

FOR BOARD ACTION

Agenda Item # 6

Meeting Date:

11/30/04

SUBJECT: 2005 Electric and Water Revenue Adjustments

PREPARED BY: Curt Kraft, Director of Corporate Services

ITEM DESCRIPTION:


In the 2005 electric and water operating budgets, a 2% adjustment was needed for the electric utility and 5% for the water utility. The impact of every 1% increase to the monthly residential customer's electric bill is \$.60, and \$.10 to their water bill.

The finance committee will be meeting prior to the full Board meeting to discuss the 2005 budgets, appropriate reserve levels, and various revenue adjustments. At the last Board meeting, we discussed needing a revenue adjustment in the electric utility of 2% to 4%.

Staff will be providing these different scenarios of rate adjustments for both the electric and water utilities for 2005 – 2009. These views provide the different options to revenue adjustment for the board to consider in maintaining current and future reserve levels. A final recommendation will be provided at the meeting.

UTILITY BOARD ACTION REQUESTED:

The Board is requested to direct staff to provide public notice of the electric and water rate adjustment in the paper of record in accordance with board policy. The date on which the adjustment will be considered will also be noticed.



General Manager

11-23-04
Date