

City of Amesbury

FY 2025

*Water, Sewer, and Stormwater
Rate Study*

**The Abrahams Group
August 2024**

The City of Amesbury operates a Water Enterprise Fund and a Sewer Enterprise Fund. Within the past five years, both funds have maintained a healthy retained earnings balance. Since then, the Sewer Fund has continued to maintain a healthy retained earnings balance, but the Water Fund's retained earnings balance has almost depleted and strong water rate action is necessary for water revenues to cover water expenses and to build back up water retained earnings in the short term, with additional rate action necessary to cover anticipated capital expenses.

The City currently bills its water and sewer users quarterly using a flat rate. The flat rate for both water and sewer was last updated in time for the billing on April 1, 2021. The current flat rate for water is \$9.00 per 100 cubic feet of usage. The current flat rate for sewer is \$7.25 per 100 cubic feet of flow. The City also has a minimum charge based on 750 cubic feet, ensuring that water users pay at least \$67.50 per bill and sewer users pay at least \$54.38 per bill.

The City also has stormwater expenses, incurred in the City's General Fund, and the City currently does not charge a fee to its constituents to bring in stormwater revenue to cover these expenses. The City is interested in implementing a stormwater charge in the short term and in potentially implementing a Stormwater Enterprise Fund to fully account for stormwater revenues and expenses in the long term.

The objectives of this report are to provide the City with a five-year analysis of the Water Fund and the Sewer Fund, with the focus on setting rates for FY 2025 and on longer-term rate action to ensure both funds remain financially stable long-term, and to provide the City with a recommendation for a stormwater charge for FY 2025.

WATER OVERVIEW

This section contains an analysis on the current state of the Water Enterprise Fund, as well as projected revenues and expenditures and their impact on retained earnings.

The City adopted an FY 2025 operating budget for the Water Enterprise Fund of \$4,350,000. Since its adoption, City staff recommended that, in the rate study, the salary total be increased by \$150,000 and the electricity line item be increased by \$30,000. These two changes have increased the projected expenses for FY 2025 to \$4,530,000. This amount is a 6.9% increase over the FY 2024 budget but is a 9.9% decrease from FY 2023 spending.

Retained earnings were last certified at \$376,525, up from the certified amount of \$337,797 the prior year but down from the certified amount of \$611,869 from two years prior and down from the certified amount of \$1,205,601 three years prior. The last certification amount is 7.5% of total fund expenditures in FY 2023, which is below the target of 15.0%. The balance was 6.9% of fund expenditures the year prior, 14.8% two years prior, and 33.5% three years prior. The decrease in retained earnings is due in part to the City's use of over \$250,000 in retained earnings to fund FY 2024 expenses. Additionally, there was an operating deficit of over \$900,000 in FY 2022 and FY 2023. With dry weather conditions in the warmer months of 2022, a deficit so large in FY 2023 suggests the Water Fund has a general revenue shortfall.

The City has a strong need to invest in capital and has ensured that funding of capital is included in the rate study. The rate study includes the assumption that the City will borrow \$250,000 over 20 years annually, starting in FY 2025, with the first additional debt for these borrowings hitting in FY 2026. Additionally, the rate study includes the assumption that the City will fund Capital Outlay expenses of \$250,000 annually, starting in FY 2026. FY 2025’s budget includes Capital Outlay funding of \$123,000.

Existing debt and new debt projections, based on the capital plan, as well as the percentage of the total when compared to the budget, are in the table below:

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Existing Debt Service	\$ 1,186,443	\$ 1,084,427	\$ 1,074,851	\$ 1,063,185	\$ 1,056,492	\$ 1,044,679
New Debt Service	\$ -	\$ -	\$ 23,750	\$ 46,938	\$ 69,563	\$ 91,625
Total Debt Service	\$ 1,186,443	\$ 1,084,427	\$ 1,098,601	\$ 1,110,123	\$ 1,126,055	\$ 1,136,304
Debt as % of Budget	28.0%	23.9%	22.5%	21.7%	21.0%	20.2%

The following table shows the fund’s financial projections for the current fiscal year of FY 2024 and the next five fiscal years. The revenue projections do not include a rate increase in the years analyzed and, therefore, this table presents the Baseline or “Do Nothing” Scenario. The Baseline Scenario from the FY 2025 Rate Study workbook is presented as an attachment to this report.

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Total Revenues and Other Sources	\$ 3,964,596	\$ 4,231,018	\$ 4,231,018	\$ 4,231,018	\$ 4,231,018	\$ 4,231,018
Total Expenditures and Other Uses	\$ 4,238,746	\$ 4,528,000	\$ 4,875,940	\$ 5,110,354	\$ 5,366,731	\$ 5,636,536
Surplus/(Deficit)	\$ (274,150)	\$ (296,982)	\$ (644,922)	\$ (879,336)	\$ (1,135,713)	\$ (1,405,518)

Aiding the financial picture is the inclusion of liens revenue, which was not posted to the Water Fund in the recent past, but now is. Deficits would be covered by retained earnings, assuming retained earnings are available. With retained earnings nearing depletion, retained earnings will likely not be able to cover the projected FY 2025 deficit without rate action.

RATE PLAN OPTIONS

The following rate options ensure water revenues cover water expenses and start to build retained earnings back up in the short term, as well as continue to build reserves to help cover capital expenses in the long term.

Option 1

Option 1 is the rates only option and does not include the implementation of a tier structure.

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Rate Change	7.75%	7.75%	7.75%	7.75%	7.75%

User Impact

Impact shown is on total yearly bills							
	Usage per Bill	Current Bill	New				
			FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Minimum User	750	\$ 270.00	\$ 290.93	\$ 313.47	\$ 337.77	\$ 363.94	\$ 392.15
Avg. Household (45 gpd/person)	1,244	\$ 447.84	\$ 482.55	\$ 519.95	\$ 560.24	\$ 603.66	\$ 650.44
Avg. Household (65 gpd/person)	1,769	\$ 636.84	\$ 686.20	\$ 739.38	\$ 796.68	\$ 858.42	\$ 924.95
Family of 4 (45 gpd/person)	2,196	\$ 790.56	\$ 851.83	\$ 917.85	\$ 988.98	\$ 1,065.62	\$ 1,148.21
Family of 4 (65 gpd/person)	3,173	\$ 1,142.28	\$ 1,230.81	\$ 1,326.19	\$ 1,428.97	\$ 1,539.72	\$ 1,659.05
Large Residential User	5,000	\$ 1,800.00	\$ 1,939.50	\$ 2,089.81	\$ 2,251.77	\$ 2,426.28	\$ 2,614.32
Mid-Commercial User	10,000	\$ 3,600.00	\$ 3,879.00	\$ 4,179.62	\$ 4,503.54	\$ 4,852.57	\$ 5,228.64
Large Commercial User	80,000	\$ 28,800.00	\$ 31,032.00	\$ 33,436.98	\$ 36,028.35	\$ 38,820.54	\$ 41,829.13

Option 2

Option 2 includes the implementation of a five-tier rate structure in FY 2025 and rate changes in subsequent years. The tier structure is as follows, along with % of bills and usage by tier:

Tier	Start	End	Rate	% Bills	% Usage
1	1	750	\$ 8.50	26.5%	33.8%
2	751	1,500	\$10.00	34.8%	21.7%
3	1,501	3,000	\$11.50	28.2%	15.9%
4	3,001	10,000	\$13.00	8.8%	13.6%
5	10,001	+	\$14.50	1.8%	15.0%

The following shows the rate changes in the subsequent years:

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Rate Change	Tiers	6.00%	6.00%	6.00%	6.00%

User Impact

Impact shown is on total yearly bills							
	Usage per Bill	Current Bill	New				
			FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Minimum User	750	\$ 270.00	\$ 255.00	\$ 270.30	\$ 286.52	\$ 303.71	\$ 321.93
Avg. Household (45 gpd/person)	1,244	\$ 447.84	\$ 452.60	\$ 479.76	\$ 508.54	\$ 539.05	\$ 571.40
Avg. Household (65 gpd/person)	1,769	\$ 636.84	\$ 678.74	\$ 719.46	\$ 762.63	\$ 808.39	\$ 856.89
Family of 4 (45 gpd/person)	2,196	\$ 790.56	\$ 875.16	\$ 927.67	\$ 983.33	\$ 1,042.33	\$ 1,104.87
Family of 4 (65 gpd/person)	3,173	\$ 1,142.28	\$ 1,334.96	\$ 1,415.06	\$ 1,499.96	\$ 1,589.96	\$ 1,685.36
Large Residential User	5,000	\$ 1,800.00	\$ 2,285.00	\$ 2,422.10	\$ 2,567.43	\$ 2,721.47	\$ 2,884.76
Mid-Commercial User	10,000	\$ 3,600.00	\$ 4,885.00	\$ 5,178.10	\$ 5,488.79	\$ 5,818.11	\$ 6,167.20
Large Commercial User	80,000	\$ 28,800.00	\$ 45,485.00	\$ 48,214.10	\$ 51,106.95	\$ 54,173.36	\$ 57,423.76

The City is interested in implementing Option 2 for FY 2025 and plans to do so in the coming months. If Option 2 is implemented, the updated financial projections for the next five fiscal years are as shown in the following table:

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Total Revenues and Other Sources	\$ 3,964,596	\$ 4,568,279	\$ 4,935,392	\$ 5,201,749	\$ 5,484,086	\$ 5,783,365
Total Expenditures and Other Uses	\$ 4,238,746	\$ 4,528,000	\$ 4,875,940	\$ 5,110,354	\$ 5,366,731	\$ 5,636,536
Surplus/(Deficit)	\$ (274,150)	\$ 40,279	\$ 59,452	\$ 91,394	\$ 117,355	\$ 146,829

Projected retained earnings are as shown in the following table, along with % of fund expenses:

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Projected Retained Earnings, \$	\$ 257,121	\$ 297,400	\$ 356,852	\$ 448,246	\$ 565,601	\$ 712,430
Projected Retained Earnings, %	6.1%	6.6%	7.3%	8.8%	10.5%	12.6%

SEWER OVERVIEW

This section contains an analysis on the current state of the Sewer Enterprise Fund, as well as projected revenues and expenditures and their impact on retained earnings.

The City adopted an FY 2025 operating budget for the Sewer Enterprise Fund of \$2,458,729. Since its adoption, City staff recommended that, in the rate study, the electricity line item be increased by \$75,000. This change has increased the projected expenses for FY 2025 to \$2,533,729. This amount is a 2.7% decrease over the FY 2024 budget and a 21.1% decrease from FY 2023 spending.

Retained earnings were last certified at \$910,952, down from the certified amount of \$1,211,837 the prior year and down from the certified amount of \$1,186,067 from two years prior. The last certification amount is 28.4% of total fund expenditures in FY 2023, which is above the target of 15.0%. The balance was 43.5% of fund expenditures the year prior and 47.8% two years prior. The decrease in retained earnings for the most recent certification is largely due to an operating deficit of over \$500,000 in FY 2023. With the decrease in budgeted expenses for FY 2024 and FY 2025, in large part due to decreases in debt service, the FY 2023 deficit and its impact on retained earnings are not a concern.

The City has a strong need to invest in capital and has ensured that funding of capital is included in the rate study. The rate study includes the assumption that the City will borrow \$250,000 over 20 years annually, starting in FY 2025, with the first additional debt for these borrowings hitting in FY 2026. Additionally, the rate study includes the assumption that the City will fund Capital Outlay expenses of \$250,000 annually, starting in FY 2026. FY 2025's budget includes Capital Outlay funding of \$175,250.

Existing debt and new debt projections, based on the capital plan, as well as the percentage of the total when compared to the budget, are in the table at the top of the next page:

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Existing Debt Service	\$ 362,809	\$ 175,996	\$ 168,507	\$ 164,657	\$ 100,995	\$ 92,645
New Debt Service	\$ -	\$ -	\$ 23,750	\$ 46,938	\$ 69,563	\$ 91,625
Total Debt Service	\$ 362,809	\$ 175,996	\$ 192,257	\$ 211,595	\$ 170,558	\$ 184,270
Debt as % of Budget	13.9%	6.9%	7.0%	7.3%	5.7%	5.8%

The following table shows the fund’s financial projections for the current fiscal year of FY 2024 and the next five fiscal years. The revenue projections do not include a rate increase in the years analyzed and, therefore, this table presents the Baseline or “Do Nothing” Scenario. The Baseline Scenario from the FY 2025 Rate Study workbook is presented as an attachment to this report.

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Total Revenues and Other Sources	\$ 3,062,526	\$ 3,062,526	\$ 3,062,526	\$ 3,062,526	\$ 3,062,526	\$ 3,062,526
Total Expenditures and Other Uses	\$ 2,602,849	\$ 2,537,229	\$ 2,749,808	\$ 2,898,871	\$ 2,996,345	\$ 3,158,031
Surplus/(Deficit)	\$ 459,677	\$ 525,297	\$ 312,718	\$ 163,654	\$ 66,181	\$ (95,505)

Aiding the financial picture is the inclusion of liens revenue, which was not posted to the Sewer Fund in the recent past, but now is. Deficits would be covered by retained earnings, assuming retained earnings are available and retained earnings should be available for future deficits like the one projected for FY 2029.

RATE PLAN OPTION

The following rate options ensure sewer revenues cover sewer expenses in the short term and maintains reserves to help cover capital expenses in the long term.

Option 1

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Rate Change	0.00%	0.00%	0.00%	0.00%	0.00%

User Impact

Impact shown is on total yearly bills							
	Usage		New				
	per Bill	Current Bill	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Minimum User	750	\$ 217.50	\$ 217.50	\$ 217.50	\$ 217.50	\$ 217.50	\$ 217.50
Avg. Household (45 gpd/person)	1,244	\$ 360.76	\$ 360.76	\$ 360.76	\$ 360.76	\$ 360.76	\$ 360.76
Avg. Household (65 gpd/person)	1,769	\$ 513.01	\$ 513.01	\$ 513.01	\$ 513.01	\$ 513.01	\$ 513.01
Family of 4 (45 gpd/person)	2,196	\$ 636.84	\$ 636.84	\$ 636.84	\$ 636.84	\$ 636.84	\$ 636.84
Family of 4 (65 gpd/person)	3,173	\$ 920.17	\$ 920.17	\$ 920.17	\$ 920.17	\$ 920.17	\$ 920.17
Large Residential User	5,000	\$ 1,450.00	\$ 1,450.00	\$ 1,450.00	\$ 1,450.00	\$ 1,450.00	\$ 1,450.00
Mid-Commercial User	10,000	\$ 2,900.00	\$ 2,900.00	\$ 2,900.00	\$ 2,900.00	\$ 2,900.00	\$ 2,900.00
Large Commercial User	80,000	\$ 23,200.00	\$ 23,200.00	\$ 23,200.00	\$ 23,200.00	\$ 23,200.00	\$ 23,200.00

Option 2

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Rate Change	0.50%	0.50%	0.50%	0.50%	0.50%

User Impact

Impact shown is on total yearly bills							
	Usage per Bill	Current Bill	New				
			FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Minimum User	750	\$ 217.50	\$ 218.59	\$ 219.68	\$ 220.78	\$ 221.88	\$ 222.99
Avg. Household (45 gpd/person)	1,244	\$ 360.76	\$ 362.56	\$ 364.38	\$ 366.20	\$ 368.03	\$ 369.87
Avg. Household (65 gpd/person)	1,769	\$ 513.01	\$ 515.58	\$ 518.15	\$ 520.74	\$ 523.35	\$ 525.96
Family of 4 (45 gpd/person)	2,196	\$ 636.84	\$ 640.02	\$ 643.22	\$ 646.44	\$ 649.67	\$ 652.92
Family of 4 (65 gpd/person)	3,173	\$ 920.17	\$ 924.77	\$ 929.39	\$ 934.04	\$ 938.71	\$ 943.41
Large Residential User	5,000	\$ 1,450.00	\$ 1,457.25	\$ 1,464.54	\$ 1,471.86	\$ 1,479.22	\$ 1,486.61
Mid-Commercial User	10,000	\$ 2,900.00	\$ 2,914.50	\$ 2,929.07	\$ 2,943.72	\$ 2,958.44	\$ 2,973.23
Large Commercial User	80,000	\$ 23,200.00	\$ 23,316.00	\$ 23,432.58	\$ 23,549.74	\$ 23,667.49	\$ 23,785.83

Since the City does not plan to change sewer rates for FY 2025, and possibly for subsequent fiscal years as well, the City is focused on Option 1. Based on no rate changes for FY 2025 to FY 2029, projected retained earnings are as shown in the following table, along with % of fund expenses:

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Projected Retained Earnings, \$	\$ 1,370,629	\$ 1,895,926	\$ 2,208,644	\$ 2,372,298	\$ 2,342,974	\$ 2,247,469
Projected Retained Earnings, %	52.7%	74.7%	80.3%	81.8%	78.2%	71.2%

STORMWATER OVERVIEW

Stormwater funding has become a necessity for municipalities to achieve compliance with the U.S. Environmental Protection Agency's (EPA) Municipal Separate Storm Sewer System (MS4) General Permit. In 2003 under the Clean Water Act, EPA Region 1 issued its Final General Permit for Stormwater Discharges From Small Municipal Separate Storm Sewer Systems (2003 small MS4 permit) that covers "traditional" MS4 Operators such as cities and towns. The MS4 Permit authorizes the discharge of stormwater from MS4 communities such as Amesbury. Since then, several permit amendments have been issued with a variety of requirements focused around six minimum standards that include:

- Public Education & Outreach
- Public Involvement & Participation
- Illicit Discharge Detection & Elimination (IDDE)
- Construction Site Stormwater Controls/Regulations
- Post-Construction Site Stormwater Controls/Regulations
- Good Housekeeping

In addition to the growing demands of the MS4 program, Amesbury has unmet capital improvement needs for undersized, outdated, or failing drainage systems; flood impact reduction; and water quality improvements needs.

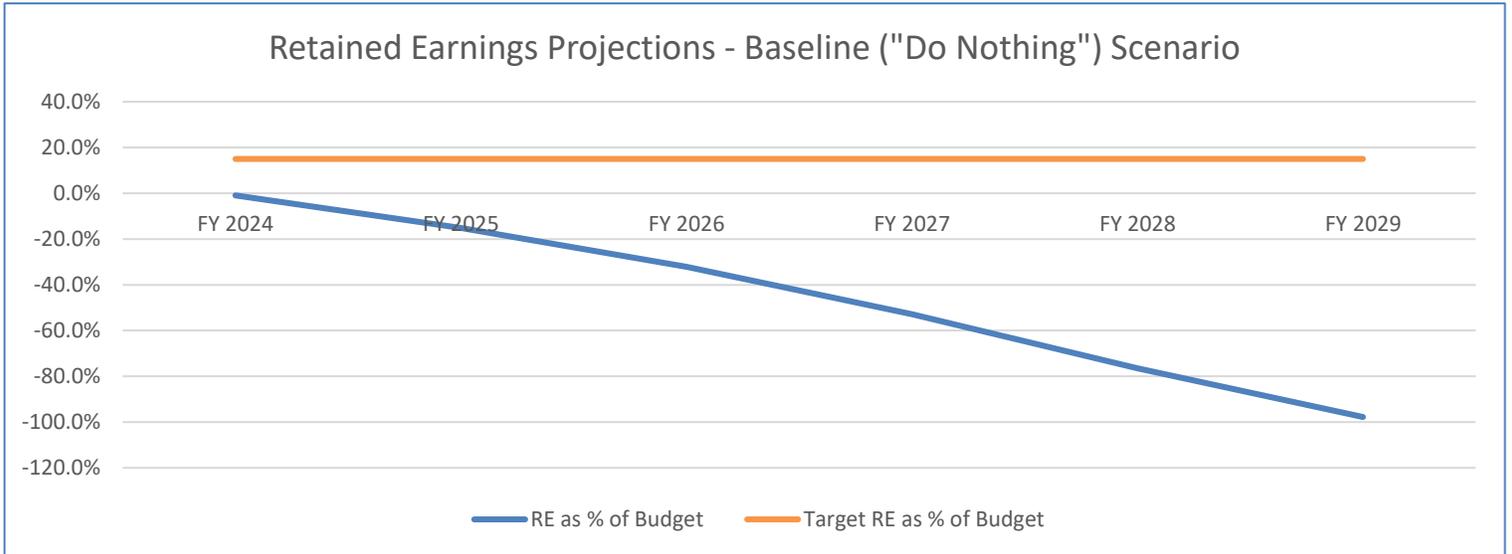
The City estimates existing stormwater expenses to be approximately \$500,000 annually. Currently funded out of the City's General Fund, specific services include street sweeping and disposal; catch basin cleaning and disposal; stormwater drain and culvert cleaning including inspection and jet flushing as needed; and street tree management. Services to be funded but not currently being provided include MS4 permit compliance requirements including stormwater sampling, system mapping and reporting. Additionally, funds will assist in covering indirect costs such as account management, Amesbury DPW support labor, and equipment and program management.

The City is interested in initially implementing a flat stormwater charge for all property owners to bring in stormwater revenues to cover stormwater expenses and help bring the City into compliance with the current MS4 General Permit. With approximately 5,700 accounts, a quarterly stormwater charge of \$25.00, or \$100.00 annually, per account, would produce estimated annual stormwater revenues of approximately \$570,000, which would cover the \$500,000 in basic stormwater expenses. It is anticipated that this stable source of revenue will assist Amesbury in becoming MS4 permit compliant, however the proposed structure is not anticipated to support capital improvements such as drainage or culvert upgrades.

If the City were to implement a stormwater charge of \$25.00 per quarter per account, the City would be able to cover basic stormwater expenses and work towards MS4 permit compliance in the short term, until the City incurs additional expenses due to capital investment.

City of Amesbury
Water Rate Study
Attachment

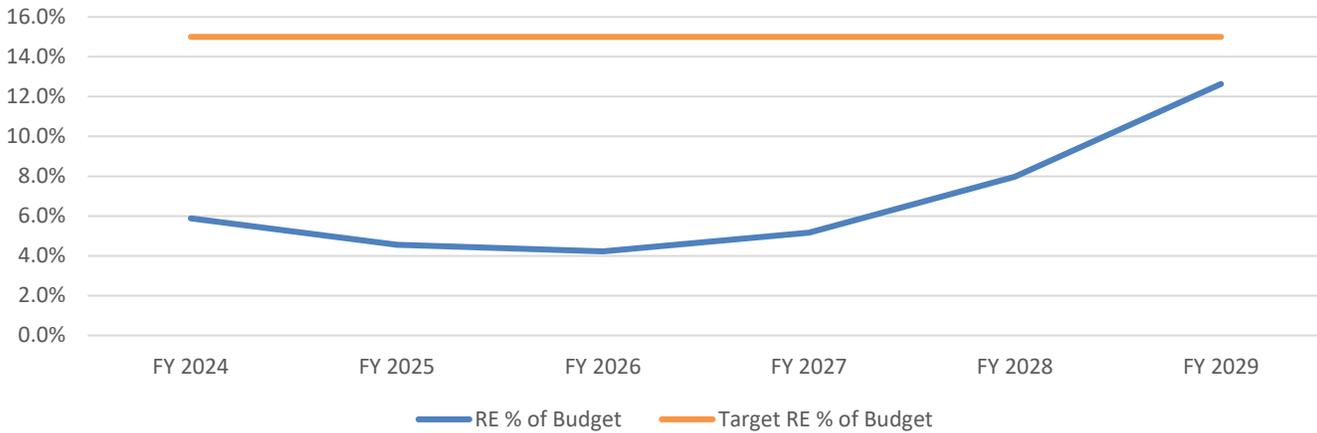
Baseline	FY 2024 PROJECTED	FY 2025 PROJECTED	FY 2026 PROJECTED	FY 2027 PROJECTED	FY 2028 PROJECTED	FY 2029 PROJECTED
Surplus/Deficit	\$ (274,150)	\$ (296,982)	\$ (644,922)	\$ (879,336)	\$ (1,135,713)	\$ (1,405,518)
Projected Retained Earnings	\$ (39,861)	\$ (684,783)	\$ (1,564,119)	\$ (2,699,832)	\$ (4,105,350)	\$ (5,510,868)
RE as % of Budget	-0.9%	-15.1%	-32.1%	-52.8%	-76.5%	-97.8%
Target RE as % of Budget	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%



Rate Changes:	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	7.75%	7.75%	7.75%	7.75%	7.75%

Rate Impact	FY 2024 PROJECTED	FY 2025 PROJECTED	FY 2026 PROJECTED	FY 2027 PROJECTED	FY 2028 PROJECTED	FY 2029 PROJECTED
Surplus/Deficit	\$ (274,150)	\$ (7,527)	\$ (43,580)	\$ 58,065	\$ 163,791	\$ 284,153
Projected Retained Earnings	\$ 249,594	\$ 206,014	\$ 206,014	\$ 264,079	\$ 427,870	\$ 712,023
RE % of Budget	5.9%	4.5%	4.2%	5.2%	8.0%	12.6%
Target RE % of Budget	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%

Retained Earnings Projections - with Rate Changes



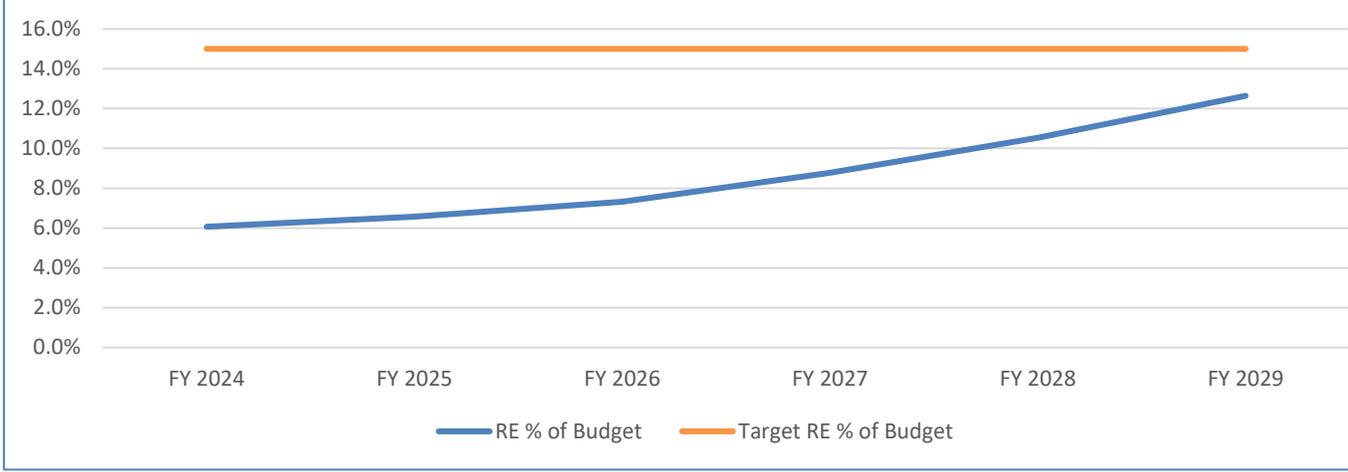
Water Rate	Rates					
	Current	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Flat Rate	\$ 9.00	\$ 9.70	\$ 10.45	\$ 11.26	\$ 12.13	\$ 13.07
Minimum	\$ 67.50	\$ 72.73	\$ 78.37	\$ 84.44	\$ 90.99	\$ 98.04

Usage in cubic feet
Rates per 100 cubic feet
Minimum based on 750 cubic feet

User Impact (per Bill) - Water Bills Only			New Bills				
User Type	Usage	Current Bill	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Minimum User	750	\$ 67.50	\$ 72.73	\$ 78.37	\$ 84.44	\$ 90.99	\$ 98.04
Avg. Household (45 gpd/person)	1,244	\$ 111.96	\$ 120.64	\$ 129.99	\$ 140.06	\$ 150.91	\$ 162.61
Avg. Household (65 gpd/person)	1,769	\$ 159.21	\$ 171.55	\$ 184.84	\$ 199.17	\$ 214.60	\$ 231.24
Family of 4 (45 gpd/person)	2,196	\$ 197.64	\$ 212.96	\$ 229.46	\$ 247.24	\$ 266.41	\$ 287.05
Family of 4 (65 gpd/person)	3,173	\$ 285.57	\$ 307.70	\$ 331.55	\$ 357.24	\$ 384.93	\$ 414.76
Large Residential User	5,000	\$ 450.00	\$ 484.88	\$ 522.45	\$ 562.94	\$ 606.57	\$ 653.58
Mid-Commercial User	10,000	\$ 900.00	\$ 969.75	\$ 1,044.91	\$ 1,125.89	\$ 1,213.14	\$ 1,307.16
Large Commercial User	80,000	\$ 7,200.00	\$ 7,758.00	\$ 8,359.25	\$ 9,007.09	\$ 9,705.14	\$ 10,457.28

Rate Changes:	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	
	Tiers	6.00%	6.00%	6.00%	6.00%	
Rate Impact	FY 2024 PROJECTED	FY 2025 PROJECTED	FY 2026 PROJECTED	FY 2027 PROJECTED	FY 2028 PROJECTED	FY 2029 PROJECTED
Surplus/Deficit	\$ (274,150)	\$ 40,279	\$ 59,452	\$ 91,394	\$ 117,355	\$ 146,829
Projected Retained Earnings	\$ 257,121	\$ 297,400	\$ 356,852	\$ 448,246	\$ 565,601	\$ 712,430
RE % of Budget	6.1%	6.6%	7.3%	8.8%	10.5%	12.6%
Target RE % of Budget	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%

Retained Earnings Projections - with Rate Changes



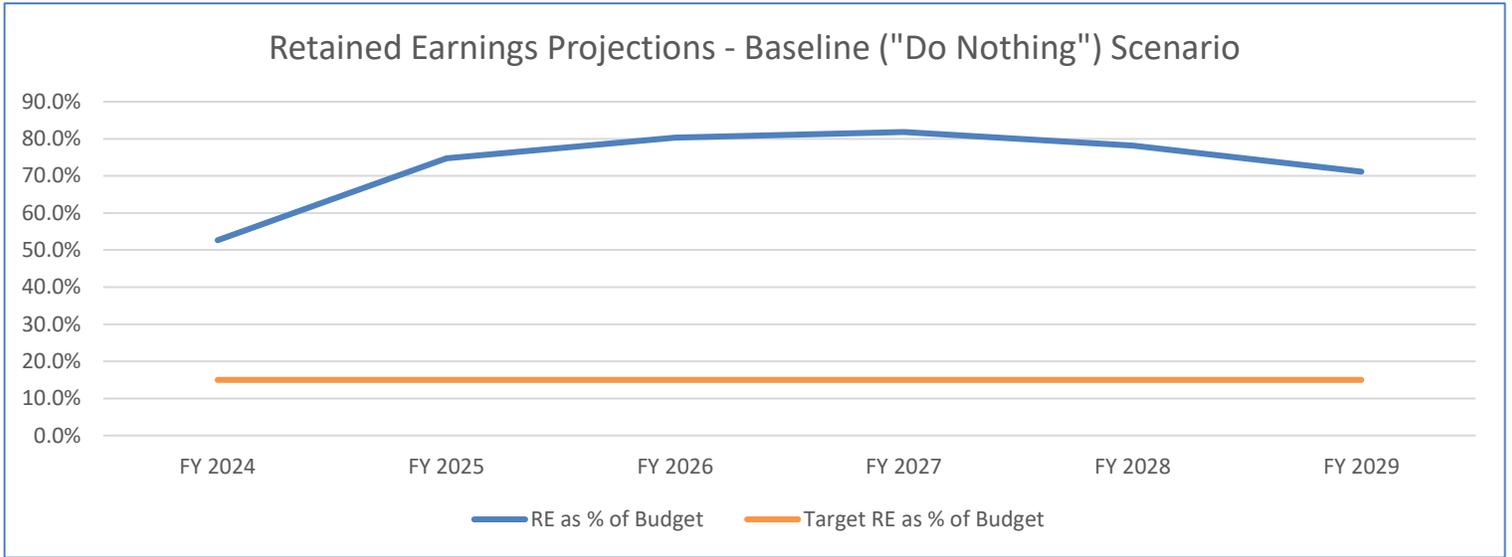
Water Rate	Rates						
	Current	Tiers	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Flat Rate	\$ 9.00	1 (1-750)	\$ 8.50	\$ 9.01	\$ 9.55	\$ 10.12	\$ 10.73
Minimum	\$ 67.50	2 (751-1500)	\$ 10.00	\$ 10.60	\$ 11.24	\$ 11.91	\$ 12.62
		3 (1501-3000)	\$ 11.50	\$ 12.19	\$ 12.92	\$ 13.70	\$ 14.52
		4 (3001-10000)	\$ 13.00	\$ 13.78	\$ 14.61	\$ 15.48	\$ 16.41
		5 (10001+)	\$ 14.50	\$ 15.37	\$ 16.29	\$ 17.27	\$ 18.31

Usage in cubic feet
Rates per 100 cubic feet
Minimum based on 750 cubic feet

User Impact (per Bill) - Water Bills Only			New Bills				
User Type	Usage	Current Bill	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Minimum User	750	\$ 67.50	\$ 63.75	\$ 67.58	\$ 71.63	\$ 75.93	\$ 80.48
Avg. Household (45 gpd/person)	1,244	\$ 111.96	\$ 113.15	\$ 119.94	\$ 127.14	\$ 134.76	\$ 142.85
Avg. Household (65 gpd/person)	1,769	\$ 159.21	\$ 169.69	\$ 179.87	\$ 190.66	\$ 202.10	\$ 214.22
Family of 4 (45 gpd/person)	2,196	\$ 197.64	\$ 218.79	\$ 231.92	\$ 245.83	\$ 260.58	\$ 276.22
Family of 4 (65 gpd/person)	3,173	\$ 285.57	\$ 333.74	\$ 353.76	\$ 374.99	\$ 397.49	\$ 421.34
Large Residential User	5,000	\$ 450.00	\$ 571.25	\$ 605.53	\$ 641.86	\$ 680.37	\$ 721.19
Mid-Commercial User	10,000	\$ 900.00	\$ 1,221.25	\$ 1,294.53	\$ 1,372.20	\$ 1,454.53	\$ 1,541.80
Large Commercial User	80,000	\$ 7,200.00	\$ 11,371.25	\$ 12,053.53	\$ 12,776.74	\$ 13,543.34	\$ 14,355.94

City of Amesbury
Sewer Rate Study
Attachment

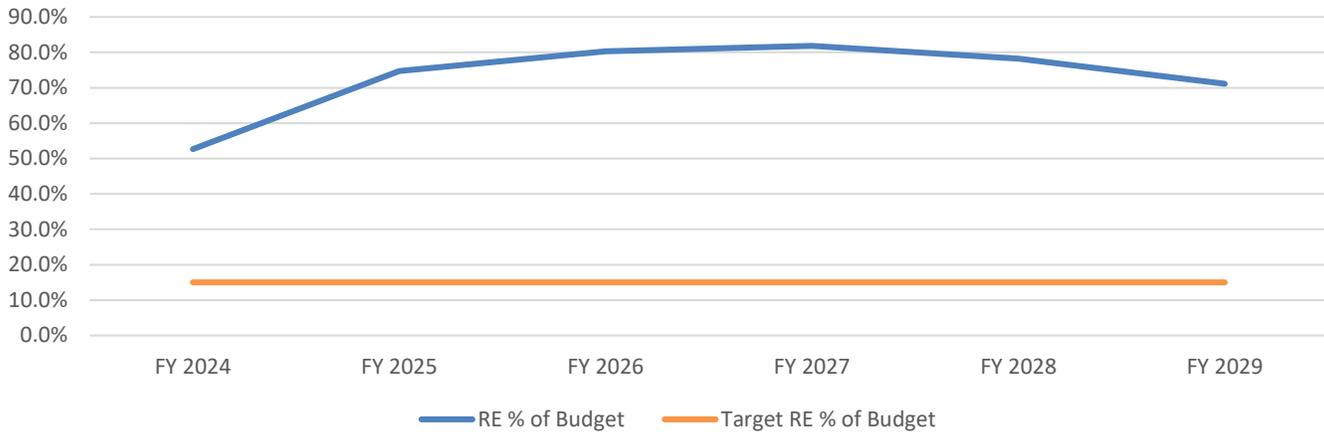
Baseline	FY 2024 PROJECTED	FY 2025 PROJECTED	FY 2026 PROJECTED	FY 2027 PROJECTED	FY 2028 PROJECTED	FY 2029 PROJECTED
Surplus/Deficit	\$ 459,677	\$ 525,297	\$ 312,718	\$ 163,654	\$ 66,181	\$ (95,505)
Projected Retained Earnings	\$ 1,370,629	\$ 1,895,926	\$ 2,208,644	\$ 2,372,298	\$ 2,342,974	\$ 2,247,469
RE as % of Budget	52.7%	74.7%	80.3%	81.8%	78.2%	71.2%
Target RE as % of Budget	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%



Rate Changes:	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	0.00%	0.00%	0.00%	0.00%	0.00%

Rate Impact	FY 2024 PROJECTED	FY 2025 PROJECTED	FY 2026 PROJECTED	FY 2027 PROJECTED	FY 2028 PROJECTED	FY 2029 PROJECTED
Surplus/Deficit	\$ 459,677	\$ 525,297	\$ 312,718	\$ 163,654	\$ 66,181	\$ (95,505)
Projected Retained Earnings	\$ 1,370,629	\$ 1,895,926	\$ 2,208,644	\$ 2,372,298	\$ 2,342,974	\$ 2,247,469
RE % of Budget	52.7%	74.7%	80.3%	81.8%	78.2%	71.2%
Target RE % of Budget	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%

Retained Earnings Projections - with Rate Changes



Water Rate	Rates					
	Current	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Flat Rate	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25
Minimum	\$ 54.38	\$ 54.38	\$ 54.38	\$ 54.38	\$ 54.38	\$ 54.38

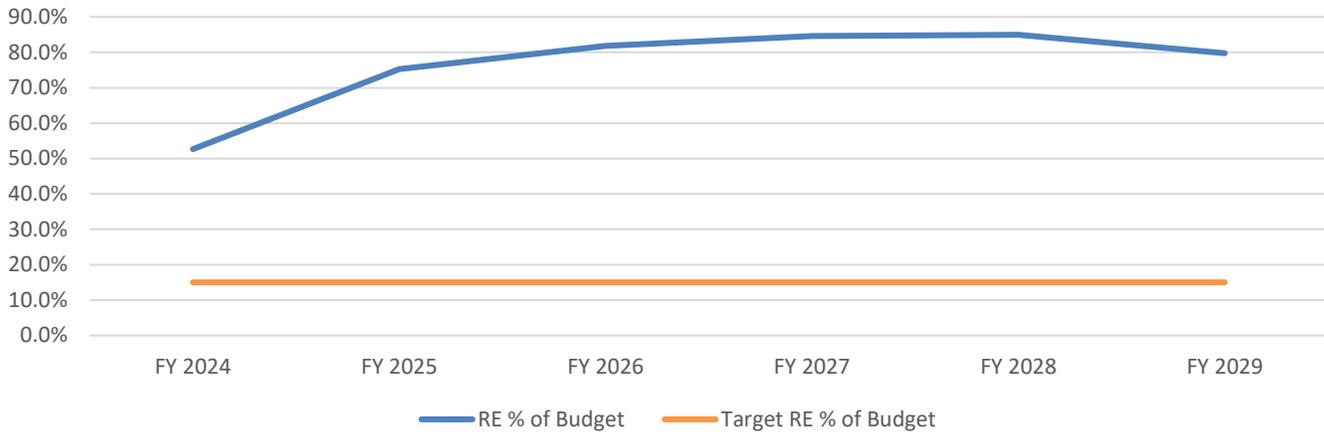
Usage in cubic feet
Rates per 100 cubic feet
Minimum based on 750 cubic feet

User Impact (per Bill) - Sewer Bills Only			New Bills				
User Type	Usage	Current Bill	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Minimum User	750	\$ 54.38	\$ 54.38	\$ 54.38	\$ 54.38	\$ 54.38	\$ 54.38
Avg. Household (45 gpd/person)	1,244	\$ 90.19	\$ 90.19	\$ 90.19	\$ 90.19	\$ 90.19	\$ 90.19
Avg. Household (65 gpd/person)	1,769	\$ 128.25	\$ 128.25	\$ 128.25	\$ 128.25	\$ 128.25	\$ 128.25
Family of 4 (45 gpd/person)	2,196	\$ 159.21	\$ 159.21	\$ 159.21	\$ 159.21	\$ 159.21	\$ 159.21
Family of 4 (65 gpd/person)	3,173	\$ 230.04	\$ 230.04	\$ 230.04	\$ 230.04	\$ 230.04	\$ 230.04
Large Residential User	5,000	\$ 362.50	\$ 362.50	\$ 362.50	\$ 362.50	\$ 362.50	\$ 362.50
Mid-Commercial User	10,000	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00
Large Commercial User	80,000	\$ 5,800.00	\$ 5,800.00	\$ 5,800.00	\$ 5,800.00	\$ 5,800.00	\$ 5,800.00

Rate Changes:	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	0.50%	0.50%	0.50%	0.50%	0.50%

Rate Impact	FY 2024 PROJECTED	FY 2025 PROJECTED	FY 2026 PROJECTED	FY 2027 PROJECTED	FY 2028 PROJECTED	FY 2029 PROJECTED
Surplus/Deficit	\$ 459,677	\$ 538,737	\$ 339,666	\$ 204,177	\$ 120,346	\$ (27,628)
Projected Retained Earnings	\$ 1,370,629	\$ 1,909,366	\$ 2,249,032	\$ 2,453,209	\$ 2,545,927	\$ 2,518,299
RE % of Budget	52.7%	75.3%	81.8%	84.6%	85.0%	79.7%
Target RE % of Budget	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%

Retained Earnings Projections - with Rate Changes



Water Rate	Rates					
	Current	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Flat Rate	\$ 7.25	\$ 7.29	\$ 7.32	\$ 7.36	\$ 7.40	\$ 7.43
Minimum	\$ 54.38	\$ 54.65	\$ 54.92	\$ 55.19	\$ 55.47	\$ 55.75

Usage in cubic feet
Rates per 100 cubic feet
Minimum based on 750 cubic feet

User Impact (per Bill) - Sewer Bills Only			New Bills				
User Type	Usage	Current Bill	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Minimum User	750	\$ 54.38	\$ 54.65	\$ 54.92	\$ 55.19	\$ 55.47	\$ 55.75
Avg. Household (45 gpd/person)	1,244	\$ 90.19	\$ 90.64	\$ 91.09	\$ 91.55	\$ 92.01	\$ 92.47
Avg. Household (65 gpd/person)	1,769	\$ 128.25	\$ 128.89	\$ 129.54	\$ 130.19	\$ 130.84	\$ 131.49
Family of 4 (45 gpd/person)	2,196	\$ 159.21	\$ 160.01	\$ 160.81	\$ 161.61	\$ 162.42	\$ 163.23
Family of 4 (65 gpd/person)	3,173	\$ 230.04	\$ 231.19	\$ 232.35	\$ 233.51	\$ 234.68	\$ 235.85
Large Residential User	5,000	\$ 362.50	\$ 364.31	\$ 366.13	\$ 367.96	\$ 369.80	\$ 371.65
Mid-Commercial User	10,000	\$ 725.00	\$ 728.63	\$ 732.27	\$ 735.93	\$ 739.61	\$ 743.31
Large Commercial User	80,000	\$ 5,800.00	\$ 5,829.00	\$ 5,858.15	\$ 5,887.44	\$ 5,916.87	\$ 5,946.46