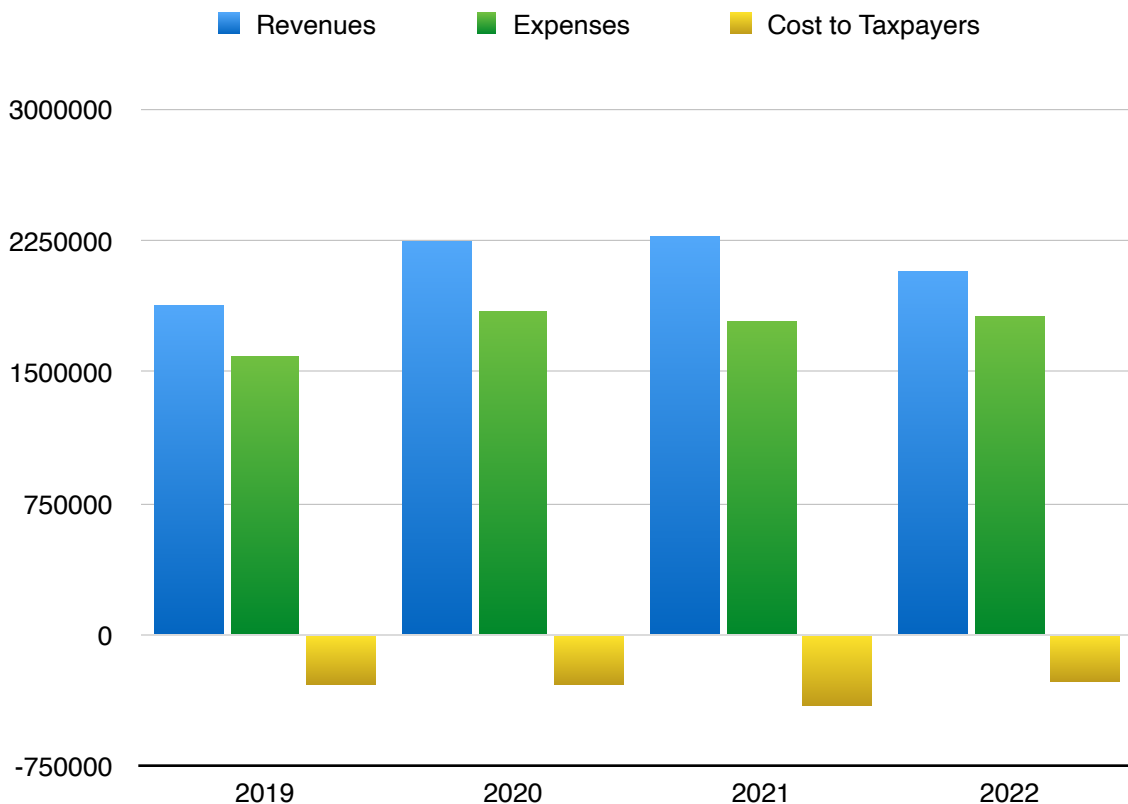
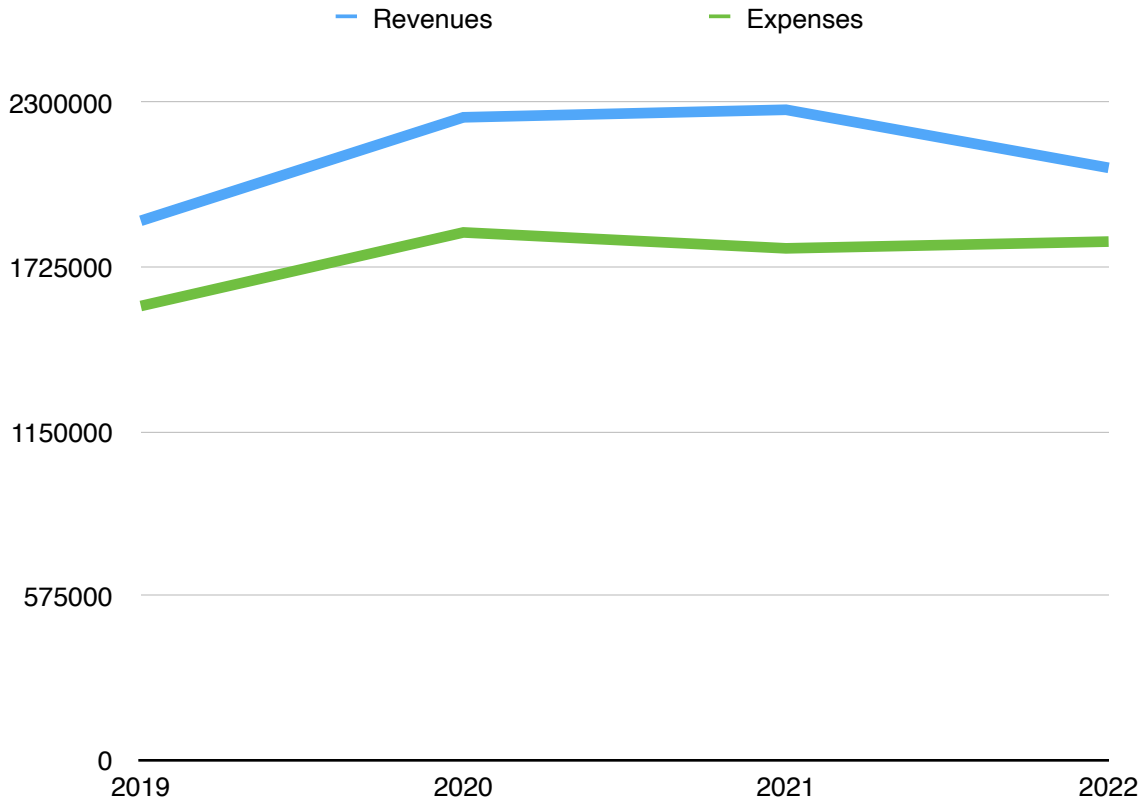


This report, submitted annually, provides the latest four year history of water usage, revenue, and expenditures. The prior subsidy, last seen in 2018, going from the taxpayers to the rate payers, has been erased operationally. The Board of Selectmen, at the time of rate adjustments, declined to include capital, leaving a subsidy in place. That subsidy number is dependent on the size of the annual capital outlay. The table below has a row “net cost to taxpayers.” A positive number there is not a cost but rather a surplus. (Prior reports show the subsidy as a negative number)

Finally the very important usage by Seabrook Station is broken out separately, as are the other categories of users.

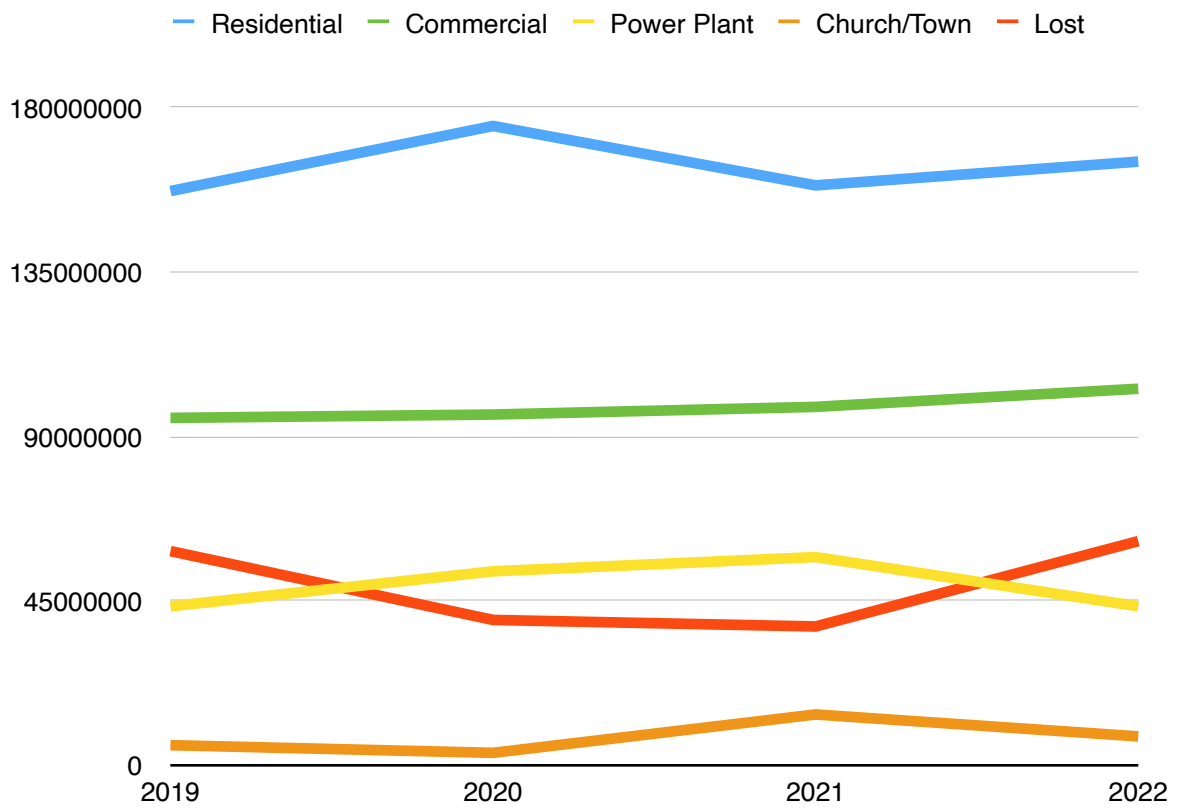
	2019	2020	2021	2022
Revenues	\$1,877,884	\$2,249,896	\$2,276,344	\$2,073,178
Expenses	\$1,589,673	\$1,847,127	\$1,791,401	\$1,815,102
Net Cost to Tax Payers	\$288,211	\$402,769	\$484,943	\$258,076





A couple of items of note. In 2022 we saw a decline in overall water revenues of 8.9%. That larger number needs more analysis but we see a 23.6% drop in water usage by NextEra, which is the factor most likely contributing to that year to year decline. As mentioned above while the operational subsidy from taxpayers to ratepayers has been erased in 2022 Water had capital spending of \$390,000, leaving an overall water subsidy from taxpayers to ratepayers, in 2022, of \$131,294. (\$390,000 less \$258,076)

As with Wastewater/Sewer this “deficit” is being flagged by the independent auditors, who consider Seabrook to be a water/sewer enterprise. They have recommended rate action to close this deficit.



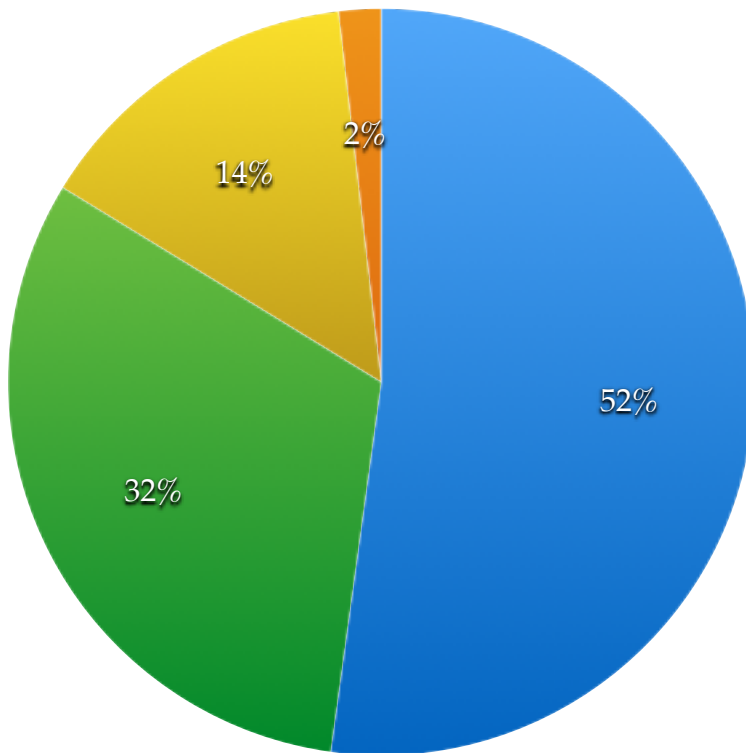
The separate categories of users over the four years are measured in the above graph.

Seabrook Water Pumped	2019	2020	2021	2022
Residential	157,253,742	175,074,330	158,808,215	165,316,383
Commercial	95,141,288	96,057,618	98,159,483	103,124,419
Power Plant	43,541,340	53,119,670	57,025,119	43,536,240
Church/Town/Unmetered	5,515,036	3,419,761	13,929,923	7,916,470
Lost	58,661,594	39,811,621	38,024,260	61,388,488
Total	360,113,000	367,483,000	365,947,000	381,282,000

The graph above measures the categories in the table directly above. The first data point is the overall water pumped, which increased. This increase was driven by a rather large increase in “lost” water. For the three principal categories (residential, commercial, and power plant) the total billed was down slightly. (From 313,992,817 to 311,977,042) The non-plant commercial sector increased slightly, as did residential. Those increases were offset by decreased usage at the Power Plant, which dropped to 14% of the total system from 17% in 2021. The four charts below break down each of the three measured years, with percentage rounding bringing totals slightly at variance with 100%.

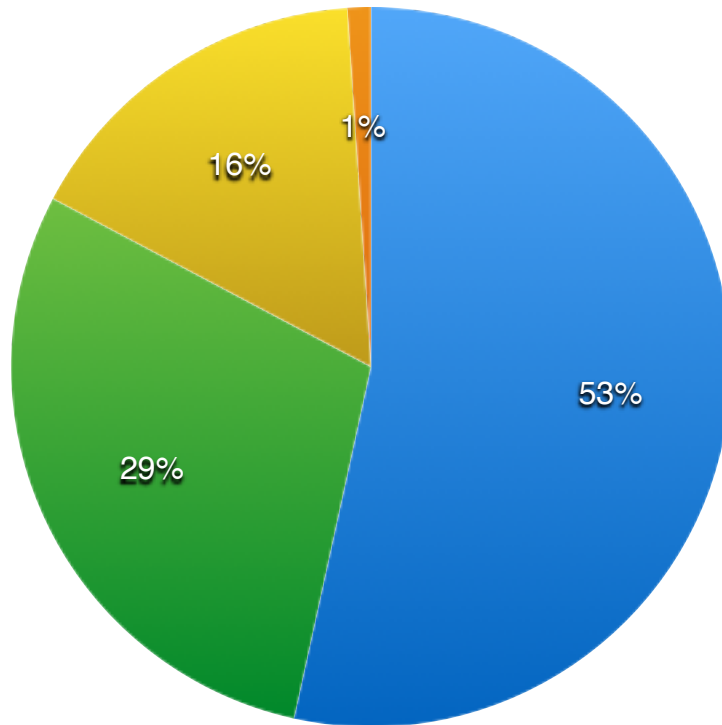
2019 Water Usage by Category (Lost Water Omitted)

- Residential
- Commercial
- Power Plant
- Church/Town



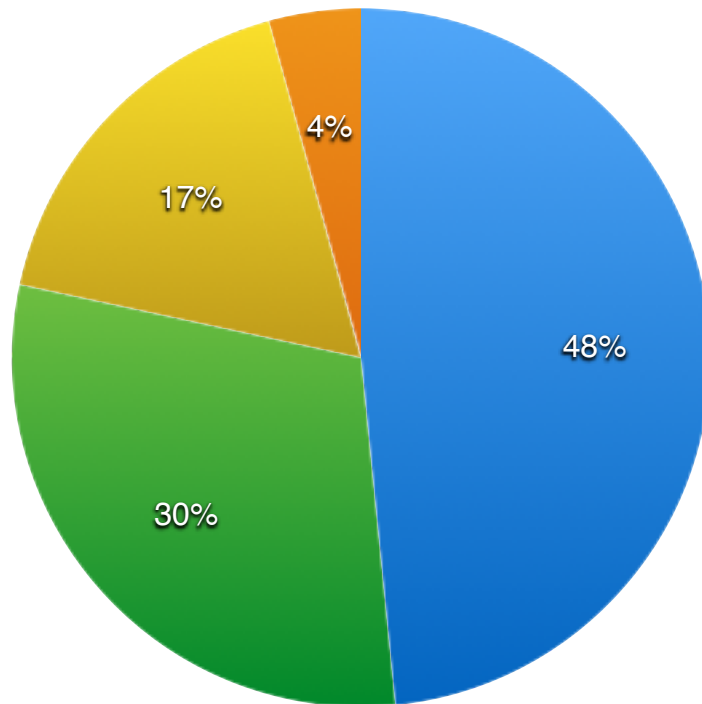
2020 Water Usage by Category. (Lost Water Omitted)

● Residential ● Commercial ● Power Plant ● Church/Town



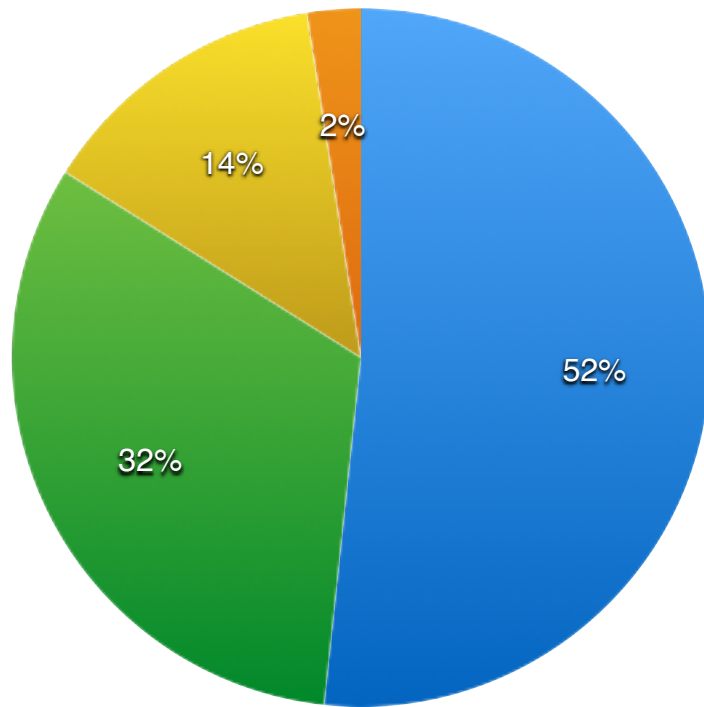
2021 Water Usage by Category. (Lost Water Omitted)

● Residential ● Commercial ● Power Plant ● Church/Town



2022 Water Usage by Category. (Lost Water Omitted)

● Residential ● Commercial ● Power Plant ● Church/Town



The Water capital budgets for the past four years are below. As discussed above the operational surpluses quickly to to actual deficits when you include capital costs.

Water Capital Budgets	Amount
2017	\$257,000
2018	\$50,000
2019	\$2,952,700
2020	\$193,727
2021	\$364,000
2022	\$390,000
2023	\$530,000

The impacts of the new water pricing system have manifested themselves through these numbers. The full ending of the “operating subsidy” from taxpayers to ratepayers is good news for Seabrook taxpayers. This Department has turned the corner financially, and that is due to the strong leadership team of Curtis Slayton and George Eaton. Capital costs will likely rise in the years to come as we bring additional sources of water online, and provide water security for the citizens of Seabrook. Whether those costs are captured through rates, as in an enterprise system, or through continued taxpayer subsidy is a policy choice for the Board of Selectmen. I will present a separate report on the Wastewater/Sewer Department.