

RESOLUTION NO. 2020-08

**A RESOLUTION AUTHORIZING VILLAGE STAFF TO APPLY FOR A SIMPLIFIED RATE CASE FROM THE PUBLIC SERVICE COMMISSION TO INCREASE WATER UTILITY RATES**

**WHEREAS**, the Darien Water Works and Sewer System (“Utility”) has struggled in the past with operating losses per the Village’s Annual Financial Reports; and

**WHEREAS**, in 2017, the Utility applied for a Conventional Rate Case (“CRC”) and engaged Financial Advisors Ehlers, Inc. to assist with the water rate study and the CRC, which resulted in a 23.29% water rate increase effective in 2018; and

**WHEREAS**, as part of the engagement with Ehlers, the company provided a Long-Range Cash Flow Analysis for the Utility that projects revenues and identifies user rate increases to meet the financial obligation of the Utility for many years to come; and

**WHEREAS**, the Long-Range Cash Flow Analysis includes 3% water rate increases in 2020, 2022, 2024, and 2026. These regular small increases are necessary to fund the annual increases in expenditures associated with the Utility in the future, and to avoid another expensive CRC and large rate increase;

**WHEREAS**, the Utility is eligible to apply for a simplified rate case, which, if approved, would increase the water base rate, the fire protection fee, and the water volume charge by three (3) percent; and

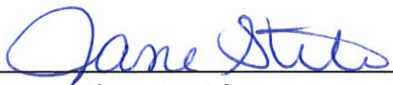
**WHEREAS**, if approved by the PSC, the average residential and commercial utility customer (using a ¾” meter and 4,000 gallons per month) would see a \$1.79 increase per monthly bill, and the new rates would be effective on October 21, 2020.

**NOW, THEREFORE, BE IT RESOLVED** that the Village Board of the Village of Darien hereby authorizes the Village Administrator to apply to the Public Service Commission for a simplified rate case for the Darien Water Utility, which would increase the water base rate, the fire protection fee, and the water volume charge by three (3) percent starting October 21, 2020.

Adopted this 20<sup>th</sup> day of July 2020.



**DARIEN VILLAGE BOARD**

  
Jane Stiles, President

ATTEST:

  
Rebecca Houseman LeMire, Village Administrator/Clerk-Treasurer

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