

**CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION**

CC: 12C
Amend No. _____

Date Prepared: May 5, 2008

Council Meeting Date: May 20, 2008

TO: Terrence L. Ellis, City Manager

FROM: Stephen L. Bontrager, Utilities Director 

PREPARED BY: Arthur Lomeli, Utilities Operations Manager

SUBJECT: Approve the use of reserves and a budget transfer of \$500,000.00 for the payment of electrical costs for water production services.

RECOMMENDATION:

That Mayor and Council approve the use of reserves and a budget transfer in the amount of \$500,000.00 from General Fund Contingency account 2050-2050-570000 to Water Production Services Operating account 2050-2070-523504 for electricity costs.

SUMMARY:

This request is due to the increased electrical costs at water production well and booster sites. Electrical costs have risen due to an increase in APS rates and an increase in system demands.

Staff recommends Mayor and Council approve the use of reserves and a budget transfer of \$500,000.00 for the payment of electrical costs for the City's water production services. A supplemental request in the Fiscal Year 2009 budget has been requested to account for these costs in the future.

CITY CLERK USE ONLY:

- Consent Agenda
- Carry Over to Date: _____
- Approved
- Unfinished Business (Date heard previous: _____)
- New Business

ORD. # _____ RES. # _____
LCON# _____ LIC. # _____
Action Date: _____