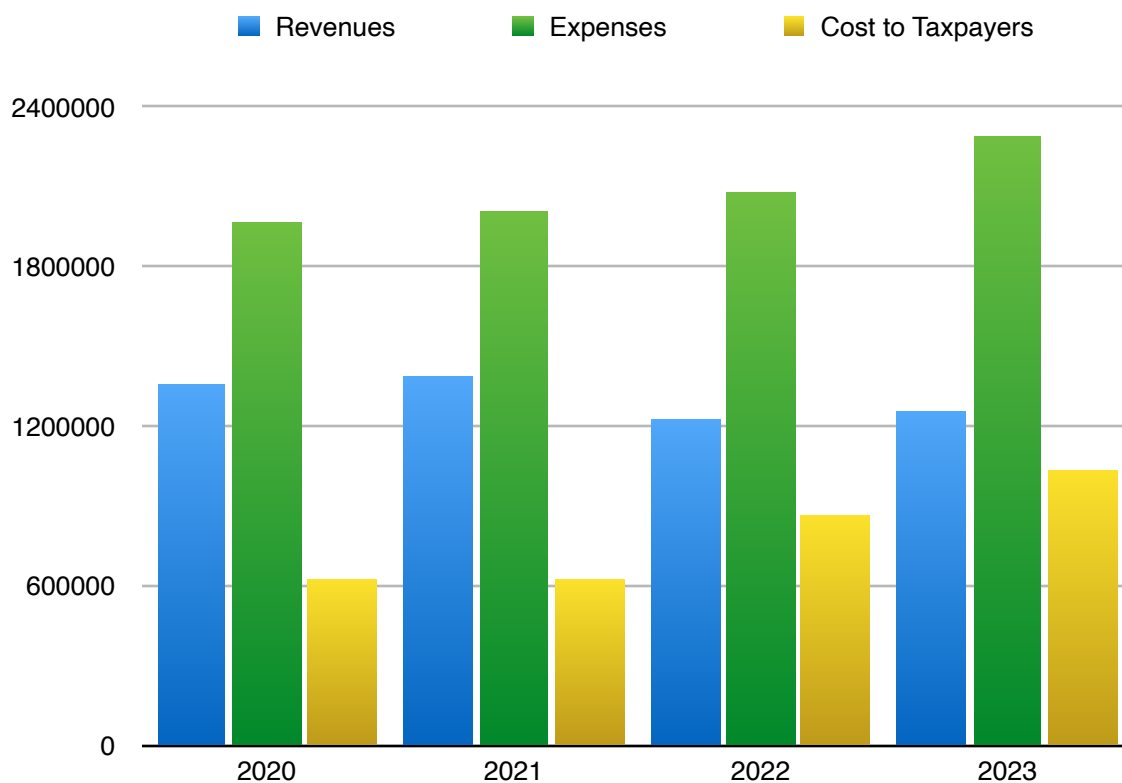
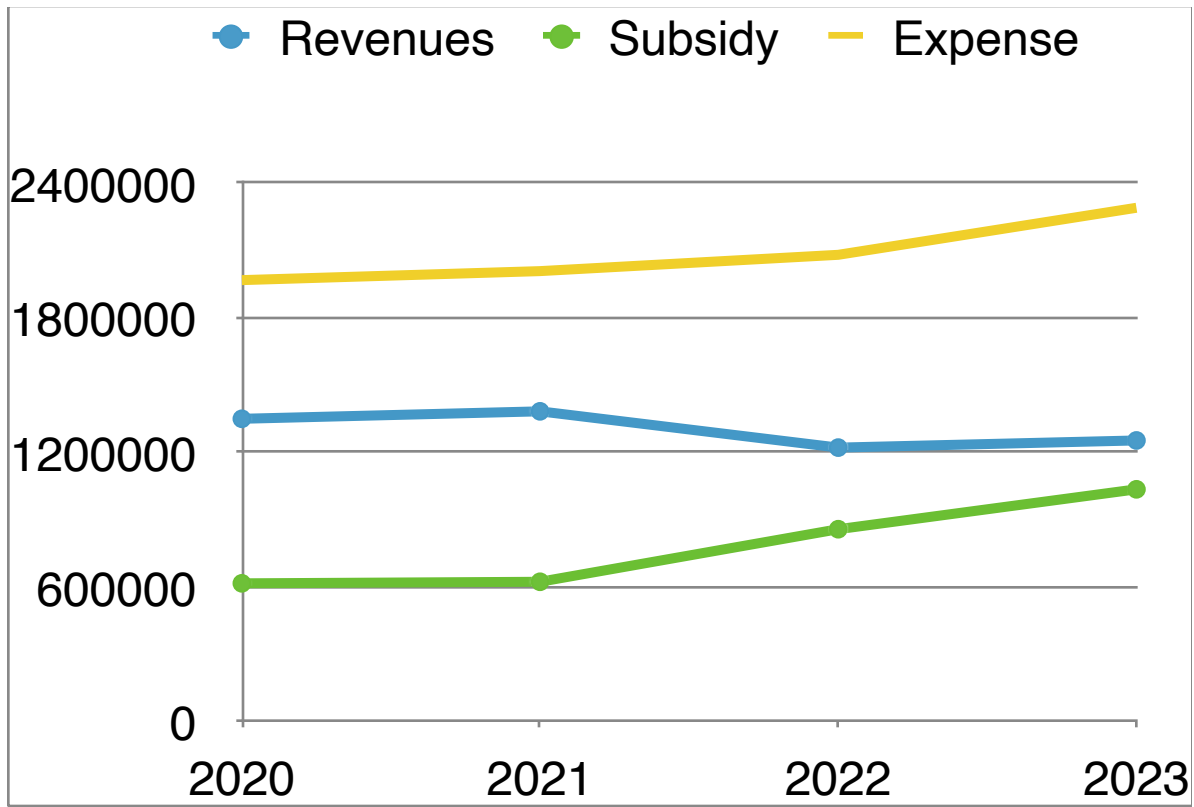


This report, on sewer finances and flows is submitted annually. It differs from the water system report in that we are not able to break down the sewer flows to the same level of detail we do with the water report. This report will cover the last four years of data.

The deficit in sewer, operationally, grew 20% from the already large number in 2022, breaking over \$1 million. Sewer revenues, year to year, were flat, despite seeing an uptick in flows. It appears that infiltration/inflow is the likely source of these additional flows, which can be further discussed with Superintendent Slayton. As with water these numbers do not include capital, with the subsidy from taxpayers to ratepayers vastly increasing when capital is included.

Sewer	2020	2021	2022	2023
Revenues	\$1,350,912	\$1,384,157	\$1,222,548	\$1,254,417
Expenses	\$1,968,761	\$2,008,890	\$2,081,520	\$2,291,115
Net Cost to Taxpayers	(\$617,849)	(\$624,733)	(\$858,972)	(\$1,036,698)





The below table shows sewer flows as well as some other technical data. As mentioned above you see an appreciable increase in flows (up 11.4) without a corresponding revenue increase. A discussion of I and I and of studying that issue to reduce system infiltration from non-sewer flows is something that should occur soon. Plant capacity utilization moved from 39% in 2022 to 44% in 2023.

Sewer Flows	2020	2021	2022	2023
Sewer Flows (Million Gallons)	231.64	224.72	257.64	287.06
Biosolid Wet Tons	1685	1714	1747	1752
Dry Tons	207	226	230	234

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. I would break down capital spending into two categories.

1. One year capital expenditures (warrant articles)
2. Long term debt (bonds or other debt)

The numbers below are the annual one year capital spending amounts. Sewer currently has no long term debt.

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 sewer operational/capital deficit for 2023 is **\$1,405,698**. The combined deficit with water is **\$2,318,858**.

With the Board action to convert water and sewer to enterprise status this problem should be resolved. We will keep a close watch on how the 2024 revenues come in knowing that those revenues need to fully fund the enterprise. In the main financial report we will look at what would have happened to the 2023 tax rate had there been no taxpayer subsidy to water and sewer.