

An aerial photograph of a town facility. On the left, there is a large red building with a white roof. In the center, a parking lot contains a red pickup truck and a yellow excavator. To the right, a road with a pedestrian bridge crosses it. The background shows more buildings and a fence with the number '01760' on it. The text 'Water/Sewer Rate Hearing FY 2026' is overlaid in large blue letters.

Water/Sewer Rate Hearing FY 2026

Town of Natick – April 16, 2025

Overview of Enterprise Fund Rate Setting

The Town worked with Raybern Consulting to develop the multi-year model and recommended rate structure.

- Goal: To match revenue with current and future expenses while still providing value to ratepayers
- Continue to increase fixed revenue by raising the RTS (Readiness to Serve) fee to create stability
 - FY24 was 3% of fixed revenue
 - FY25 is 5% of fixed revenue
 - FY26 is estimated to be ~10% of fixed revenue

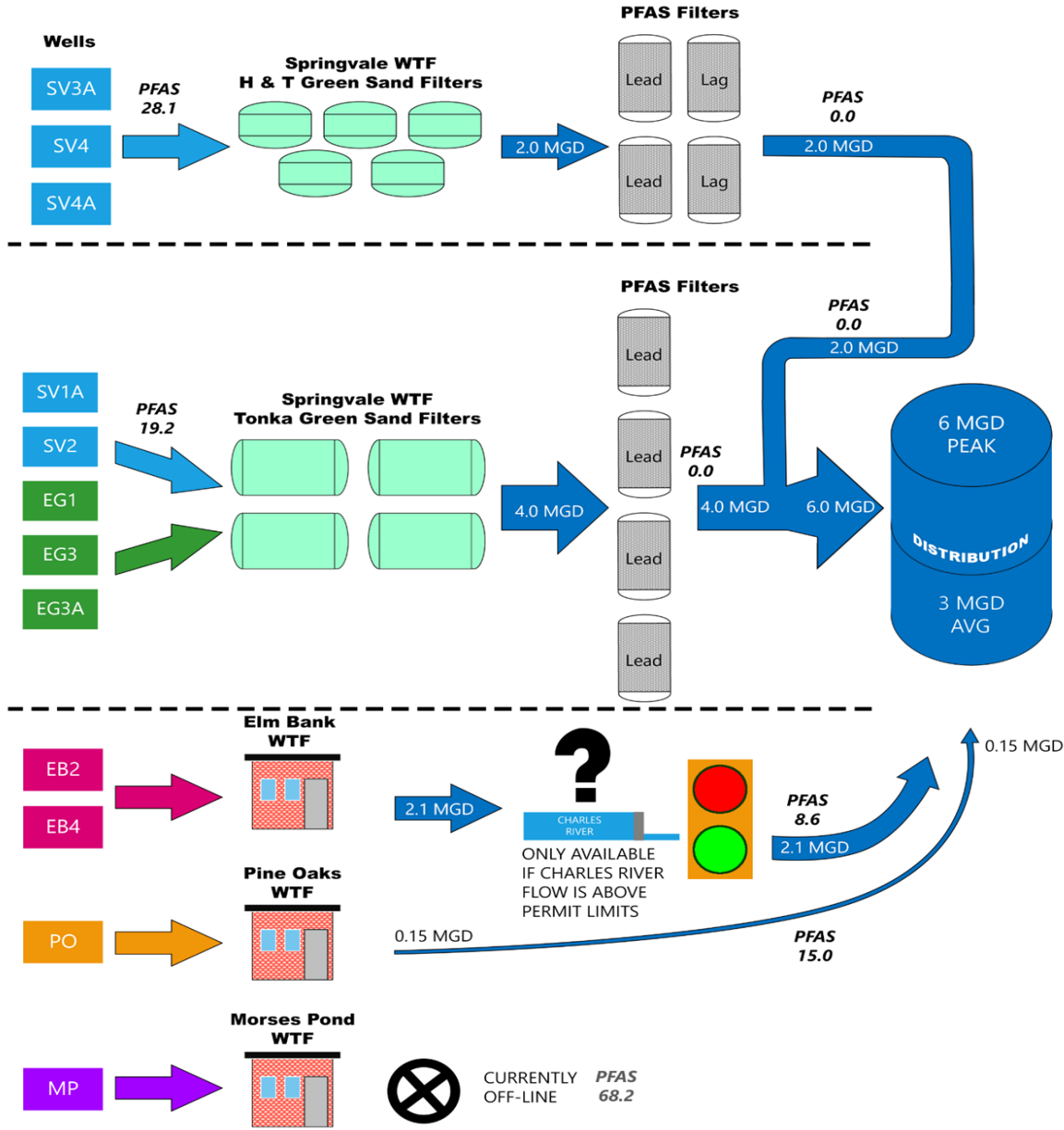
Overview of Enterprise Fund Rate Setting

- Revenue is based on Fixed RTS Fees + Consumption (volatile)
- Industry standard is for 20-23% of revenue to be fixed in order to protect the enterprise from variations in usage patterns due to regulatory mandates, weather, and unexpected shortfalls
- Options are to meet revenue goals by adjusting RTS fees to meet the industry standard, increasing consumption rates, or by adjusting both RTS fees and rates

Natick Overall – What do rates pay for?

12 groundwater wells – Natick uses no surface water or MWRA water
Water Treatment plants at Springvale, Elm Bank, Pine Oaks, and Morses Pond.
Two storage tanks with 9-million-gallon total capacity.
196 miles of water mains
11,400 water sewer accounts with 14,345 meters
35 sewer pump stations
147 miles of sewer mains
Staff and indirect costs
Operational Costs for all water and sewer operations
Capital and fund reserves

Natick Water Treatment



Budget Challenges

- **Debt Service** in FY27 and beyond. Expected to double by 2030.
- **State Drought Mandates** reduce high volume usage = less revenue
- Enterprise revenue is subject to **volatility** of usage patterns caused by factors outside of the Town's control
- **Inflation** & supply chain challenges – increased costs and delays.
- Testing and compliance **regulations** surrounding **PFAS** – increased operational expenses \$620,000/yr for annual media change out and testing for PFAS.

Rate Methodology

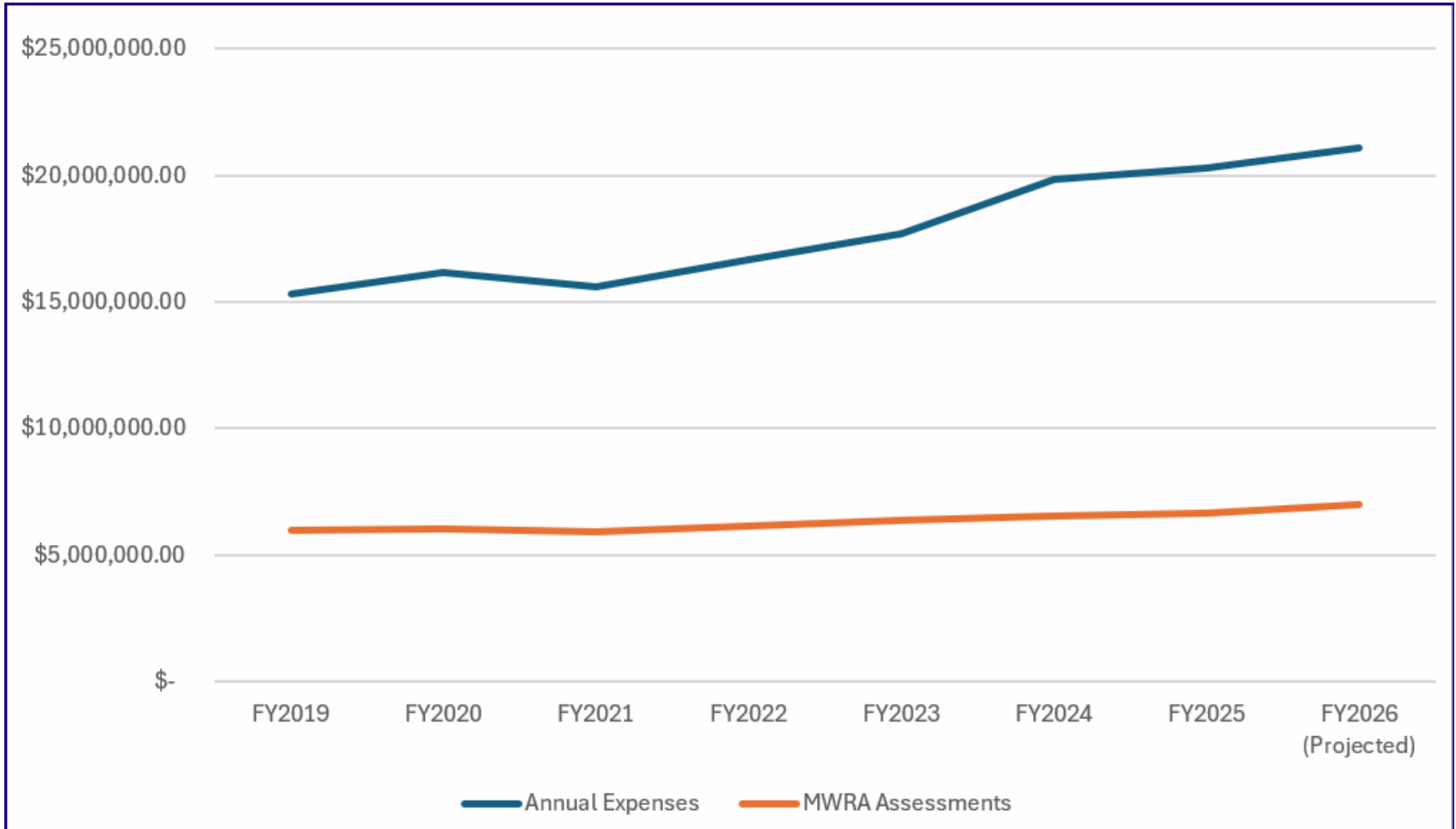
Rate Setting Methodology and Assumptions

- Data driven
- Uses proven rate model established in FY23
- Operational costs increase 4.5% each year
- Debt service based on 5 year capital plan
- Consumption based on the average of FY19/FY21 usage
- Iterative process to meet expenses for current and future years
- Assumes no grants or alternative funding

Expenses



Budget vs MWRA Sewer Assessment History



Usage

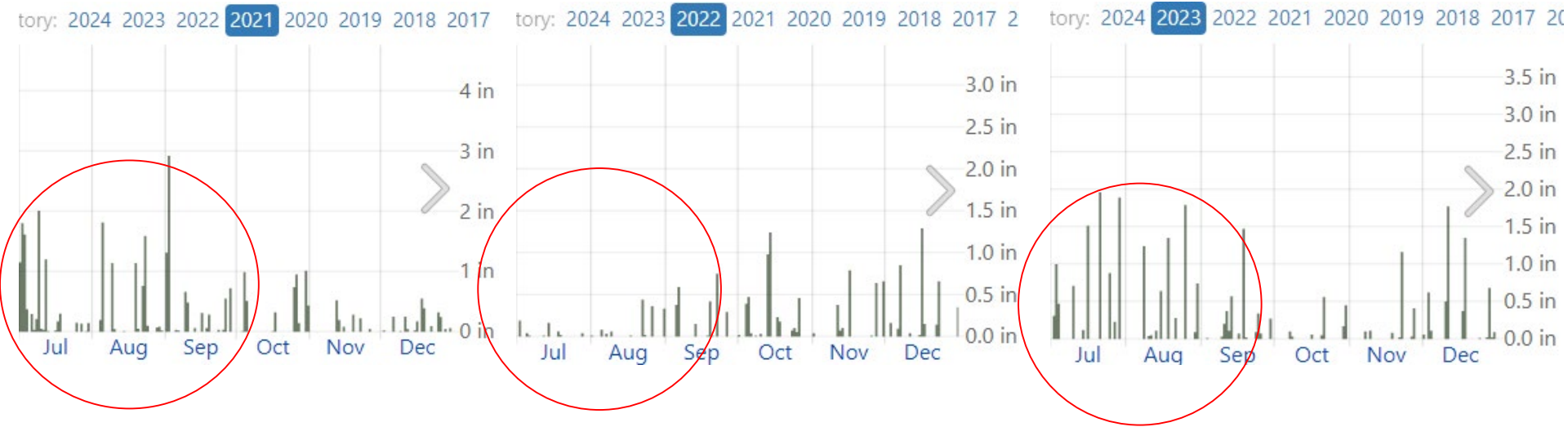


Unpredictable Consumption Patterns

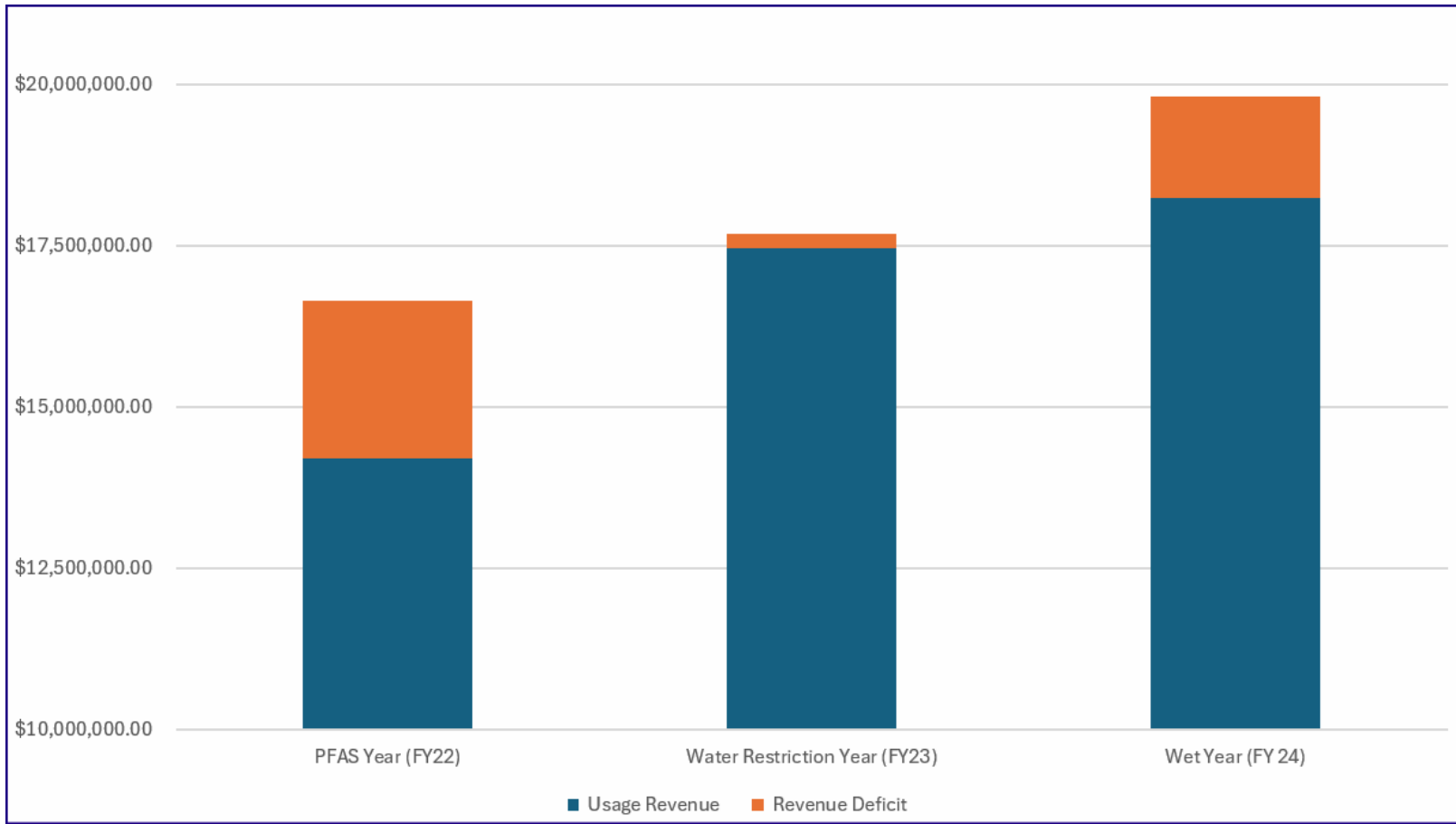
FY22
(Wet Q1 & PFAS)

FY23
(Very Dry Q1)

FY24
(Very Wet Q1)

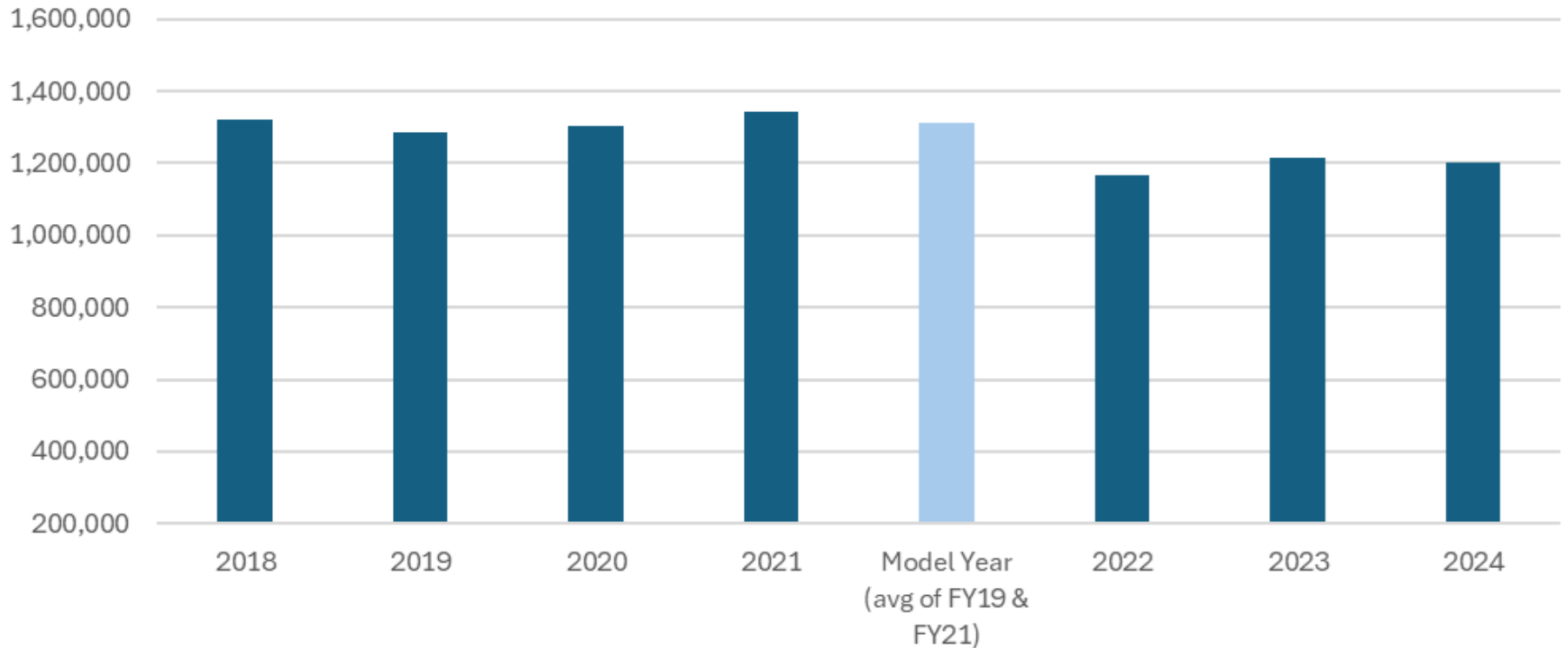


Revenue Volatility



Year	Consumption HCF
2018	1,319,602
2019	1,284,330
2020	1,301,913
2021	1,343,910
Model Year (avg of FY19 & FY21)	1,314,120
2022	1,165,032
2023	1,216,900
2024	1,199,756

Annual Consumption (HCF)

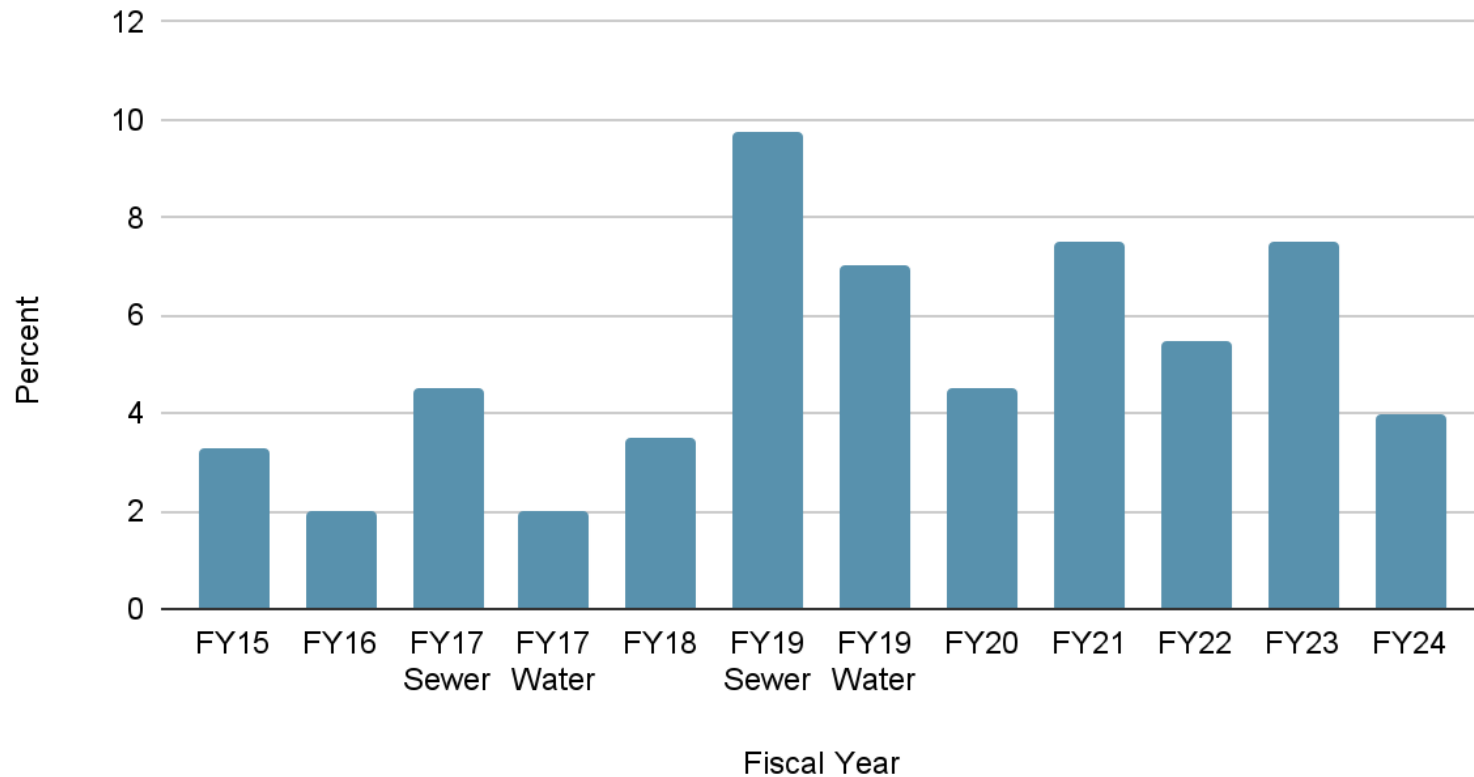


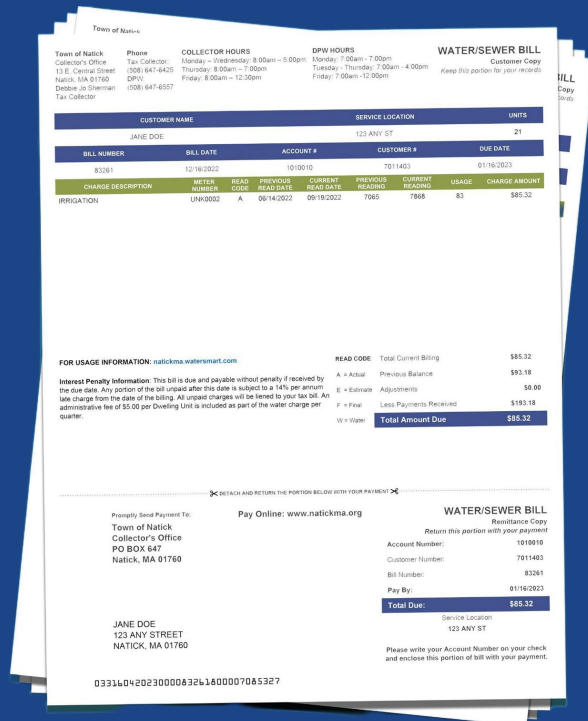
*** 1 HCF = ~748 Gallons

At the close of the fiscal year, retained earnings are certified by DOR similar to Free Cash. The target retained earnings balance is 10% of revenues. This allows for the enterprise to operate self-sufficiently, react to emergencies, and to make appropriate capital investments.



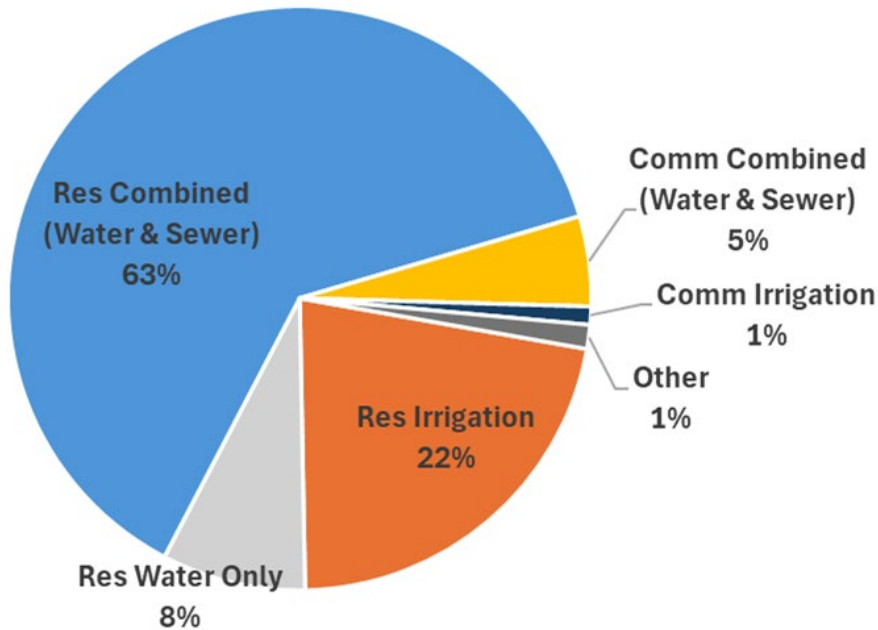
Annual Water/Sewer Rate Percentage Change



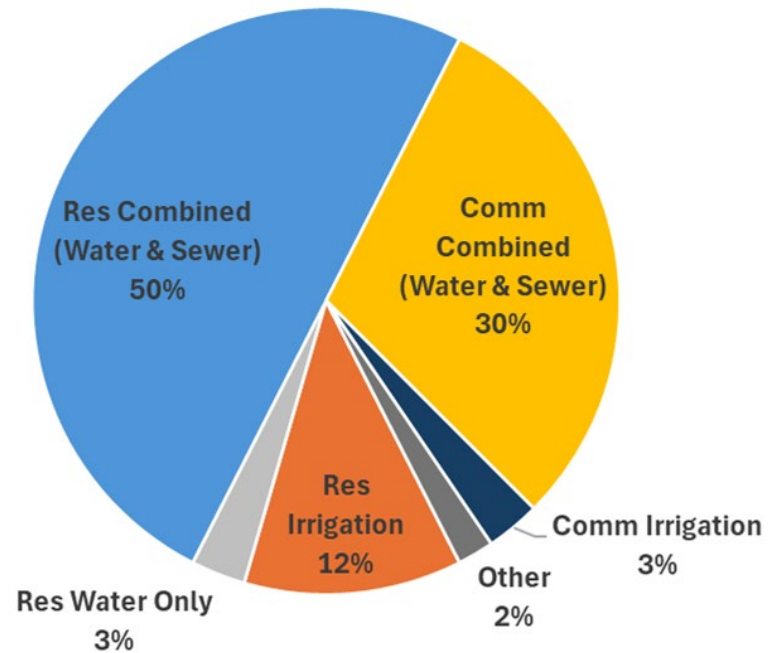


Rate Proposal

Customers vs Revenue Contribution



Customer Type
Breakdown



Revenue Contribution
by Customer Type

Recommendation Option 1

Increase Readiness to Serve (RTS) Fee to achieve revenue requirements for FY26.

The proposed rates will increase as follows:

\$35 Water Service Only

\$65 Combined Water & Sewer Service

\$35 Irrigation

\$30 Sewer Service Only

\$0 Backflow (per test)

\$0 per in. dia. Private Fire (Annually)

Recommendation Option 1

Current Rates (FY25)						
Volume	Combined	Water Only	Sewer Only	Elderly	Irrigation	
RTS	\$ 15.00	\$ 10.00	\$ 5.00	\$ -	\$ 10.00	
0-8	\$ 9.64	\$ 2.52	\$ 7.12	\$ -	\$ 4.49	
>8-16	\$ 16.54	\$ 3.85	\$ 12.69	\$ -	\$ 8.76	
>16-32	\$ 26.69	\$ 5.70	\$ 20.99	\$ 18.99	\$ 11.69	
>32	\$ 29.83	\$ 14.33	\$ 20.99	\$ 21.21	\$ 14.33	

OPTION 1						
<i>RTS Increase: Water & Irrigation +\$35, Sewer+\$30</i>						
FY26						
Volume	Combined	Water Only	Sewer Only	Elderly	Irrigation	
RTS	\$ 80.00	\$ 45.00	\$ 35.00	\$ -	\$ 45.00	
0-8	\$ 9.64	\$ 2.52	\$ 7.12	\$ -	\$ 4.49	
>8-16	\$ 16.54	\$ 3.85	\$ 12.69	\$ -	\$ 8.76	
>16-32	\$ 26.69	\$ 5.70	\$ 20.99	\$ 18.99	\$ 11.69	
>32	\$ 29.83	\$ 14.33	\$ 20.99	\$ 21.21	\$ 14.33	

Water/Sewer Rate Setting for FY 2026

Option 1

Quarterly Bill Impacts based on FY25 Consumption Averages

Average Customer	FY25 Avg Usage (CCF)	Current			Option 1 RTS Increases: Water & Irrigation +\$35, Sewer+\$30				
		RTS	Total Usage	Total Bill	RTS	Total Usage	Total Bill	Bill Inc. \$	Bill Inc. %
Res Comb User (1 EDU)	13.9	\$15.00	\$174.71	\$189.71	\$80.00	\$174.71	\$254.71	\$65.00	34.26%
Comm Combined User	37.2	\$15.00	\$791.60	\$806.60	\$80.00	\$791.60	\$871.60	\$65.00	8.06%
Res Irr User	20	\$10.00	\$152.76	\$162.76	\$45.00	\$152.76	\$197.76	\$35.00	21.50%
Comm Irr User	96.8	\$10.00	\$1,221.62	\$1,231.62	\$45.00	\$1,221.62	\$1,266.62	\$35.00	2.84%
Res Water Only User	22.4	\$10.00	\$87.44	\$97.44	\$45.00	\$87.44	\$132.44	\$35.00	35.92%
Comm Water Only User	80	\$10.00	\$830.00	\$840.00	\$45.00	\$830.00	\$875.00	\$35.00	4.17%
Sewer Only Customer	74.3	\$5.00	\$1,382.20	\$1,387.20	\$35.00	\$1,382.20	\$1,417.20	\$30.00	2.16%
Elderly	10.7	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

Water/Sewer Rate Setting for FY 2026

Option 1

Water & Wastewater Rates Analysis Model Option 1							
Financial Projections and Fund Balances <u>After Changing Rates</u>							
Forecast starting from next year using proposed new rates							
Ending Year:	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	
Total Revenue	\$20,961,503	\$24,598,747	\$24,598,747	\$25,828,684	\$27,120,119	\$28,476,125	
Fixed Revenue %	5%	18%	18%	18%	18%	18%	
Expenses							
Debt Service and Other Known Annual Expenses for Next 20 Years	\$ 3,260,657	\$ 3,424,275	\$ 5,271,108	\$ 6,047,115	\$ 6,365,015	\$ 7,039,415	
Debt Service % of Revenue	16%	14%	21%	23%	23%	25%	
Additional Utility Expenses that Grow Every Year							
Inflation of utility expenses (%/year)	4.5%						
W&S Salaries	\$ 118,155	\$ 126,457	\$ 132,148	\$ 138,094	\$ 144,308	\$ 150,802	
W&S Expenses	\$ 274,000	\$ 269,000	\$ 281,105	\$ 293,755	\$ 306,974	\$ 320,788	
Sewer Salaries	\$ 970,632	\$ 1,119,225	\$ 1,169,590	\$ 1,222,222	\$ 1,277,222	\$ 1,334,697	
Sewer Expenses	\$ 7,131,499	\$ 7,317,145	\$ 7,646,417	\$ 7,990,505	\$ 8,350,078	\$ 8,725,832	
Water Salaries	\$ 1,677,605	\$ 1,714,445	\$ 1,791,595	\$ 1,872,217	\$ 1,956,467	\$ 2,044,508	
Water Expenses	\$ 1,237,120	\$ 1,260,120	\$ 1,316,825	\$ 1,376,083	\$ 1,438,006	\$ 1,502,717	
Water OTHER Expenses	\$ 810,700	\$ 792,700	\$ 828,372	\$ 865,648	\$ 904,602	\$ 945,309	
W&S shared Benefit Expenses	\$ 1,086,555	\$ 1,148,472	\$ 1,200,153	\$ 1,254,160	\$ 1,310,597	\$ 1,369,574	
Indirect Expenses	\$ 3,709,222	\$ 3,894,683	\$ 4,069,944	\$ 4,253,091	\$ 4,444,480	\$ 4,644,482	
MWRA Water (Projected \$5,614.29/mg in FY28)	\$ -	\$ -	\$ -	\$ 1,010,572	\$ 1,056,048	\$ 1,103,570	
(20% of ~900 mg total Volume) = 180 mg				\$ -	\$ -	\$ -	
Building Up Reserves from Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Expenses	\$20,276,145	\$21,066,522	\$23,707,256	\$26,323,462	\$27,553,798	\$29,181,693	
%Debt	16%	16%	22%	23%	23%	24%	
Net Revenue	\$685,358	\$ 3,532,225	\$891,491	(\$494,778)	(\$433,679)	(\$705,568)	
Revenue-to-Expense Ratio:	103%	117%	104%	98%	98%	98%	
FY2024 Retained Earnings							
Projected Retained Earnings Balance	\$ 2,867,996	\$ 3,553,354	\$ 7,085,579	\$ 7,977,070	\$ 7,482,292	\$ 7,048,613	\$ 6,343,044
Minimum retained Earnings Target	\$ 2,096,150	\$ 2,459,875	\$ 2,459,875	\$ 2,582,868	\$ 2,712,012	\$ 2,847,612	
Fund balance is above or below minimum target?	At or Above	At or Above	At or Above	At or Above	At or Above	At or Above	At or Above

Recommendation Option 2

Increase Readiness to Serve (RTS) Fee. Increase Rates, Backflow, and Private Fire by 5% for the next 5 years to achieve revenue requirements for FY26 with an eye to the future.

The proposed rates will increase as follows:

- \$15 RTS Water Service Only

- \$25 RTS Combined Water & Sewer Service

- \$15 RTS Irrigation

- \$10 RTS Sewer Service Only

- 5% Backflow (per test)

- 5% per in. dia. Private Fire (Annually)

- 5% increase in usage rates

Recommendation Option 2

Current Rates (FY25)						
Volume	Combined	Water Only	Sewer Only	Elderly	Irrigation	
RTS	\$ 15.00	\$ 10.00	\$ 5.00	\$ -	\$ 10.00	
0-8	\$ 9.64	\$ 2.52	\$ 7.12	\$ -	\$ 4.49	
>8-16	\$ 16.54	\$ 3.85	\$ 12.69	\$ -	\$ 8.76	
>16-32	\$ 26.69	\$ 5.70	\$ 20.99	\$ 18.99	\$ 11.69	
>32	\$ 29.83	\$ 14.33	\$ 20.99	\$ 21.21	\$ 14.33	

OPTION 2

RTS Increase: Water & Irrigation +\$15, Sewer +\$10, Rate Increase: 5%

FY26						
Volume	Combined	Water Only	Sewer Only	Elderly	Irrigation	
RTS	\$ 40.00	\$ 25.00	\$ 15.00	\$ -	\$ 25.00	
0-8	\$ 10.12	\$ 2.65	\$ 7.48	\$ -	\$ 4.71	
>8-16	\$ 17.37	\$ 4.04	\$ 13.32	\$ -	\$ 9.20	
>16-32	\$ 28.02	\$ 5.99	\$ 22.04	\$ 19.94	\$ 12.27	
>32	\$ 31.32	\$ 15.05	\$ 22.04	\$ 22.27	\$ 15.05	

Water/Sewer Rate Setting for FY 2026

Option 2

Quarterly Bill Impacts based on FY25 Consumption Averages

Average Customer	FY25 Avg Usage (CCF)	Current			Option 2 RTS Increases Water & Irrigation +\$15, Sewer +\$10, Rate Increase: 5%				
		RTS	Total Usage	Total Bill	RTS	Total Usage	Total Bill	Bill Inc. \$	Bill Inc. %
Res Comb User (1 EDU)	13.9	\$15.00	\$174.71	\$189.71	\$40.00	\$183.44	\$223.44	\$33.74	17.78%
Comm Combined User	37.2	\$15.00	\$791.60	\$806.60	\$40.00	\$831.18	\$871.18	\$64.58	8.01%
Res Irr User	20	\$10.00	\$152.76	\$162.76	\$25.00	\$160.40	\$185.40	\$22.64	13.91%
Comm Irr User	96.8	\$10.00	\$1,221.62	\$1,231.62	\$25.00	\$1,282.71	\$1,307.71	\$76.08	6.18%
Res Water Only User	22.4	\$10.00	\$87.44	\$97.44	\$25.00	\$91.81	\$116.81	\$19.37	19.88%
Comm Water Only User	80	\$10.00	\$830.00	\$840.00	\$25.00	\$871.50	\$896.50	\$56.50	6.73%
Sewer Only Customer	74.3	\$5.00	\$1,382.20	\$1,387.20	\$15.00	\$1,451.31	\$1,466.31	\$79.11	5.70%
Elderly	10.7	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

Water/Sewer Rate Setting for FY 2026

Option 2

Water & Wastewater Rates Analysis Model Option 2												
Financial Projections and Fund Balances After Changing Rates												
Forecast starting from next year using proposed new rates												
	Ending Year:	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030					
Total Revenue		\$20,961,503	\$23,504,524	\$24,679,751	\$25,913,738	\$27,209,425	\$28,569,896					
Fixed Revenue %		5%	10%	10%	10%	10%	10%					
Expenses												
Debt Service and Other Known Annual Expenses for Next 20 Years		\$ 3,260,657	\$ 3,424,275	\$ 5,271,108	\$ 6,047,115	\$ 6,365,015	\$ 7,039,415					
Debt Service % of Revenue		16%	15%	21%	23%	23%	25%					
Additional Utility Expenses that Grow Every Year												
Inflation of utility expenses (%/year)	4.5%											
W&S Salaries	\$	118,155	\$ 126,457	\$ 132,148	\$ 138,094	\$ 144,308	\$ 150,802					
W&S Expenses	\$	274,000	\$ 269,000	\$ 281,105	\$ 293,755	\$ 306,974	\$ 320,788					
Sewer Salaries	\$	970,632	\$ 1,119,225	\$ 1,169,590	\$ 1,222,222	\$ 1,277,222	\$ 1,334,697					
Sewer Expenses	\$	7,131,499	\$ 7,317,145	\$ 7,646,417	\$ 7,990,505	\$ 8,350,078	\$ 8,725,832					
Water Salaries	\$	1,677,605	\$ 1,714,445	\$ 1,791,595	\$ 1,872,217	\$ 1,956,467	\$ 2,044,508					
Water Expenses	\$	1,237,120	\$ 1,260,120	\$ 1,316,825	\$ 1,376,083	\$ 1,438,006	\$ 1,502,717					
Water OTHER Expenses	\$	810,700	\$ 792,700	\$ 828,372	\$ 865,648	\$ 904,602	\$ 945,309					
W&S shared Benefit Expenses	\$	1,086,555	\$ 1,148,472	\$ 1,200,153	\$ 1,254,160	\$ 1,310,597	\$ 1,369,574					
Indirect Expenses	\$	3,709,222	\$ 3,894,683	\$ 4,069,944	\$ 4,253,091	\$ 4,444,480	\$ 4,644,482					
MWRA Water (Projected \$5,614.29/mg in FY28) (20% of ~900 mg total Volume) = 180 mg		\$0	\$ -	\$ -	\$ 1,010,572	\$ 1,056,048	\$ 1,103,570					
Building Up Reserves from Rates		\$0	\$ -	\$ -	\$ -	\$ -	\$ -					
Total Expenses		\$20,276,145	\$21,066,522	\$23,707,256	\$26,323,462	\$27,553,798	\$29,181,693					
%Debt		16%	16%	22%	23%	23%	24%					
Net Revenue		\$685,358	\$ 2,438,002	\$972,494	(\$409,724)	(\$344,373)	(\$611,797)					
Revenue-to-Expense Ratio:		103%	112%	104%	98%	99%	98%					
FY2024 Retained Earnings												
Projected Retained Earnings Balance	\$ 2,867,996	\$3,553,354	\$ 5,991,356	\$ 6,963,851	\$ 6,554,127	\$ 6,209,754	\$ 5,597,957					
Minimum retained Earnings Target	\$	2,096,150	\$	2,350,452	\$	2,467,975	\$	2,591,374	\$	2,720,943	\$	2,856,990
Fund balance is above or below minimum target?		At or Above	At or Above	At or Above	At or Above	At or Above	At or Above	At or Above	At or Above	At or Above	At or Above	

Recommendation Option 3

Increase Readiness to Serve (RTS) Fee and achieve revenue requirements for FY26. This is followed by an incremental increase in all fees and rates by 5% in FY 27 and 7% in FY28.

The proposed rates will increase as follows:

- \$15 RTS Water Service Only

- \$25 RTS Combined Water & Sewer Service

- \$15 RTS Irrigation

- \$10 RTS Sewer Service Only

- 5% Backflow (per test)

- 5% per in. dia. Private Fire (Annually)

Recommendation Option 3

Current Rates (FY25)						
Volume	Combined	Water Only	Sewer Only	Elderly	Irrigation	
RTS	\$ 15.00	\$ 10.00	\$ 5.00	\$ -	\$ 10.00	
0-8	\$ 9.64	\$ 2.52	\$ 7.12	\$ -	\$ 4.49	
>8-16	\$ 16.54	\$ 3.85	\$ 12.69	\$ -	\$ 8.76	
>16-32	\$ 26.69	\$ 5.70	\$ 20.99	\$ 18.99	\$ 11.69	
>32	\$ 29.83	\$ 14.33	\$ 20.99	\$ 21.21	\$ 14.33	

OPTION 3

RTS Increase: Water & Irrigation +\$15, Sewer +\$10

FY26						
Volume	Combined	Water Only	Sewer Only	Elderly	Irrigation	
RTS	\$ 40.00	\$ 25.00	\$ 15.00	\$ -	\$ 25.00	
0-8	\$ 9.64	\$ 2.52	\$ 7.12	\$ -	\$ 4.49	
>8-16	\$ 16.54	\$ 3.85	\$ 12.69	\$ -	\$ 8.76	
>16-32	\$ 26.69	\$ 5.70	\$ 20.99	\$ 18.99	\$ 11.69	
>32	\$ 29.83	\$ 14.33	\$ 20.99	\$ 21.21	\$ 14.33	

Water/Sewer Rate Setting for FY 2026

Option 3

Quarterly Bill Impacts based on FY25 Consumption Averages

Average Customer	FY25 Avg Usage (CCF)	Current			Option 3 RTS Increases: Water & Irrigation +\$15, Sewer+\$10				
		RTS	Total Usage	Total Bill	RTS	Total Usage	Total Bill	Bill Inc. \$	Bill Inc. %
Res Comb User (1 EDU)	13.9	\$15.00	\$174.71	\$189.71	\$40.00	\$174.71	\$214.71	\$25.00	13.18%
Comm Combined User	37.2	\$15.00	\$791.60	\$806.60	\$40.00	\$791.60	\$831.60	\$25.00	3.10%
Res Irr User	20	\$10.00	\$152.76	\$162.76	\$25.00	\$152.76	\$177.76	\$15.00	9.22%
Comm Irr User	96.8	\$10.00	\$1,221.62	\$1,231.62	\$25.00	\$1,221.62	\$1,246.62	\$15.00	1.22%
Res Water Only User	22.4	\$10.00	\$87.44	\$97.44	\$25.00	\$87.44	\$112.44	\$15.00	15.39%
Comm Water Only User	80	\$10.00	\$830.00	\$840.00	\$25.00	\$830.00	\$855.00	\$15.00	1.79%
Sewer Only Customer	74.3	\$5.00	\$1,382.20	\$1,387.20	\$15.00	\$1,382.20	\$1,397.20	\$10.00	0.72%
Elderly	10.7	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

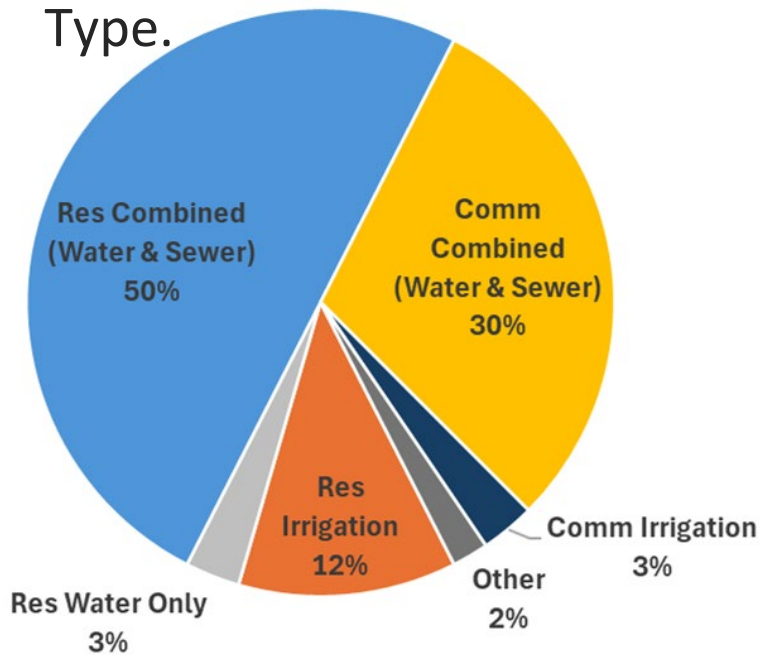
Water/Sewer Rate Setting for FY 2026

Option 3

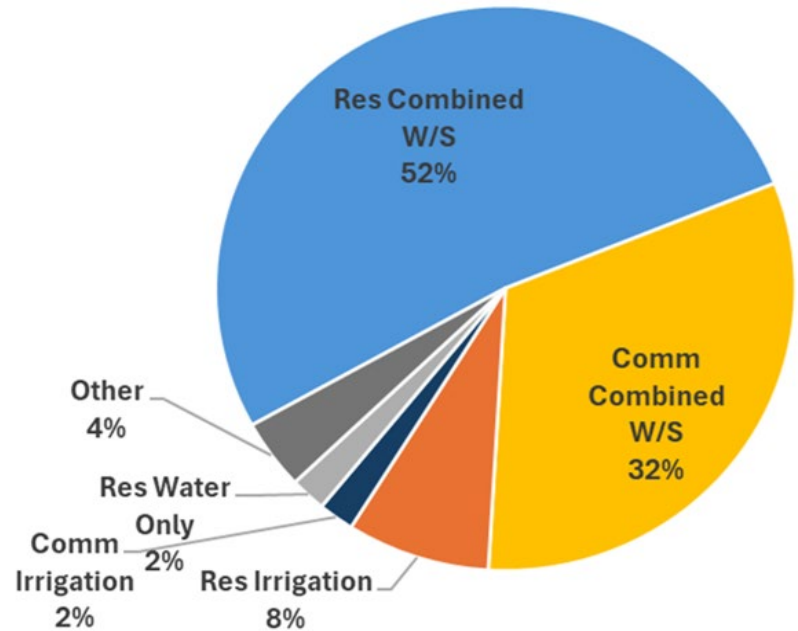
Water & Wastewater Rates Analysis Model Option 3							
Financial Projections and Fund Balances After Changing Rates							
Forecast starting from next year using proposed new rates							
Ending Year:	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	
Total Revenue	\$20,961,503	\$22,482,047	\$23,646,799	\$25,302,075	\$27,073,221	\$28,968,346	
Fixed Revenue %	5%	11%	11%	11%	11%	11%	
Expenses							
Debt Service and Other Known Annual Expenses for Next 20 Years	\$ 3,260,657	\$ 3,424,275	\$ 5,271,108	\$ 6,047,115	\$ 6,365,015	\$ 7,039,415	
Debt Service % of Revenue	16%	15%	22%	24%	24%	24%	
Additional Utility Expenses that Grow Every Year							
Inflation of utility expenses (%/year)	4.5%						
W&S Salaries	\$ 118,155	\$ 126,457	\$ 132,148	\$ 138,094	\$ 144,308	\$ 150,802	
W&S Expenses	\$ 274,000	\$ 269,000	\$ 281,105	\$ 293,755	\$ 306,974	\$ 320,788	
Sewer Salaries	\$ 970,632	\$ 1,119,225	\$ 1,169,590	\$ 1,222,222	\$ 1,277,222	\$ 1,334,697	
Sewer Expenses	\$ 7,131,499	\$ 7,317,145	\$ 7,646,417	\$ 7,990,505	\$ 8,350,078	\$ 8,725,832	
Water Salaries	\$ 1,677,605	\$ 1,714,445	\$ 1,791,595	\$ 1,872,217	\$ 1,956,467	\$ 2,044,508	
Water Expenses	\$ 1,237,120	\$ 1,260,120	\$ 1,316,825	\$ 1,376,083	\$ 1,438,006	\$ 1,502,717	
Water OTHER Expenses	\$ 810,700	\$ 792,700	\$ 828,372	\$ 865,648	\$ 904,602	\$ 945,309	
W&S shared Benefit Expenses	\$ 1,086,555	\$ 1,148,472	\$ 1,200,153	\$ 1,254,160	\$ 1,310,597	\$ 1,369,574	
Indirect Expenses	\$ 3,709,222	\$ 3,894,683	\$ 4,069,944	\$ 4,253,091	\$ 4,444,480	\$ 4,644,482	
MWRA Water (Projected \$5,614.29/mg in FY28)	\$ -	\$ -	\$ -	\$ 1,010,572	\$ 1,056,048	\$ 1,103,570	
(20% of ~900 mg total Volume) = 180 mg							
Building Up Reserves from Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Expenses	\$20,276,145	\$21,066,522	\$23,707,256	\$26,323,462	\$27,553,798	\$29,181,693	
%Debt	16%	16%	22%	23%	23%	24%	
Net Revenue	\$ 685,358	\$ 1,415,525	(\$60,457)	(\$1,021,387)	(\$480,577)	(\$213,347)	
Revenue-to-Expense Ratio:	103%	107%	100%	96%	98%	99%	
	FY2024 Retained Earnings						
Year-End Fund Balance	\$ 2,867,996	\$ 3,553,354	\$ 4,968,879	\$ 4,908,422	\$ 3,887,035	\$ 3,406,458	\$ 3,193,111
Minimum retained Earnings Target	\$ 2,096,150	\$ 2,248,205	\$ 2,364,680	\$ 2,530,208	\$ 2,707,322	\$ 2,896,835	
Fund balance is above or below minimum target?	At or Above	At or Above	At or Above	At or Above	At or Above	At or Above	At or Above

Revenue Contribution Changes

Each of the Recommendation Options result in a proportionate change in Revenue Contribution by Customer Type.



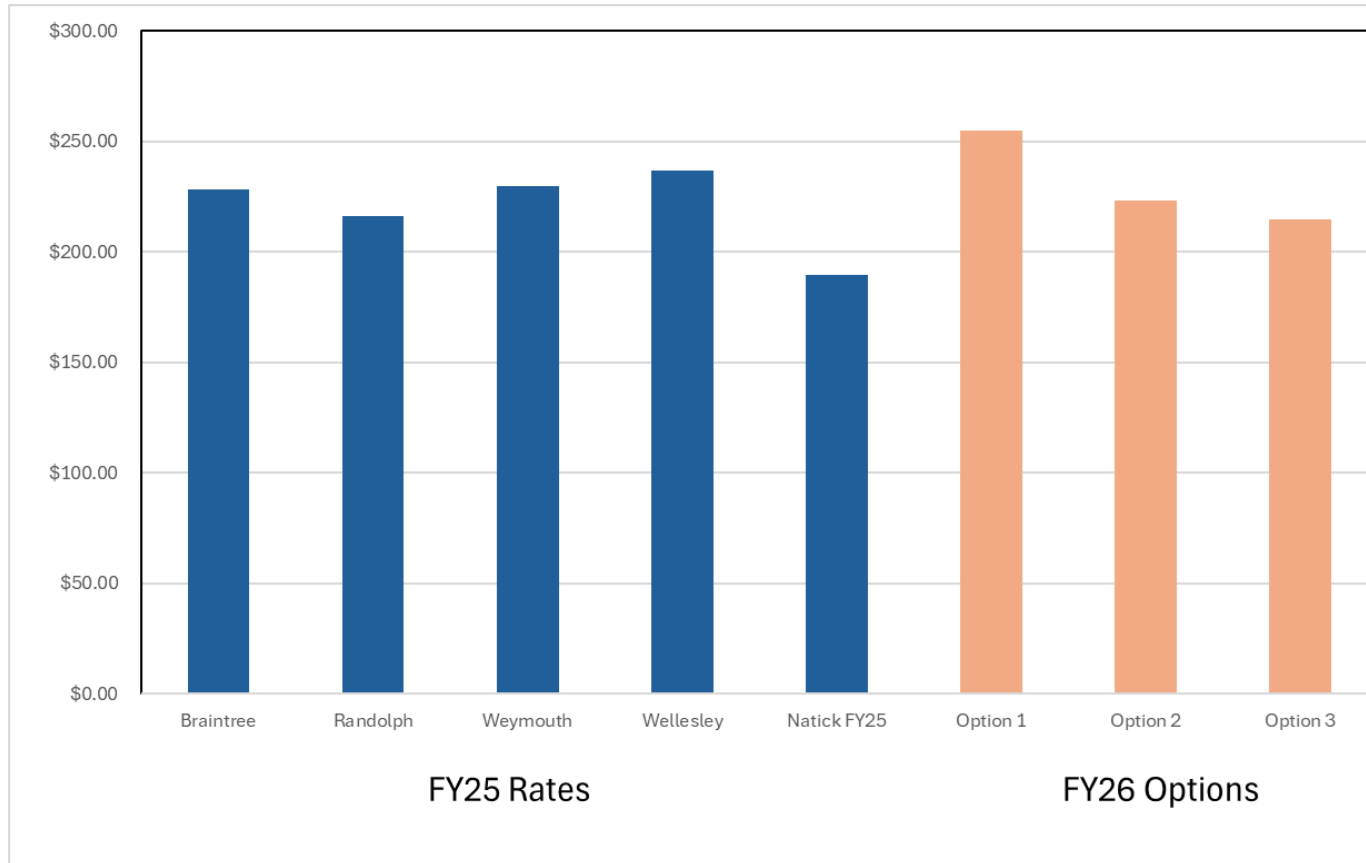
Current Revenue Contribution by Customer Type



New Revenue Contribution by Customer Type

Natick vs Peer Community Comparison

Average Quarterly Bill based on Typical Single Family usage of 13.9HCF



- Based on most recent available data
- Peers are neighboring, comparable Full MWRA Sewer communities

Option 2 is the recommended path forward

Increase Readiness to Serve (RTS) Fee. Increase Rates, Backflow, and Private Fire by 5% for the next 5 years to achieve revenue requirements for FY26 with an eye to the future.

The proposed rates will increase as follows:

- \$15 Water Service Only RTS

- \$25 Combined Water & Sewer Service RTS

- \$15 Irrigation RTS

- \$10 Sewer Service Only RTS

- 5% Backflow (per test)

- 5% per in. dia. Private Fire (Annually)

- 5% increase in usage rates

Thank You

