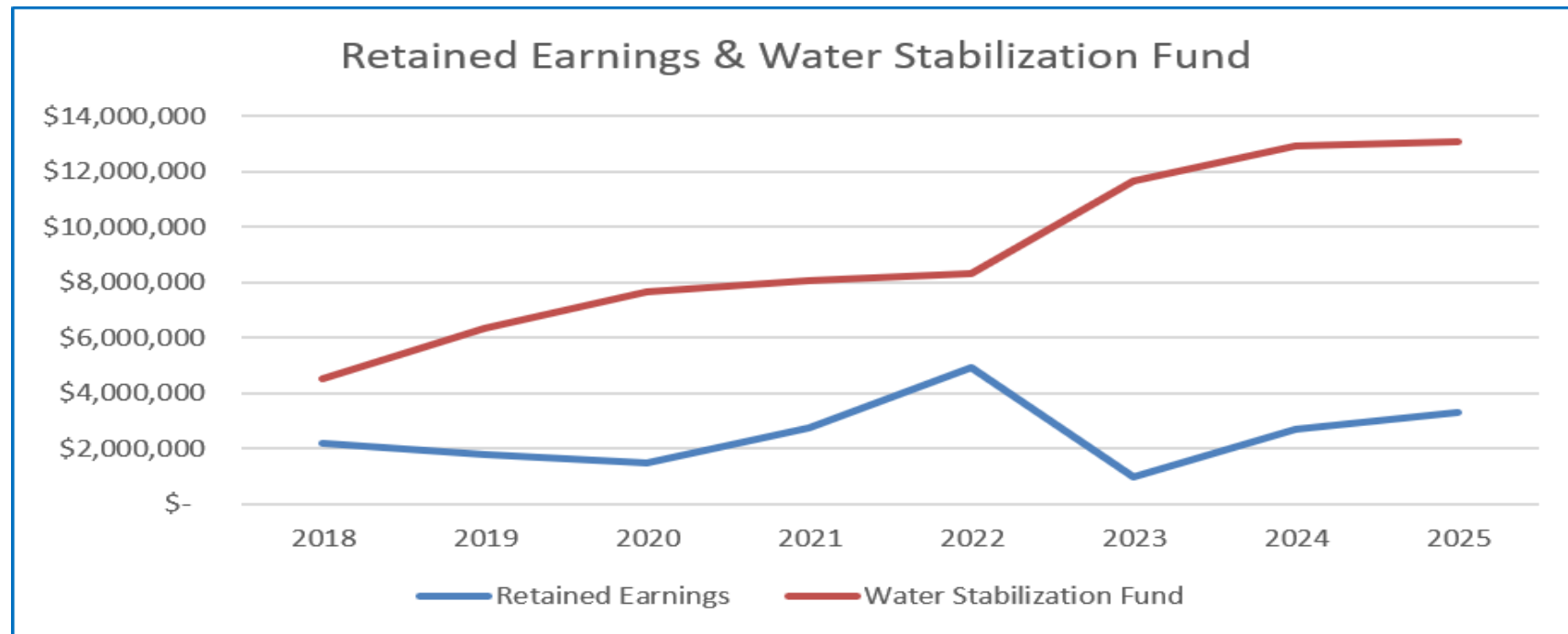


# Town of Randolph Water and Sewer Update FY 2027

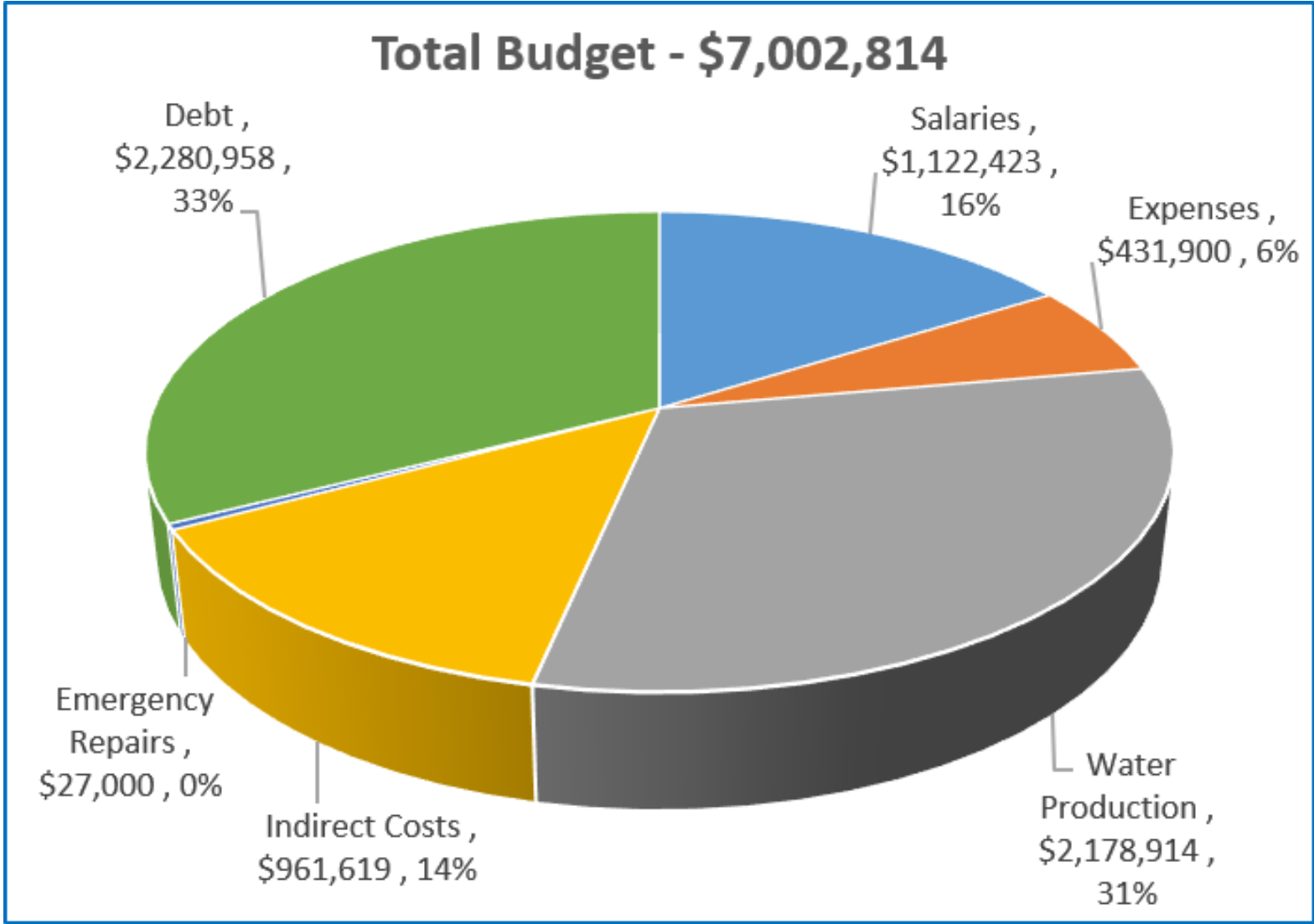
The Abrahams Group LLC  
June 2026

# Retained Earnings & Water Stabilization Fund

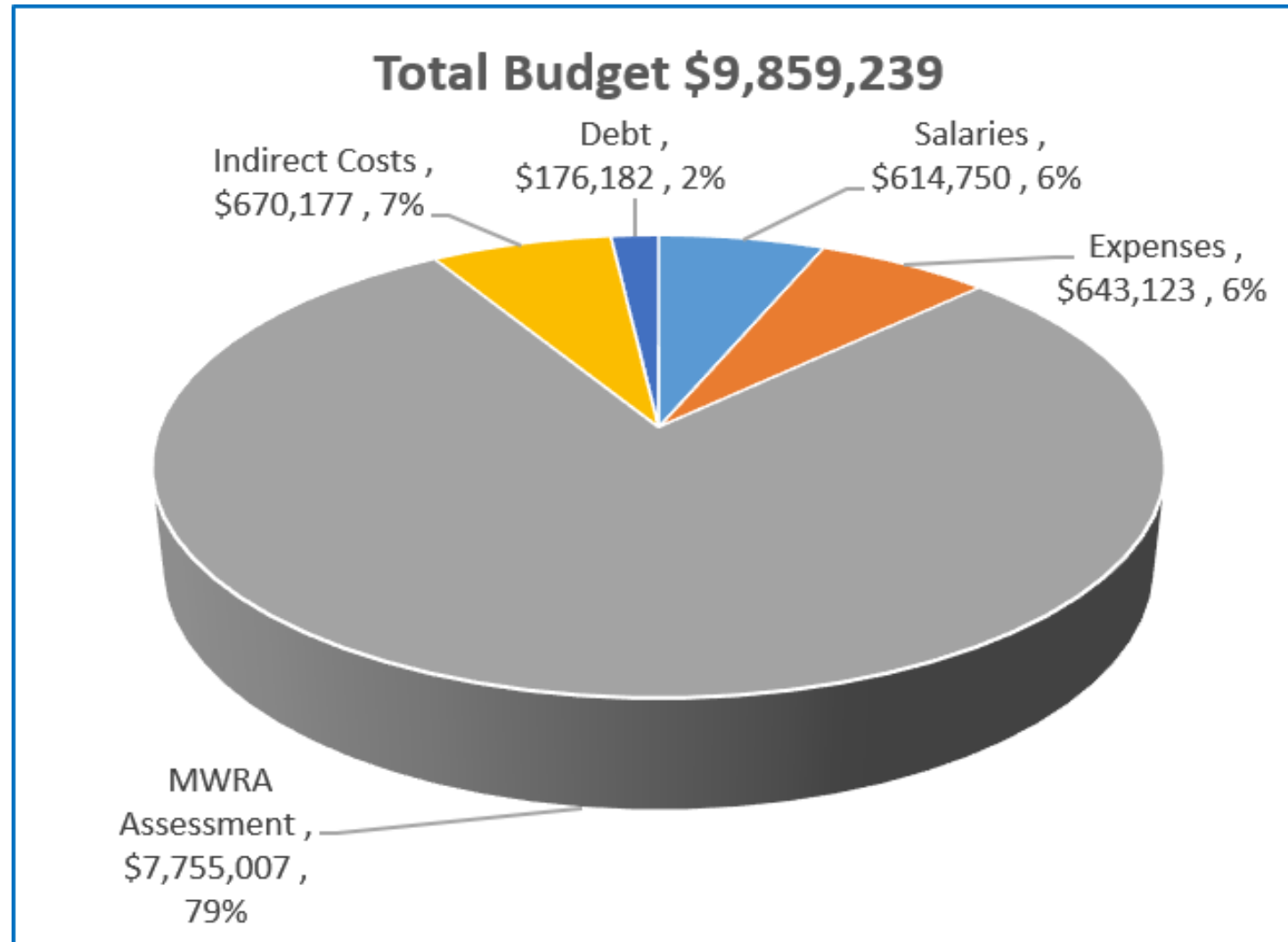
- Due to healthy retained earnings, the Town has recently built up the Water Treatment Stabilization Fund balance.
- Water Stabilization Fund balance as high as it's been (\$13.5 million currently)
- Retained earnings built up recently, but recent authorizations have reduced balance.



# FY 2027 Water Budget Breakdown



# FY 2027 Sewer Budget Breakdown



## Financial Highlights – Water

- **FY 2021 to FY 2025 all finished in surplus, other than FY 2024**
  - FY 2024 deficit of \$305k; Wet warmer months meant less outdoor water usage
  - FY 2025 surplus of \$210k, FY 2026 proj. surplus of \$311k; Dry warmer months = more outdoor water usage
- **FY 2027 water budget up \$1.3 million (or 23.4%) from FY 2026**
  - Salaries up \$108k, Expenses for Tri-Board and Joint Water up \$1.0 million, Debt up \$168k
- **Impact of latest capital plan included in projections – annual average of \$372k new debt FY 2028 to FY 2031**
  - Not included in capital plan are some capital projects on the horizon
- **Despite projected FY 2026 surplus, deficits in FY 2027 to FY 2031 are projected, totaling \$7.8 million**

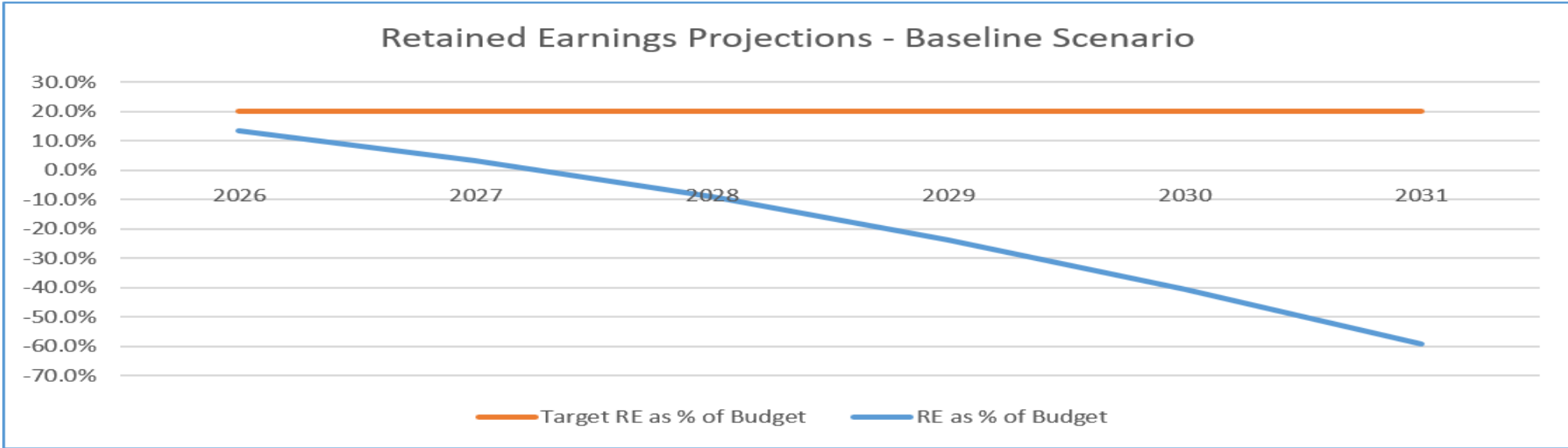
## Financial Highlights – Sewer

- **Sewer Revenues Greater Than Expenses Each Year FY 2018 to FY 2025**
  - Surplus of \$163k anticipated for FY 2026 as well
- **FY 2027 sewer budget up \$350k (or 3.7%) from FY 2026**
  - Salaries up \$12k, MWRA assessment up \$107k, Indirect Costs up \$54k, Debt up \$176k
- **MWRA Assessment average increase 2.2% last 7 years (1.4% in FY27) - 3.0% increase assumed for future years**
- **Impact of latest capital plan included in projections – annual average of \$210k new debt FY 2028 to FY 2031**
- **Despite projected FY 2026 surplus, deficits in FY 2027 to FY 2031 are projected, totaling \$5.6 million**

# Baseline Scenario – No Rate Changes

- Baseline represents the “do nothing” scenario; contains all projections, but no revenue changes
- Retained Earnings target of 20% of fund expenses
- Projected use of \$1.5 million to cover FY 2027 shortfall

Baseline	2026	2027	2028	2029	2030	2031
	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
Surplus/Deficit	\$ 473,774	\$ (1,507,121)	\$ (2,130,098)	\$ (2,754,725)	\$ (3,211,155)	\$ (3,839,276)
Projected Retained Earnings	\$ 2,063,237	\$ 556,116	\$ (1,573,981)	\$ (4,328,707)	\$ (7,539,862)	\$ (11,379,138)
RE as % of Budget	13.5%	3.3%	-9.0%	-23.9%	-40.6%	-59.3%



# Rate Option 1 – 13.0% Water & Sewer Rate Incr. FY27

## Rate Option Summary

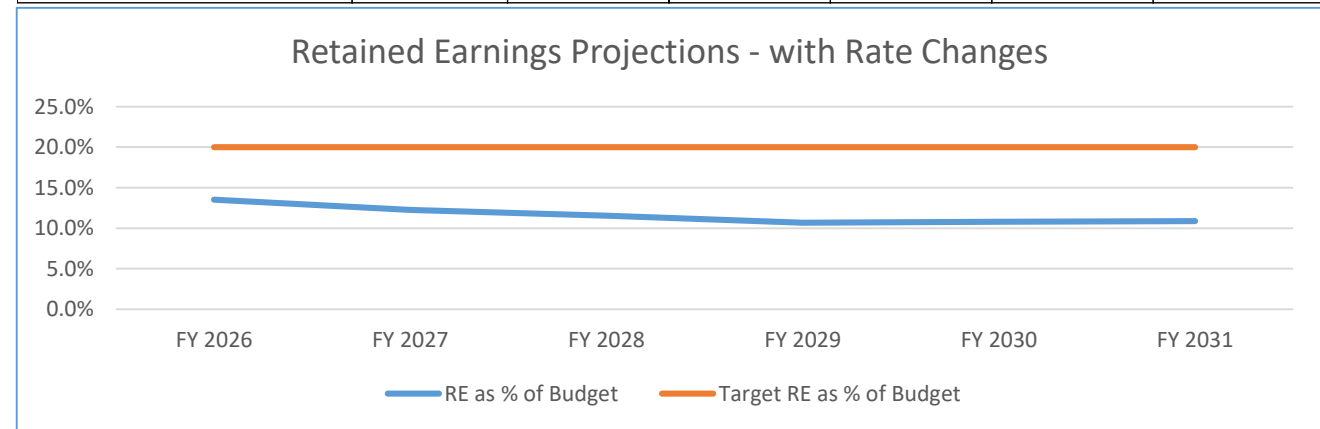
- Keeps retained earnings level
- No change to base charges
- No draw from Stabilization Fund
- Tier Structure:

			Current		FY 2027	
Tiers	Start	End	Water	Sewer	Water	Sewer
1	1	2,500	\$4.91	\$8.21	\$5.55	\$9.28
2	2,500	+	\$6.23	\$14.10	\$7.04	\$15.93

- Rate Change Impact on Users ->

(Bills in the User Impact table include base charges of \$25.00 for water and \$12.50 for sewer. The base charges with the Senior Discount are \$5.00 for water and \$2.50 for sewer.)

		FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Rate Changes	Water	13.0%	4.3%	4.3%	4.3%	4.3%
	Sewer	13.0%	4.3%	4.3%	4.3%	4.3%
Rate Impact	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
Surplus/Deficit	\$ 473,774	\$ 5,660	\$ (51,886)	\$ (86,769)	\$ 71,905	\$ 85,337
Projected Retained Earnings	\$ 2,063,237	\$ 2,068,897	\$ 2,017,012	\$ 1,930,243	\$ 2,002,148	\$ 2,087,485
RE as % of Budget	13.5%	12.3%	11.5%	10.7%	10.8%	10.9%



User Impact (Water & Sewer Combined Quarterly Bill)				Diffs Current -> FY 2027	
User Type	Flow	Current Bill	FY 2027 Bill	Quarterly	Annually
Low-End User	1,000	\$ 168.70	\$ 185.80	\$ 17.10	\$ 68.40
Average User	2,500	\$ 365.50	\$ 408.25	\$ 42.75	\$ 171.00
Large User	4,000	\$ 670.45	\$ 752.80	\$ 82.35	\$ 329.40
Very Large User	10,000	\$ 1,890.25	\$ 2,131.00	\$ 240.75	\$ 963.00

# Rate Option 2 – 1.0% Water & Sewer Rate Incr. FY27 + Stabilization Fund Draw of \$1.2 million

## Rate Option Summary

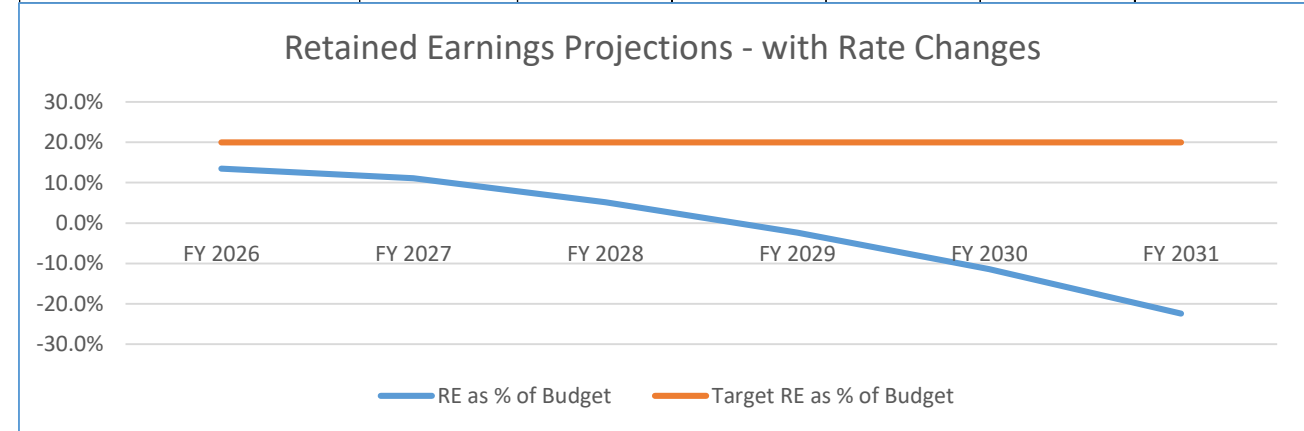
- Retained earnings depletes after FY28
- No change to base charges
- Annual draw from Stabilization Fund covers 100% of Tri-Town debt & 50% of operating increment in budget
- Tier Structure:

			Current		FY 2027	
Tiers	Start	End	Water	Sewer	Water	Sewer
1	1	2,500	\$4.91	\$8.21	\$4.96	\$8.29
2	2,500	+	\$6.23	\$14.10	\$6.29	\$14.24

- Rate Change Impact on Users ->

(Bills in the User Impact table include base charges of \$25.00 for water and \$12.50 for sewer. The base charges with the Senior Discount are \$5.00 for water and \$2.50 for sewer. )

		FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Rate Changes	Water	1.0%	1.0%	1.0%	1.0%	1.0%
	Sewer	1.0%	1.0%	1.0%	1.0%	1.0%
Rate Impact	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
Surplus/Deficit	\$ 473,774	\$ (195,196)	\$ (967,820)	\$(1,337,109)	\$(1,678,691)	\$ (2,190,655)
Projected Retained Earnings	\$ 2,063,237	\$ 1,868,041	\$ 900,221	\$ (436,887)	\$(2,115,578)	\$ (4,306,233)
RE as % of Budget	13.5%	11.1%	5.1%	-2.4%	-11.4%	-22.4%



User Impact (Water & Sewer Combined Quarterly Bill)				Diffs Current -> FY 2027	
User Type	Flow	Current Bill	FY 2027 Bill	Quarterly	Annually
Low-End User	1,000	\$ 168.70	\$ 170.00	\$ 1.30	\$ 5.20
Average User	2,500	\$ 365.50	\$ 368.75	\$ 3.25	\$ 13.00
Large User	4,000	\$ 670.45	\$ 676.70	\$ 6.25	\$ 25.00
Very Large User	10,000	\$ 1,890.25	\$ 1,908.50	\$ 18.25	\$ 73.00

# Rate Option 2 – 2.0% Water & Sewer Rate Incr. FY27 + Stabilization Fund Draw of \$1.2 million

## Rate Option Summary

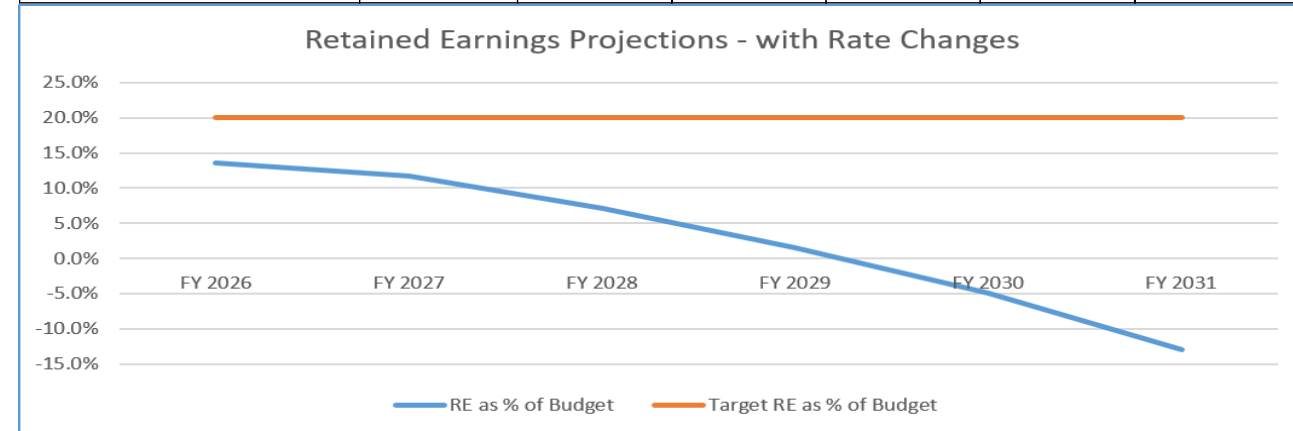
- Retained earnings depletes after FY29
- No change to base charges
- Annual draw from Stabilization Fund covers 100% of Tri-Town debt & 50% of operating increment in budget
- Tier Structure:

			Current		FY 2027	
Tiers	Start	End	Water	Sewer	Water	Sewer
1	1	2,500	\$4.91	\$8.21	\$5.01	\$8.37
2	2,500	+	\$6.23	\$14.10	\$6.35	\$14.38

- Rate Change Impact on Users ->

(Bills in the User Impact table include base charges of \$25.00 for water and \$12.50 for sewer. The base charges with the Senior Discount are \$5.00 for water and \$2.50 for sewer. )

		FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Rate Changes	Water	2.0%	2.0%	2.0%	2.0%	2.0%
	Sewer	2.0%	2.0%	2.0%	2.0%	2.0%
Rate Impact	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
Surplus/Deficit	\$ 473,774	\$ (78,828)	\$ (731,593)	\$ (977,451)	\$ (1,191,946)	\$ (1,573,083)
Projected Retained Earnings	\$ 2,063,237	\$ 1,984,409	\$ 1,252,816	\$ 275,365	\$ (916,581)	\$ (2,489,664)
RE as % of Budget	13.5%	11.8%	7.2%	1.5%	-4.9%	-13.0%



User Impact (Water & Sewer Combined Quarterly Bill)				Diffs Current -> FY 2027	
User Type	Flow	Current Bill	FY 2027 Bill	Quarterly	Annually
Low-End User	1,000	\$ 168.70	\$ 171.30	\$ 2.60	\$ 10.40
Average User	2,500	\$ 365.50	\$ 372.00	\$ 6.50	\$ 26.00
Large User	4,000	\$ 670.45	\$ 682.95	\$ 12.50	\$ 50.00
Very Large User	10,000	\$ 1,890.25	\$ 1,926.75	\$ 36.50	\$ 146.00

# Rate Option 2 – 3.0% Water & Sewer Rate Incr. FY27 + Stabilization Fund Draw of \$1.2 million

## Rate Option Summary

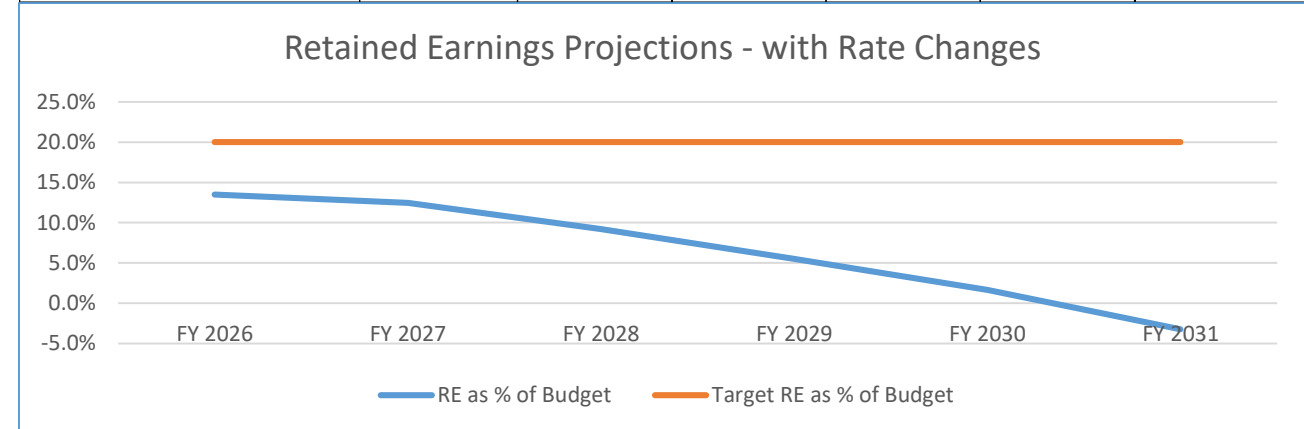
- Retained earnings depletes after FY30
- No change to base charges
- Annual draw from Stabilization Fund covers 100% of Tri-Town debt & 50% of operating increment in budget
- Tier Structure:

			Current		FY 2027	
Tiers	Start	End	Water	Sewer	Water	Sewer
1	1	2,500	\$4.91	\$8.21	\$5.06	\$8.46
2	2,500	+	\$6.23	\$14.10	\$6.42	\$14.52

## • Rate Change Impact on Users ->

(Bills in the User Impact table include base charges of \$25.00 for water and \$12.50 for sewer. The base charges with the Senior Discount are \$5.00 for water and \$2.50 for sewer. )

		FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Rate Changes	Water	3.0%	3.0%	3.0%	3.0%	3.0%
	Sewer	3.0%	3.0%	3.0%	3.0%	3.0%
Rate Impact	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
Surplus/Deficit	\$ 473,774	\$ 37,539	\$ (493,039)	\$ (610,671)	\$ (690,672)	\$ (930,811)
Projected Retained Earnings	\$ 2,063,237	\$ 2,100,777	\$ 1,607,737	\$ 997,066	\$ 306,394	\$ (624,417)
RE as % of Budget	13.5%	12.5%	9.2%	5.5%	1.7%	-3.3%



User Impact (Water & Sewer Combined Quarterly Bill)				Diffs Current -> FY 2027	
User Type	Flow	Current Bill	FY 2027 Bill	Quarterly	Annually
Low-End User	1,000	\$ 168.70	\$ 172.70	\$ 4.00	\$ 16.00
Average User	2,500	\$ 365.50	\$ 375.50	\$ 10.00	\$ 40.00
Large User	4,000	\$ 670.45	\$ 689.60	\$ 19.15	\$ 76.60
Very Large User	10,000	\$ 1,890.25	\$ 1,946.00	\$ 55.75	\$ 223.00

# Thank you

Questions and Comments?