



## Financial Policies FY2022 Updates Response to Questions

**QUESTION NUMBER:** 4

**REQUESTED BY:** Grant Rabon

**DATE REQUESTED:** 2/09/2021

**QUESTION:** How many PFM Advisory clients have a financial policy of 245 days cash on hand?

**RESPONSE:**

Below are examples of how some of PFM's water/wastewater utility clients budget for days cash on hand. This list is not exhaustive. Further, each utility system is different, in that some have formal policies adopted at the Council/Board level, while others have management targets which serves as the utility's budgetary target.

- Hampton Roads Sanitation District (VA) has a formal policy of 270-365 days cash on hand;
- Portland, Oregon (Sewer System) maintains a budgetary target of 270 days of operating expenses;
- SAWS has a formal board policy of adhering to the indenture (60-day requirement) and a management target of 300 days cash on hand;
- DC Water is currently undertaking a similar exercise to Austin Water as it is exploring an increase to its board policy (120 days) to a level equal to the management target (250 days).

This is a link to a presentation DC Water gave to one of their board committees in January of this year:

[https://www.dewater.com/sites/default/files/event\\_attachment/DC%20Water%20Governance%20Committee%20Package%2001.13.2021.pdf](https://www.dewater.com/sites/default/files/event_attachment/DC%20Water%20Governance%20Committee%20Package%2001.13.2021.pdf)

