

## **Water Utility Board Resolution**

Authorizing Madison Water Utility to request increased revenue in its current water rate case to generate an additional \$2 million per year for water main replacement.

WHEREAS, Madison Water Utility has been financing most of its substantial capital improvement program with debt; and

WHEREAS, increasing debt service payments cost customers more in the long-term due to interest payments, higher revenues required to meet debt coverage, and higher minimum reserve levels; and

WHEREAS, Madison Water Utility has limited cash reserves to use for financing improvements; and

NOW THEREFORE BE IT RESOLVED, that Madison Water Utility request increased revenue in the current water rate case to generate an additional \$2 million per year, to be used for main replacements; and

BE IT FURTHER RESOLVED, that Madison Water Utility commits to the use of this expense depreciation mechanism through 2047.