

REAVES UTILITY INCOME FUND
Form DEF 14A
March 12, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant X

Filed by a Party other than the Registrant O

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

REAVES UTILITY INCOME FUND
(Name of Registrant as Specified In Its Charter)

ALPS Fund Services, Inc.

Attn: JoEllen L. Legg

1290 Broadway, Suite 1100

Denver, CO 80203

303.623.2577

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1)	Title of each class of securities to which transaction applies:
(2)	Aggregate number of securities to which transaction applies:
(3)	Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
(4)	Proposed maximum aggregate value of transaction:
(5)	Total fee paid:
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1)	Amount Previously Paid:
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- (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
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REAVES UTILITY INCOME FUND

1290 Broadway, Suite 1100

Denver, CO 80203

(800) 644-5571

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON APRIL 26, 2010

To the Shareholders of Reaves Utility Income Fund:

Notice is hereby given that the Annual Meeting of Shareholders (the Meeting) of the Reaves Utility Income Fund (the Fund) will be held at the offices of the Fund, 1290 Broadway, Suite 1100, Denver, Colorado 80203, on April 26, 2010 at 10:00 a.m. (Mountain time), for the following purposes:

1. Shareholders of the Fund are being asked to elect two (2) Trustees of the Fund, one (1) Trustee to be elected by the holders of the Fund's Common Shares (Common Shares) and holders of the Fund's Auction Market Preferred Shares (Preferred Shares), voting as a single class, and one (1) Trustee to be elected by only the holders of the Fund's Preferred Shares voting separately (PROPOSAL 1); and
2. To consider and vote upon such other matters, including adjournments, as may properly come before the Meeting or any adjournments thereof.

These items are discussed in greater detail in the attached Proxy Statement.

The close of business on March 1, 2010 has been fixed as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and any adjournments thereof.

YOUR VOTE IS IMPORTANT REGARDLESS OF THE SIZE OF YOUR HOLDINGS IN THE FUND. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, WE ASK THAT YOU PLEASE COMPLETE AND SIGN THE ENCLOSED PROXY CARD AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE, WHICH NEEDS NO POSTAGE IF MAILED IN THE UNITED STATES.

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By Order of the Board of Trustees

Jeremy O. May
President

March 12, 2010

REAVES UTILITY INCOME FUND

ANNUAL MEETING OF SHAREHOLDERS

APRIL 26, 2010

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Trustees of the Reaves Utility Income Fund (the Fund) for use at the Annual Meeting of Shareholders of the Fund to be held on April 26, 2010 at 10:00 a.m. (Mountain time) at the offices of the Fund, 1290 Broadway, Suite 1100, Denver, Colorado 80203, and at any adjournments thereof (the Meeting).

Internet Availability of Proxy Materials

As required by the Securities and Exchange Commission (SEC), the Fund is furnishing proxy materials to its shareholders on the Internet, rather than mailing paper copies to each shareholder. The Notice of Internet Availability of Proxy Materials (Notice) tells you how to access and review the proxy materials and vote your shares via the Internet. If you would like to receive a paper copy of the Fund 's proxy materials free of charge, please follow the instructions in the Notice. The Notice of Annual Meeting of Shareholders or the Proxy Statement with the accompanying proxy card were mailed to shareholders on or about March 12, 2010.

Other Methods of Proxy Solicitation

In addition to the solicitation of proxies by Internet or mail, officers of the Fund and officers and regular employees of The Bank of New York Mellon (BNY) the Fund 's transfer agent, ALPS Fund Services, Inc. (ALPS) the Fund 's administrator, and affiliates of BNY, ALPS or other representatives of the Fund also may solicit proxies by telephone or in person. The expenses incurred in connection with preparing the Proxy Statement and its enclosures will be paid by ALPS. ALPS will also reimburse brokerage firms and others for their expenses in forwarding solicitation materials to the beneficial owners of Fund shares.

THE FUND 'S MOST RECENT ANNUAL REPORT, INCLUDING AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED OCTOBER 31, 2009, IS AVAILABLE UPON REQUEST, WITHOUT CHARGE, BY WRITING TO THE FUND AT 1290 BROADWAY, SUITE 1100, DENVER, COLORADO 80203 OR BY CALLING THE FUND AT 800-644-5571 OR VIA THE INTERNET AT WWW.UTILITYINCOMEFUND.COM.

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If the enclosed proxy card is properly executed and returned in time to be voted at the Meeting, the Shares (as defined below) represented thereby will be voted FOR the proposal listed in the accompanying Notice of Annual Meeting of Shareholders, unless instructions to the contrary are marked thereon, and in the discretion of the proxy holders as to the transaction of any other business that may properly come before the Meeting. Any shareholder who has given a proxy has the right to revoke it at any time prior to its exercise either by attending the Meeting and voting his or her Shares in person or by submitting a letter of revocation or a later-dated proxy to the Fund at the above address prior to the date of the Meeting.

If a quorum is not present at the Meeting, or if a quorum is present at the Meeting but sufficient votes to approve any of the proposed items are not received, the persons named as proxies may propose one or more adjournments of such Meeting to permit further solicitation of proxies. A shareholder vote may be taken on one or more of the proposals in this Proxy Statement prior to such adjournment if sufficient votes have been received for approval and it is otherwise appropriate. Any such adjournment will require the affirmative vote of a majority of those Shares present at the Meeting in person or by proxy. If a quorum is present, the persons named as proxies will vote those proxies which they are entitled to vote FOR any proposal in favor of such adjournment and will vote those proxies required to be voted AGAINST any proposal against such adjournment.

The close of business on March 1, 2010 has been fixed as the Record Date for the determination of shareholders entitled to notice of and to vote at the Meeting and all adjournments thereof.

The Fund has two classes of capital stock: Common Shares and Auction Market Preferred Shares (Preferred Shares) (together with the Common Shares, the Shares). The holders of Shares are each entitled to one vote for each full Share and an appropriate fraction of a vote for each fractional Share held. As of the Record Date, there were 22,754,634 Common Shares and 9,600 Preferred Shares outstanding.

The following table shows the ownership of Common Shares and Preferred Shares by each of the Trustees, the Trustees and Officers of the Fund as a group and the persons or organizations known to the Fund to be beneficial owners of more than 5% of the Fund's outstanding Common Shares or Preferred Shares.

Trustees

Name & Address(1)	Percentage of Shares Held	Total Shares Owned
Common Shares(2)		
Mary K. Anstine	0.00%	None
Jeremy W. Deems	0.00%	None
Michael F. Holland	Less than 1%	1,000
Jeremy O. May	0.00%	None
Everett L. Morris	Less than 1%	10,000
Larry W. Papasan	Less than 1%	2,0000
All Trustees and Executive Officers as a group	Less than 1%	13,000
Preferred Shares(2)		
Mary K. Anstine	0.00%	None
Jeremy W. Deems	0.00%	None
Michael F. Holland	0.00%	None
Jeremy O. May	0.00%	None
Everett L. Morris	0.00%	None
Larry W. Papasan	0.00%	None
All Trustees and Executive Officers as a group	0.00%	None

5% or Greater Shareholders

Common Shares(3)		
Merrill Lynch(4) 101 Hudson Street, 9th Floor Jersey City, NJ 07302	31.25%	7,110,271
First Clearing LLC 2801 Market Street 9F Mail Code MO3540 St. Louis, MO 63103	13.63%	3,101,941
BNY Mellon 525 William Penn Way Suite 400 Pittsburgh, PA 15259	6.77%	1,539,765
Charles Schwab & Co., Inc. Attn: Proxy P.O. Box 64930 Phoenix, AZ 85082-4930	5.97%	1,357,639
First Trust Portfolios, L.P.(5) First Trust Advisors L.P. The Charger Corporation 120 East Liberty Drive, Suite 400 Wheaton, IL 60187	5.5%	1,252,955

National Financial Services LLC Attn: Lew Trezza P.O. Box 673004 Dallas, TX 75267-3004	5.30%	1,206,089
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Preferred Shares

Bank of America Corporation(6) Merrill Lynch, Pierce, Fenner and Smith, Inc. Bank of America, N.A. Bank of America Corporate Center 100 North Tryon Street Charlotte, NC 28255	88.1%	8,470
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- (1) The address for each Trustee of the Fund is 1290 Broadway, Suite 1100, Denver, Colorado 80203.
- (2) The following table shows Trustees and Executive Officers ownership of Shares as of December 31, 2009.
- (3) The following table shows 5% or greater shareholders ownership of Shares as of March 1, 2010.
- (4) Merrill Lynch, Pierce, Fenner & Smith, Inc. is an affiliate of Bank of America Corporation and Bank of America, N.A.
- (5) The following information shows 5% or greater shareholder ownership of The Charger Corporation as of December 31, 2009, based upon information reported by these entities in their Schedule 13G filing filed with the SEC on February 8, 2010.
- (6) The following table shows 5% or greater shareholders ownership of Preferred Shares as of December 31, 2010, based upon information reported by these entities in their Schedule 13G filing filed with the SEC on January 20, 2010.

In order that your Shares may be represented at the Meeting, you are requested to vote on the following matters:

PROPOSAL 1: TO ELECT TWO (2) TRUSTEES OF THE FUND

NOMINEES FOR THE BOARD OF TRUSTEES

The Board of Trustees is divided into three classes, each class having a term of three years. Each year the term of office of one class will expire. Jeremy W. Deems and Jeremy O. May have both been nominated by the Board of Trustees for a three-year term to expire at the Fund's 2013 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

Under the Fund's Agreement and Declaration of Trust (Declaration of Trust), Statement of Preferences of Auction Market Preferred Shares (Statement of Preferences) and the Investment Company Act of 1940, as amended (the 1940 Act), holders of the Fund's outstanding Preferred Shares, voting as a separate class, are entitled to elect two Trustees, and holders of the Fund's outstanding Common Shares and Preferred Shares, voting as a single class, are entitled to elect the remaining Trustees, subject to the provisions of the 1940 Act and the Fund's Declaration of Trust,

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Statement of Preferences and By-Laws. The holders of the Fund's outstanding Preferred Shares would be entitled to elect the minimum number of additional Trustees that would

represent a majority of the Trustees if dividends on the Fund's Preferred Shares are in arrears for two full years. No dividend arrearages exist at this time. Jeremy W. Deems is the nominee for election as Trustee at the Meeting to be elected solely by the holders of the Fund's Preferred Shares.

Unless authority is withheld, it is the intention of the persons named in the proxy to vote the proxy FOR the election of the nominees named above. Each nominee has indicated that he has consented to serve as a Trustee if elected at the Meeting. If a designated nominee declines or otherwise becomes unavailable for election, however, the proxy confers discretionary power on the persons named therein to vote in favor of a substitute nominee or nominees.

INFORMATION ABOUT TRUSTEES AND OFFICERS

Set forth in the table below are the existing Trustees and nominees for election to the Board of Trustees of the Fund and officers, including information relating to their respective positions held with the Fund, a brief statement of their principal occupations during the past five years and other directorships, if any.

Name, Position(s), Address,(1) Age and Position(s) Held with the Fund	Term of Office and Length of Time Served(2)	Principal Occupation(s) During Past Five Years and	Other Directorships Held by Trustee
Non-Interested Trustees/Nominees			
Mary K. Anstine Trustee Age: 69	Since 2004**	Ms. Anstine was President/Chief Executive Officer of HealthONE Alliance, Denver, Colorado, and former Executive Vice President of First Interstate Bank of Denver. Ms. Anstine is also Trustee/Director of AV Hunter Trust and Colorado Uplift Board. Ms. Anstine was formerly a Director of the Trust Bank of Colorado (later purchased and now known as Northern Trust Bank), HealthONE and Denver Area Council of the Boy Scouts of America, and a member of the American Bankers Association Trust Executive Committee.	Ms. Anstine is a Trustee of ALPS ETF Trust; ALPS Variable Insurance Trust; Financial Investors Trust; Financial Investors Variable Insurance Trust; and Westcore Trust.

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Name, Position(s), Address,(1) Age and Position(s) Held with the Fund	Term of Office and Length of Time Served(2)	Principal Occupation(s) During Past Five Years and	Other Directorships Held by Trustee
<p>Jeremy W. Deems+ Trustee Age: 33</p>	<p>Since 2008*</p>	<p>Mr. Deems is the Co-Founder, Chief Financial Officer and Chief Operating Officer of Green Alpha Advisors, LLC. Prior to joining Green Alpha Advisors, Mr. Deems was CFO and Treasurer of Forward Management, LLC, an investment management company, ReFlow Management Co., LLC, a liquidity resourcing company, ReFlow Fund, LLC, a private investment fund, and Sutton Place Management, LLC, an administrative services company (from 2004 to June 2007). Prior to this, Mr. Deems served as Controller of Forward Management, LLC, ReFlow Management Co., LLC, ReFlow Fund, LLC and Sutton Place Management, LLC.</p>	<p>Mr. Deems is a Trustee of ALPS ETF Trust; ALPS Variable Insurance Trust; and Financial Investors Trust.</p>
<p>Michael F. Holland Trustee Age: 65</p>	<p>Since 2004**</p>	<p>Mr. Holland is Chairman of Holland & Company, an investment management company.</p>	<p>Mr. Holland is a Director of Holland Series Funds, Inc., and Trustee of State Street Master Funds; China Fund Inc.; Taiwan Fund Inc.; and Scottish Widows Emerging Market Fund.</p>
<p>Larry W. Papasan Trustee Age: 69</p>	<p>Since 2004***</p>	<p>Mr. Papasan is currently the Chairman of BioMimetics Therapeutics Inc., a medical services company, and is Director/Trustee of Mimedx Inc., AxioMed Spine, Bio Medical Tissue Technologies, Cagenix, Inc. and ExtraOrtho, each a medical services company, SSR Engineering, an electronics company, and Triumph Bank. Mr. Papasan is the former President of Smith and Nephew Orthopaedics (1991-2002) and the former President of Memphis, Light, Gas and Water Division (1984-1991).</p>	

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Name, Position(s), Address,(1) Age and Position(s) Held with the Fund	Term of Office and Length of Time Served(2)	Principal Occupation(s) During Past Five Years	Other Directorships Held by Trustee
Interested Trustees			
Jeremy O. May(3) Chairman, Trustee and President Age: 39	Chairman & Trustee Since 2009* President Since 2010	Mr. May joined ALPS in 1995 and is currently President and Director of ALPS Fund Services, Inc. (AFS) and Director and Executive Vice President of ALPS Holdings Inc. (AHI), ALPS Advisors, Inc. (AAI), ALPS	