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.