved the SFPUC 10-Year Capital Plan for 2019 to 2028 in January 2018. The 10-Year Capital Plan provides for \$909 million in Hetch Hetchy water capital project expenditures through 2028, and \$371 million in Hetch Hetchy power capital project expenditures through 2028, totaling \$1.28 billion over ten years. These projects are funded

² Capitalized interest is the accrual of interest prior to the receipt of revenues to repay the bonds.

primarily by Power Revenue Bonds, Water Revenue Bonds, operating revenue, and Cap and Trade Allowances³.

Components of the Hetch Hetchy power capital projects include: (a) water, power, and joint infrastructure improvements, (b) street lighting improvements, (c) development of electricity capacity at Treasure Island and Alice Griffith/Candlestick Point, (d) generation of electricity from renewable sources, and (e) energy efficiency projects.

The total appropriation to Hetch Hetchy water and power capital projects in FY 2018-19 and FY 2019-20 is \$340,106,949, as shown in Table 2 below:

Table 2: Capital Appropriation FY 2018-19 and FY 2019-20

	FY 2018-19	FY 2019-20	Two Year Total
Sources of Funds			
Water Bonds (File 18-0448)	\$33,129,885	\$69,058,857	\$102,188,742
Power Bonds (File 18-0447)	63,928,647	90,999,411	154,928,058
Hetch Hetchy Revenue	42,468,752	38,521,397	80,990,149
Cap and Trade Allowance	1,000,000	1,000,000	2,000,000
Total Sources	\$140,527,284	\$199,579,665	\$340,106,949
Uses of Funds			
Hetch Hetchy Water Infrastructure	13,357,000	26,834,000	40,191,000
Hetch Hetchy Power Infrastructure	17,204,000	11,782,000	28,986,000
Joint Projects - Water	6,826,950	14,899,500	21,726,450
Joint Projects - Power	8,344,050	18,210,500	26,554,550
Joint Water - Mountain Tunnel	8,804,700	18,693,000	27,497,700
Joint Power - Mountain Tunnel	10,761,300	22,847,000	33,608,300
Subtotal Infrastructure and Joint Projects	65,298,000	113,266,000	178,564,000
Bay Corridor - Power Distribution	20,000,000	21,000,000	41,000,000
Retail Services - Power Distribution	7,800,000	7,000,000	14,800,000
Intervening Facilities	9,950,000	9,950,000	19,900,000
Airport Substation	2,070,000	8,550,000	10,620,000
Generation Small Renewables	1,000,000	1,000,000	2,000,000
Energy Efficiency	1,000,000	1,000,000	2,000,000
Treasure Island	1,894,844	1,707,065	3,601,909
Alice Griffith/ Candlestick Park	8,673,908	7,814,332	16,488,240
Transbay Transit Center	3,100,000		3,100,000
Streetlight Improvements	6,010,000	6,010,000	12,020,000
Subtotal Other Capital Plan Projects	61,498,752	64,031,397	125,530,149
Bond Financing and Oversight (12%)	13,730,532	22,282,268	36,012,800
Total Uses	\$140,527,284	\$199,579,665	\$340,106,949

Source: Hetch Hetchy 10-Year Capital Plan, Appropriation Ordinance, Public Utilities Commission Documents

³ The California Cap and Trade Program sets greenhouse gas emission allowances for public and private utilities and other agencies; agencies that do not fully use their greenhouse gas emission allowance can sell the allowance to other agencies.

\$97,058,532 of the FY 2018-19 appropriation and \$160,058,268 of the FY 2019-20 appropriation are placed on Controller's Reserve pending receipt of the Water and Power Revenue Bond proceeds.

Descriptions of the proposed projects are included in the attachment.

FISCAL IMPACT

SFPUC Debt Service Coverage Policy and Financial Plan

According to the SFPUC's Comprehensive Annual Financial Report (CAFR), as of June 30, 2017, SFPUC had \$43.7 million in outstanding Power Revenue Bonds. Total outstanding Hetch Hetchy Power Enterprise debt as of June 30, 2017, including Clean Renewable Energy Bonds and Certificates of Participation, was \$72.8 million. Total annual debt service in FY 2017-18 is \$5.4 million, which remains unchanged in FY 2018-19 and FY 2019-20.

According to SFPUC's bond covenants with bondholders and debt service coverage policy, the ratio of net revenues to annual debt service must meet the following minimum coverage:

- Indenture coverage⁴: net revenues equal to a minimum of 1.35 times annual debt service
- Current coverage⁵: net revenues equal to a minimum of 1.10 times annual debt service

According to the SFPUC's 10-Year Financial Plan for FY 2018-19 to FY 2027-28, total annual debt service for the Hetch Hetchy Power Enterprise is within the SFPUC's debt service coverage policy requirements.

Electricity Rate Increases in FY 2018-19 and FY 2019-20

The Public Utilities Commission annually adopts a 10-Year Capital Plan and 10-Year Financial Plan in accordance with Charter Section 8B.123. The 10-Year Financial Plan evaluates the SFPUC's revenue requirements for the Water Enterprise, Wastewater Enterprise and Hetch Hetchy Enterprise to fund operations, maintenance and capital investment activities. The Public Utilities Commission adopted the FY 2018-19 to FY 2027-28 Capital Plan and Financial Plan at the February 13, 2018 Commission meeting.

The Power Revenue Bonds are repaid from SFPUC's Hetch Hetchy Power Enterprise revenues, which are generated largely from the sale of electricity. Currently, SFPUC charges different electricity rates to different customers.

- Some City departments, including the Airport, Port, and SFPUC, pay enterprise rates, or rates equal to those set by Pacific, Gas and Electric (PG&E). These rates are adjusted automatically when PG&E's rates change.
- Other City departments and some non-City governmental entities such as the San Francisco Unified School District, currently pay one of six different General Use (GUSE) rates. On May 8, 2018, the Public Utilities Commission adopted new rates for FY 2018-

⁴ Indenture coverage is the ratio of Net Revenues + Unappropriated Fund Balance to Annual Debt Service

⁵ Current coverage is the ratio of Net Revenues to Annual Debt Service

19 and FY 2019-20 that consolidate the six different GUSE rates into a single GUSE rate, shown in Table 3 below.

- Retail customers in areas served by the SFPUC (primarily redevelopment areas along the east side of the City) pay retail rates which are pegged to a 10% discount from the comparable PG&E rates. These rates are adjusted annually based on the equivalent PG&E rates as of April 1.

Table 3: Electric Rates Adopted by the SFPUC

	FY 2017-18 Rates	FY 2018-19 Rates	FY 2019-20 Rates
General Fund Departments	7.98 ¢/kWh	8.48 ¢/kWh	8.98 ¢/kWh
Airport	14.03 ¢/kWh	14.07 ¢/kWh	14.35 ¢/kWh
Other Enterprise Departments	16.77 ¢/kWh	17.42 ¢/kWh	17.77 ¢/kWh

Source: Public Utilities Commission

In accordance with Charter Section 8B.125, the SFPUC is responsible for setting the rates, fees and other charges for the sale of electricity. The SFPUC's action on all rates, fees and charges is subject to rejection, within 30 days of submission, by resolution of the Board of Supervisors. If the Board of Supervisors does not act within 30 days, the SFPUC proposed rates become effective without further Board of Supervisors action.

Combined with other miscellaneous sources of revenue, the adopted 10-Year Financial Plan projects that these rate increases provide sufficient revenues to fund the requested capital appropriation, including meeting all coverage and reserve policy targets.

POLICY CONSIDERATION

As of June 30, 2017, the Board of Supervisors authorized \$196.9 million in Power Revenue Bonds. To date, \$43.7 million of the Power Revenue Bonds have been sold with \$153.3 million in authorized and unsold bonds. The proposed ordinance (File 18-0450) authorizes an additional \$154.9 million in Power Revenue Bonds and other forms of debt. The SFPUC's policy is to request authorization for bonds and other forms of debt to fund new capital appropriations. Because capital projects occur over a long period of time, projects and project financing change, which may result in previously authorized bonds no longer being needed. In order for the Board of Supervisors to have full information on the total amount of authorized bonds that have been sold, have not been sold but are needed to complete the projects for which the bonds were authorized, or have not been sold but are no longer needed due to other financing sources or changes in the projects, the SFPUC should provide a written report to the Board of Supervisors with the two-year budget on the status of the bonds, beginning in May 2020.

RECOMMENDATIONS

1. Amend the proposed ordinance (File 18-0450) to request the SFPUC General Manager to provide a written report to the Board of Supervisors as part of the two-year budget review detailing the total amount of authorized Power Revenue Bonds, the total amount sold, the total amount authorized and unsold, and the amount of authorized bonds that are no longer needed due to changes in projects and project financing, beginning in May 2020.
2. Approve File 18-0450 as amended, and File 18-0447.

Project	Description
Mountain Tunnel and Joint Water and Power Projects	<ul style="list-style-type: none"> The Mountain Tunnel conveys water from Kirkwood Powerhouse to Priest Reservoir. The Mountain Tunnel Project consists of (1) access improvements and an emergency restoration plan, (2) inspection and repair, and (3) rehabilitation of the existing tunnel or construction of a new 12-mile bypass tunnel. SFPUC will inspect the tunnel in 2017 to update the 2008 condition assessment, and make short-term repairs to the tunnel in 2017 and 2018.
Power Infrastructure	<ul style="list-style-type: none"> Renewal and replacement to Hetch Hetchy transmission and clearance mitigation and improvements to Moccasin Penstock.
Water Infrastructure	<ul style="list-style-type: none"> Upgrades to increase capacity/ reliability to the Hetch Hetchy Water, including continued rehabilitation of the San Joaquin Pipeline.
Energy Efficiency	<ul style="list-style-type: none"> Planning, design and construction of building system improvements in developing the green Civic Center Sustainable District in accordance with the partnership MOU with the Clinton Global Initiative. This effort will employ new technologies in building management and energy efficiency, and obtain LEED certification for upgraded buildings from US Green Building Council. Energy efficiency investments in facilities of Power Enterprise's General Fund-rate customers. Funds cover the planning, design and construction of energy efficiency projects for "direct install" projects, as well as technical assistance and project assistance for departments.
Renewable	<ul style="list-style-type: none"> Municipal renewable energy projects: site identification, site development, RFQ qualification process, RFP preparation, bidding process, contract negotiation, award of contracts, and management of construction and commissioning.
Retail Customers' Distribution Services	<ul style="list-style-type: none"> Design and construction of transmission and distribution facilities to serve new retail customers.
Streetlight Improvements	<ul style="list-style-type: none"> Various street lighting improvements, replacement & repairs, engineering and construction costs.
Treasure Island	<ul style="list-style-type: none"> The future development of Treasure Island (TI) will have a brand new underground 12-kV electrical distribution system on-island replacing the existing overhead 12-kV system.
Alice Griffith/ Candlestick Park	<ul style="list-style-type: none"> This project provides for the second phase of development at Hunters Point Shipyard, Candlestick Point, and the Alice Griffith Housing Complex. The project will require the installation of new underground 12- kilovolt (kV) electrical distribution system in all three areas.
Transbay Transit Center	<ul style="list-style-type: none"> Construction and permanent electric services to TransBay Transit Center
Airport	<ul style="list-style-type: none"> Improves substation to increase capacity to from 50 megawatts to 60 megawatts by 2020

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Recommendations	
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Commission to reimburse itself with one or more issues of tax-exempt bonds; and (d) ratifying previous actions.

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The total appropriation to Hetch Hetchy water and power capital projects in FY 2018-19 and FY 2019-20 is \$340,106,949, as shown in Table 2 below:

Table 2: Capital Appropriation FY 2018-19 and FY 2019-20

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Source: Hetch Hetchy 10-Year Capital Plan, Appropriation Ordinance, Public Utilities Commission Documents

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\$97,058,532 of the FY 2018-19 appropriation and \$160,058,268 of the FY 2019-20 appropriation are placed on Controller's Reserve pending receipt of the Water and Power Revenue Bond proceeds.

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SFPUC Debt Service Coverage Policy and Financial Plan

According to the SFPUC's Comprehensive Annual Financial Report (CAFR), as of June 30, 2017, SFPUC had \$43.7 million in outstanding Power Revenue Bonds. Total outstanding Hetch Hetchy Power Enterprise debt as of June 30, 2017, including Clean Renewable Energy Bonds and Certificates of Participation, was \$72.8 million. Total annual debt service in FY 2017-18 is \$5.4 million, which remains unchanged in FY 2018-19 and FY 2019-20.

According to SFPUC's bond covenants with bondholders and debt service coverage policy, the ratio of net revenues to annual debt service must meet the following minimum coverage:

- Indenture coverage⁴: net revenues equal to a minimum of 1.35 times annual debt service
- Current coverage⁵: net revenues equal to a minimum of 1.10 times annual debt service

According to the SFPUC's 10-Year Financial Plan for FY 2018-19 to FY 2027-28, total annual debt service for the Hetch Hetchy Power Enterprise is within the SFPUC's debt service coverage policy requirements.

Electricity Rate Increases in FY 2018-19 and FY 2019-20

The Public Utilities Commission annually adopts a 10-Year Capital Plan and 10-Year Financial Plan in accordance with Charter Section 8B.123. The 10-Year Financial Plan evaluates the SFPUC's revenue requirements for the Water Enterprise, Wastewater Enterprise and Hetch Hetchy Enterprise to fund operations, maintenance and capital investment activities. The Public Utilities Commission adopted the FY 2018-19 to FY 2027-28 Capital Plan and Financial Plan at the February 13, 2018 Commission meeting.

The Power Revenue Bonds are repaid from SFPUC's Hetch Hetchy Power Enterprise revenues, which are generated largely from the sale of electricity. Currently, SFPUC charges different electricity rates to different customers.

- Some City departments, including the Airport, Port, and SFPUC, pay enterprise rates, or rates equal to those set by Pacific, Gas and Electric (PG&E). These rates are adjusted automatically when PG&E's rates change.
- Other City departments and some non-City governmental entities such as the San Francisco Unified School District, currently pay one of six different General Use (GUSE) rates. On May 8, 2018, the Public Utilities Commission adopted new rates for FY 2018-

⁴ Indenture coverage is the ratio of Net Revenues + Unappropriated Fund Balance to Annual Debt Service

⁵ Current coverage is the ratio of Net Revenues to Annual Debt Service

19 and FY 2019-20 that consolidate the six different GUSE rates into a single GUSE rate, shown in Table 3 below.

- Retail customers in areas served by the SFPUC (primarily redevelopment areas along the east side of the City) pay retail rates which are pegged to a 10% discount from the comparable PG&E rates. These rates are adjusted annually based on the equivalent PG&E rates as of April 1.

Table 3: Electric Rates Adopted by the SFPUC

	FY 2017-18 Rates	FY 2018-19 Rates	FY 2019-20 Rates
General Fund Departments	7.98 ¢/kWh	8.48 ¢/kWh	8.98 ¢/kWh
Airport	14.03 ¢/kWh	14.07 ¢/kWh	14.35 ¢/kWh
Other Enterprise Departments	16.77 ¢/kWh	17.42 ¢/kWh	17.77 ¢/kWh

Source: Public Utilities Commission

In accordance with Charter Section 8B.125, the SFPUC is responsible for setting the rates, fees and other charges for the sale of electricity. The SFPUC's action on all rates, fees and charges is subject to rejection, within 30 days of submission, by resolution of the Board of Supervisors. If the Board of Supervisors does not act within 30 days, the SFPUC proposed rates become effective without further Board of Supervisors action.

Combined with other miscellaneous sources of revenue, the adopted 10-Year Financial Plan projects that these rate increases provide sufficient revenues to fund the requested capital appropriation, including meeting all coverage and reserve policy targets.

POLICY CONSIDERATION

As of June 30, 2017, the Board of Supervisors authorized \$196.9 million in Power Revenue Bonds. To date, \$43.7 million of the Power Revenue Bonds have been sold with \$153.3 million in authorized and unsold bonds. The proposed ordinance (File 18-0450) authorizes an additional \$154.9 million in Power Revenue Bonds and other forms of debt. The SFPUC's policy is to request authorization for bonds and other forms of debt to fund new capital appropriations. Because capital projects occur over a long period of time, projects and project financing change, which may result in previously authorized bonds no longer being needed. In order for the Board of Supervisors to have full information on the total amount of authorized bonds that have been sold, have not been sold but are needed to complete the projects for which the bonds were authorized, or have not been sold but are no longer needed due to other financing sources or changes in the projects, the SFPUC should provide a written report to the Board of Supervisors with the two-year budget on the status of the bonds, beginning in May 2020.

RECOMMENDATIONS

1. Amend the proposed ordinance (File 18-0450) to request the SFPUC General Manager to provide a written report to the Board of Supervisors as part of the two-year budget review detailing the total amount of authorized Power Revenue Bonds, the total amount sold, the total amount authorized and unsold, and the amount of authorized bonds that are no longer needed due to changes in projects and project financing, beginning in May 2020.
2. Approve File 18-0450 as amended, and File 18-0447.

Project	Description
Mountain Tunnel and Joint Water and Power Projects	<ul style="list-style-type: none"> The Mountain Tunnel conveys water from Kirkwood Powerhouse to Priest Reservoir. The Mountain Tunnel Project consists of (1) access improvements and an emergency restoration plan, (2) inspection and repair, and (3) rehabilitation of the existing tunnel or construction of a new 12-mile bypass tunnel. SFPUC will inspect the tunnel in 2017 to update the 2008 condition assessment, and make short-term repairs to the tunnel in 2017 and 2018.
Power Infrastructure	<ul style="list-style-type: none"> Renewal and replacement to Hetch Hetchy transmission and clearance mitigation and improvements to Moccasin Penstock.
Water Infrastructure	<ul style="list-style-type: none"> Upgrades to increase capacity/ reliability to the Hetch Hetchy Water, including continued rehabilitation of the San Joaquin Pipeline.
Energy Efficiency	<ul style="list-style-type: none"> Planning, design and construction of building system improvements in developing the green Civic Center Sustainable District in accordance with the partnership MOU with the Clinton Global Initiative. This effort will employ new technologies in building management and energy efficiency, and obtain LEED certification for upgraded buildings from US Green Building Council. Energy efficiency investments in facilities of Power Enterprise's General Fund-rate customers. Funds cover the planning, design and construction of energy efficiency projects for "direct install" projects, as well as technical assistance and project assistance for departments.
Renewable	<ul style="list-style-type: none"> Municipal renewable energy projects: site identification, site development, RFQ qualification process, RFP preparation, bidding process, contract negotiation, award of contracts, and management of construction and commissioning.
Retail Customers' Distribution Services	<ul style="list-style-type: none"> Design and construction of transmission and distribution facilities to serve new retail customers.
Streetlight Improvements	<ul style="list-style-type: none"> Various street lighting improvements, replacement & repairs, engineering and construction costs.
Treasure Island	<ul style="list-style-type: none"> The future development of Treasure Island (TI) will have a brand new underground 12-kV electrical distribution system on-island replacing the existing overhead 12-kV system.
Alice Griffith/ Candlestick Park	<ul style="list-style-type: none"> This project provides for the second phase of development at Hunters Point Shipyard, Candlestick Point, and the Alice Griffith Housing Complex. The project will require the installation of new underground 12- kilovolt (kV) electrical distribution system in all three areas.
Transbay Transit Center	<ul style="list-style-type: none"> Construction and permanent electric services to TransBay Transit Center
Airport	<ul style="list-style-type: none"> Improves substation to increase capacity to from 50 megawatts to 60 megawatts by 2020