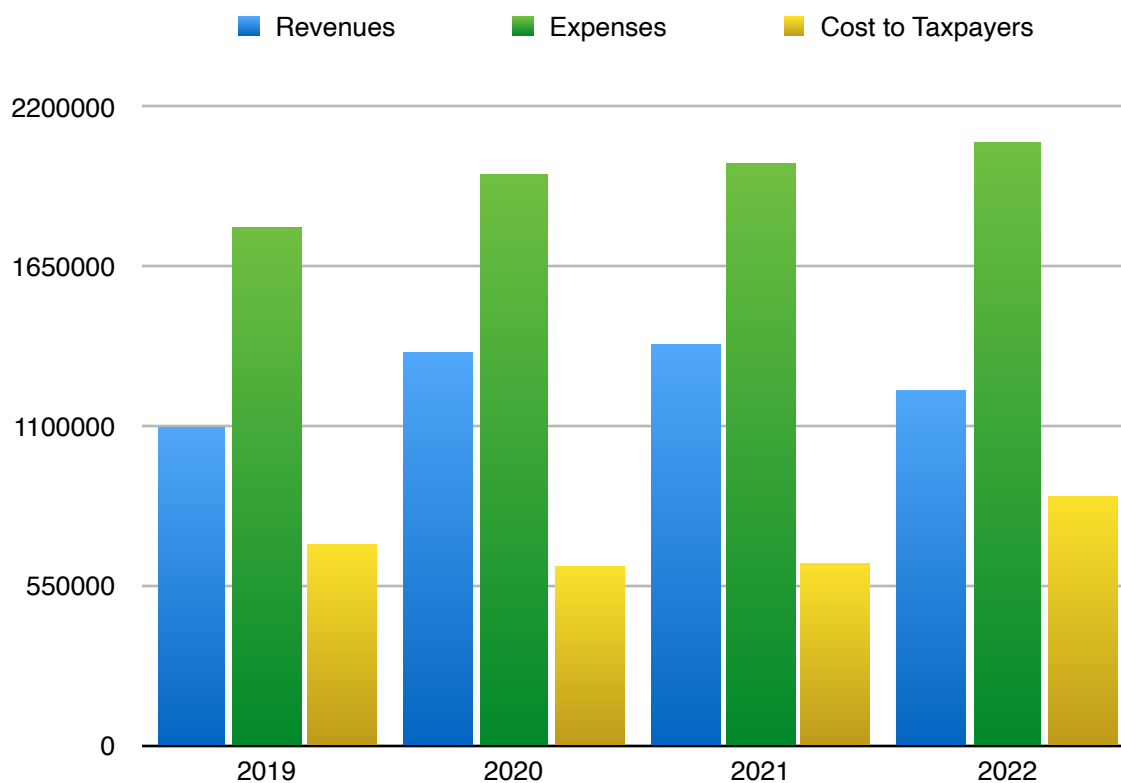
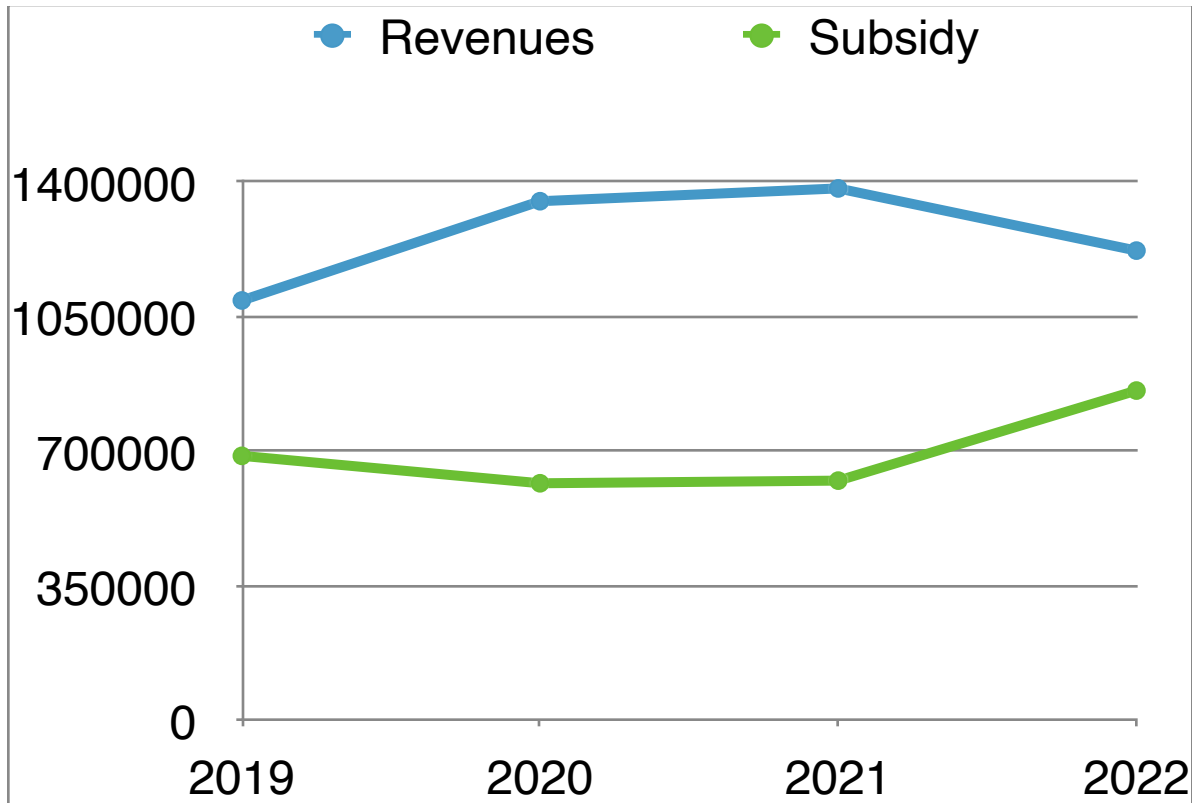


This report, on sewer finances and flows, was first submitted to the Board of Selectmen eight years ago, and is submitted annually. It differs from the water system report in that we are not able to break down the sewer flows to the same level of detail we do with the water report. This report will cover the last four years of data.

The numbers in sewer had shown some positive trends but there has been some serious backsliding here. Sewer revenues, year to year, were down by 11.6%. This drop occurred despite an increase in sewer use revenue, which was offset by a decline in service fee revenue. As with water these numbers do not include capital, with the subsidy from taxpayers to ratepayers vastly increasing when capital is included. The report will look at those numbers below, but even looking at the “operational” deficit only the numbers are not good for taxpayers. That sewer operational deficit increased in 2022 by 37.4%. If the operational deficit was zero we would have had to raise \$858,972 less dollars through the property tax.



Sewer	2019	2020	2021	2022
Revenues	\$1,092,987	\$1,350,912	\$1,384,157	\$1,222,548
Expenses	\$1,782,124	\$1,968,761	\$2,008,890	\$2,081,520
Net Cost to Taxpayers	(\$689,137)	(\$617,849)	(\$624,733)	(\$858,972)



The below table shows the wet and dry tonnage produced by the plant each year, as well as some other technical data.

Sewer Flows	2019	2020	2021	2022
Sewer Flows (Million Gallons)	234.93	231.64	224.72	257.64
Biosolid Wet Tons	1750	1685	1714	1747
Dry Tons	226	207	226	230

These numbers show an 14.6% increase in sewer flows, with plant capacity being used at 39%, down from 40% last year.

I have included the Sewer capital spending budgets below. These additional capital expenditures are not calculated as part of the “operating subsidy” from taxpayers but are certainly part of a broader number when calculating the true subsidy. For 2022 the capital spending was zero as all warrant articles were defeated, but that number is an outlier.

Year	Sewer Capital Spending
2017	\$60,000
2018	\$524,000
2019	\$75,000
2020	\$194,000
2021	\$2,995,000
2022	\$0
2023	\$369,000

The combined water sewer numbers gives us the scale of the combined subsidy. On an operational basis the combined taxpayer subsidy to rate payers in 2022 was \$600,896. When capital is included the combined deficit (subsidy) was \$990,896, and that number will climb further in succeeding years. Again, without this deficit we could have reduced the 2022 tax levy for Seabrook taxpayers by just shy of \$1 million dollars. That constitutes 3.5% of the 2022 budget.

These numbers have been raised by the independent auditors for the obvious reasons. We are prepared to discuss options at the convenience of the Board.