

FOR BOARD ACTION

Agenda Item # 5

Meeting Date:

8/25/09

SUBJECT: Special Board Meeting Request – November 10, 2009
Purpose: To Approve 2010 Budget

PREPARED BY: Larry Koshire, General Manager

ITEM DESCRIPTION:

In the past, we have presented to the Board a draft of the upcoming year's budget and proposed rate adjustments at the last meeting in November. Approval of the budgets and rate adjustment were requested early in December anticipating Council approval. The Home Rule Charter requires Council approval of the budget and rates to authorize RPU to operate in a given year. Since this process occurs during the holiday season, and in a compressed period, we have decided to move this process up a month to allow for more discussion and evaluation of the budget prior to requesting Council approval.

Therefore, we are requesting the Board to set a special meeting on November 10, 2009 to approve the electric and water operating budgets, as well as consider rate adjustments for 2010. As we develop the 2010 budget, the anticipated dates leading up to the November 10 approval date are as follows:

- Week of October 12 – A Board finance committee meeting will be held to review the budget in detail prior to presentation to the board. (Date to be determined)
- October 27 Regular Board Meeting– A draft of the electric and water operating budgets will be presented. Any proposed rate adjustments would be published in the paper and public comment would be requested.
- November 10 Special Board Meeting– Request for approval of the electric and water operating budgets.
- November 16 – Council approval of the budgets would be requested.

As we have discussed, another part of the rate analysis process this year will be consideration of water conservation rates. Depending upon the ability of our consultant to complete his initial study, we may be able to parallel this process with the budget process. If his work is completed, we would anticipate a discussion of water conservation rates at the September 29 Board meeting. This would allow considerable time to have public input and discussion on the water conservation rates prior to the special November 10 meeting. Should the work be greater than anticipated, or input and discussion be greater than anticipated, we would defer the decision on the water conservation rates until sometime early in 2010. Since the rate adjustment anticipated in the water utility for 2010 will be a zero percent increase, this should not affect the budget as water conservation rates would be revenue neutral to the water utility. We look forward to discussing this process with the Board at the meeting on Tuesday.

FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

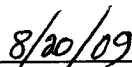
Not Applicable

UTILITY BOARD ACTION REQUESTED:

A motion to request a special meeting to be set on November 10, 2009 to approve the 2010 electric and water operating budgets and any subsequent rate increases.



General Manager



Date

ROCHESTER PUBLIC UTILITIES