



CITY OF HOUSTON

Sylvester Turner

Mayor

P.O. Box 1562
Houston, Texas 77251-1562

Telephone – Dial 311
www.houstontx.gov

February 9, 2016

**Subject: Liquidity Facility for the City of Houston Financial Office
Letter of Clarification No. 3**

Reference: Request for Proposal (RFP) No. S66-T25686

To: All Prospective Proposers

When issued, Letter(s) of Clarification shall automatically become a part of the proposal documents and shall supersede any previous specification(s) and/or provision(s) in conflict with the Letter(s) of Clarification. All revisions, responses, and answers incorporated into the Letter(s) of Clarification are collaboratively from both the Strategic Purchasing Division and the applicable City Department(s). It is the responsibility of the proposers to ensure that it has obtained all such letter(s). By submitting a proposal on this project, proposers shall be deemed to have received all Letter(s) of Clarification and to have incorporated them into this proposal.

Please see the following questions from vendors and the City’s responses, which are in blue:

- 1. Please verify/correct the information in the below table which we have compiled from various sources.

[Please see the following table](#)

	Amount	Type	Series	Expiration or Put Date	Bank
11%	100.00	VRDB Liquidity	2004B-2	4/4/2016	Bank of New York
8%	75.00	VRDB Liquidity	2004B-4	4/4/2016	Bank of Tokyo
11%	100.00	VRDB Liquidity	2004B-5	4/4/2016	Wells Fargo
28%	249.08	Bond Put Date	2012C	8/1/2016	N/A
11%	100.00	Bond Put Date	2012B	6/1/2017	N/A
8%	75.00	VRDB Liquidity	2004B-3	4/3/2018	Sumitomo
9%	78.33	VRDB Liquidity	2004B-6	4/3/2018	Sumitomo
14%	125.00	Bond Put Date	2012A	5/1/2020	N/A
	902.40				

- 2. In the most recent POS p.32 February 16, 2016 we find the following disclosure:
“CWA has reserved the right to issue an unlimited amount of additional bonds on parity with those currently outstanding; however such issuances are subject to the approval of the City”.

Question: What are the plans / expectations for future issuance of CWA Bonds that are payable from Houston CUS Gross Revenues? [There are no plans or expectations for future CWA issuances payable from CUS Gross Revenues.](#)

3. On page 26 of the FYE2015 CAFR we see the following negative **Net Position (deficit)**: -\$245.0 Mio (FY15), unrestricted: -\$321.5 Mio. Please explain and put into context this financial result.

See pages 182 and 183 of the CAFR. Due to the implementation of the new GASB 68 related to the 'accrual' of total pension trust liability, over \$300M of non-cash, non-current liability was added to the balance sheet (see the line 'Municipal Pension Trust Liability' that increased from \$80M in FY14 to \$383M in FY15).

4. Houston CUS Service Area: According to the OS and various sources we see the System serves the Houston-Sugar Land-Baytown MSA (population 6.5 Mio) which includes the City of Houston (population 2.2 Mio) along with other neighboring cities and unincorporated areas of Harris County. Please send us more detailed information on the Houston CUS Service Area outside of the City of Houston if available (e.g. service area map colored by those areas covered, customer connections [both retail and wholesale]).

At this time, we don't have a map that provides this level of detail.

5. Please send us the Master Ordinance, the 2004 supplemental ordinance, the 2008 supplemental and amending ordinance and the 2010 supplemental and amending ordinance.

Ordinances are attached to the RFP.

Regards,



Shannon Pleasant, CTPM
Senior Procurement Specialist
Finance Department – Strategic Purchasing Division
Phone 832.393.8741 Fax 832.393.8759
shannon.pleasant@houstontx.gov