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District Standard: Establishing the Minimum Balance of the Retail Rate Stabilization Fund (a cash reserve policy)

Board of Directors Meeting
June 8, 2023

Meghan Matteson, Associate Financial Manager



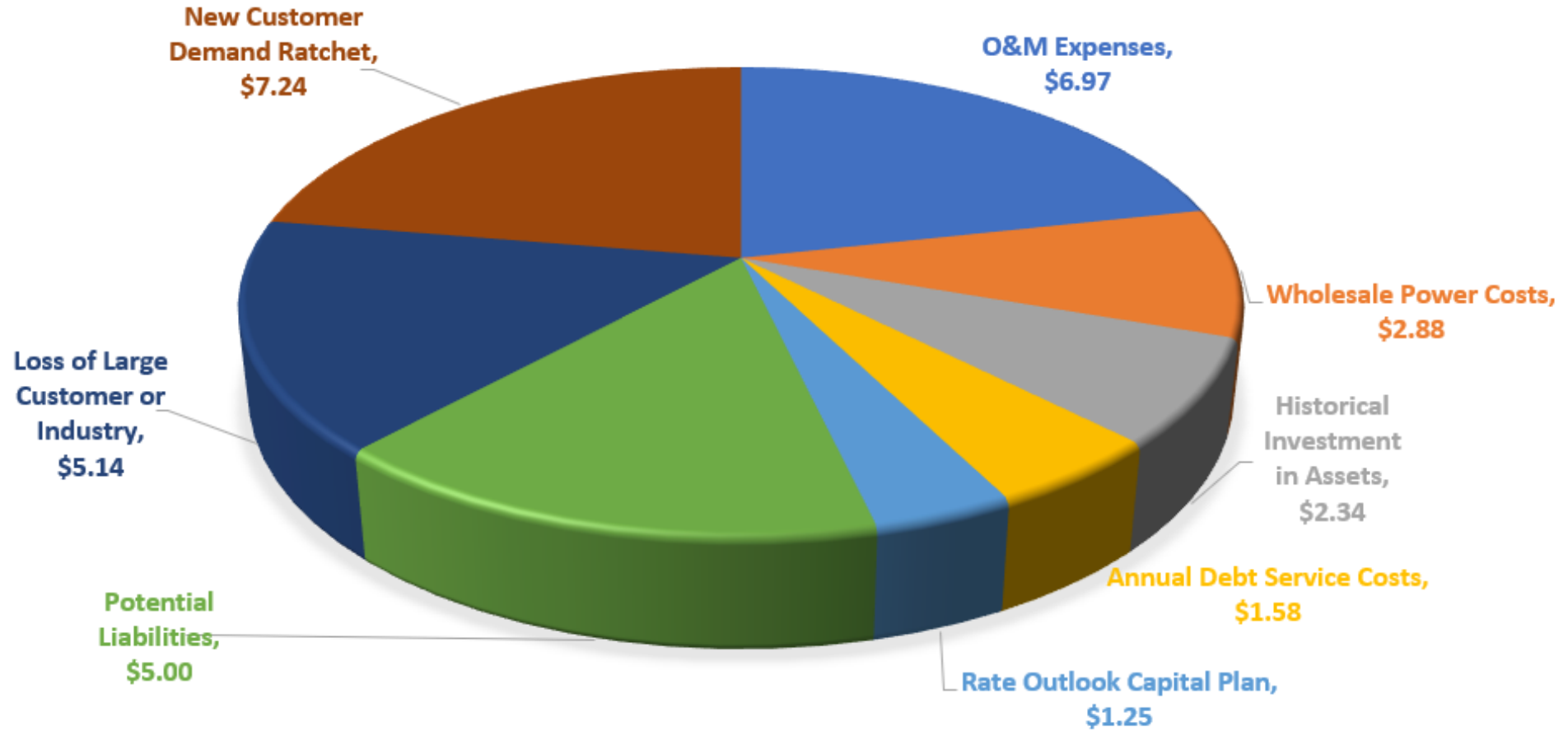
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Recap from May Board Presentation:

- A new methodology for the Retail Rate Stabilization Fund (RSF) has been developed which mimics a "cash reserve policy".
- Ultimate goal of the new standard is to establish a methodology to determine the minimum balance for the Retail RSF which recognizes risks and other inputs.
- Key Points of the Standard:
 - Reasons for establishing a minimum balance
 - Risk categories to be evaluated
 - How often the minimum balance evaluation will occur
 - When the Retail RSF can be utilized
 - Responsibilities of those involved in the oversight and approval of uses of the Retail RSF
 - References to District Financial Management Policy and a Business Unit Guideline

New Retail RSF Methodology

COMPONENTS OF THE 2022 MINIMUM BALANCE CALCULATION (IN MILLIONS \$)



2022 RETAIL RSF MINIMUM BALANCE: \$32.4M

Recommendation

- Approve new District Standard, FM-ST-020, Establishing the Minimum Balance of the Retail Rate Stabilization Fund.



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Questions

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