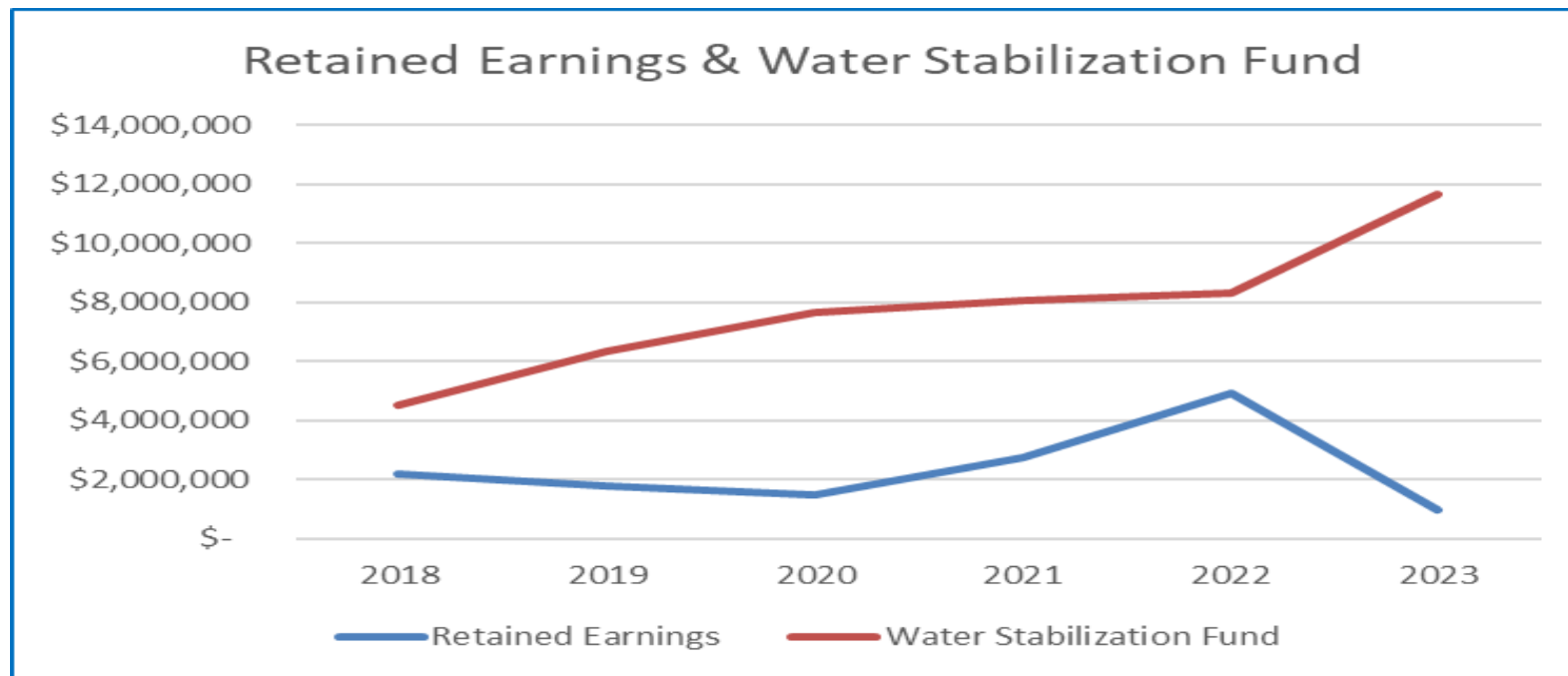


Town of Randolph Water and Sewer Update

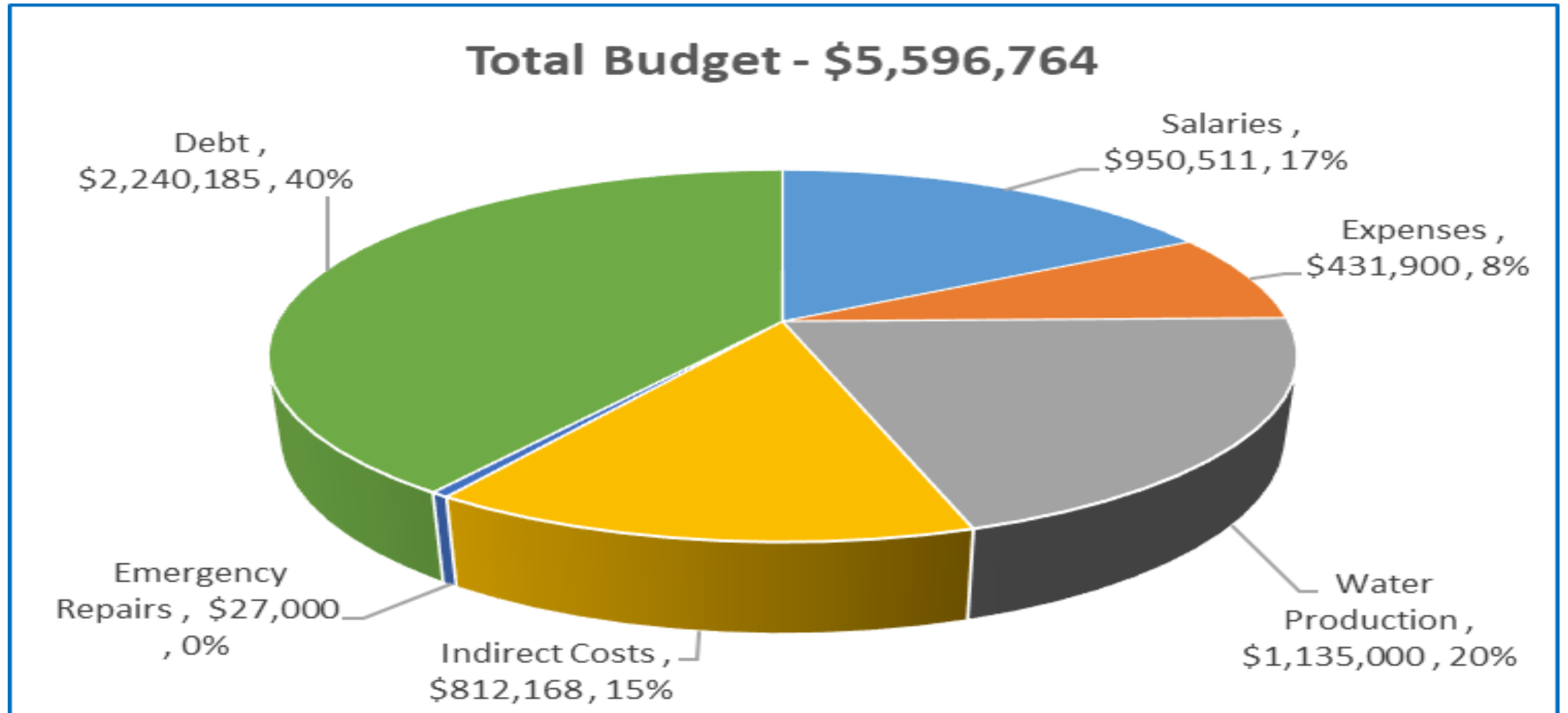
The Abrahams Group
June 2024

Retained Earnings & Water Stabilization Fund

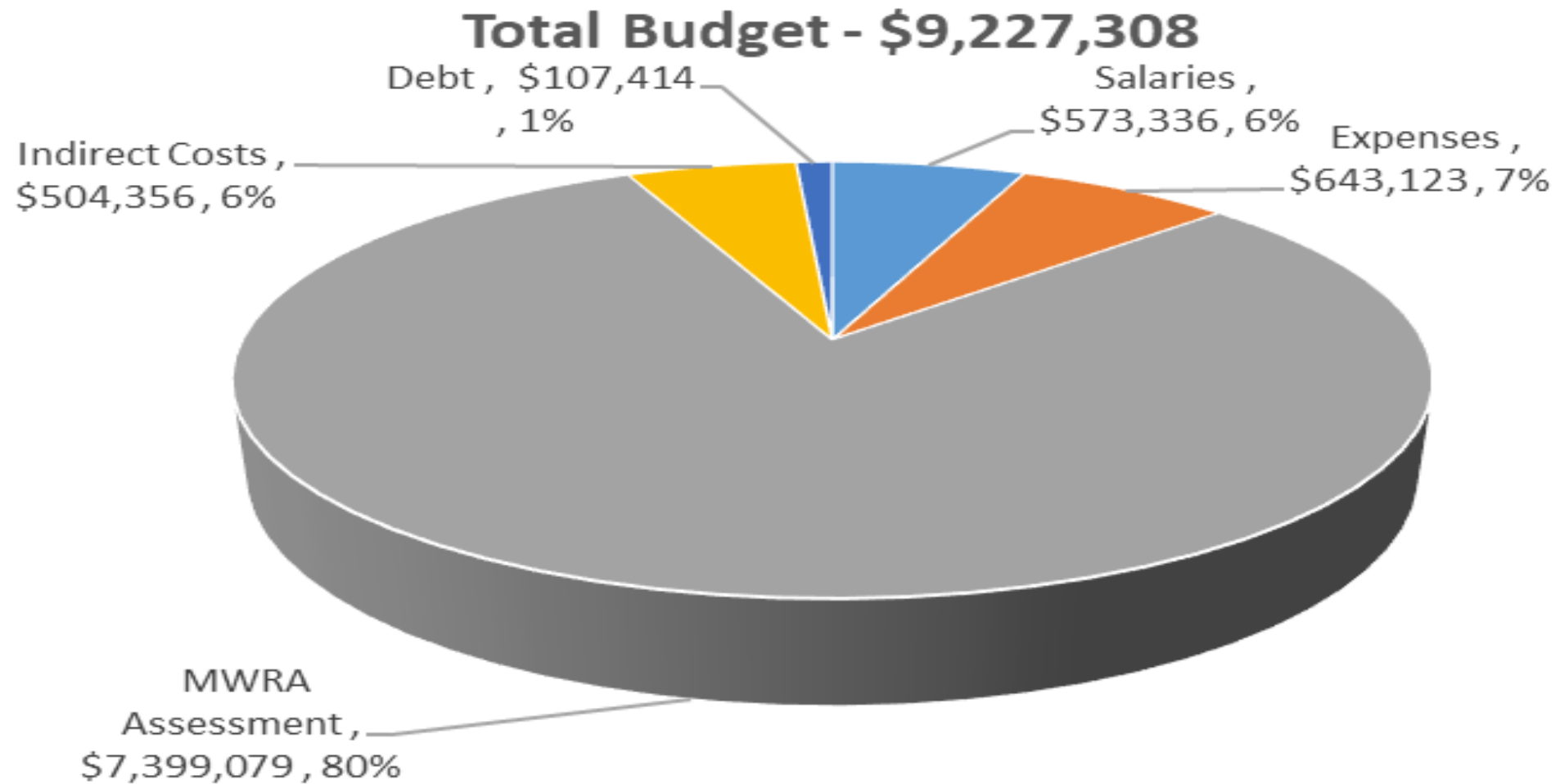
- Due to healthy retained earnings, the Town has recently built up the Water Treatment Stabilization Fund balance, including a \$3.3 million transfer recently.
- Most recent Retained Earnings certification lowest in the last six years, but Water Stabilization Fund balance as high as it's been.



FY 2025 Water Budget Breakdown



FY 2025 Sewer Budget Breakdown



Financial Highlights – Water

- **Water Revenues Have Been Greater Than Expenses Each Year FY 18 to FY 23**
 - Surplus of \$36k anticipated for FY 2024 as well
- **FY 2025 water budget down over \$260k (or 4.5%) over FY 2024**
 - Salaries up \$34k, Other Expenses up \$199k, Indirect Costs down \$80k, Debt down \$422k
- **Projected expenses for capital in latest capital plan included in projections**
 - Not included in capital plan are some capital projects on the horizon
- **\$3.3 million recently transferred to Water Stabilization Fund – Current Balance \$11.6 million**

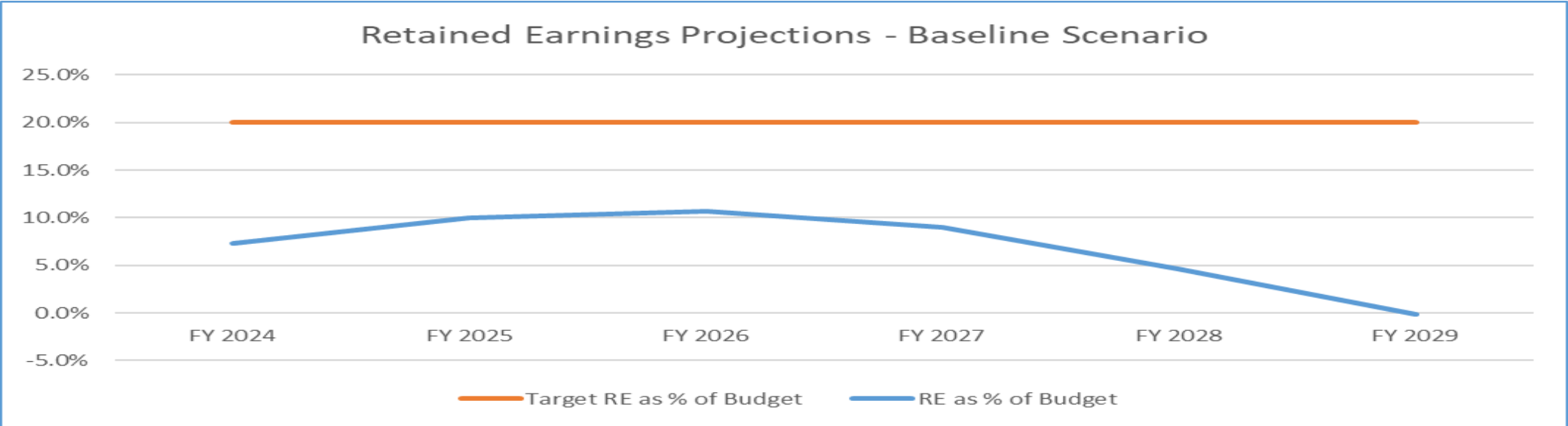
Financial Highlights – Sewer

- **Sewer Revenues Greater Than Expenses Each Year FY 18 to FY 23**
 - Surplus of \$126k anticipated for FY 2024 as well
- **FY 2025 sewer budget up over \$250k (or 2.8%) over FY 2024**
 - Salaries up \$255k, MWRA up \$78k, Other Expenses up \$20k, Indirect Costs down \$100k
- **MWRA Assessment average increase 2.4% last 6 years - 3.0% increase assumed for future years**
- **Debt Increasing FY 2026 to FY 2029 - Average Increase of \$190k per year (Sewer I & I and Sewer Crane Truck)**
- **With no rate action, projected surplus in FY 2024 and FY 2025 and projected deficits in FY 2026 to FY 2029**
 - FY 2029 deficit could be as high as \$1.2 million

Baseline

- Baseline represents the “do nothing” scenario, shown against 20% target
- Contains all projected expenditures FY24 to FY29, no revenue changes

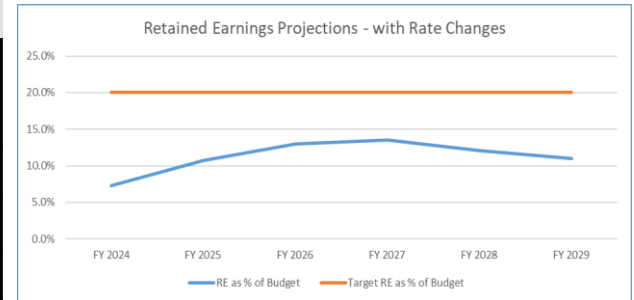
Baseline	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
Surplus/Deficit	\$ 162,382	\$ 396,613	\$ 133,650	\$ (226,300)	\$ (648,147)	\$ (756,288)
Projected Retained Earnings	\$ 1,080,567	\$ 1,477,180	\$ 1,610,830	\$ 1,384,530	\$ 736,384	\$ (19,904)
RE as % of Budget	7.3%	10.0%	10.7%	9.0%	4.6%	-0.1%



Rate Option 1 – 1.0% Rate Increase Water & Sewer

- No change to base charges
- Target Retained Earnings 20% of Fund Expenses

		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Tiers	Start	End	Water	Sewer
Rate Changes	Water	1.0%	1.0%	1.0%	1.0%	1.0%	1	1	2,500	\$4.81	\$8.05
	Sewer	1.0%	1.0%	1.0%	1.0%	1.0%	2	2,500	+	\$6.11	\$13.82
Rate Impact	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029					
	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED					
Surplus/Deficit	\$ 162,382	\$ 513,122	\$ 367,833	\$ 126,735	\$ (175,073)	\$ (161,974)					
Projected Retained Earnings	\$1,080,567	\$1,593,689	\$1,961,522	\$2,088,256	\$1,913,183	\$1,751,209					
RE as % of Budget	7.3%	10.8%	13.0%	13.5%	12.1%	11.0%					
User Impact (Water & Sewer Combined Quarterly Bill)			New Bills					Diffs Current -> FY25			
User Type	Flow	Current Bill	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Quarterly	Annually		
Low-End User	1,000	\$ 164.80	\$ 166.07	\$ 167.36	\$ 168.66	\$ 169.97	\$ 171.29	\$ 1.27	\$ 5.09		
Average User	2,500	\$ 355.75	\$ 358.93	\$ 362.15	\$ 365.39	\$ 368.67	\$ 371.98	\$ 3.18	\$ 12.73		
Large User	4,000	\$ 651.70	\$ 657.84	\$ 664.05	\$ 670.31	\$ 676.64	\$ 683.03	\$ 6.14	\$ 24.57		
Very Large User	10,000	\$ 1,835.50	\$ 1,853.48	\$ 1,871.64	\$ 1,889.98	\$ 1,908.51	\$ 1,927.22	\$ 17.98	\$ 71.92		



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.

Rate Option 2 – 2.0% Rate Increase Water & Sewer

- No change to base charges
- Target Retained Earnings 20% of Fund Expenses

		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Tiers	Start	End	Water	Sewer																					
Rate Changes	Water	2.0%	2.0%	2.0%	2.0%	2.0%	1	1	2,500	\$4.86	\$8.13																					
	Sewer	2.0%	2.0%	2.0%	2.0%	2.0%	2	2,500	+	\$6.17	\$13.95																					
							<div>Retained Earnings Projections - with Rate Changes</div> <table border="1"><caption>Retained Earnings Projections Data</caption><thead><tr><th>Fiscal Year</th><th>RE as % of Budget</th><th>Target RE as % of Budget</th></tr></thead><tbody><tr><td>FY 2024</td><td>7.3%</td><td>20.0%</td></tr><tr><td>FY 2025</td><td>11.5%</td><td>20.0%</td></tr><tr><td>FY 2026</td><td>15.3%</td><td>20.0%</td></tr><tr><td>FY 2027</td><td>18.1%</td><td>20.0%</td></tr><tr><td>FY 2028</td><td>19.6%</td><td>20.0%</td></tr><tr><td>FY 2029</td><td>22.3%</td><td>20.0%</td></tr></tbody></table>					Fiscal Year	RE as % of Budget	Target RE as % of Budget	FY 2024	7.3%	20.0%	FY 2025	11.5%	20.0%	FY 2026	15.3%	20.0%	FY 2027	18.1%	20.0%	FY 2028	19.6%	20.0%	FY 2029	22.3%	20.0%
Fiscal Year	RE as % of Budget	Target RE as % of Budget																														
FY 2024	7.3%	20.0%																														
FY 2025	11.5%	20.0%																														
FY 2026	15.3%	20.0%																														
FY 2027	18.1%	20.0%																														
FY 2028	19.6%	20.0%																														
FY 2029	22.3%	20.0%																														
Rate Impact	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029																										
	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED																										
Surplus/Deficit	\$ 162,382	\$ 629,631	\$ 604,346	\$ 486,829	\$ 312,263	\$ 456,348																										
Projected Retained Earnings	\$1,080,567	\$1,710,198	\$2,314,544	\$2,801,373	\$3,113,636	\$3,569,984																										
RE as % of Budget	7.3%	11.5%	15.3%	18.1%	19.6%	22.3%																										
User Impact (Water & Sewer Combined Quarterly Bill)			New Bills							Diffs Current -> FY25																						
User Type	Flow	Current Bill	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Quarterly	Annually																							
Low-End User	1,000	\$ 164.80	\$ 167.35	\$ 169.94	\$ 172.59	\$ 175.29	\$ 178.05	\$ 2.55	\$ 10.18																							
Average User	2,500	\$ 355.75	\$ 362.12	\$ 368.61	\$ 375.23	\$ 381.98	\$ 388.87	\$ 6.37	\$ 25.46																							
Large User	4,000	\$ 651.70	\$ 663.98	\$ 676.51	\$ 689.29	\$ 702.33	\$ 715.63	\$ 12.28	\$ 49.14																							
Very Large User	10,000	\$ 1,835.50	\$ 1,871.46	\$ 1,908.14	\$ 1,945.55	\$ 1,983.71	\$ 2,022.64	\$ 35.96	\$ 143.84																							

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.

Rate Option 3 – 3.0% Rate Increase Water & Sewer

- No change to base charges
- Target Retained Earnings 20% of Fund Expenses

		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Tiers	Start	End	Water	Sewer
Rate Changes	Water	3.0%	3.0%	3.0%	3.0%	3.0%	1	1	2,500	\$4.90	\$8.21
	Sewer	3.0%	3.0%	3.0%	3.0%	3.0%	2	2,500	+	\$6.23	\$14.09
Rate Impact	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029					
	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED					
Surplus/Deficit	\$ 162,382	\$ 746,140	\$ 843,190	\$ 854,054	\$ 814,145	\$1,099,399					
Projected Retained Earnings	\$1,080,567	\$1,826,707	\$2,669,897	\$3,523,951	\$4,338,095	\$5,437,494					
RE as % of Budget	7.3%	12.3%	17.7%	22.8%	27.3%	34.0%					
User Impact (Water & Sewer Combined Quarterly Bill)				New Bills				Diffs Current -> FY25			
User Type	Flow	Current Bill	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Quarterly	Annually		
Low-End User	1,000	\$ 164.80	\$ 168.62	\$ 172.55	\$ 176.60	\$ 180.78	\$ 185.08	\$ 3.82	\$ 15.28		
Average User	2,500	\$ 355.75	\$ 365.30	\$ 375.13	\$ 385.26	\$ 395.69	\$ 406.44	\$ 9.55	\$ 38.19		
Large User	4,000	\$ 651.70	\$ 670.13	\$ 689.10	\$ 708.65	\$ 728.79	\$ 749.53	\$ 18.43	\$ 73.70		
Very Large User	10,000	\$ 1,835.50	\$ 1,889.44	\$ 1,945.00	\$ 2,002.22	\$ 2,061.16	\$ 2,121.87	\$ 53.94	\$ 215.76		

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.

Thank you

Questions and Comments?