

ARTICLE 3 - WATER RATE INCREASE

Town of Saugus
Water Rate Study

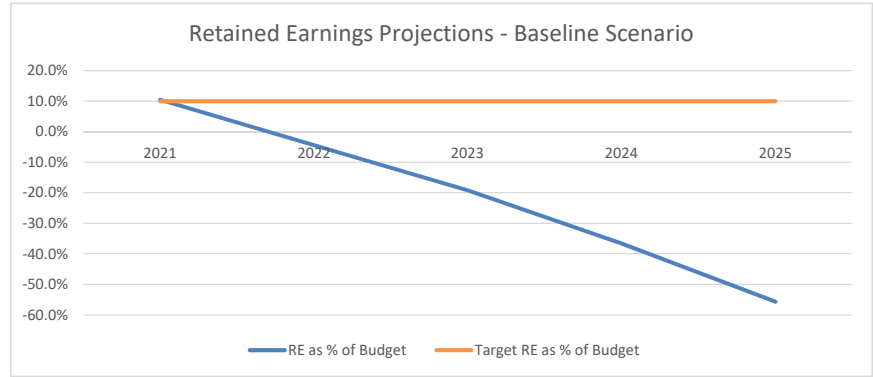
Five Year Summary - Baseline

| | | | | | | | | |
|---|-----------------------------|---------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---|
| WATER ENTERPRISE FUND | | | | | | | | |
| BASELINE WORKBOOK | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Description | Budgeted FY 2020 | Actual FY 2020 | Projected FY 2021 | Projected FY 2022 | Projected FY 2023 | Projected FY 2024 | Projected FY 2025 | Comments |
| Revenues | | | | | | | | |
| Water User Charges | \$ 6,725,229 | \$ 5,849,674 | \$ 6,199,424 | \$ 6,316,905 | \$ 6,361,977 | \$ 6,361,977 | \$ 6,361,977 | Based on FY20 billing; assume level for baseline, FY20-FY23 adj. for pandemic |
| Water Liens on User Charges | - | 277,965 | \$ 207,383 | \$ 416,807 | \$ 351,565 | \$ 316,408 | \$ 316,408 | Five-year average from FY16-FY20; assume level; FY21-23 adj. for pandemic |
| Interest on User Charges | - | 23,107 | 26,784 | 26,784 | 26,784 | 26,784 | 26,784 | Five-year average from FY16-FY20; assume level |
| Penalty on User Charges | - | 7,436 | 13,465 | 13,465 | 13,465 | 13,465 | 13,465 | Five-year average from FY16-FY20; assume level |
| Non-User Charges Fees | - | 84,043 | 31,183 | 31,183 | 31,183 | 31,183 | 31,183 | Five-year average from FY15-FY19, in case \$50k connection here; assume level |
| Miscellaneous Charges | - | 14,412 | 13,145 | 13,145 | 13,145 | 13,145 | 13,145 | Five-year average from FY16-FY20; assume level |
| Water Liens on Fees | - | 90 | 3,420 | 3,420 | 3,420 | 3,420 | 3,420 | Five-year average from FY16-FY20; assume level |
| Water Liens on Interest | - | 31,431 | 32,191 | 32,191 | 32,191 | 32,191 | 32,191 | Five-year average from FY16-FY20; assume level |
| Total Revenues | \$ 6,725,229 | \$ 6,288,157 | \$ 6,526,994 | \$ 6,853,899 | \$ 6,833,729 | \$ 6,798,573 | \$ 6,798,573 | |
| Available Funds | | | | | | | | |
| Prior Year Carryover | \$ 47,441 | | \$ 67,275 | | | | | Funding source, reserved at end of prior year, for encumbrances |
| Retained Earnings Appropriated | | | | | | | | Retained Earnings used to balance the budget |
| Total Revenues / Available Funds | \$ 6,772,670 | \$ 6,288,157 | \$ 6,594,269 | \$ 6,853,899 | \$ 6,833,729 | \$ 6,798,573 | \$ 6,798,573 | |
| Expenditures | | | | | | | | |
| Salaries | \$ 338,518 | \$ 337,275 | \$ 360,947 | \$ 369,971 | \$ 379,220 | \$ 388,700 | \$ 398,418 | FY21 number is from Budget; 2.5% increase yearly |
| MWRA Assessment | 4,221,837 | 4,220,394 | 4,465,635 | 4,975,454 | 4,848,626 | 5,052,268 | 5,264,463 | FY21 number budgeted; FY22 projected; FY23 on typical 4.2% increase |
| Other Expenses | 645,595 | 462,480 | 730,575 | 676,566 | 690,097 | 703,899 | 717,977 | FY21 number is from Budget, incl. FY20 encumbrances; 2% increase yearly |
| Capital Outlay | 116,496 | 26,496 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | FY21 number is from Budget; budget number carried forward |
| Existing Debt Service | 796,313 | 796,312 | 1,202,949 | 1,160,200 | 1,059,475 | 951,975 | 867,760 | FY20 and FY21 numbers are from budgets; Rest from "Existing Debt Service" tab |
| New Debt Service | - | - | - | - | 211,000 | 330,775 | 367,300 | See "New Debt Service" tab; Debt projections based on capital plan |
| Short Term Debt | 30,000 | 1,347 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | FY21 number is from Budget; budget number carried forward |
| Indirect Costs | 580,799 | 580,799 | 654,440 | 670,801 | 687,571 | 704,760 | 722,379 | FY21 from Budget; increase 2.5% yearly |
| Funding of OPEB | 43,112 | 43,112 | 40,770 | 41,789 | 42,834 | 43,905 | 45,002 | FY21 number is from Budget; 2.5% increase yearly |
| Total Expenditures | \$ 6,772,670 | \$ 6,468,216 | \$ 7,560,316 | \$ 7,999,781 | \$ 8,023,823 | \$ 8,281,282 | \$ 8,488,300 | |
| Excess (Deficit) of Revenues and Available Funds > Expenditures | \$ - | \$ (180,059) | \$ (966,047) | \$ (1,145,882) | \$ (1,190,093) | \$ (1,482,710) | \$ (1,689,727) | |
| Retained Earnings Projections | | | | | | | | |
| Certified Retained Earnings July 1, 2020 | | \$ 1,755,213 | | | | | | |
| Retained Earnings at Start of the FY Listed | | | \$ 1,755,213 | \$ 789,166 | \$ (356,715) | \$ (1,546,809) | \$ (3,029,519) | |
| Surplus/(Deficit) Current FY | | | \$ (966,047) | \$ (1,145,882) | \$ (1,190,093) | \$ (1,482,710) | \$ (1,689,727) | |
| Projected Retained Earnings at End of FY | | | \$ 789,166 | \$ (356,715) | \$ (1,546,809) | \$ (3,029,519) | \$ (4,719,246) | |
| Retained Earnings as % of Oper. Budget | | 27.1% | 10.4% | -4.5% | -19.3% | -36.6% | -55.6% | |

WATER ENTERPRISE FUND
OPTION 1 - 5% INCREASE FISCAL YEAR 2021

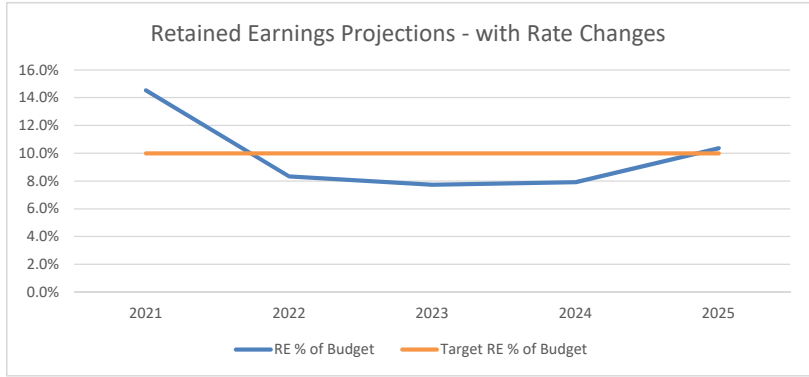
| | |
|--|-------|
| Target Retained Earnings as % of Budget: | 10.0% |
|--|-------|

| Baseline | 2021 PROJECTED | 2022 PROJECTED | 2023 PROJECTED | 2024 PROJECTED | 2025 PROJECTED |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Surplus/Deficit | \$ (966,047) | \$ (1,145,882) | \$ (1,190,093) | \$ (1,482,710) | \$ (1,689,727) |
| Projected Retained Earnings | \$ 789,166 | \$ (356,715) | \$ (1,546,809) | \$ (3,029,519) | \$ (4,719,246) |
| RE as % of Budget | 10.4% | -4.5% | -19.3% | -36.6% | -55.6% |
| Target RE as % of Budget | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% |



| | | | | | |
|-----------------|-------|-------|-------|-------|-------|
| Rate Increases: | 5.00% | 6.00% | 6.00% | 5.00% | 5.00% |
|-----------------|-------|-------|-------|-------|-------|

| Rate Impact | 2021 PROJECTED | 2022 PROJECTED | 2023 PROJECTED | 2024 PROJECTED | 2025 PROJECTED |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Surplus/Deficit | \$ (656,076) | \$ (432,071) | \$ (46,337) | \$ 36,333 | \$ 223,367 |
| Projected Retained Earnings | \$ 1,099,137 | \$ 667,066 | \$ 620,729 | \$ 657,062 | \$ 880,429 |
| RE % of Budget | 14.5% | 8.3% | 7.7% | 7.9% | 10.4% |
| Target RE % of Budget | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% |



| User Impact (per Bill) - Water Bills Only | | | New Bills | | | | |
|---|---------|--------------|--------------|--------------|--------------|--------------|--------------|
| User Type | Usage | Current Bill | FY21 | FY22 | FY23 | FY24 | FY25 |
| Tier 1 User | 2,000 | \$ 92.70 | \$ 97.34 | \$ 103.18 | \$ 109.37 | \$ 114.83 | \$ 120.58 |
| Tier 2 User | 3,000 | \$ 142.10 | \$ 149.21 | \$ 158.16 | \$ 167.65 | \$ 176.03 | \$ 184.83 |
| Average Residential User | 4,234 | \$ 223.67 | \$ 234.85 | \$ 248.94 | \$ 263.88 | \$ 277.07 | \$ 290.93 |
| Avg. Res. User (for pres.) | 4,362 | \$ 232.13 | \$ 243.73 | \$ 258.36 | \$ 273.86 | \$ 287.55 | \$ 301.93 |
| Tier 3 User | 6,000 | \$ 340.40 | \$ 357.42 | \$ 378.87 | \$ 401.60 | \$ 421.68 | \$ 442.76 |
| Tier 4 User | 10,000 | \$ 670.80 | \$ 704.34 | \$ 746.60 | \$ 791.40 | \$ 830.97 | \$ 872.51 |
| Tier 5 User | 20,000 | \$ 1,591.80 | \$ 1,671.39 | \$ 1,771.67 | \$ 1,877.97 | \$ 1,971.87 | \$ 2,070.47 |
| Avg. Com. User (for pres.) | 24,527 | \$ 2,059.44 | \$ 2,162.41 | \$ 2,292.16 | \$ 2,429.69 | \$ 2,551.17 | \$ 2,678.73 |
| Tier 6 User | 50,000 | \$ 4,690.80 | \$ 4,925.34 | \$ 5,220.86 | \$ 5,534.11 | \$ 5,810.82 | \$ 6,101.36 |
| Tier 7 User | 100,000 | \$ 10,250.80 | \$ 10,763.34 | \$ 11,409.14 | \$ 12,093.69 | \$ 12,698.37 | \$ 13,333.29 |
| Tier 8 User | 200,000 | \$ 21,690.80 | \$ 22,775.34 | \$ 24,141.86 | \$ 25,590.37 | \$ 26,869.89 | \$ 28,213.39 |

Usage in cubic feet

The average residential user was determined using this formula:
2.67 people per household x 65 gallons per day per person = 173.55 gallons per household per day
One half of the year: 365 days / 2 = 182.5
173.55 x 182.5 = 31,672.875 gallons per household per half year
31,672.875 gallons = 4,234.0475 cubic feet per half year

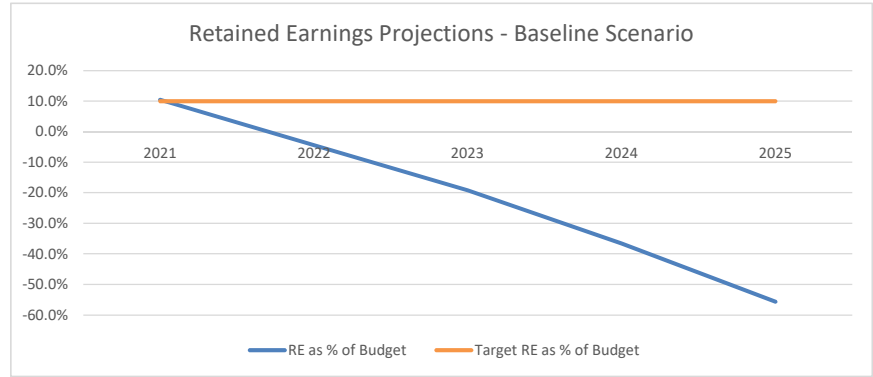
Note that median residential usage in 2015 billing data was 3,424.
2015 was a dry year and outdoor water usage may have been high.

| | | | | | | | | |
|---|-----------------------------|---------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---|
| WATER ENTERPRISE FUND | | | | | | | | |
| OPTION 1 - 5% INCREASE FISCAL YEAR 2021 | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Description | Budgeted FY 2020 | Actual FY 2020 | Projected FY 2021 | Projected FY 2022 | Projected FY 2023 | Projected FY 2024 | Projected FY 2025 | Comments |
| Revenues | | | 5.00% | 6.00% | 6.00% | 5.00% | 5.00% | |
| Water User Charges | \$ 6,725,229 | \$ 5,849,674 | \$ 6,509,395 | \$ 7,030,715 | \$ 7,505,734 | \$ 7,881,020 | \$ 8,275,071 | Based on FY20 billing; FY20-23 adj. for pandemic, + rate increases here |
| Water Liens on User Charges | - | 277,965 | 207,383 | 416,807 | 351,565 | 316,408 | 316,408 | Five-year average from FY16-FY20; assume level; FY21-23 adj. for pandemic |
| Interest on User Charges | - | 23,107 | 26,784 | 26,784 | 26,784 | 26,784 | 26,784 | Five-year average from FY16-FY20; assume level |
| Penalty on User Charges | - | 7,436 | 13,465 | 13,465 | 13,465 | 13,465 | 13,465 | Five-year average from FY16-FY20; assume level |
| Non-User Charges Fees | - | 84,043 | 31,183 | 31,183 | 31,183 | 31,183 | 31,183 | Five-year average from FY15-FY19, in case \$50k connection here; assume level |
| Miscellaneous Charges | - | 14,412 | 13,145 | 13,145 | 13,145 | 13,145 | 13,145 | Five-year average from FY16-FY20; assume level |
| Water Liens on Fees | - | 90 | 3,420 | 3,420 | 3,420 | 3,420 | 3,420 | Five-year average from FY16-FY20; assume level |
| Water Liens on Interest | - | 31,431 | 32,191 | 32,191 | 32,191 | 32,191 | 32,191 | Five-year average from FY16-FY20; assume level |
| Total Revenues | \$ 6,725,229 | \$ 6,288,157 | \$ 6,836,965 | \$ 7,567,709 | \$ 7,977,486 | \$ 8,317,616 | \$ 8,711,667 | |
| Available Funds | | | | | | | | |
| Prior Year Carryover | \$ 47,441 | \$ - | \$ 67,275 | \$ - | \$ - | \$ - | \$ - | Funding source, reserved at end of prior year, for encumbrances |
| Retained Earnings Appropriated | - | - | - | - | - | - | - | Retained Earnings used to balance the budget |
| Total Revenues / Available Funds | \$ 6,772,670 | \$ 6,288,157 | \$ 6,904,240 | \$ 7,567,709 | \$ 7,977,486 | \$ 8,317,616 | \$ 8,711,667 | |
| Expenditures | | | | | | | | |
| Salaries | \$ 338,518 | \$ 337,275 | \$ 360,947 | \$ 369,971 | \$ 379,220 | \$ 388,700 | \$ 398,418 | FY21 number is from Budget; 2.5% increase yearly |
| MWRA Assessment | 4,221,837 | 4,220,394 | 4,465,635 | 4,975,454 | 4,848,626 | 5,052,268 | 5,264,463 | FY21 number budgeted; FY22 projected; FY23 on typical 4.2% increase |
| Other Expenses | 645,595 | 462,480 | 730,575 | 676,566 | 690,097 | 703,899 | 717,977 | FY21 number is from Budget, incl. FY20 encumbrances; 2% increase yearly |
| Capital Outlay | 116,496 | 26,496 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | FY21 number is from Budget; budget number carried forward |
| Existing Debt Service | 796,313 | 796,312 | 1,202,949 | 1,160,200 | 1,059,475 | 951,975 | 867,760 | FY20 and FY21 numbers are from budgets; Rest from "Existing Debt Service" tab |
| New Debt Service | - | - | - | - | 211,000 | 330,775 | 367,300 | See "New Debt Service" tab; Debt projections based on capital plan |
| Short Term Debt | 30,000 | 1,347 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | FY21 number is from Budget; budget number carried forward |
| Indirect Costs | 580,799 | 580,799 | 654,440 | 670,801 | 687,571 | 704,760 | 722,379 | FY21 from Budget; increase 2.5% yearly |
| Funding of OPEB | 43,112 | 43,112 | 40,770 | 41,789 | 42,834 | 43,905 | 45,002 | FY21 number is from Budget; 2.5% increase yearly |
| Total Expenditures | \$ 6,772,670 | \$ 6,468,216 | \$ 7,560,316 | \$ 7,999,781 | \$ 8,023,823 | \$ 8,281,282 | \$ 8,488,300 | |
| Excess (Deficit) of Revenues and Available Funds > Expenditures | \$ - | \$ (180,059) | \$ (656,076) | \$ (432,071) | \$ (46,337) | \$ 36,333 | \$ 223,367 | |
| Retained Earnings Projections | | | | | | | | |
| Certified Retained Earnings July 1, 2020 | | \$ 1,755,213 | | | | | | |
| Retained Earnings at Start of the FY Listed | | | \$ 1,755,213 | \$ 1,099,137 | \$ 667,066 | \$ 620,729 | \$ 657,062 | |
| Surplus/(Deficit) Current FY | | | \$ (656,076) | \$ (432,071) | \$ (46,337) | \$ 36,333 | \$ 223,367 | |
| Projected Retained Earnings at End of FY | | | \$ 1,099,137 | \$ 667,066 | \$ 620,729 | \$ 657,062 | \$ 880,429 | |
| Retained Earnings as % of Oper. Budget | | 27.1% | 14.5% | 8.3% | 7.7% | 7.9% | 10.4% | |

WATER ENTERPRISE FUND
OPTION 2 - 4% INCREASE FISCAL YEAR 2021

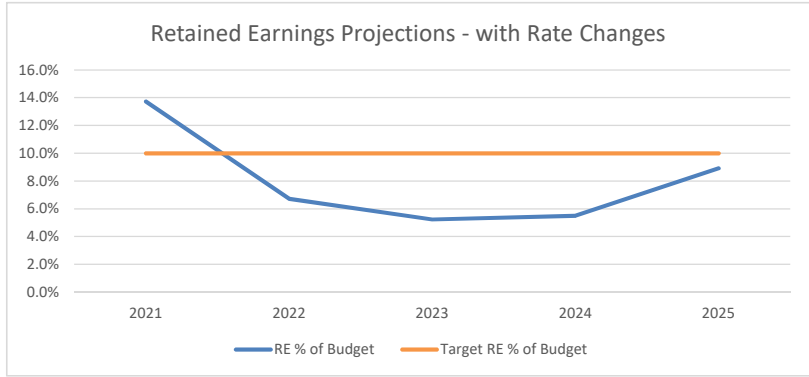
| | |
|--|-------|
| Target Retained Earnings as % of Budget: | 10.0% |
|--|-------|

| Baseline | 2021 PROJECTED | 2022 PROJECTED | 2023 PROJECTED | 2024 PROJECTED | 2025 PROJECTED |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Surplus/Deficit | \$ (966,047) | \$ (1,145,882) | \$ (1,190,093) | \$ (1,482,710) | \$ (1,689,727) |
| Projected Retained Earnings | \$ 789,166 | \$ (356,715) | \$ (1,546,809) | \$ (3,029,519) | \$ (4,719,246) |
| RE as % of Budget | 10.4% | -4.5% | -19.3% | -36.6% | -55.6% |
| Target RE as % of Budget | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% |



| | | | | | |
|-----------------|-------|-------|-------|-------|-------|
| Rate Increases: | 4.00% | 6.00% | 6.00% | 6.00% | 6.00% |
|-----------------|-------|-------|-------|-------|-------|

| Rate Impact | 2021 PROJECTED | 2022 PROJECTED | 2023 PROJECTED | 2024 PROJECTED | 2025 PROJECTED |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Surplus/Deficit | \$ (718,070) | \$ (499,030) | \$ (117,820) | \$ 35,618 | \$ 301,419 |
| Projected Retained Earnings | \$ 1,037,143 | \$ 538,113 | \$ 420,292 | \$ 455,911 | \$ 757,330 |
| RE % of Budget | 13.7% | 6.7% | 5.2% | 5.5% | 8.9% |
| Target RE % of Budget | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% |



| User Impact (per Bill) - Water Bills Only | | | New Bills | | | | |
|---|---------|--------------|--------------|--------------|--------------|--------------|--------------|
| User Type | Usage | Current Bill | FY21 | FY22 | FY23 | FY24 | FY25 |
| Tier 1 User | 2,000 | \$ 92.70 | \$ 96.41 | \$ 102.19 | \$ 108.32 | \$ 114.82 | \$ 121.71 |
| Tier 2 User | 3,000 | \$ 142.10 | \$ 147.78 | \$ 156.65 | \$ 166.05 | \$ 176.01 | \$ 186.57 |
| Average Residential User | 4,234 | \$ 223.67 | \$ 232.61 | \$ 246.57 | \$ 261.37 | \$ 277.05 | \$ 293.67 |
| Avg. Res. User (for pres.) | 4,362 | \$ 232.13 | \$ 241.41 | \$ 255.90 | \$ 271.25 | \$ 287.53 | \$ 304.78 |
| Tier 3 User | 6,000 | \$ 340.40 | \$ 354.02 | \$ 375.26 | \$ 397.77 | \$ 421.64 | \$ 446.94 |
| Tier 4 User | 10,000 | \$ 670.80 | \$ 697.63 | \$ 739.49 | \$ 783.86 | \$ 830.89 | \$ 880.74 |
| Tier 5 User | 20,000 | \$ 1,591.80 | \$ 1,655.47 | \$ 1,754.80 | \$ 1,860.09 | \$ 1,971.69 | \$ 2,090.00 |
| Avg. Com. User (for pres.) | 24,527 | \$ 2,059.44 | \$ 2,141.82 | \$ 2,270.33 | \$ 2,406.55 | \$ 2,550.94 | \$ 2,703.99 |
| Tier 6 User | 50,000 | \$ 4,690.80 | \$ 4,878.43 | \$ 5,171.14 | \$ 5,481.41 | \$ 5,810.29 | \$ 6,158.91 |
| Tier 7 User | 100,000 | \$ 10,250.80 | \$ 10,660.83 | \$ 11,300.48 | \$ 11,978.51 | \$ 12,697.22 | \$ 13,459.05 |
| Tier 8 User | 200,000 | \$ 21,690.80 | \$ 22,558.43 | \$ 23,911.94 | \$ 25,346.65 | \$ 26,867.45 | \$ 28,479.50 |

Usage in cubic feet

The average residential user was determined using this formula:
2.67 people per household x 65 gallons per day per person = 173.55 gallons per household per day
One half of the year: 365 days / 2 = 182.5
173.55 x 182.5 = 31,672.875 gallons per household per half year
31,672.875 gallons = 4,234.0475 cubic feet per half year

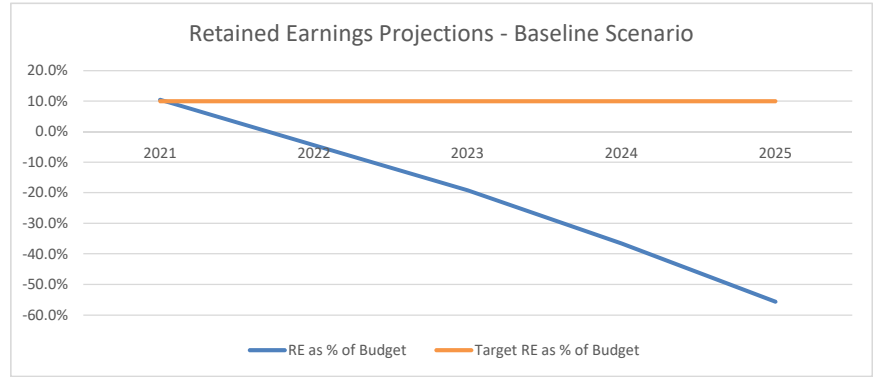
Note that median residential usage in 2015 billing data was 3,424.
2015 was a dry year and outdoor water usage may have been high.

| | | | | | | | | |
|---|-----------------------------|---------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---|
| WATER ENTERPRISE FUND | | | | | | | | |
| OPTION 2 - 4% INCREASE FISCAL YEAR 2021 | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Description | Budgeted FY 2020 | Actual FY 2020 | Projected FY 2021 | Projected FY 2022 | Projected FY 2023 | Projected FY 2024 | Projected FY 2025 | Comments |
| Revenues | | | 4.00% | 6.00% | 6.00% | 6.00% | 6.00% | |
| Water User Charges | \$ 6,725,229 | \$ 5,849,674 | \$ 6,447,401 | \$ 6,963,756 | \$ 7,434,250 | \$ 7,880,305 | \$ 8,353,124 | Based on FY20 billing; FY20-23 adj. for pandemic, + rate increases here |
| Water Liens on User Charges | - | 277,965 | 207,383 | 416,807 | 351,565 | 316,408 | 316,408 | Five-year average from FY16-FY20; assume level; FY21-23 adj. for pandemic |
| Interest on User Charges | - | 23,107 | 26,784 | 26,784 | 26,784 | 26,784 | 26,784 | Five-year average from FY16-FY20; assume level |
| Penalty on User Charges | - | 7,436 | 13,465 | 13,465 | 13,465 | 13,465 | 13,465 | Five-year average from FY16-FY20; assume level |
| Non-User Charges Fees | - | 84,043 | 31,183 | 31,183 | 31,183 | 31,183 | 31,183 | Five-year average from FY15-FY19, in case \$50k connection here; assume level |
| Miscellaneous Charges | - | 14,412 | 13,145 | 13,145 | 13,145 | 13,145 | 13,145 | Five-year average from FY16-FY20; assume level |
| Water Liens on Fees | - | 90 | 3,420 | 3,420 | 3,420 | 3,420 | 3,420 | Five-year average from FY16-FY20; assume level |
| Water Liens on Interest | - | 31,431 | 32,191 | 32,191 | 32,191 | 32,191 | 32,191 | Five-year average from FY16-FY20; assume level |
| Total Revenues | \$ 6,725,229 | \$ 6,288,157 | \$ 6,774,971 | \$ 7,500,750 | \$ 7,906,002 | \$ 8,316,901 | \$ 8,789,719 | |
| Available Funds | | | | | | | | |
| Prior Year Carryover | \$ 47,441 | \$ - | \$ 67,275 | \$ - | \$ - | \$ - | \$ - | Funding source, reserved at end of prior year, for encumbrances |
| Retained Earnings Appropriated | - | - | - | - | - | - | - | Retained Earnings used to balance the budget |
| Total Revenues / Available Funds | \$ 6,772,670 | \$ 6,288,157 | \$ 6,842,246 | \$ 7,500,750 | \$ 7,906,002 | \$ 8,316,901 | \$ 8,789,719 | |
| Expenditures | | | | | | | | |
| Salaries | \$ 338,518 | \$ 337,275 | \$ 360,947 | \$ 369,971 | \$ 379,220 | \$ 388,700 | \$ 398,418 | FY21 number is from Budget; 2.5% increase yearly |
| MWRA Assessment | 4,221,837 | 4,220,394 | 4,465,635 | 4,975,454 | 4,848,626 | 5,052,268 | 5,264,463 | FY21 number budgeted; FY22 projected; FY23 on typical 4.2% increase |
| Other Expenses | 645,595 | 462,480 | 730,575 | 676,566 | 690,097 | 703,899 | 717,977 | FY21 number is from Budget, incl. FY20 encumbrances; 2% increase yearly |
| Capital Outlay | 116,496 | 26,496 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | FY21 number is from Budget; budget number carried forward |
| Existing Debt Service | 796,313 | 796,312 | 1,202,949 | 1,160,200 | 1,059,475 | 951,975 | 867,760 | FY20 and FY21 numbers are from budgets; Rest from "Existing Debt Service" tab |
| New Debt Service | - | - | - | - | 211,000 | 330,775 | 367,300 | See "New Debt Service" tab; Debt projections based on capital plan |
| Short Term Debt | 30,000 | 1,347 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | FY21 number is from Budget; budget number carried forward |
| Indirect Costs | 580,799 | 580,799 | 654,440 | 670,801 | 687,571 | 704,760 | 722,379 | FY21 from Budget; increase 2.5% yearly |
| Funding of OPEB | 43,112 | 43,112 | 40,770 | 41,789 | 42,834 | 43,905 | 45,002 | FY21 number is from Budget; 2.5% increase yearly |
| Total Expenditures | \$ 6,772,670 | \$ 6,468,216 | \$ 7,560,316 | \$ 7,999,781 | \$ 8,023,823 | \$ 8,281,282 | \$ 8,488,300 | |
| Excess (Deficit) of Revenues and Available Funds > Expenditures | \$ - | \$ (180,059) | \$ (718,070) | \$ (499,030) | \$ (117,820) | \$ 35,618 | \$ 301,419 | |
| Retained Earnings Projections | | | | | | | | |
| Certified Retained Earnings July 1, 2020 | | \$ 1,755,213 | | | | | | |
| Retained Earnings at Start of the FY Listed | | | \$ 1,755,213 | \$ 1,037,143 | \$ 538,113 | \$ 420,292 | \$ 455,911 | |
| Surplus/(Deficit) Current FY | | | \$ (718,070) | \$ (499,030) | \$ (117,820) | \$ 35,618 | \$ 301,419 | |
| Projected Retained Earnings at End of FY | | | \$ 1,037,143 | \$ 538,113 | \$ 420,292 | \$ 455,911 | \$ 757,330 | |
| Retained Earnings as % of Oper. Budget | | 27.1% | 13.7% | 6.7% | 5.2% | 5.5% | 8.9% | |

WATER ENTERPRISE FUND
OPTION 3 - 3% INCREASE FISCAL YEAR 2021

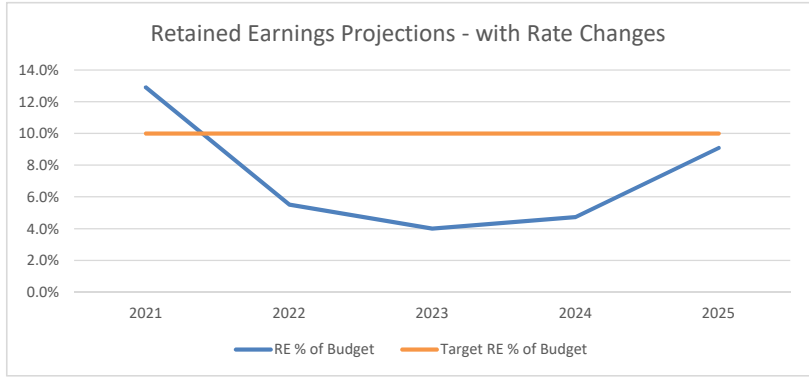
| | |
|--|-------|
| Target Retained Earnings as % of Budget: | 10.0% |
|--|-------|

| Baseline | 2021 PROJECTED | 2022 PROJECTED | 2023 PROJECTED | 2024 PROJECTED | 2025 PROJECTED |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Surplus/Deficit | \$ (966,047) | \$ (1,145,882) | \$ (1,190,093) | \$ (1,482,710) | \$ (1,689,727) |
| Projected Retained Earnings | \$ 789,166 | \$ (356,715) | \$ (1,546,809) | \$ (3,029,519) | \$ (4,719,246) |
| RE as % of Budget | 10.4% | -4.5% | -19.3% | -36.6% | -55.6% |
| Target RE as % of Budget | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% |



| | | | | | |
|-----------------|-------|-------|-------|-------|-------|
| Rate Increases: | 3.00% | 6.50% | 6.50% | 6.50% | 6.50% |
|-----------------|-------|-------|-------|-------|-------|

| Rate Impact | 2021 PROJECTED | 2022 PROJECTED | 2023 PROJECTED | 2024 PROJECTED | 2025 PROJECTED |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Surplus/Deficit | \$ (780,065) | \$ (533,458) | \$ (119,680) | \$ 70,810 | \$ 378,299 |
| Projected Retained Earnings | \$ 975,149 | \$ 441,691 | \$ 322,012 | \$ 392,821 | \$ 771,121 |
| RE % of Budget | 12.9% | 5.5% | 4.0% | 4.7% | 9.1% |
| Target RE % of Budget | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% |



| User Impact (per Bill) - Water Bills Only | | | New Bills | | | | |
|---|---------|--------------|--------------|--------------|--------------|--------------|--------------|
| User Type | Usage | Current Bill | FY21 | FY22 | FY23 | FY24 | FY25 |
| Tier 1 User | 2,000 | \$ 92.70 | \$ 95.48 | \$ 101.69 | \$ 108.30 | \$ 115.34 | \$ 122.83 |
| Tier 2 User | 3,000 | \$ 142.10 | \$ 146.36 | \$ 155.88 | \$ 166.01 | \$ 176.80 | \$ 188.29 |
| Average Residential User | 4,234 | \$ 223.67 | \$ 230.38 | \$ 245.35 | \$ 261.30 | \$ 278.28 | \$ 296.37 |
| Avg. Res. User (for pres.) | 4,362 | \$ 232.13 | \$ 239.09 | \$ 254.63 | \$ 271.18 | \$ 288.81 | \$ 307.58 |
| Tier 3 User | 6,000 | \$ 340.40 | \$ 350.61 | \$ 373.40 | \$ 397.67 | \$ 423.52 | \$ 451.05 |
| Tier 4 User | 10,000 | \$ 670.80 | \$ 690.92 | \$ 735.83 | \$ 783.66 | \$ 834.60 | \$ 888.85 |
| Tier 5 User | 20,000 | \$ 1,591.80 | \$ 1,639.55 | \$ 1,746.13 | \$ 1,859.62 | \$ 1,980.50 | \$ 2,109.23 |
| Avg. Com. User (for pres.) | 24,527 | \$ 2,059.44 | \$ 2,121.22 | \$ 2,259.10 | \$ 2,405.94 | \$ 2,562.33 | \$ 2,728.88 |
| Tier 6 User | 50,000 | \$ 4,690.80 | \$ 4,831.52 | \$ 5,145.57 | \$ 5,480.04 | \$ 5,836.24 | \$ 6,215.59 |
| Tier 7 User | 100,000 | \$ 10,250.80 | \$ 10,558.32 | \$ 11,244.62 | \$ 11,975.52 | \$ 12,753.92 | \$ 13,582.93 |
| Tier 8 User | 200,000 | \$ 21,690.80 | \$ 22,341.52 | \$ 23,793.72 | \$ 25,340.32 | \$ 26,987.44 | \$ 28,741.62 |

Usage in cubic feet

The average residential user was determined using this formula:
2.67 people per household x 65 gallons per day per person = 173.55 gallons per household per day
One half of the year: 365 days / 2 = 182.5
173.55 x 182.5 = 31,672.875 gallons per household per half year
31,672.875 gallons = 4,234.0475 cubic feet per half year

Note that median residential usage in 2015 billing data was 3,424.
2015 was a dry year and outdoor water usage may have been high.

Town of Saugus Water Rate Study

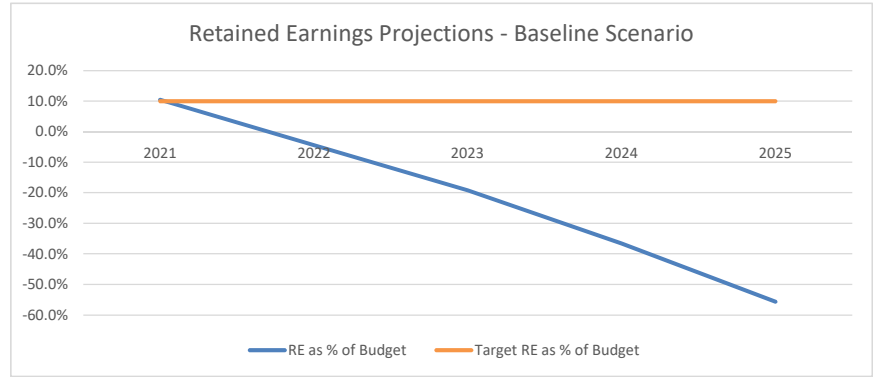
Five Year Summary - Rates Opt 3

| | | | | | | | | |
|---|-----------------------------|---------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---|
| WATER ENTERPRISE FUND | | | | | | | | |
| OPTION 3 - 3% INCREASE FISCAL YEAR 2021 | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Description | Budgeted FY 2020 | Actual FY 2020 | Projected FY 2021 | Projected FY 2022 | Projected FY 2023 | Projected FY 2024 | Projected FY 2025 | Comments |
| Revenues | | | 3.00% | 6.50% | 6.50% | 6.50% | 6.50% | |
| Water User Charges | \$ 6,725,229 | \$ 5,849,674 | \$ 6,385,407 | \$ 6,929,329 | \$ 7,432,391 | \$ 7,915,497 | \$ 8,430,004 | Based on FY20 billing; FY20-23 adj. for pandemic, + rate increases here |
| Water Liens on User Charges | - | 277,965 | 207,383 | 416,807 | 351,565 | 316,408 | 316,408 | Five-year average from FY16-FY20; assume level; FY21-23 adj. for pandemic |
| Interest on User Charges | - | 23,107 | 26,784 | 26,784 | 26,784 | 26,784 | 26,784 | Five-year average from FY16-FY20; assume level |
| Penalty on User Charges | - | 7,436 | 13,465 | 13,465 | 13,465 | 13,465 | 13,465 | Five-year average from FY16-FY20; assume level |
| Non-User Charges Fees | - | 84,043 | 31,183 | 31,183 | 31,183 | 31,183 | 31,183 | Five-year average from FY15-FY19, in case \$50k connection here; assume level |
| Miscellaneous Charges | - | 14,412 | 13,145 | 13,145 | 13,145 | 13,145 | 13,145 | Five-year average from FY16-FY20; assume level |
| Water Liens on Fees | - | 90 | 3,420 | 3,420 | 3,420 | 3,420 | 3,420 | Five-year average from FY16-FY20; assume level |
| Water Liens on Interest | - | 31,431 | 32,191 | 32,191 | 32,191 | 32,191 | 32,191 | Five-year average from FY16-FY20; assume level |
| Total Revenues | \$ 6,725,229 | \$ 6,288,157 | \$ 6,712,976 | \$ 7,466,323 | \$ 7,904,143 | \$ 8,352,092 | \$ 8,866,599 | |
| Available Funds | | | | | | | | |
| Prior Year Carryover | \$ 47,441 | \$ - | \$ 67,275 | \$ - | \$ - | \$ - | \$ - | Funding source, reserved at end of prior year, for encumbrances |
| Retained Earnings Appropriated | - | - | - | - | - | - | - | Retained Earnings used to balance the budget |
| Total Revenues / Available Funds | \$ 6,772,670 | \$ 6,288,157 | \$ 6,780,251 | \$ 7,466,323 | \$ 7,904,143 | \$ 8,352,092 | \$ 8,866,599 | |
| Expenditures | | | | | | | | |
| Salaries | \$ 338,518 | \$ 337,275 | \$ 360,947 | \$ 369,971 | \$ 379,220 | \$ 388,700 | \$ 398,418 | FY21 number is from Budget; 2.5% increase yearly |
| MWRA Assessment | 4,221,837 | 4,220,394 | 4,465,635 | 4,975,454 | 4,848,626 | 5,052,268 | 5,264,463 | FY21 number budgeted; FY22 projected; FY23 on typical 4.2% increase |
| Other Expenses | 645,595 | 462,480 | 730,575 | 676,566 | 690,097 | 703,899 | 717,977 | FY21 number is from Budget, incl. FY20 encumbrances; 2% increase yearly |
| Capital Outlay | 116,496 | 26,496 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | FY21 number is from Budget; budget number carried forward |
| Existing Debt Service | 796,313 | 796,312 | 1,202,949 | 1,160,200 | 1,059,475 | 951,975 | 867,760 | FY20 and FY21 numbers are from budgets; Rest from "Existing Debt Service" tab |
| New Debt Service | - | - | - | - | 211,000 | 330,775 | 367,300 | See "New Debt Service" tab; Debt projections based on capital plan |
| Short Term Debt | 30,000 | 1,347 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | FY21 number is from Budget; budget number carried forward |
| Indirect Costs | 580,799 | 580,799 | 654,440 | 670,801 | 687,571 | 704,760 | 722,379 | FY21 from Budget; increase 2.5% yearly |
| Funding of OPEB | 43,112 | 43,112 | 40,770 | 41,789 | 42,834 | 43,905 | 45,002 | FY21 number is from Budget; 2.5% increase yearly |
| Total Expenditures | \$ 6,772,670 | \$ 6,468,216 | \$ 7,560,316 | \$ 7,999,781 | \$ 8,023,823 | \$ 8,281,282 | \$ 8,488,300 | |
| Excess (Deficit) of Revenues and Available Funds > Expenditures | \$ - | \$ (180,059) | \$ (780,065) | \$ (533,458) | \$ (119,680) | \$ 70,810 | \$ 378,299 | |
| Retained Earnings Projections | | | | | | | | |
| Certified Retained Earnings July 1, 2020 | | \$ 1,755,213 | | | | | | |
| Retained Earnings at Start of the FY Listed | | | \$ 1,755,213 | \$ 975,149 | \$ 441,691 | \$ 322,012 | \$ 392,821 | |
| Surplus/(Deficit) Current FY | | | \$ (780,065) | \$ (533,458) | \$ (119,680) | \$ 70,810 | \$ 378,299 | |
| Projected Retained Earnings at End of FY | | | \$ 975,149 | \$ 441,691 | \$ 322,012 | \$ 392,821 | \$ 771,121 | |
| Retained Earnings as % of Oper. Budget | | 27.1% | 12.9% | 5.5% | 4.0% | 4.7% | 9.1% | |

WATER ENTERPRISE FUND
OPTION 4 - 2.5% INCREASE FISCAL YEAR 2021

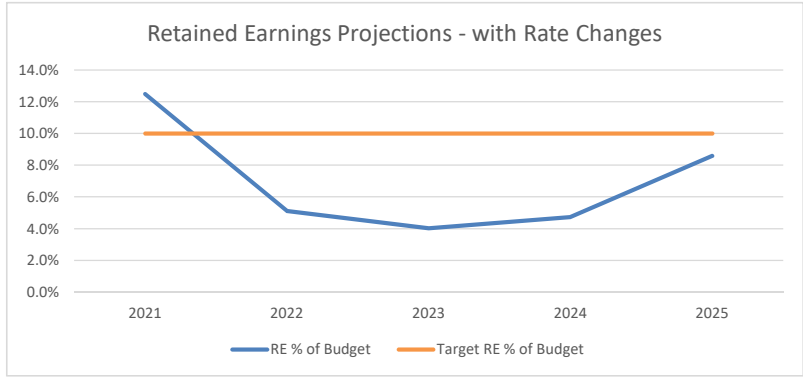
| | |
|--|-------|
| Target Retained Earnings as % of Budget: | 10.0% |
|--|-------|

| Baseline | 2021 PROJECTED | 2022 PROJECTED | 2023 PROJECTED | 2024 PROJECTED | 2025 PROJECTED |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Surplus/Deficit | \$ (966,047) | \$ (1,145,882) | \$ (1,190,093) | \$ (1,482,710) | \$ (1,689,727) |
| Projected Retained Earnings | \$ 789,166 | \$ (356,715) | \$ (1,546,809) | \$ (3,029,519) | \$ (4,719,246) |
| RE as % of Budget | 10.4% | -4.5% | -19.3% | -36.6% | -55.6% |
| Target RE as % of Budget | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% |



| | | | | | |
|-----------------|-------|-------|-------|-------|-------|
| Rate Increases: | 2.50% | 7.00% | 7.00% | 6.00% | 6.00% |
|-----------------|-------|-------|-------|-------|-------|

| Rate Impact | 2021 PROJECTED | 2022 PROJECTED | 2023 PROJECTED | 2024 PROJECTED | 2025 PROJECTED |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Surplus/Deficit | \$ (811,062) | \$ (534,721) | \$ (86,147) | \$ 69,192 | \$ 337,007 |
| Projected Retained Earnings | \$ 944,152 | \$ 409,431 | \$ 323,283 | \$ 392,475 | \$ 729,483 |
| RE % of Budget | 12.5% | 5.1% | 4.0% | 4.7% | 8.6% |
| Target RE % of Budget | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% |



| User Impact (per Bill) - Water Bills Only | | | New Bills | | | | |
|---|---------|--------------|--------------|--------------|--------------|--------------|--------------|
| User Type | Usage | Current Bill | FY21 | FY22 | FY23 | FY24 | FY25 |
| Tier 1 User | 2,000 | \$ 92.70 | \$ 95.02 | \$ 101.67 | \$ 108.79 | \$ 115.31 | \$ 122.23 |
| Tier 2 User | 3,000 | \$ 142.10 | \$ 145.65 | \$ 155.85 | \$ 166.76 | \$ 176.76 | \$ 187.37 |
| Average Residential User | 4,234 | \$ 223.67 | \$ 229.26 | \$ 245.31 | \$ 262.48 | \$ 278.23 | \$ 294.92 |
| Avg. Res. User (for pres.) | 4,362 | \$ 232.13 | \$ 237.93 | \$ 254.59 | \$ 272.41 | \$ 288.75 | \$ 306.08 |
| Tier 3 User | 6,000 | \$ 340.40 | \$ 348.91 | \$ 373.33 | \$ 399.47 | \$ 423.44 | \$ 448.84 |
| Tier 4 User | 10,000 | \$ 670.80 | \$ 687.57 | \$ 735.70 | \$ 787.20 | \$ 834.43 | \$ 884.50 |
| Tier 5 User | 20,000 | \$ 1,591.80 | \$ 1,631.60 | \$ 1,745.81 | \$ 1,868.01 | \$ 1,980.09 | \$ 2,098.90 |
| Avg. Com. User (for pres.) | 24,527 | \$ 2,059.44 | \$ 2,110.93 | \$ 2,258.69 | \$ 2,416.80 | \$ 2,561.81 | \$ 2,715.51 |
| Tier 6 User | 50,000 | \$ 4,690.80 | \$ 4,808.07 | \$ 5,144.63 | \$ 5,504.76 | \$ 5,835.04 | \$ 6,185.15 |
| Tier 7 User | 100,000 | \$ 10,250.80 | \$ 10,507.07 | \$ 11,242.56 | \$ 12,029.54 | \$ 12,751.32 | \$ 13,516.40 |
| Tier 8 User | 200,000 | \$ 21,690.80 | \$ 22,233.07 | \$ 23,789.38 | \$ 25,454.64 | \$ 26,981.92 | \$ 28,600.84 |

Usage in cubic feet

The average residential user was determined using this formula:
2.67 people per household x 65 gallons per day per person = 173.55 gallons per household per day
One half of the year: 365 days / 2 = 182.5
173.55 x 182.5 = 31,672.875 gallons per household per half year
31,672.875 gallons = 4,234.0475 cubic feet per half year

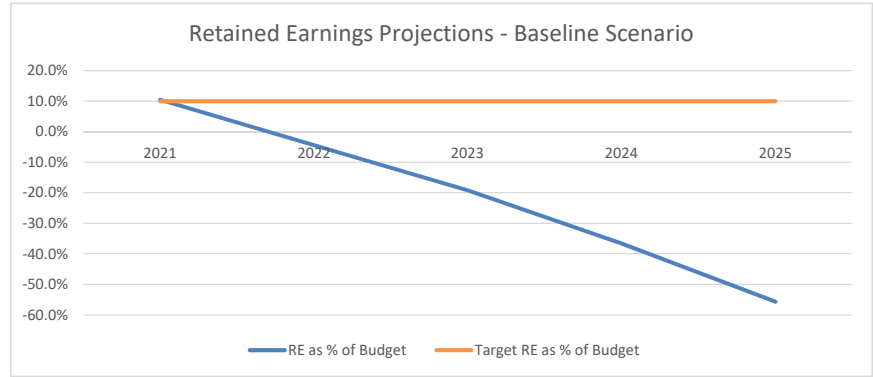
Note that median residential usage in 2015 billing data was 3,424.
2015 was a dry year and outdoor water usage may have been high.

| | | | | | | | | |
|---|-----------------------------|---------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---|
| WATER ENTERPRISE FUND | | | | | | | | |
| OPTION 4 - 2.5% INCREASE FISCAL YEAR 2021 | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Description | Budgeted FY 2020 | Actual FY 2020 | Projected FY 2021 | Projected FY 2022 | Projected FY 2023 | Projected FY 2024 | Projected FY 2025 | Comments |
| Revenues | | | 2.50% | 7.00% | 7.00% | 6.00% | 6.00% | |
| Water User Charges | \$ 6,725,229 | \$ 5,849,674 | \$ 6,354,409 | \$ 6,928,065 | \$ 7,465,924 | \$ 7,913,879 | \$ 8,388,712 | Based on FY20 billing; FY20-23 adj. for pandemic, + rate increases here |
| Water Liens on User Charges | - | 277,965 | 207,383 | 416,807 | 351,565 | 316,408 | 316,408 | Five-year average from FY16-FY20; assume level; FY21-23 adj. for pandemic |
| Interest on User Charges | - | 23,107 | 26,784 | 26,784 | 26,784 | 26,784 | 26,784 | Five-year average from FY16-FY20; assume level |
| Penalty on User Charges | - | 7,436 | 13,465 | 13,465 | 13,465 | 13,465 | 13,465 | Five-year average from FY16-FY20; assume level |
| Non-User Charges Fees | - | 84,043 | 31,183 | 31,183 | 31,183 | 31,183 | 31,183 | Five-year average from FY15-FY19, in case \$50k connection here; assume level |
| Miscellaneous Charges | - | 14,412 | 13,145 | 13,145 | 13,145 | 13,145 | 13,145 | Five-year average from FY16-FY20; assume level |
| Water Liens on Fees | - | 90 | 3,420 | 3,420 | 3,420 | 3,420 | 3,420 | Five-year average from FY16-FY20; assume level |
| Water Liens on Interest | - | 31,431 | 32,191 | 32,191 | 32,191 | 32,191 | 32,191 | Five-year average from FY16-FY20; assume level |
| Total Revenues | \$ 6,725,229 | \$ 6,288,157 | \$ 6,681,979 | \$ 7,465,060 | \$ 7,937,675 | \$ 8,350,474 | \$ 8,825,307 | |
| | | | | | | | | |
| Available Funds | | | | | | | | |
| Prior Year Carryover | \$ 47,441 | \$ - | \$ 67,275 | \$ - | \$ - | \$ - | \$ - | Funding source, reserved at end of prior year, for encumbrances |
| Retained Earnings Appropriated | - | - | - | - | - | - | - | Retained Earnings used to balance the budget |
| Total Revenues / Available Funds | \$ 6,772,670 | \$ 6,288,157 | \$ 6,749,254 | \$ 7,465,060 | \$ 7,937,675 | \$ 8,350,474 | \$ 8,825,307 | |
| | | | | | | | | |
| Expenditures | | | | | | | | |
| Salaries | \$ 338,518 | \$ 337,275 | \$ 360,947 | \$ 369,971 | \$ 379,220 | \$ 388,700 | \$ 398,418 | FY21 number is from Budget; 2.5% increase yearly |
| MWRA Assessment | 4,221,837 | 4,220,394 | 4,465,635 | 4,975,454 | 4,848,626 | 5,052,268 | 5,264,463 | FY21 number budgeted; FY22 projected; FY23 on typical 4.2% increase |
| Other Expenses | 645,595 | 462,480 | 730,575 | 676,566 | 690,097 | 703,899 | 717,977 | FY21 number is from Budget, incl. FY20 encumbrances; 2% increase yearly |
| Capital Outlay | 116,496 | 26,496 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | FY21 number is from Budget; budget number carried forward |
| Existing Debt Service | 796,313 | 796,312 | 1,202,949 | 1,160,200 | 1,059,475 | 951,975 | 867,760 | FY20 and FY21 numbers are from budgets; Rest from "Existing Debt Service" tab |
| New Debt Service | - | - | - | - | 211,000 | 330,775 | 367,300 | See "New Debt Service" tab; Debt projections based on capital plan |
| Short Term Debt | 30,000 | 1,347 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | FY21 number is from Budget; budget number carried forward |
| Indirect Costs | 580,799 | 580,799 | 654,440 | 670,801 | 687,571 | 704,760 | 722,379 | FY21 from Budget; increase 2.5% yearly |
| Funding of OPEB | 43,112 | 43,112 | 40,770 | 41,789 | 42,834 | 43,905 | 45,002 | FY21 number is from Budget; 2.5% increase yearly |
| Total Expenditures | \$ 6,772,670 | \$ 6,468,216 | \$ 7,560,316 | \$ 7,999,781 | \$ 8,023,823 | \$ 8,281,282 | \$ 8,488,300 | |
| | | | | | | | | |
| Excess (Deficit) of Revenues and Available Funds > Expenditures | \$ - | \$ (180,059) | \$ (811,062) | \$ (534,721) | \$ (86,147) | \$ 69,192 | \$ 337,007 | |
| | | | | | | | | |
| Retained Earnings Projections | | | | | | | | |
| Certified Retained Earnings July 1, 2020 | | \$ 1,755,213 | | | | | | |
| Retained Earnings at Start of the FY Listed | | | \$ 1,755,213 | \$ 944,152 | \$ 409,431 | \$ 323,283 | \$ 392,475 | |
| Surplus/(Deficit) Current FY | | | \$ (811,062) | \$ (534,721) | \$ (86,147) | \$ 69,192 | \$ 337,007 | |
| Projected Retained Earnings at End of FY | | | \$ 944,152 | \$ 409,431 | \$ 323,283 | \$ 392,475 | \$ 729,483 | |
| Retained Earnings as % of Oper. Budget | | 27.1% | 12.5% | 5.1% | 4.0% | 4.7% | 8.6% | |

WATER ENTERPRISE FUND
OPTION 5 - 2% INCREASE FISCAL YEAR 2021

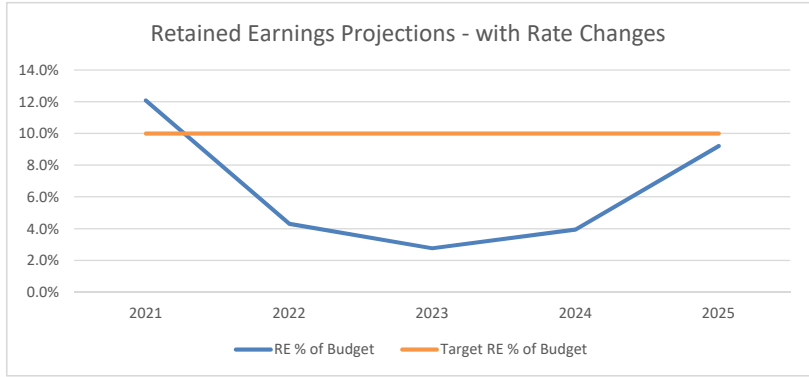
| | |
|--|-------|
| Target Retained Earnings as % of Budget: | 10.0% |
|--|-------|

| Baseline | 2021 PROJECTED | 2022 PROJECTED | 2023 PROJECTED | 2024 PROJECTED | 2025 PROJECTED |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Surplus/Deficit | \$ (966,047) | \$ (1,145,882) | \$ (1,190,093) | \$ (1,482,710) | \$ (1,689,727) |
| Projected Retained Earnings | \$ 789,166 | \$ (356,715) | \$ (1,546,809) | \$ (3,029,519) | \$ (4,719,246) |
| RE as % of Budget | 10.4% | -4.5% | -19.3% | -36.6% | -55.6% |
| Target RE as % of Budget | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% |



| | | | | | |
|-----------------|-------|-------|-------|-------|-------|
| Rate Increases: | 2.00% | 7.00% | 7.00% | 7.00% | 7.00% |
|-----------------|-------|-------|-------|-------|-------|

| Rate Impact | 2021 PROJECTED | 2022 PROJECTED | 2023 PROJECTED | 2024 PROJECTED | 2025 PROJECTED |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Surplus/Deficit | \$ (842,059) | \$ (568,516) | \$ (122,566) | \$ 104,883 | \$ 454,335 |
| Projected Retained Earnings | \$ 913,155 | \$ 344,638 | \$ 222,072 | \$ 326,954 | \$ 781,290 |
| RE % of Budget | 12.1% | 4.3% | 2.8% | 3.9% | 9.2% |
| Target RE % of Budget | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% |



| User Impact (per Bill) - Water Bills Only | | | New Bills | | | | |
|---|---------|--------------|--------------|--------------|--------------|--------------|--------------|
| User Type | Usage | Current Bill | FY21 | FY22 | FY23 | FY24 | FY25 |
| Tier 1 User | 2,000 | \$ 92.70 | \$ 94.55 | \$ 101.17 | \$ 108.25 | \$ 115.83 | \$ 123.94 |
| Tier 2 User | 3,000 | \$ 142.10 | \$ 144.94 | \$ 155.09 | \$ 165.94 | \$ 177.56 | \$ 189.99 |
| Average Residential User | 4,234 | \$ 223.67 | \$ 228.14 | \$ 244.11 | \$ 261.20 | \$ 279.48 | \$ 299.05 |
| Avg. Res. User (for pres.) | 4,362 | \$ 232.13 | \$ 236.77 | \$ 253.34 | \$ 271.08 | \$ 290.05 | \$ 310.36 |
| Tier 3 User | 6,000 | \$ 340.40 | \$ 347.21 | \$ 371.51 | \$ 397.52 | \$ 425.34 | \$ 455.12 |
| Tier 4 User | 10,000 | \$ 670.80 | \$ 684.22 | \$ 732.11 | \$ 783.36 | \$ 838.19 | \$ 896.87 |
| Tier 5 User | 20,000 | \$ 1,591.80 | \$ 1,623.64 | \$ 1,737.29 | \$ 1,858.90 | \$ 1,989.02 | \$ 2,128.26 |
| Avg. Com. User (for pres.) | 24,527 | \$ 2,059.44 | \$ 2,100.63 | \$ 2,247.67 | \$ 2,405.01 | \$ 2,573.36 | \$ 2,753.49 |
| Tier 6 User | 50,000 | \$ 4,690.80 | \$ 4,784.62 | \$ 5,119.54 | \$ 5,477.91 | \$ 5,861.36 | \$ 6,271.66 |
| Tier 7 User | 100,000 | \$ 10,250.80 | \$ 10,455.82 | \$ 11,187.72 | \$ 11,970.86 | \$ 12,808.82 | \$ 13,705.44 |
| Tier 8 User | 200,000 | \$ 21,690.80 | \$ 22,124.62 | \$ 23,673.34 | \$ 25,330.47 | \$ 27,103.61 | \$ 29,000.86 |

Usage in cubic feet

The average residential user was determined using this formula:
2.67 people per household x 65 gallons per day per person = 173.55 gallons per household per day
One half of the year: 365 days / 2 = 182.5
173.55 x 182.5 = 31,672.875 gallons per household per half year
31,672.875 gallons = 4,234.0475 cubic feet per half year

Note that median residential usage in 2015 billing data was 3,424.
2015 was a dry year and outdoor water usage may have been high.

Town of Saugus Water Rate Study

Five Year Summary - Rates Opt 5

| | | | | | | | | |
|---|-----------------------------|---------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---|
| WATER ENTERPRISE FUND | | | | | | | | |
| OPTION 5 - 2% INCREASE FISCAL YEAR 2021 | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Description | Budgeted FY 2020 | Actual FY 2020 | Projected FY 2021 | Projected FY 2022 | Projected FY 2023 | Projected FY 2024 | Projected FY 2025 | Comments |
| Revenues | | | 2.00% | 7.00% | 7.00% | 7.00% | 7.00% | |
| Water User Charges | \$ 6,725,229 | \$ 5,849,674 | \$ 6,323,412 | \$ 6,894,270 | \$ 7,429,504 | \$ 7,949,570 | \$ 8,506,040 | Based on FY20 billing; FY20-23 adj. for pandemic, + rate increases here |
| Water Liens on User Charges | - | 277,965 | 207,383 | 416,807 | 351,565 | 316,408 | 316,408 | Five-year average from FY16-FY20; assume level; FY21-23 adj. for pandemic |
| Interest on User Charges | - | 23,107 | 26,784 | 26,784 | 26,784 | 26,784 | 26,784 | Five-year average from FY16-FY20; assume level |
| Penalty on User Charges | - | 7,436 | 13,465 | 13,465 | 13,465 | 13,465 | 13,465 | Five-year average from FY16-FY20; assume level |
| Non-User Charges Fees | - | 84,043 | 31,183 | 31,183 | 31,183 | 31,183 | 31,183 | Five-year average from FY15-FY19, in case \$50k connection here; assume level |
| Miscellaneous Charges | - | 14,412 | 13,145 | 13,145 | 13,145 | 13,145 | 13,145 | Five-year average from FY16-FY20; assume level |
| Water Liens on Fees | - | 90 | 3,420 | 3,420 | 3,420 | 3,420 | 3,420 | Five-year average from FY16-FY20; assume level |
| Water Liens on Interest | - | 31,431 | 32,191 | 32,191 | 32,191 | 32,191 | 32,191 | Five-year average from FY16-FY20; assume level |
| Total Revenues | \$ 6,725,229 | \$ 6,288,157 | \$ 6,650,982 | \$ 7,431,264 | \$ 7,901,256 | \$ 8,386,165 | \$ 8,942,635 | |
| Available Funds | | | | | | | | |
| Prior Year Carryover | \$ 47,441 | \$ - | \$ 67,275 | \$ - | \$ - | \$ - | \$ - | Funding source, reserved at end of prior year, for encumbrances |
| Retained Earnings Appropriated | - | - | - | - | - | - | - | Retained Earnings used to balance the budget |
| Total Revenues / Available Funds | \$ 6,772,670 | \$ 6,288,157 | \$ 6,718,257 | \$ 7,431,264 | \$ 7,901,256 | \$ 8,386,165 | \$ 8,942,635 | |
| Expenditures | | | | | | | | |
| Salaries | \$ 338,518 | \$ 337,275 | \$ 360,947 | \$ 369,971 | \$ 379,220 | \$ 388,700 | \$ 398,418 | FY21 number is from Budget; 2.5% increase yearly |
| MWRA Assessment | 4,221,837 | 4,220,394 | 4,465,635 | 4,975,454 | 4,848,626 | 5,052,268 | 5,264,463 | FY21 number budgeted; FY22 projected; FY23 on typical 4.2% increase |
| Other Expenses | 645,595 | 462,480 | 730,575 | 676,566 | 690,097 | 703,899 | 717,977 | FY21 number is from Budget, incl. FY20 encumbrances; 2% increase yearly |
| Capital Outlay | 116,496 | 26,496 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | FY21 number is from Budget; budget number carried forward |
| Existing Debt Service | 796,313 | 796,312 | 1,202,949 | 1,160,200 | 1,059,475 | 951,975 | 867,760 | FY20 and FY21 numbers are from budgets; Rest from "Existing Debt Service" tab |
| New Debt Service | - | - | - | - | 211,000 | 330,775 | 367,300 | See "New Debt Service" tab; Debt projections based on capital plan |
| Short Term Debt | 30,000 | 1,347 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | FY21 number is from Budget; budget number carried forward |
| Indirect Costs | 580,799 | 580,799 | 654,440 | 670,801 | 687,571 | 704,760 | 722,379 | FY21 from Budget; increase 2.5% yearly |
| Funding of OPEB | 43,112 | 43,112 | 40,770 | 41,789 | 42,834 | 43,905 | 45,002 | FY21 number is from Budget; 2.5% increase yearly |
| Total Expenditures | \$ 6,772,670 | \$ 6,468,216 | \$ 7,560,316 | \$ 7,999,781 | \$ 8,023,823 | \$ 8,281,282 | \$ 8,488,300 | |
| Excess (Deficit) of Revenues and Available Funds > Expenditures | \$ - | \$ (180,059) | \$ (842,059) | \$ (568,516) | \$ (122,566) | \$ 104,883 | \$ 454,335 | |
| Retained Earnings Projections | | | | | | | | |
| Certified Retained Earnings July 1, 2020 | | \$ 1,755,213 | | | | | | |
| Retained Earnings at Start of the FY Listed | | | \$ 1,755,213 | \$ 913,155 | \$ 344,638 | \$ 222,072 | \$ 326,954 | |
| Surplus/(Deficit) Current FY | | | \$ (842,059) | \$ (568,516) | \$ (122,566) | \$ 104,883 | \$ 454,335 | |
| Projected Retained Earnings at End of FY | | | \$ 913,155 | \$ 344,638 | \$ 222,072 | \$ 326,954 | \$ 781,290 | |
| Retained Earnings as % of Oper. Budget | | 27.1% | 12.1% | 4.3% | 2.8% | 3.9% | 9.2% | |

Town of Saugus FY2021 Water Rates Update

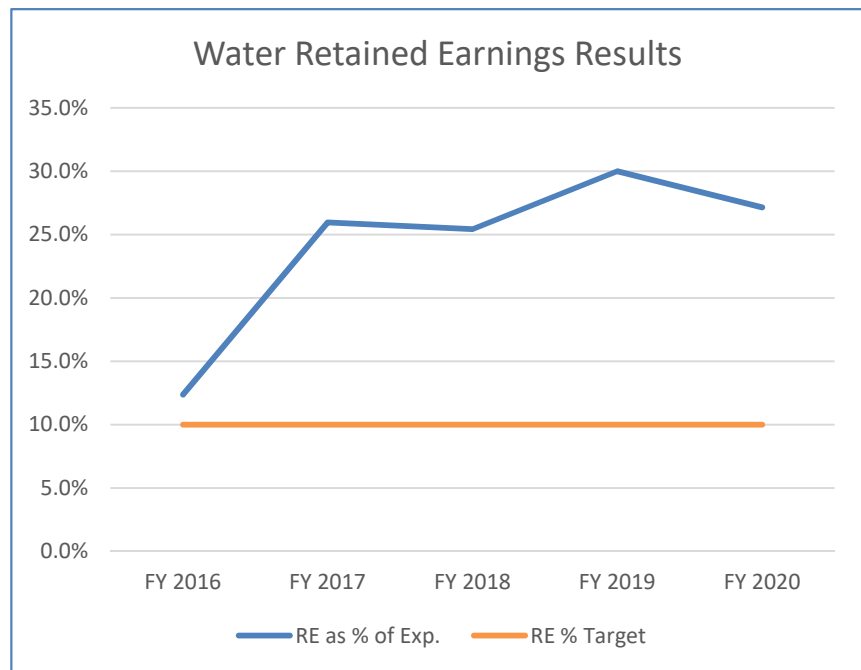
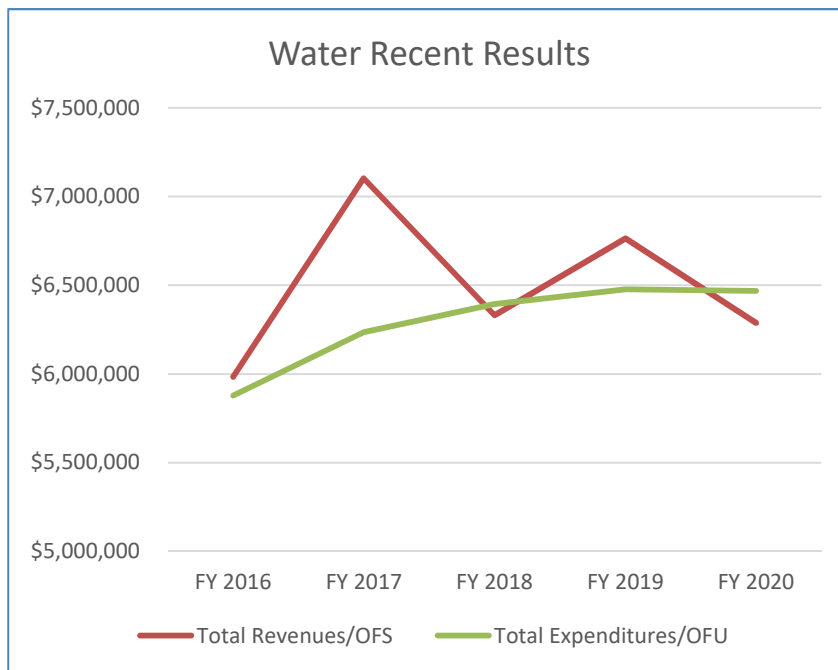
The Abrahams Group
November 2020

Five-Year Look Back

The following rate changes were implemented recently:

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

The following graphs show recent financial results:



FY20 in Review

FY20 was impacted in the following ways:

- Billings lower due to lower consumption due to wetter-than-normal weather patterns
- People's ability to pay impacted by pandemic; 87.6% of second billing paid before demands
- No Retained Earnings used to balance the budget
- \$237k in expenditure turnbacks, \$67k in encumbrances
- Financial results:

| | Budget | Actuals |
|------------------------|-------------|-------------|
| Total Revenues/OFS | \$6,772,670 | \$6,288,157 |
| Total Expenditures/OFU | \$6,772,670 | \$6,468,216 |
| Surplus/(Deficit) | \$0 | \$(180,059) |

FY20 in Review (Cont.)

| | Recommended 1.5% Proj. FY20 | Voted 1.5% Proj. FY20 | Voted 1.5% Actual 2020 |
|---|--------------------------------|--------------------------|---------------------------|
| Revenues | \$6,923,521 | \$6,923,521 | \$6,288,157 |
| Retained Earnings Appropriated | \$0 | \$0 | \$0 |
| Total Revenues and Available Funds | \$6,923,521 | \$6,923,521 | \$6,288,157 |
| Total Expenditures | \$6,725,227 | \$6,725,227 | \$6,468,216 |
| Surplus/(Deficit) | \$198,294 | \$198,294 | \$(180,059) |
| | | | |
| Retained Earnings Projections | | | |
| Retained Earnings at Start of FY20 | \$1,844,082 | \$1,844,082 | \$1,943,926 |
| Retained Earnings Appropriated | \$0 | \$0 | \$0 |
| Surplus/(Deficit) for FY20 | \$198,294 | \$198,294 | \$(180,059) |
| Retained Earnings at End of FY20 | \$2,042,376 | \$2,042,376 | \$1,755,213 |
| Retained Earnings as % of Budget | 30.4% | 30.4% | 27.1% |

Rate Study Objectives

The Town would like to develop a five-year rate plan that would:

- Target projected retained earnings balance of 10% to 15% of operating budget.
- Eliminate shortfalls, which require retained earnings to balance the operating budget.
- 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.

- \$50k for new mini-excavator in FY2022
 - Conventionally borrowed at 4.5% interest
- \$2.375m for water meter replacement program and engineering in FY2022/FY2023
 - To be financed through 10-year, 0% interest MWRA loan
- \$1.2m for water main replacements in FY2023
 - To be financed through 10-year, 0% interest MWRA loan
- \$150k for replacement of dump truck in FY2024
 - Conventionally borrowed at 4.5% interest

Rate-Setting Drivers

- Projected expenses % changes are shown here:

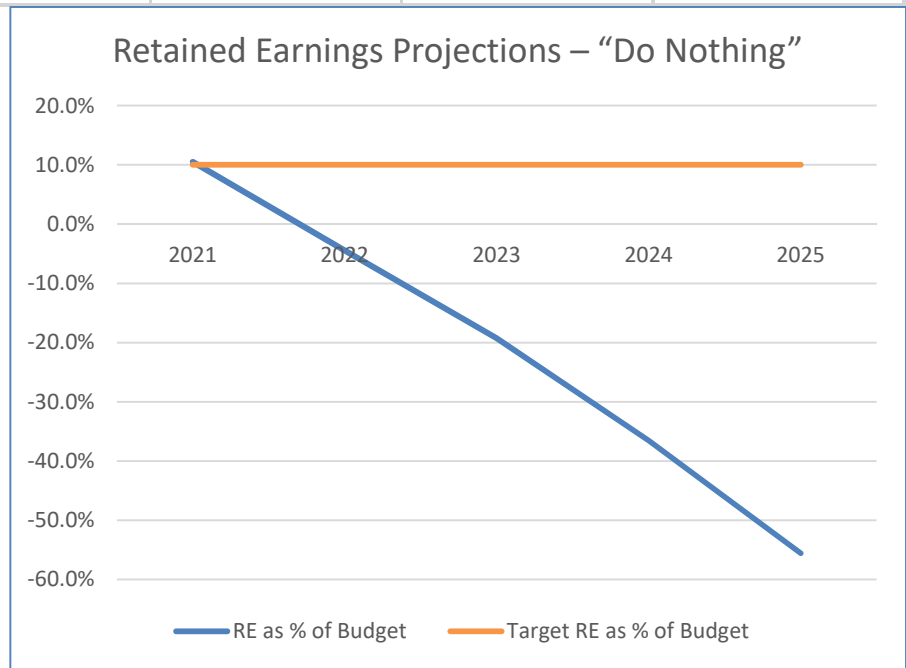
| | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|-----------------------|--------------|-------------|-------------|-------------|-------------|
| Salaries | 6.6% | 2.5% | 2.5% | 2.5% | 2.5% |
| Debt | 47.4% | -3.5% | 9.4% | 1.0% | -3.7% |
| Other Expenses | 5.5% | 9.1% | -1.5% | 3.7% | 3.7% |
| Total Expenses | 10.6% | 6.8% | 0.3% | 3.2% | 2.5% |

- Notable Impacts:
 - Salaries in FY21 impacted by new contractual obligations and one-time sick leave buyback obligation on new retiree
 - Debt increases \$392k from FY20 to FY21, \$110k from FY22 to FY23 when new debt to fund capital plan starts
 - MWRA assessment increases \$245k from FY20 to FY21 and a projected \$510k from FY21 to FY22

Where Are We Now?

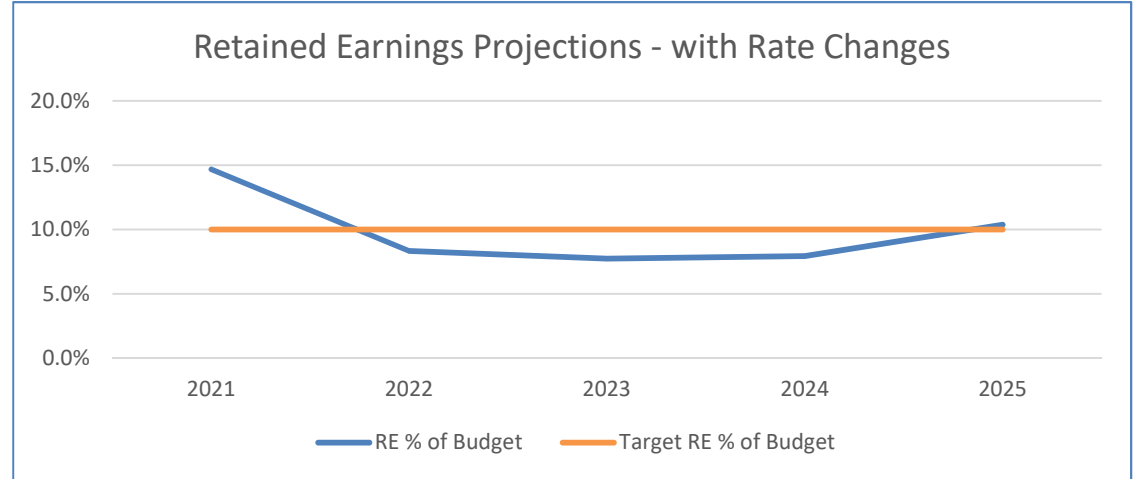
| | Projected | Projected | Projected | Projected | Projected |
|-------------------------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Description | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
| Total Revenues and OFS | \$ 6,594,269 | \$ 6,853,899 | \$ 6,833,729 | \$ 6,798,573 | \$ 6,798,573 |
| Total Expenditures and OFU | \$ 7,560,316 | \$ 7,999,781 | \$ 8,023,823 | \$ 8,281,282 | \$ 8,488,300 |
| Excess/(Deficiency) | \$ (966,047) | \$ (1,145,882) | \$ (1,190,093) | \$ (1,482,710) | \$ (1,689,727) |
| Retained Earnings Summary | | | | | |
| RE at start of FY | \$ 1,755,213 | \$ 789,166 | \$ (356,716) | \$ (1,546,809) | \$ (3,029,519) |
| Current Year Surplus (Deficit) | \$ (966,047) | \$ (1,145,882) | \$ (1,190,093) | \$ (1,482,710) | \$ (1,689,727) |
| Projected Retained Earnings Balance | \$ 789,166 | \$ (356,716) | \$ (1,546,809) | \$ (3,029,519) | \$ (4,719,246) |
| Retained Earnings % of Expenditures | 10.4% | -4.5% | -19.3% | -36.6% | -55.6% |

- Revenues shown with no rate change
- Consumption and collections impacted by pandemic through FY23, when recovery expected
- Funds to supplement FY21 budget, if no significant rate action for FY21
- Retained Earnings certified recently at \$1.755 million and can cover FY21's shortfall, but not FY22's, if no rate action
- Rate action necessary to avoid depleting retained earnings and to avoid shortfalls



Rate Option 1 – 5% Increase FY21

| Five-Year Rate Plan | |
|---------------------|------|
| FY 2021 | 5.0% |
| FY 2022 | 6.0% |
| FY 2023 | 6.0% |
| FY 2024 | 5.0% |
| FY 2025 | 5.0% |

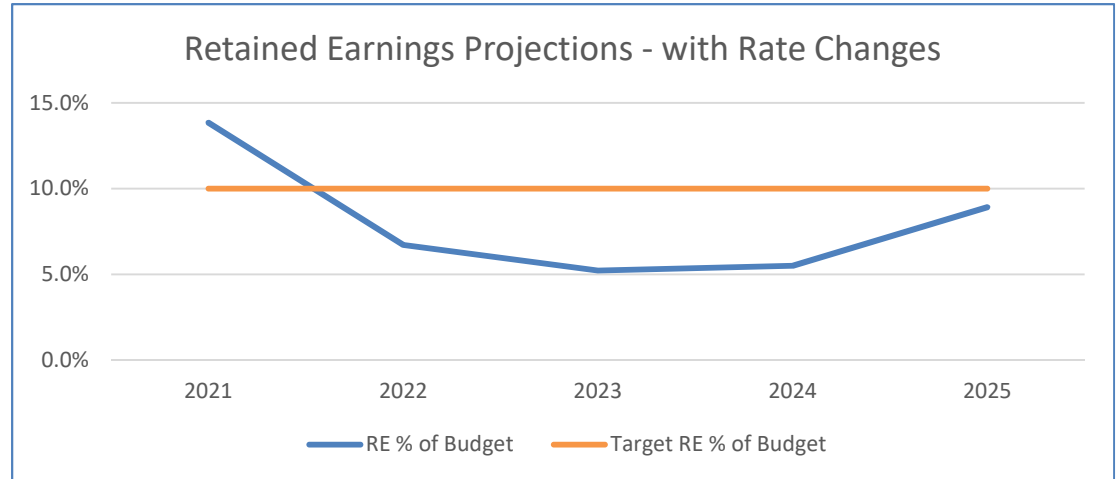


| User Impact | Usage / Bill | FY20 Bill | FY21 | | FY22 | | FY23 | |
|-----------------------|--------------|-----------|----------|---------|----------|---------|----------|---------|
| User Example | | | Bill | Diff \$ | Bill | Diff \$ | Bill | Diff \$ |
| Tier 1 User | 2,000 | \$ 93 | \$ 97 | \$ 5 | \$ 103 | \$ 6 | \$ 109 | \$ 6 |
| Tier 2 User | 3,000 | \$ 142 | \$ 149 | \$ 7 | \$ 158 | \$ 9 | \$ 168 | \$ 9 |
| Avg. Residential User | 4,362 | \$ 232 | \$ 244 | \$ 12 | \$ 258 | \$ 15 | \$ 274 | \$ 16 |
| Avg. Commercial User | 24,527 | \$2,059 | \$ 2,162 | \$ 103 | \$ 2,292 | \$ 130 | \$ 2,430 | \$ 138 |

| User Impact | Usage / Bill | FY20 Bill | FY24 | | FY25 | | FY25/FY20 | |
|-----------------------|--------------|-----------|----------|---------|----------|---------|-----------|---------|
| User Example | | | Bill | Diff \$ | Bill | Diff \$ | Bill | Diff \$ |
| Tier 1 User | 2,000 | \$ 93 | \$ 115 | \$ 5 | \$ 121 | \$ 6 | \$ 121 | \$ 28 |
| Tier 2 User | 3,000 | \$ 142 | \$ 176 | \$ 8 | \$ 185 | \$ 9 | \$ 185 | \$ 43 |
| Avg. Residential User | 4,362 | \$ 232 | \$ 288 | \$ 14 | \$ 302 | \$ 14 | \$ 302 | \$ 70 |
| Avg. Commercial User | 24,527 | \$2,059 | \$ 2,551 | \$ 121 | \$ 2,679 | \$ 128 | \$ 2,679 | \$ 619 |

Rate Option 2 – 4% Increase FY21

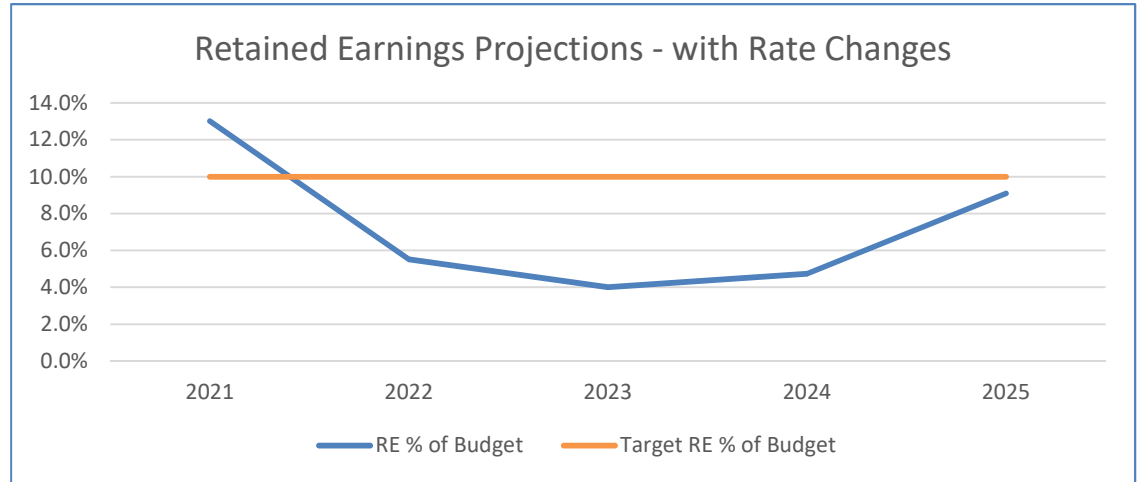
| Five-Year Rate Plan | |
|---------------------|------|
| FY 2021 | 4.0% |
| FY 2022 | 6.0% |
| FY 2023 | 6.0% |
| FY 2024 | 6.0% |
| FY 2025 | 6.0% |



| User Impact | Usage / Bill | FY20 Bill | FY21 | | FY22 | | FY23 | |
|-----------------------|--------------|-----------|----------|---------|----------|---------|-----------|---------|
| User Example | | | Bill | Diff \$ | Bill | Diff \$ | Bill | Diff \$ |
| Tier 1 User | 2,000 | \$ 93 | \$ 96 | \$ 4 | \$ 102 | \$ 6 | \$ 108 | \$ 6 |
| Tier 2 User | 3,000 | \$ 142 | \$ 148 | \$ 6 | \$ 157 | \$ 9 | \$ 166 | \$ 9 |
| Avg. Residential User | 4,362 | \$ 232 | \$ 241 | \$ 9 | \$ 256 | \$ 14 | \$ 271 | \$ 15 |
| Avg. Commercial User | 24,527 | \$2,059 | \$ 2,142 | \$ 82 | \$ 2,270 | \$ 129 | \$ 2,407 | \$ 136 |
| User Impact | Usage / Bill | FY20 Bill | FY24 | | FY25 | | FY25/FY20 | |
| User Example | | | Bill | Diff \$ | Bill | Diff \$ | Bill | Diff \$ |
| Tier 1 User | 2,000 | \$ 93 | \$ 115 | \$ 6 | \$ 122 | \$ 7 | \$ 122 | \$ 29 |
| Tier 2 User | 3,000 | \$ 142 | \$ 176 | \$ 10 | \$ 187 | \$ 11 | \$ 187 | \$ 44 |
| Avg. Residential User | 4,362 | \$ 232 | \$ 288 | \$ 16 | \$ 305 | \$ 17 | \$ 305 | \$ 73 |
| Avg. Commercial User | 24,527 | \$2,059 | \$ 2,551 | \$ 144 | \$ 2,704 | \$ 153 | \$ 2,704 | \$ 645 |

Rate Option 3 – 3% Increase FY21

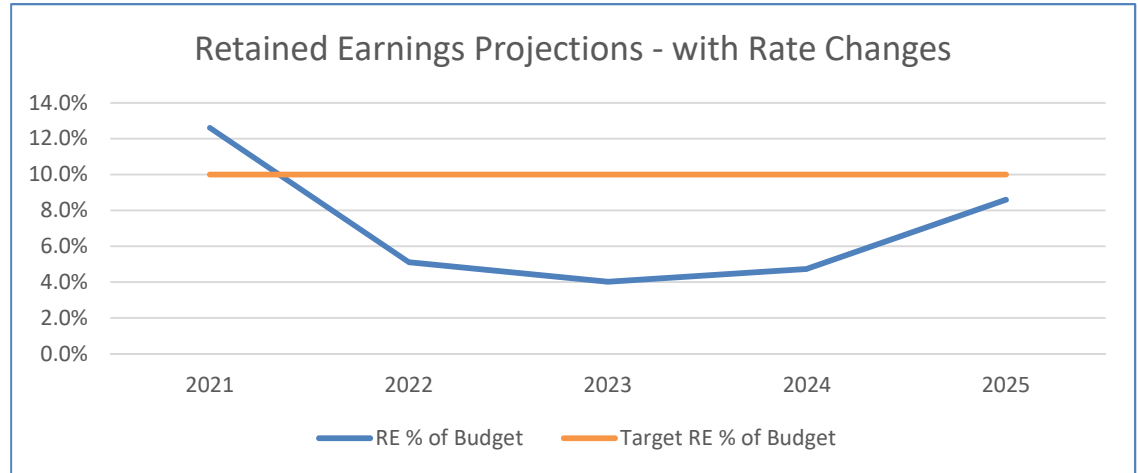
| Five-Year Rate Plan | |
|---------------------|------|
| FY 2021 | 3.0% |
| FY 2022 | 6.5% |
| FY 2023 | 6.5% |
| FY 2024 | 6.5% |
| FY 2025 | 6.5% |



| User Impact | Usage / Bill | FY20 Bill | FY21 | | FY22 | | FY23 | |
|-----------------------|--------------|-----------|----------|---------|----------|---------|-----------|---------|
| User Example | | | Bill | Diff \$ | Bill | Diff \$ | Bill | Diff \$ |
| Tier 1 User | 2,000 | \$ 93 | \$ 95 | \$ 3 | \$ 102 | \$ 6 | \$ 108 | \$ 7 |
| Tier 2 User | 3,000 | \$ 142 | \$ 146 | \$ 4 | \$ 156 | \$ 10 | \$ 166 | \$ 10 |
| Avg. Residential User | 4,362 | \$ 232 | \$ 239 | \$ 7 | \$ 255 | \$ 16 | \$ 271 | \$ 17 |
| Avg. Commercial User | 24,527 | \$2,059 | \$ 2,121 | \$ 62 | \$ 2,259 | \$ 138 | \$ 2,406 | \$ 147 |
| User Impact | Usage / Bill | FY20 Bill | FY24 | | FY25 | | FY25/FY20 | |
| User Example | | | Bill | Diff \$ | Bill | Diff \$ | Bill | Diff \$ |
| Tier 1 User | 2,000 | \$ 93 | \$ 115 | \$ 7 | \$ 123 | \$ 7 | \$ 123 | \$ 30 |
| Tier 2 User | 3,000 | \$ 142 | \$ 177 | \$ 11 | \$ 188 | \$ 11 | \$ 188 | \$ 46 |
| Avg. Residential User | 4,362 | \$ 232 | \$ 289 | \$ 18 | \$ 308 | \$ 19 | \$ 308 | \$ 75 |
| Avg. Commercial User | 24,527 | \$2,059 | \$ 2,562 | \$ 156 | \$ 2,729 | \$ 167 | \$ 2,729 | \$ 669 |

Rate Option 4 – 2.5% Increase FY21

| Five-Year Rate Plan | |
|---------------------|------|
| FY 2021 | 2.5% |
| FY 2022 | 7.0% |
| FY 2023 | 7.0% |
| FY 2024 | 6.0% |
| FY 2025 | 6.0% |

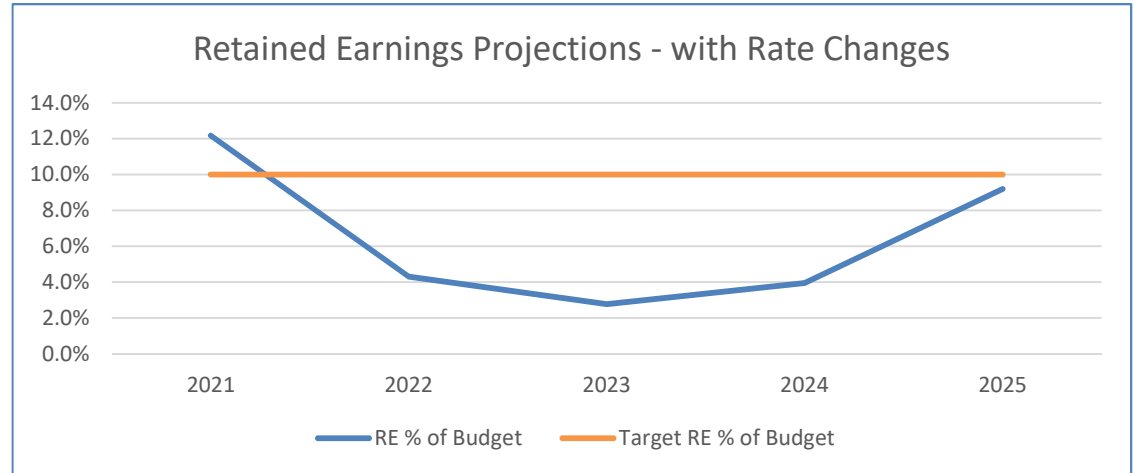


| User Impact | Usage / Bill | FY20 Bill | FY21 | | FY22 | | FY23 | |
|-----------------------|--------------|-----------|----------|---------|----------|---------|----------|---------|
| User Example | | | Bill | Diff \$ | Bill | Diff \$ | Bill | Diff \$ |
| Tier 1 User | 2,000 | \$ 93 | \$ 95 | \$ 2 | \$ 102 | \$ 7 | \$ 109 | \$ 7 |
| Tier 2 User | 3,000 | \$ 142 | \$ 146 | \$ 4 | \$ 156 | \$ 10 | \$ 167 | \$ 11 |
| Avg. Residential User | 4,362 | \$ 232 | \$ 238 | \$ 6 | \$ 255 | \$ 17 | \$ 272 | \$ 18 |
| Avg. Commercial User | 24,527 | \$2,059 | \$ 2,111 | \$ 51 | \$ 2,259 | \$ 148 | \$ 2,417 | \$ 158 |

| User Impact | Usage / Bill | FY20 Bill | FY24 | | FY25 | | FY25/FY20 | |
|-----------------------|--------------|-----------|----------|---------|----------|---------|-----------|---------|
| User Example | | | Bill | Diff \$ | Bill | Diff \$ | Bill | Diff \$ |
| Tier 1 User | 2,000 | \$ 93 | \$ 115 | \$ 7 | \$ 122 | \$ 7 | \$ 122 | \$ 30 |
| Tier 2 User | 3,000 | \$ 142 | \$ 177 | \$ 10 | \$ 187 | \$ 11 | \$ 187 | \$ 45 |
| Avg. Residential User | 4,362 | \$ 232 | \$ 289 | \$ 16 | \$ 306 | \$ 17 | \$ 306 | \$ 74 |
| Avg. Commercial User | 24,527 | \$2,059 | \$ 2,562 | \$ 145 | \$ 2,716 | \$ 154 | \$ 2,716 | \$ 656 |

Rate Option 5 – 2% Increase FY21

| Five-Year Rate Plan | |
|---------------------|------|
| FY 2021 | 2.0% |
| FY 2022 | 7.0% |
| FY 2023 | 7.0% |
| FY 2024 | 7.0% |
| FY 2025 | 7.0% |



| User Impact | Usage / Bill | FY20 Bill | FY21 | | FY22 | | FY23 | |
|-----------------------|--------------|-----------|----------|---------|----------|---------|-----------|---------|
| User Example | | | Bill | Diff \$ | Bill | Diff \$ | Bill | Diff \$ |
| Tier 1 User | 2,000 | \$ 93 | \$ 95 | \$ 2 | \$ 101 | \$ 7 | \$ 108 | \$ 7 |
| Tier 2 User | 3,000 | \$ 142 | \$ 145 | \$ 3 | \$ 155 | \$ 10 | \$ 166 | \$ 11 |
| Avg. Residential User | 4,362 | \$ 232 | \$ 237 | \$ 5 | \$ 253 | \$ 17 | \$ 271 | \$ 18 |
| Avg. Commercial User | 24,527 | \$2,059 | \$ 2,101 | \$ 41 | \$ 2,248 | \$ 147 | \$ 2,405 | \$ 157 |
| User Impact | Usage / Bill | FY20 Bill | FY24 | | FY25 | | FY25/FY20 | |
| User Example | | | Bill | Diff \$ | Bill | Diff \$ | Bill | Diff \$ |
| Tier 1 User | 2,000 | \$ 93 | \$ 116 | \$ 8 | \$ 124 | \$ 8 | \$ 124 | \$ 31 |
| Tier 2 User | 3,000 | \$ 142 | \$ 178 | \$ 12 | \$ 190 | \$ 12 | \$ 190 | \$ 48 |
| Avg. Residential User | 4,362 | \$ 232 | \$ 290 | \$ 19 | \$ 310 | \$ 20 | \$ 310 | \$ 78 |
| Avg. Commercial User | 24,527 | \$2,059 | \$ 2,573 | \$ 168 | \$ 2,753 | \$ 180 | \$ 2,753 | \$ 694 |