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# Balance 2009 STRATEGIC BUDGET PROCESS

**2009 Budget**

**December 15, 2008**



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- Major Changes to Capital Plan
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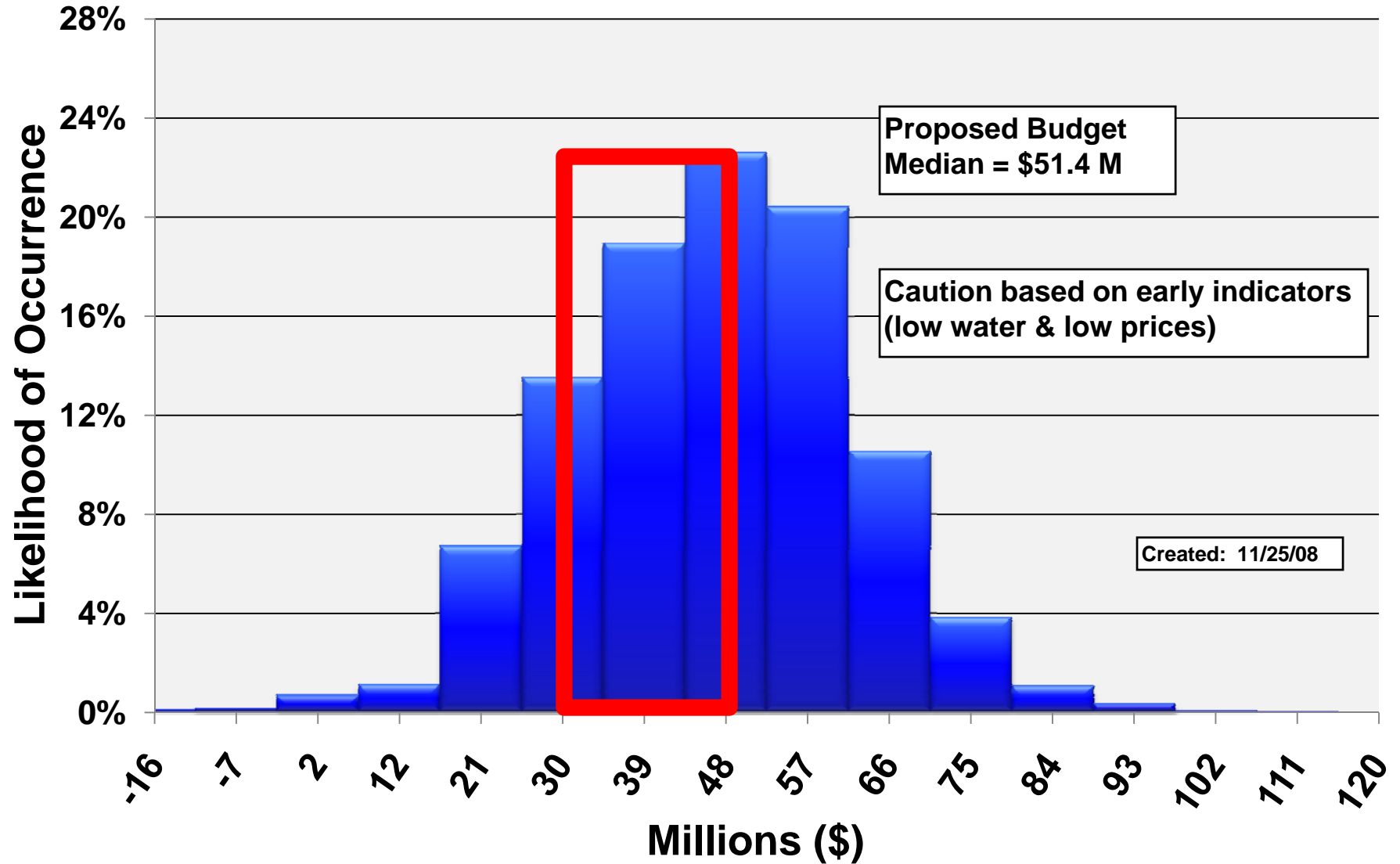
Waterfront redevelopment	\$1,000,000
George Sellar bridge	\$675,000
Rock Island fish ladder screen	\$200,000
Shared Hydro vehicles	\$176,000
Rock Island McKenzie 115KV rebuild	\$110,000
Chiwawa rearing pond	(\$400,000)

# Requested Budget Approval

Total District (\$000s)	Proposed Budget 12/1/08	Proposed Budget 12/15/08	Change
Revenue (Net Wholesale Revenue-\$51.4 million)	238,856	<b>238,856</b>	-
Operations, Maintenance and Taxes (OMT)	136,510	<b>136,510</b>	-
Total Expenses (OMT, Purchased Power, Depreciation, Debt expenses)	238,065	<b>238,065</b>	-
Net Revenue (Change in Net Assets before CIAC)	790	<b>790</b>	-
Capital Contributions (CIAC)	3,574	<b>4,445</b>	871
Change in Net Assets	4,364	<b>5,235</b>	871
Capital and Deferred	93,869	<b>95,475</b>	1,606
Total Expenditures (Total Exp+Cap/Def-CIAC)	328,360	<b>329,095</b>	735

# Possible 2009 Net Wholesale Revenue Outcomes

(A Probabilistic View)





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# Contingency Plans

Options when net revenue is stressed:

- Adjust pace of Networks build-out
- Further O&M reductions
- Minimal capital plans for Electric, Water and WW
- Debt reduction
- Impose surcharges

Next step:

- Action prioritization - portion of budget “on hold”

Flexibility, flexibility, flexibility



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# Communication Plan

- Evening public meetings in auditorium beginning in mid-January (then as needed)
  - Set initial meeting for January 26<sup>th</sup>
- Quarterly updates on budget vs. actual financial and operational results



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# Next Steps

1. Requesting 2009 Budget Approval today
2. Continue to closely monitor water and wholesale market conditions
3. Proceed with contingency plans with some approved budget items “on hold”
4. Implement communication plan