

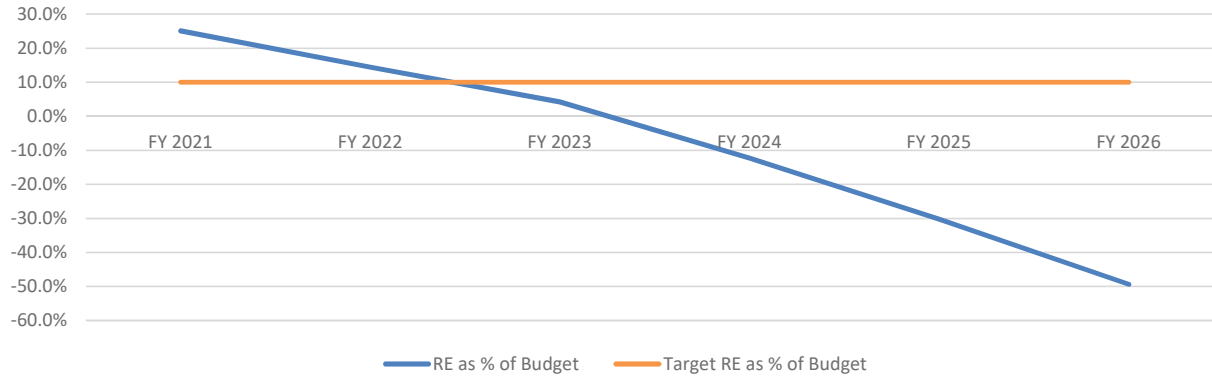
Town of Saugus
Water Rate Study

Five Year Summary - Baseline

Description	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Budgeted FY 2021	Projected FY 2021	Budgeted FY 2022	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026
Revenues												
Water User Charges	\$ 6,668,149	\$ 5,906,054	\$ 6,363,901	\$ 5,849,674	\$ 6,488,345	\$ 7,169,399	\$ 6,531,353	\$ 6,531,353	\$ 6,295,389	\$ 6,288,278	\$ 6,288,278	\$ 6,288,278
Water Liens on User Charges	256,627	299,831	277,695	277,965	-	\$ 301,829	363,357	\$ 363,357	\$ 482,637	\$ 445,095	\$ 441,801	\$ 441,801
Interest on User Charges	25,425	22,681	35,809	23,107	-	26,784	26,784	26,784	26,784	26,784	26,784	26,784
Penalty on User Charges	16,391	14,059	15,849	7,436	-	13,465	13,465	13,465	13,465	13,465	13,465	13,465
Non-User Charges Fees	35,645	54,249	14,779	84,043	-	31,183	31,183	31,183	31,183	31,183	31,183	31,183
Miscellaneous Charges	17,646	-	16,461	13,833	-	13,145	13,145	13,145	13,145	13,145	13,145	13,145
Water Liens on Fees	4,134	120	8,064	90	-	3,420	3,420	3,420	3,420	3,420	3,420	3,420
Water Liens on Interest	31,115	34,771	31,183	31,431	-	32,191	32,191	32,191	32,191	32,191	32,191	32,191
Premium on Bonds	47,875	-	1,028	579	-	-	-	-	-	-	-	-
Total Revenues	\$ 7,103,008	\$ 6,331,766	\$ 6,764,768	\$ 6,288,157	\$ 6,488,345	\$ 7,591,415	\$ 7,014,897	\$ 7,014,897	\$ 6,898,213	\$ 6,853,560	\$ 6,850,266	\$ 6,850,266
Available Funds												
Prior Year Carryover					\$ 67,276	\$ 67,276						
Retained Earnings Appropriated					966,047							
Total Revenues / Available Funds	\$ 7,103,008	\$ 6,331,766	\$ 6,764,768	\$ 6,288,157	\$ 7,521,668	\$ 7,658,691	\$ 7,014,897	\$ 7,014,897	\$ 6,898,213	\$ 6,853,560	\$ 6,850,266	\$ 6,850,266
Expenditures												
Salaries	\$ 297,063	\$ 329,679	\$ 333,895	\$ 337,275	\$ 360,947	\$ 360,947	\$ 377,211	\$ 377,211	\$ 386,641	\$ 396,307	\$ 406,215	\$ 416,370
MWRA Assessment	3,692,889	3,954,860	4,016,046	4,220,394	4,465,635	4,465,635	4,882,255	4,882,255	4,863,232	5,052,898	5,249,961	5,454,710
Other Expenses	552,547	548,489	545,038	462,480	691,926	691,926	624,350	624,350	636,837	649,574	662,565	675,817
Capital Outlay	59,521	56,398	44,623	26,496	90,000	90,000	80,000	80,000	80,000	80,000	80,000	80,000
Existing Debt Service	1,099,851	976,289	975,064	796,312	1,202,950	1,202,950	1,153,613	1,153,613	1,052,858	945,428	861,173	738,480
New Debt Service	-	-	-	-	-	-	-	-	-	358,550	403,316	435,383
Short Term Debt	-	-	-	1,347	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Indirect Costs	472,664	472,509	520,896	580,799	654,440	654,440	607,575	607,575	622,764	638,333	654,292	670,649
Funding of OPEB	61,000	64,000	41,856	43,112	40,770	40,770	40,770	40,770	41,789	42,834	43,905	45,002
Total Expenditures	\$ 6,235,534	\$ 6,402,223	\$ 6,477,418	\$ 6,468,216	\$ 7,521,668	\$ 7,521,668	\$ 7,780,774	\$ 7,780,774	\$ 7,699,122	\$ 8,178,925	\$ 8,376,427	\$ 8,531,411
Excess (Deficit) of Revenues and Available Funds > Expenditures	\$ 867,473	\$ (70,457)	\$ 287,350	\$ (180,059)	\$ -	\$ 137,023	\$ (765,877)	\$ (765,877)	\$ (800,909)	\$ (1,325,365)	\$ (1,526,161)	\$ (1,681,144)
Retained Earnings Projections					Includes almost \$70,000 in encumbrances from prior year							
Certified Retained Earnings July 1, 2020				\$ 1,755,213								
Available Retained Earnings Start of FY						\$ 1,755,213		\$ 1,886,752	\$ 1,120,875	\$ 319,966	\$ (1,005,399)	\$ (2,531,560)
Appropriations since Certification						\$ (5,485)		\$ -	\$ -	\$ -	\$ -	\$ -
Surplus/(Deficit) Current FY						\$ 137,023		\$ (765,877)	\$ (800,909)	\$ (1,325,365)	\$ (1,526,161)	\$ (1,681,144)
Projected Retained Earnings at End of FY						\$ 1,886,752		\$ 1,120,875	\$ 319,966	\$ (1,005,399)	\$ (2,531,560)	\$ (4,212,704)
Retained Earnings as % of Oper. Budget				27.1%		25.1%		14.4%	4.2%	-12.3%	-30.2%	-49.4%
Numbers may be off due to rounding												

Baseline	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED	FY 2024 PROJECTED	FY 2025 PROJECTED	FY 2026 PROJECTED
Surplus/Deficit	\$ 137,023	\$ (765,877)	\$ (800,909)	\$ (1,325,365)	\$ (1,526,161)	\$ (1,681,144)
Projected Retained Earnings	\$ 1,886,752	\$ 1,120,875	\$ 319,966	\$ (1,005,399)	\$ (2,531,560)	\$ (4,212,704)
RE as % of Budget	25.1%	14.4%	4.2%	-12.3%	-30.2%	-49.4%
Target RE as % of Budget	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%

Retained Earnings Projections - Baseline Scenario



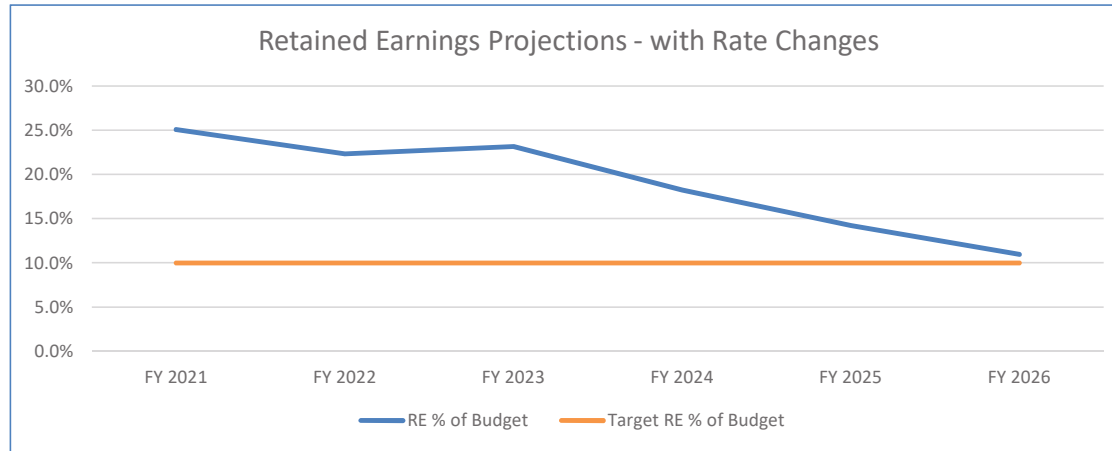
Town of Saugus
Water Rate Study

Five Year Summary - Option 1

Description	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Budgeted FY 2021	Projected FY 2021	Budgeted FY 2022	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026
Revenues								10.00%	2.50%	2.50%	2.50%	2.50%
Water User Charges	\$ 6,668,149	\$ 5,906,054	\$ 6,363,901	\$ 5,849,674	\$ 6,488,345	\$ 7,169,399	\$ 7,147,744	\$ 7,147,744	\$ 7,096,095	\$ 7,265,480	\$ 7,447,117	\$ 7,633,295
Water Liens on User Charges	256,627	299,831	277,695	277,965	-	\$ 301,829	363,357	\$ 363,357	\$ 528,433	\$ 500,939	\$ 509,749	\$ 522,493
Interest on User Charges	25,425	22,681	35,809	23,107	-	26,784	26,784	26,784	26,784	26,784	26,784	26,784
Penalty on User Charges	16,391	14,059	15,849	7,436	-	13,465	13,465	13,465	13,465	13,465	13,465	13,465
Non-User Charges Fees	35,645	54,249	14,779	84,043	-	31,183	31,183	31,183	31,183	31,183	31,183	31,183
Miscellaneous Charges	17,646	-	16,461	13,833	-	13,145	13,145	13,145	13,145	13,145	13,145	13,145
Water Liens on Fees	4,134	120	8,064	90	-	3,420	3,420	3,420	3,420	3,420	3,420	3,420
Water Liens on Interest	31,115	34,771	31,183	31,431	-	32,191	32,191	32,191	32,191	32,191	32,191	32,191
Premium on Bonds	47,875	-	1,028	579	-	-	-	-	-	-	-	-
Total Revenues	\$ 7,103,008	\$ 6,331,766	\$ 6,764,768	\$ 6,288,157	\$ 6,488,345	\$ 7,591,415	\$ 7,631,288	\$ 7,631,288	\$ 7,744,715	\$ 7,886,606	\$ 8,077,053	\$ 8,275,975
Available Funds												
Prior Year Carryover	\$ -	\$ -	\$ -	\$ -	\$ 67,276	\$ 67,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retained Earnings Appropriated	-	-	-	-	966,047	-	-	-	-	-	-	-
Total Revenues / Available Funds	\$ 7,103,008	\$ 6,331,766	\$ 6,764,768	\$ 6,288,157	\$ 7,521,668	\$ 7,658,691	\$ 7,631,288	\$ 7,631,288	\$ 7,744,715	\$ 7,886,606	\$ 8,077,053	\$ 8,275,975
Expenditures												
Salaries	\$ 297,063	\$ 329,679	\$ 333,895	\$ 337,275	\$ 360,947	\$ 360,947	\$ 377,211	\$ 377,211	\$ 386,641	\$ 396,307	\$ 406,215	\$ 416,370
MWRA Assessment	3,692,889	3,954,860	4,016,046	4,220,394	4,465,635	4,465,635	4,882,255	4,882,255	4,863,232	5,052,898	5,249,961	5,454,710
Other Expenses	552,547	548,489	545,038	462,480	691,926	691,926	624,350	624,350	636,837	649,574	662,565	675,817
Capital Outlay	59,521	56,398	44,623	26,496	90,000	90,000	80,000	80,000	80,000	80,000	80,000	80,000
Existing Debt Service	1,099,851	976,289	975,064	796,312	1,202,950	1,202,950	1,153,613	1,153,613	1,052,858	945,428	861,173	738,480
New Debt Service	-	-	-	-	-	-	-	-	-	358,550	403,316	435,383
Short Term Debt	-	-	-	1,347	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Indirect Costs	472,664	472,509	520,896	580,799	654,440	654,440	607,575	607,575	622,764	638,333	654,292	670,649
Funding of OPEB	61,000	64,000	41,856	43,112	40,770	40,770	40,770	40,770	41,789	42,834	43,905	45,002
Total Expenditures	\$ 6,235,534	\$ 6,402,223	\$ 6,477,418	\$ 6,468,216	\$ 7,521,668	\$ 7,521,668	\$ 7,780,774	\$ 7,780,774	\$ 7,699,122	\$ 8,178,925	\$ 8,376,427	\$ 8,531,411
Excess (Deficit) of Revenues and Available Funds > Expenditures	\$ 867,473	\$ (70,457)	\$ 287,350	\$ (180,059)	\$ -	\$ 137,023	\$ (149,486)	\$ (149,486)	\$ 45,593	\$ (292,319)	\$ (299,374)	\$ (255,436)
Retained Earnings Projections					Includes almost \$70,000 in encumbrances from prior year							
Certified Retained Earnings July 1, 2020				\$ 1,755,213				\$ 1,886,752	\$ 1,737,266	\$ 1,782,859	\$ 1,490,540	\$ 1,191,166
Available Retained Earnings Start of FY						\$ 1,755,213		\$ -	\$ -	\$ -	\$ -	\$ -
Appropriations since Certification						\$ (5,485)		\$ -	\$ -	\$ -	\$ -	\$ -
Surplus/(Deficit) Current FY						\$ 137,023		\$ (149,486)	\$ 45,593	\$ (292,319)	\$ (299,374)	\$ (255,436)
Projected Retained Earnings at End of FY						\$ 1,886,752		\$ 1,737,266	\$ 1,782,859	\$ 1,490,540	\$ 1,191,166	\$ 935,731
Retained Earnings as % of Oper. Budget				27.1%		25.1%		22.3%	23.2%	18.2%	14.2%	11.0%
Numbers may be off due to rounding												

Rate Changes:	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	10.00%	2.50%	2.50%	2.50%	2.50%

Rate Impact	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED	FY 2024 PROJECTED	FY 2025 PROJECTED	FY 2026 PROJECTED
Surplus/Deficit	\$ 137,023	\$ (149,486)	\$ 45,593	\$ (292,319)	\$ (299,374)	\$ (255,436)
Projected Retained Earnings	\$ 1,886,752	\$ 1,737,266	\$ 1,782,859	\$ 1,490,540	\$ 1,191,166	\$ 935,731
RE % of Budget	25.1%	22.3%	23.2%	18.2%	14.2%	11.0%
Target RE % of Budget	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%



User Impact (per Bill) - Water Bills Only			New Bills				
User Type	Usage	Current Bill	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Tier 1 User	2,000	\$ 92.60	\$ 101.86	\$ 104.41	\$ 107.02	\$ 109.69	\$ 112.43
Tier 2 User	3,000	\$ 142.00	\$ 156.20	\$ 160.11	\$ 164.11	\$ 168.21	\$ 172.42
Average Residential User	4,234	\$ 223.57	\$ 245.92	\$ 252.07	\$ 258.37	\$ 264.83	\$ 271.45
Avg. Res. User (for pres.)	4,362	\$ 232.03	\$ 255.23	\$ 261.61	\$ 268.15	\$ 274.86	\$ 281.73
Tier 3 User	6,000	\$ 340.30	\$ 374.33	\$ 383.69	\$ 393.28	\$ 403.11	\$ 413.19
Tier 4 User	10,000	\$ 670.70	\$ 737.77	\$ 756.21	\$ 775.12	\$ 794.50	\$ 814.36
Tier 5 User	20,000	\$ 1,591.70	\$ 1,750.87	\$ 1,794.64	\$ 1,839.51	\$ 1,885.50	\$ 1,932.63
Avg. Com. User (for pres.)	24,527	\$ 2,059.34	\$ 2,265.27	\$ 2,321.90	\$ 2,379.95	\$ 2,439.45	\$ 2,500.44
Tier 6 User	50,000	\$ 4,690.70	\$ 5,159.77	\$ 5,288.76	\$ 5,420.98	\$ 5,556.51	\$ 5,695.42
Tier 7 User	100,000	\$ 10,250.70	\$ 11,275.77	\$ 11,557.66	\$ 11,846.61	\$ 12,142.77	\$ 12,446.34
Tier 8 User	200,000	\$ 21,690.70	\$ 23,859.77	\$ 24,456.26	\$ 25,067.67	\$ 25,694.36	\$ 26,336.72

Usage in cubic feet

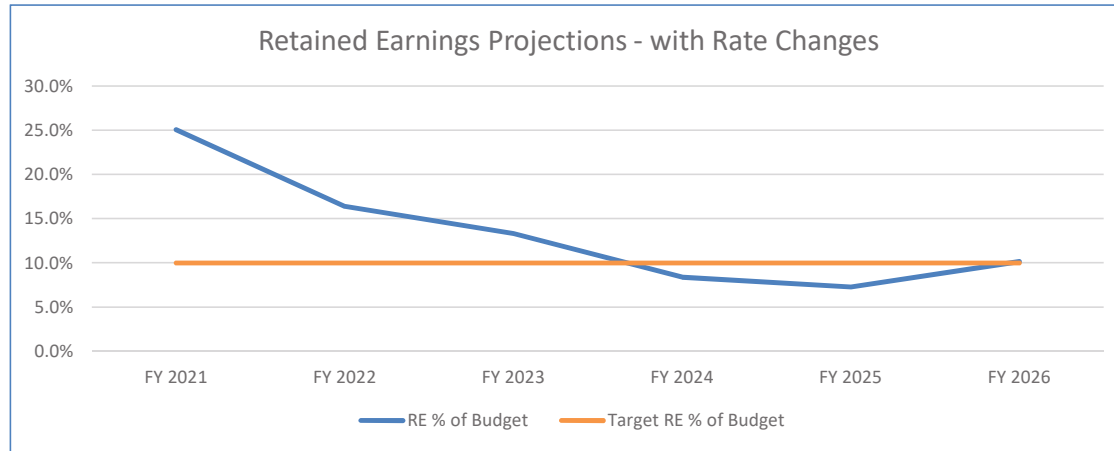
Town of Saugus
Water Rate Study

Five Year Summary - Option 2

Description	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Budgeted FY 2021	Projected FY 2021	Budgeted FY 2022	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026
Revenues								2.50%	6.00%	6.00%	6.00%	6.00%
Water User Charges	\$ 6,668,149	\$ 5,906,054	\$ 6,363,901	\$ 5,849,674	\$ 6,488,345	\$ 7,169,399	\$ 6,685,450	\$ 6,685,450	\$ 6,835,567	\$ 7,237,975	\$ 7,672,253	\$ 8,132,588
Water Liens on User Charges	256,627	299,831	277,695	277,965	-	\$ 301,829	363,357	\$ 363,357	\$ 494,086	\$ 481,570	\$ 506,886	\$ 537,299
Interest on User Charges	25,425	22,681	35,809	23,107	-	26,784	26,784	26,784	26,784	26,784	26,784	26,784
Penalty on User Charges	16,391	14,059	15,849	7,436	-	13,465	13,465	13,465	13,465	13,465	13,465	13,465
Non-User Charges Fees	35,645	54,249	14,779	84,043	-	31,183	31,183	31,183	31,183	31,183	31,183	31,183
Miscellaneous Charges	17,646	-	16,461	13,833	-	13,145	13,145	13,145	13,145	13,145	13,145	13,145
Water Liens on Fees	4,134	120	8,064	90	-	3,420	3,420	3,420	3,420	3,420	3,420	3,420
Water Liens on Interest	31,115	34,771	31,183	31,431	-	32,191	32,191	32,191	32,191	32,191	32,191	32,191
Premium on Bonds	47,875	-	1,028	579	-	-	-	-	-	-	-	-
Total Revenues	\$ 7,103,008	\$ 6,331,766	\$ 6,764,768	\$ 6,288,157	\$ 6,488,345	\$ 7,591,415	\$ 7,168,995	\$ 7,168,995	\$ 7,449,840	\$ 7,839,732	\$ 8,299,326	\$ 8,790,075
Available Funds												
Prior Year Carryover	\$ -	\$ -	\$ -	\$ -	\$ 67,276	\$ 67,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retained Earnings Appropriated	-	-	-	-	966,047	-	-	-	-	-	-	-
Total Revenues / Available Funds	\$ 7,103,008	\$ 6,331,766	\$ 6,764,768	\$ 6,288,157	\$ 7,521,668	\$ 7,658,691	\$ 7,168,995	\$ 7,168,995	\$ 7,449,840	\$ 7,839,732	\$ 8,299,326	\$ 8,790,075
Expenditures												
Salaries	\$ 297,063	\$ 329,679	\$ 333,895	\$ 337,275	\$ 360,947	\$ 360,947	\$ 377,211	\$ 377,211	\$ 386,641	\$ 396,307	\$ 406,215	\$ 416,370
MWRA Assessment	3,692,889	3,954,860	4,016,046	4,220,394	4,465,635	4,465,635	4,882,255	4,882,255	4,863,232	5,052,898	5,249,961	5,454,710
Other Expenses	552,547	548,489	545,038	462,480	691,926	691,926	624,350	624,350	636,837	649,574	662,565	675,817
Capital Outlay	59,521	56,398	44,623	26,496	90,000	90,000	80,000	80,000	80,000	80,000	80,000	80,000
Existing Debt Service	1,099,851	976,289	975,064	796,312	1,202,950	1,202,950	1,153,613	1,153,613	1,052,858	945,428	861,173	738,480
New Debt Service	-	-	-	-	-	-	-	-	-	358,550	403,316	435,383
Short Term Debt	-	-	-	1,347	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Indirect Costs	472,664	472,509	520,896	580,799	654,440	654,440	607,575	607,575	622,764	638,333	654,292	670,649
Funding of OPEB	61,000	64,000	41,856	43,112	40,770	40,770	40,770	40,770	41,789	42,834	43,905	45,002
Total Expenditures	\$ 6,235,534	\$ 6,402,223	\$ 6,477,418	\$ 6,468,216	\$ 7,521,668	\$ 7,521,668	\$ 7,780,774	\$ 7,780,774	\$ 7,699,122	\$ 8,178,925	\$ 8,376,427	\$ 8,531,411
Excess (Deficit) of Revenues and Available Funds > Expenditures	\$ 867,473	\$ (70,457)	\$ 287,350	\$ (180,059)	\$ -	\$ 137,023	\$ (611,779)	\$ (611,779)	\$ (249,282)	\$ (339,193)	\$ (77,101)	\$ 258,664
Retained Earnings Projections					Includes almost \$70,000 in encumbrances from prior year							
Certified Retained Earnings July 1, 2020				\$ 1,755,213								
Available Retained Earnings Start of FY						\$ 1,755,213		\$ 1,886,752	\$ 1,274,973	\$ 1,025,691	\$ 686,498	\$ 609,397
Appropriations since Certification						\$ (5,485)		\$ -	\$ -	\$ -	\$ -	\$ -
Surplus/(Deficit) Current FY						\$ 137,023		\$ (611,779)	\$ (249,282)	\$ (339,193)	\$ (77,101)	\$ 258,664
Projected Retained Earnings at End of FY						\$ 1,886,752		\$ 1,274,973	\$ 1,025,691	\$ 686,498	\$ 609,397	\$ 868,061
Retained Earnings as % of Oper. Budget				27.1%		25.1%		16.4%	13.3%	8.4%	7.3%	10.2%
Numbers may be off due to rounding												

Rate Changes:	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	2.50%	6.00%	6.00%	6.00%	6.00%

Rate Impact	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED	FY 2024 PROJECTED	FY 2025 PROJECTED	FY 2026 PROJECTED
Surplus/Deficit	\$ 137,023	\$ (611,779)	\$ (249,282)	\$ (339,193)	\$ (77,101)	\$ 258,664
Projected Retained Earnings	\$ 1,886,752	\$ 1,274,973	\$ 1,025,691	\$ 686,498	\$ 609,397	\$ 868,061
RE % of Budget	25.1%	16.4%	13.3%	8.4%	7.3%	10.2%
Target RE % of Budget	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%



User Impact (per Bill) - Water Bills Only			New Bills				
User Type	Usage	Current Bill	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Tier 1 User	2,000	\$ 92.60	\$ 94.92	\$ 100.61	\$ 106.65	\$ 113.05	\$ 119.83
Tier 2 User	3,000	\$ 142.00	\$ 145.55	\$ 154.28	\$ 163.54	\$ 173.35	\$ 183.75
Average Residential User	4,234	\$ 223.57	\$ 229.16	\$ 242.91	\$ 257.48	\$ 272.93	\$ 289.30
Avg. Res. User (for pres.)	4,362	\$ 232.03	\$ 237.83	\$ 252.10	\$ 267.22	\$ 283.26	\$ 300.25
Tier 3 User	6,000	\$ 340.30	\$ 348.81	\$ 369.74	\$ 391.92	\$ 415.44	\$ 440.36
Tier 4 User	10,000	\$ 670.70	\$ 687.47	\$ 728.72	\$ 772.44	\$ 818.78	\$ 867.91
Tier 5 User	20,000	\$ 1,591.70	\$ 1,631.49	\$ 1,729.38	\$ 1,833.14	\$ 1,943.13	\$ 2,059.72
Avg. Com. User (for pres.)	24,527	\$ 2,059.34	\$ 2,110.82	\$ 2,237.47	\$ 2,371.72	\$ 2,514.02	\$ 2,664.86
Tier 6 User	50,000	\$ 4,690.70	\$ 4,807.97	\$ 5,096.45	\$ 5,402.23	\$ 5,726.37	\$ 6,069.95
Tier 7 User	100,000	\$ 10,250.70	\$ 10,506.97	\$ 11,137.39	\$ 11,805.63	\$ 12,513.97	\$ 13,264.80
Tier 8 User	200,000	\$ 21,690.70	\$ 22,232.97	\$ 23,566.95	\$ 24,980.96	\$ 26,479.82	\$ 28,068.61

Usage in cubic feet

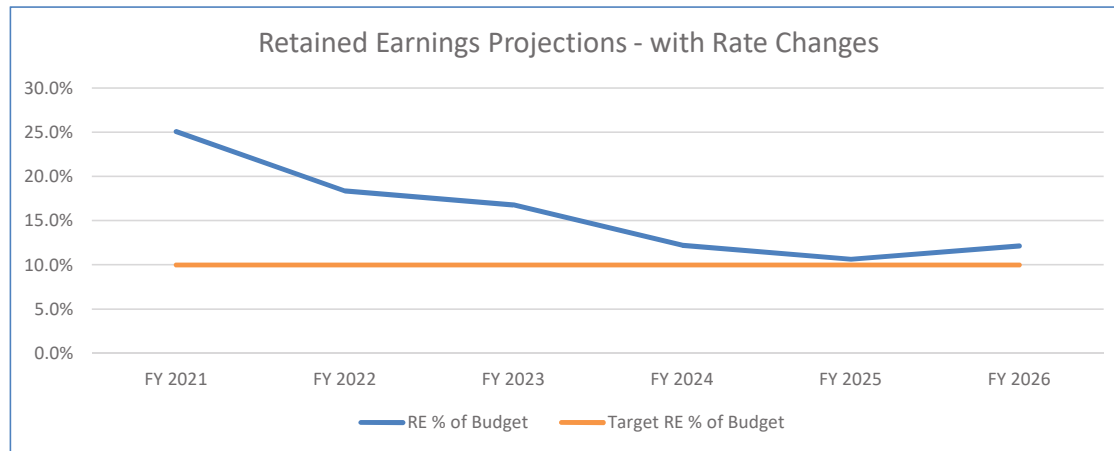
Town of Saugus
Water Rate Study

Five Year Summary - Option 3

Description	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Budgeted FY 2021	Projected FY 2021	Budgeted FY 2022	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026
Revenues								5.00%	5.00%	5.00%	5.00%	5.00%
Water User Charges	\$ 6,668,149	\$ 5,906,054	\$ 6,363,901	\$ 5,849,674	\$ 6,488,345	\$ 7,169,399	\$ 6,839,548	\$ 6,839,548	\$ 6,936,933	\$ 7,275,940	\$ 7,639,737	\$ 8,021,724
Water Liens on User Charges	256,627	299,831	277,695	277,965	-	\$ 301,829	363,357	\$ 363,357	\$ 505,535	\$ 488,988	\$ 509,806	\$ 535,297
Interest on User Charges	25,425	22,681	35,809	23,107	-	26,784	26,784	26,784	26,784	26,784	26,784	26,784
Penalty on User Charges	16,391	14,059	15,849	7,436	-	13,465	13,465	13,465	13,465	13,465	13,465	13,465
Non-User Charges Fees	35,645	54,249	14,779	84,043	-	31,183	31,183	31,183	31,183	31,183	31,183	31,183
Miscellaneous Charges	17,646	-	16,461	13,833	-	13,145	13,145	13,145	13,145	13,145	13,145	13,145
Water Liens on Fees	4,134	120	8,064	90	-	3,420	3,420	3,420	3,420	3,420	3,420	3,420
Water Liens on Interest	31,115	34,771	31,183	31,431	-	32,191	32,191	32,191	32,191	32,191	32,191	32,191
Premium on Bonds	47,875	-	1,028	579	-	-	-	-	-	-	-	-
Total Revenues	\$ 7,103,008	\$ 6,331,766	\$ 6,764,768	\$ 6,288,157	\$ 6,488,345	\$ 7,591,415	\$ 7,323,093	\$ 7,323,093	\$ 7,562,655	\$ 7,885,115	\$ 8,269,730	\$ 8,677,207
Available Funds												
Prior Year Carryover	\$ -	\$ -	\$ -	\$ -	\$ 67,276	\$ 67,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retained Earnings Appropriated	-	-	-	-	966,047	-	-	-	-	-	-	-
Total Revenues / Available Funds	\$ 7,103,008	\$ 6,331,766	\$ 6,764,768	\$ 6,288,157	\$ 7,521,668	\$ 7,658,691	\$ 7,323,093	\$ 7,323,093	\$ 7,562,655	\$ 7,885,115	\$ 8,269,730	\$ 8,677,207
Expenditures												
Salaries	\$ 297,063	\$ 329,679	\$ 333,895	\$ 337,275	\$ 360,947	\$ 360,947	\$ 377,211	\$ 377,211	\$ 386,641	\$ 396,307	\$ 406,215	\$ 416,370
MWRA Assessment	3,692,889	3,954,860	4,016,046	4,220,394	4,465,635	4,465,635	4,882,255	4,882,255	4,863,232	5,052,898	5,249,961	5,454,710
Other Expenses	552,547	548,489	545,038	462,480	691,926	691,926	624,350	624,350	636,837	649,574	662,565	675,817
Capital Outlay	59,521	56,398	44,623	26,496	90,000	90,000	80,000	80,000	80,000	80,000	80,000	80,000
Existing Debt Service	1,099,851	976,289	975,064	796,312	1,202,950	1,202,950	1,153,613	1,153,613	1,052,858	945,428	861,173	738,480
New Debt Service	-	-	-	-	-	-	-	-	-	358,550	403,316	435,383
Short Term Debt	-	-	-	1,347	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Indirect Costs	472,664	472,509	520,896	580,799	654,440	654,440	607,575	607,575	622,764	638,333	654,292	670,649
Funding of OPEB	61,000	64,000	41,856	43,112	40,770	40,770	40,770	40,770	41,789	42,834	43,905	45,002
Total Expenditures	\$ 6,235,534	\$ 6,402,223	\$ 6,477,418	\$ 6,468,216	\$ 7,521,668	\$ 7,521,668	\$ 7,780,774	\$ 7,780,774	\$ 7,699,122	\$ 8,178,925	\$ 8,376,427	\$ 8,531,411
Excess (Deficit) of Revenues and Available Funds > Expenditures	\$ 867,473	\$ (70,457)	\$ 287,350	\$ (180,059)	\$ -	\$ 137,023	\$ (457,681)	\$ (457,681)	\$ (136,467)	\$ (293,810)	\$ (106,697)	\$ 145,797
Retained Earnings Projections					Includes almost \$70,000 in encumbrances from prior year							
Certified Retained Earnings July 1, 2020				\$ 1,755,213								
Available Retained Earnings Start of FY						\$ 1,755,213		\$ 1,886,752	\$ 1,429,070	\$ 1,292,603	\$ 998,794	\$ 892,097
Appropriations since Certification						\$ (5,485)		\$ -	\$ -	\$ -	\$ -	\$ -
Surplus/(Deficit) Current FY						\$ 137,023		\$ (457,681)	\$ (136,467)	\$ (293,810)	\$ (106,697)	\$ 145,797
Projected Retained Earnings at End of FY						\$ 1,886,752		\$ 1,429,070	\$ 1,292,603	\$ 998,794	\$ 892,097	\$ 1,037,894
Retained Earnings as % of Oper. Budget				27.1%		25.1%		18.4%	16.8%	12.2%	10.7%	12.2%
Numbers may be off due to rounding												

Rate Changes:	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	5.00%	5.00%	5.00%	5.00%	5.00%

Rate Impact	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED	FY 2024 PROJECTED	FY 2025 PROJECTED	FY 2026 PROJECTED
Surplus/Deficit	\$ 137,023	\$ (457,681)	\$ (136,467)	\$ (293,810)	\$ (106,697)	\$ 145,797
Projected Retained Earnings	\$ 1,886,752	\$ 1,429,070	\$ 1,292,603	\$ 998,794	\$ 892,097	\$ 1,037,894
RE % of Budget	25.1%	18.4%	16.8%	12.2%	10.7%	12.2%
Target RE % of Budget	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%



User Impact (per Bill) - Water Bills Only			New Bills				
User Type	Usage	Current Bill	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Tier 1 User	2,000	\$ 92.60	\$ 97.23	\$ 102.09	\$ 107.20	\$ 112.56	\$ 118.18
Tier 2 User	3,000	\$ 142.00	\$ 149.10	\$ 156.56	\$ 164.38	\$ 172.60	\$ 181.23
Average Residential User	4,234	\$ 223.57	\$ 234.75	\$ 246.48	\$ 258.81	\$ 271.75	\$ 285.33
Avg. Res. User (for pres.)	4,362	\$ 232.03	\$ 243.63	\$ 255.81	\$ 268.60	\$ 282.03	\$ 296.13
Tier 3 User	6,000	\$ 340.30	\$ 357.32	\$ 375.18	\$ 393.94	\$ 413.64	\$ 434.32
Tier 4 User	10,000	\$ 670.70	\$ 704.24	\$ 739.45	\$ 776.42	\$ 815.24	\$ 856.00
Tier 5 User	20,000	\$ 1,591.70	\$ 1,671.29	\$ 1,754.85	\$ 1,842.59	\$ 1,934.72	\$ 2,031.46
Avg. Com. User (for pres.)	24,527	\$ 2,059.34	\$ 2,162.31	\$ 2,270.42	\$ 2,383.94	\$ 2,503.14	\$ 2,628.30
Tier 6 User	50,000	\$ 4,690.70	\$ 4,925.24	\$ 5,171.50	\$ 5,430.07	\$ 5,701.58	\$ 5,986.65
Tier 7 User	100,000	\$ 10,250.70	\$ 10,763.24	\$ 11,301.40	\$ 11,866.47	\$ 12,459.79	\$ 13,082.78
Tier 8 User	200,000	\$ 21,690.70	\$ 22,775.24	\$ 23,914.00	\$ 25,109.70	\$ 26,365.18	\$ 27,683.44

Usage in cubic feet

Town of Saugus FY 2022 Water Rates Update

The Abrahams Group

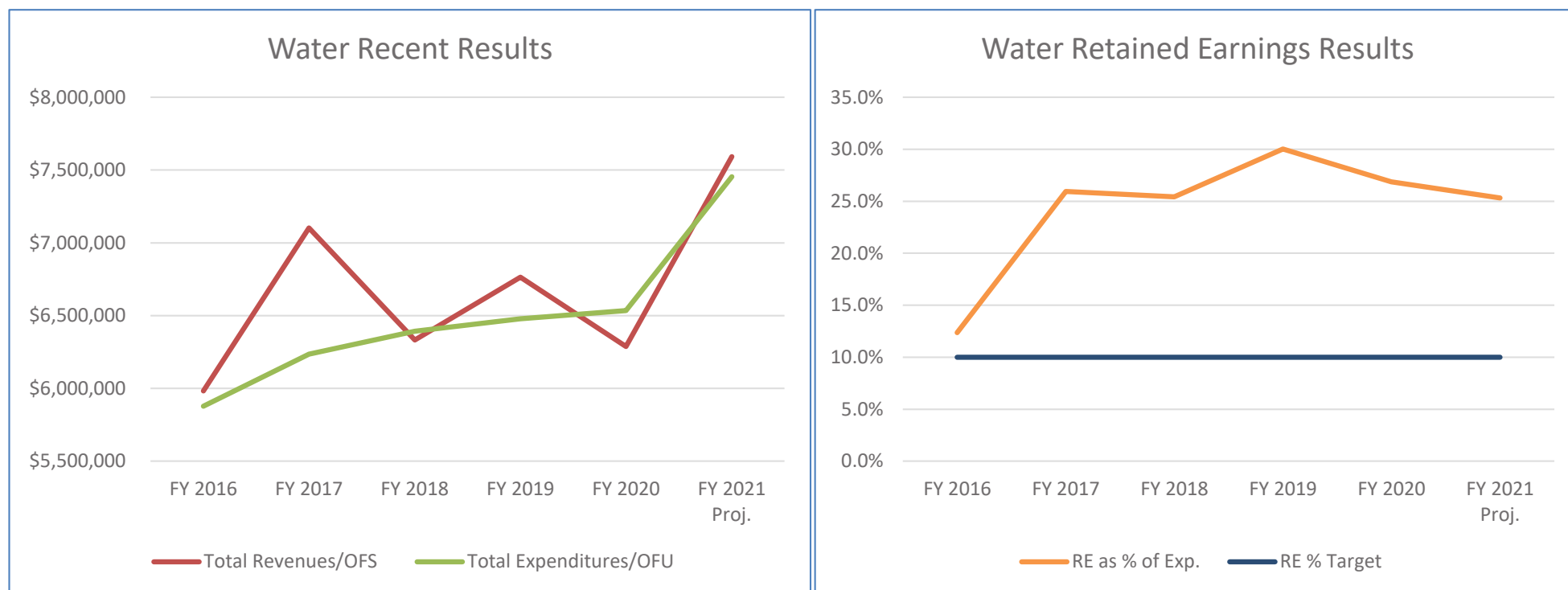
May 2021

Six-Year Review

The following rate changes were implemented recently:

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Recommended	N/A	9.5%	2.5%	3.0%	1.5%	4.0%
Voted	3.0%	9.5%	2.5%	3.0%	1.5%	-

The following graphs show recent financial results:



FY 2021 in Review

FY 2021 was impacted in the following ways:

- Billings up 12%, from higher consumption due to dry warmer months in 2020 and residential usage pattern changes, not because of a rate change
- Projected expenses up >\$900,000 (or 14%) over FY 2020's
- \$966,000 in Retained Earnings used to balance the budget; projected \$100,000 surplus means no RE needed
- Financial results:

	Budget	Projected
Total Revenues/OFS	\$7,454,392	\$7,591,415
Total Expenditures/OFU	\$7,454,392	\$7,454,392
Surplus/(Deficit)	\$0	\$137,023

Table includes retained earnings appropriated, but not encumbrances from prior year.

FY 2021 in Review (Cont.)

	Recommended 4.0% Proj. FY21	Voted 0.0% Proj. FY21	Projected 0.0% Proj. FY21
Revenues	\$6,774,971	\$6,526,994	\$7,591,415
Retained Earnings Appropriated	\$718,070	\$966,047	\$971,532
Total Revenues and Available Funds	\$7,493,041	\$7,493,041	\$8,557,462
Total Expenditures	\$7,493,041	\$7,493,041	\$7,454,392
Surplus/(Deficit)	\$0	\$0	\$1,103,070
Prior year encumbrances not included in numbers in this table			
Retained Earnings Projections			
Retained Earnings at Start of FY21	\$1,755,213	\$1,755,213	\$1,755,213
Retained Earnings Appropriated	(\$718,070)	(\$966,047)	(\$971,532)
Surplus/(Deficit) for FY21	\$0	\$0	\$1,103,070
Retained Earnings at End of FY21	\$1,037,143	\$789,166	\$1,886,751
Retained Earnings as % of Budget	13.7%	10.4%	25.3%

Rate Study Objectives

Each year, the Town focuses on a five-year rate plan with objectives to:

- Target projected retained earnings balance of 10% to 15% of operating budget.
- Eliminate shortfalls, which require retained earnings to balance the operating budget.
- Increase rates so revenue from rates covers expenditures.
- Fund capital plan for infrastructure and equipment.

Capital Plan

The following projects and items are part of Town's five-year capital plan, to be funded through future bond authorization.

- \$1.5m for water main replacements in FY 2023
 - Conventionally borrowed at 3% interest
- \$3m for water meter replacement program in FY 2023
 - 73% to be financed through 10-year, 0% interest MWRA loan
 - 27% to be conventionally borrowed at 3% interest
- \$50k for mini-excavator in FY 2024
 - To be financed through 10-year, 0% interest MWRA loan
- \$150k for replacement of dump truck in FY 2024
 - Conventionally borrowed at 3% interest
- \$150k for replacement of dump truck in FY 2025
 - Conventionally borrowed at 3% interest
- \$140k for replacement of backhoe in FY 2026
 - Conventionally borrowed at 3% interest

Rate-Setting Drivers

- Projected expenses % changes are shown here:

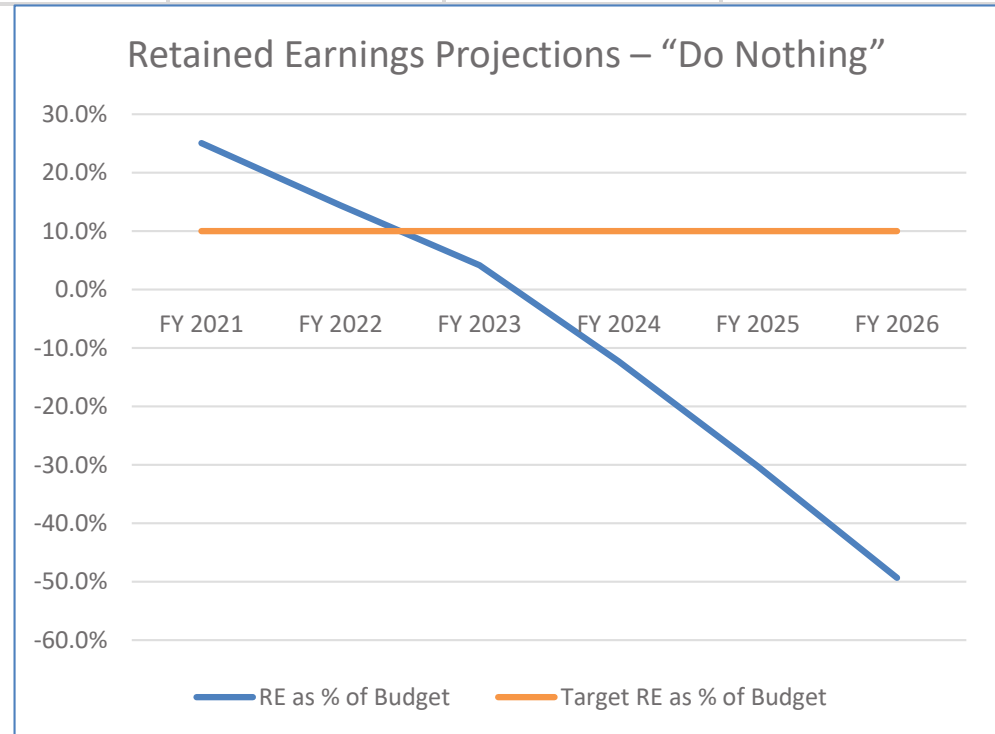
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Salaries	4.5%	2.5%	2.5%	2.5%	2.5%
MWRA Assessment	9.3%	-0.4%	3.9%	3.9%	3.9%
Debt	-4.1%	-8.6%	23.5%	-3.0%	-7.1
Other Expenses	-4.1%	2.1%	2.1%	2.1%	2.1%
Total Expenses	4.4%	-1.0%	6.2%	2.4%	1.9%

- Notable Impacts:
 - Large increase in MWRA assessment in FY 2022 due to 2020 consumption
 - Debt increases over 10% in FY 2021, decreases FY 2022 and FY2023, before impact of capital plan in FY 2024
 - Indirect costs decrease of about \$49,000 the main reason for decrease in Other Expenses for FY 2022

Where Are We Now?

Description	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026
Total Revenues and OFS	\$ 7,014,897	\$ 6,898,213	\$ 6,853,560	\$ 6,850,266	\$ 6,850,266
Total Expenditures and OFU	\$ 7,780,774	\$ 7,699,122	\$ 8,178,925	\$ 8,376,427	\$ 8,531,411
Excess (Deficiency)	\$ (765,877)	\$ (800,909)	\$ (1,325,365)	\$ (1,526,161)	\$ (1,681,144)
Retained Earnings Summary					
Projected RE at start of FY	\$ 1,886,752	\$ 1,120,875	\$ 319,966	\$ (1,005,399)	\$ (2,531,560)
Current Year Surplus (Deficit)	\$ (765,877)	\$ (800,909)	\$ (1,325,365)	\$ (1,526,161)	\$ (1,681,144)
Projected Retained Earnings Balance	\$ 1,120,875	\$ 319,966	\$ (1,005,399)	\$ (2,531,560)	\$ (4,212,704)
Retained Earnings % of Expenditures	14.4%	4.2%	-12.3%	-30.2%	-49.4%

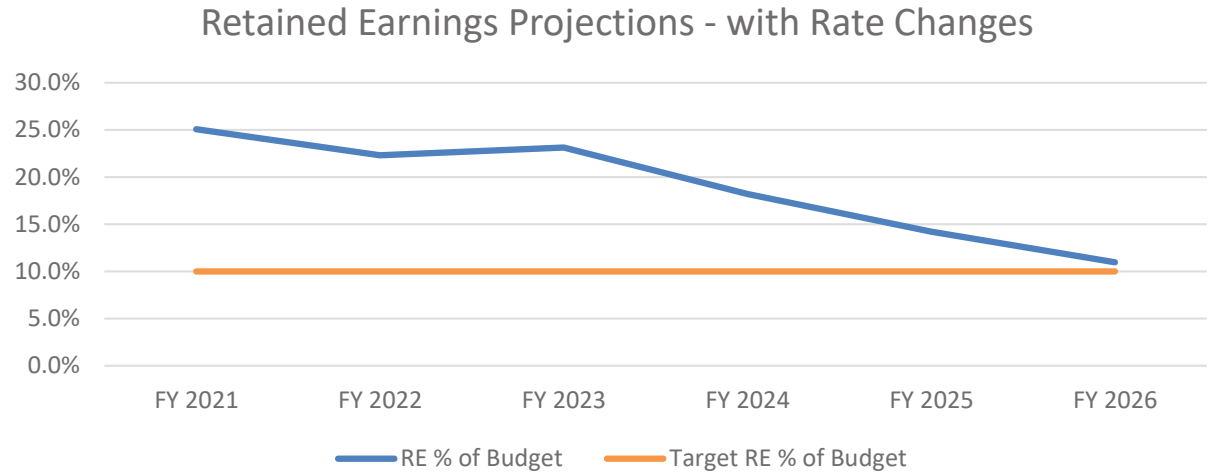
- Revenues shown with no rate change
- Retained Earnings last certified at \$1.755 million, as of July 1, 2020
- Due to FY 2021 projected surplus, retained earnings projected to hold steady without a rate change in FY 2021
- Retained Earnings can cover FY 2022's and FY 2023's projected shortfall, but not beyond, if no rate action
- Rate action necessary to avoid depleting retained earnings and to avoid shortfalls



Rate Option 1 – 10% Increase in FY 2022

Five-Year Rate Plan

FY 2022	10.0%
FY 2023	2.5%
FY 2024	2.5%
FY 2025	2.5%
FY 2026	2.5%



User Impact	Usage / Bill	FY21 Bill	FY 2022		FY 2023		FY 2024	
User Example			Bill	Diff \$	Bill	Diff \$	Bill	Diff \$
Tier 1 User	2,000	\$ 93	\$ 102	\$ 9	\$ 104	\$ 3	\$ 107	\$ 3
Tier 2 User	3,000	\$ 142	\$ 156	\$ 14	\$ 160	\$ 4	\$ 164	\$ 4
Avg. Residential User	4,362	\$ 232	\$ 255	\$ 23	\$ 262	\$ 6	\$ 268	\$ 7
Avg. Commercial User	24,527	\$2,059	\$ 2,265	\$ 206	\$ 2,322	\$ 57	\$ 2,380	\$ 58

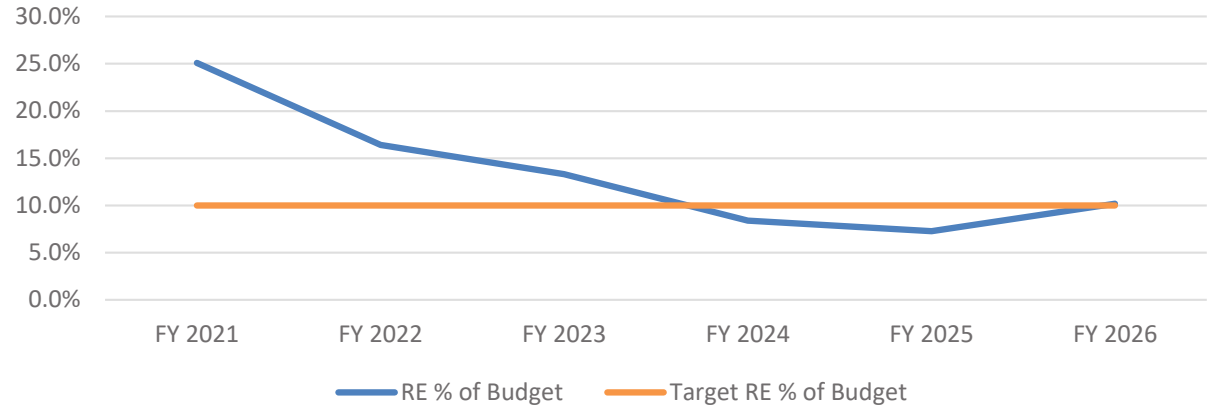
User Impact	Usage / Bill	FY21 Bill	FY 2025		FY 2026		FY 2026/FY 2021	
User Example			Bill	Diff \$	Bill	Diff \$	Bill	Diff \$
Tier 1 User	2,000	\$ 93	\$ 110	\$ 3	\$ 112	\$ 3	\$ 112	\$ 20
Tier 2 User	3,000	\$ 142	\$ 168	\$ 4	\$ 172	\$ 4	\$ 172	\$ 30
Avg. Residential User	4,362	\$ 232	\$ 275	\$ 7	\$ 282	\$ 7	\$ 282	\$ 50
Avg. Commercial User	24,527	\$2,059	\$ 2,439	\$ 59	\$ 2,500	\$ 61	\$ 2,500	\$ 441

Rate Option 2 – 2.5% Increase in FY 2022

Five-Year Rate Plan

FY 2022	2.5%
FY 2023	6.0%
FY 2024	6.0%
FY 2025	6.0%
FY 2026	6.0%

Retained Earnings Projections - with Rate Changes



User Impact	Usage / Bill	FY21 Bill	FY 2022		FY 2023		FY 2024	
User Example			Bill	Diff \$	Bill	Diff \$	Bill	Diff \$
Tier 1 User	2,000	\$ 93	\$ 95	\$ 2	\$ 101	\$ 6	\$ 107	\$ 6
Tier 2 User	3,000	\$ 142	\$ 146	\$ 4	\$ 154	\$ 9	\$ 164	\$ 9
Avg. Residential User	4,362	\$ 232	\$ 238	\$ 6	\$ 252	\$ 14	\$ 267	\$ 15
Avg. Commercial User	24,527	\$2,059	\$ 2,111	\$ 51	\$ 2,237	\$ 127	\$ 2,372	\$ 134

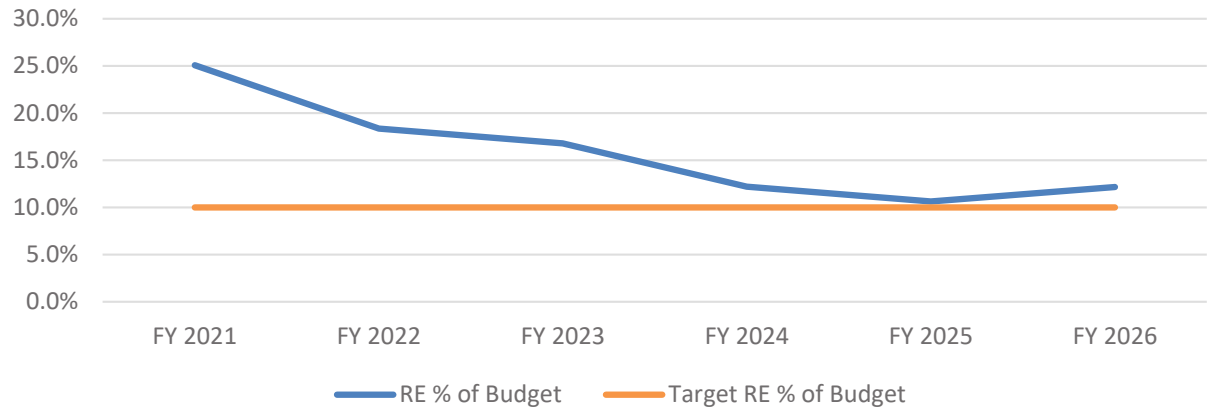
User Impact	Usage / Bill	FY21 Bill	FY 2025		FY 2026		FY 2026/FY 2021	
User Example			Bill	Diff \$	Bill	Diff \$	Bill	Diff \$
Tier 1 User	2,000	\$ 93	\$ 113	\$ 6	\$ 120	\$ 7	\$ 120	\$ 27
Tier 2 User	3,000	\$ 142	\$ 173	\$ 10	\$ 184	\$ 10	\$ 184	\$ 42
Avg. Residential User	4,362	\$ 232	\$ 283	\$ 16	\$ 300	\$ 17	\$ 300	\$ 68
Avg. Commercial User	24,527	\$2,059	\$ 2,514	\$ 142	\$ 2,665	\$ 151	\$ 2,665	\$ 606

Rate Option 3 – 5% Increase in FY 2022

Five-Year Rate Plan

FY 2022	5.0%
FY 2023	5.0%
FY 2024	5.0%
FY 2025	5.0%
FY 2026	5.0%

Retained Earnings Projections - with Rate Changes



User Impact	Usage / Bill	FY21 Bill	FY 2022		FY 2023		FY 2024	
User Example			Bill	Diff \$	Bill	Diff \$	Bill	Diff \$
Tier 1 User	2,000	\$ 93	\$ 97	\$ 5	\$ 102	\$ 5	\$ 107	\$ 5
Tier 2 User	3,000	\$ 142	\$ 149	\$ 7	\$ 157	\$ 7	\$ 164	\$ 8
Avg. Residential User	4,362	\$ 232	\$ 244	\$ 12	\$ 256	\$ 12	\$ 269	\$ 13
Avg. Commercial User	24,527	\$2,059	\$ 2,162	\$ 103	\$ 2,270	\$ 108	\$ 2,384	\$ 114

User Impact	Usage / Bill	FY21 Bill	FY 2025		FY 2026		FY 2026/FY 2021	
User Example			Bill	Diff \$	Bill	Diff \$	Bill	Diff \$
Tier 1 User	2,000	\$ 93	\$ 113	\$ 5	\$ 118	\$ 6	\$ 118	\$ 26
Tier 2 User	3,000	\$ 142	\$ 173	\$ 8	\$ 181	\$ 9	\$ 181	\$ 39
Avg. Residential User	4,362	\$ 232	\$ 282	\$ 13	\$ 296	\$ 14	\$ 296	\$ 64
Avg. Commercial User	24,527	\$2,059	\$ 2,503	\$ 119	\$ 2,628	\$ 125	\$ 2,628	\$ 569