



Combined Utility System (CUS)

Interim Funding for the Combined Utility System's CIP

Presented to Budget and Fiscal Affairs Committee

January 10, 2011

Background

- The Combined Utility System (CUS) utilizes a commercial paper line (CP) for CIP appropriations and payment of CIP expenses
- The available CUS CP line is \$600 million, with \$305 million issued for CIP contract payments
- Of the \$600 million, only about \$40 million is currently unappropriated
- Normally, the CUS would issue bonds to replenish the amount of CP that has been issued and, therefore, create more appropriation capacity
- Due to the rate validation suit that has been appealed by the intervenors, the CUS is unable to issue new money bonds
- This has now stifled the CUS's ability to move forward with needed CIP projects



Proposal

- As a temporary measure, the CUS proposes to use cash balances in the CUS General Purpose Fund of up to \$100 million to support ongoing required CUS CIP project appropriations
- This amount will be refunded to this fund with bond proceeds from the first new money bond issuance the CUS is able to conduct
- This action is planned for the January 19th City Council Agenda
- The City's Financial Working Group supports this plan