

Developing Cash Reserve Policies

A cash reserve policy is critical to maintaining a utility's financial stability and bond ratings. This session discusses alternative methods to develop cash reserve policies used by other utilities and covers:

1. Factors that influence the necessary amount of cash a utility should maintain.
2. Risk as a key factor in determining the amount of cash the utility should maintain.
3. Learn the risk factors and how to reduce some of the risk factors that will help to keep rates lower and lessen the need for cash reserves.
4. How cash policies provide guidance about when a utility should issue debt and what capital projects should be financed through cash reserves.
5. Provided sample cash reserve policies.