

FY2025 Budget Narrative: Sewer Commission

Introduction

Sewer in Rye was originally mandated, to protect the environment (shoreline and aquifer). The Sewer Department Budget is covered 100% by fees to users and operates out of fund 2. Revenues received from fees and charges are deposited into the fund and department costs are spent from the fund. The monies can accumulate from year to year and are not considered part of the general fund.

Salaries and Benefits Budget Changes/Retention Dynamics:

Will you hire or add employees next year – replacements, retirements, leaves of absence, etc.?

No

What contract obligations or changes impacted this year's budget, if any?

The Town of Rye wage scale and salary classification is followed, and the Sewer Director's hourly rate will move from mid-point to maximum in 2025.

What employment challenges does your department face in this area – succession plans, early retirements, the ability to hire and retain employees?

The sewer system in Rye is small, however, has all the same requirements and needs as a larger community. Currently there is one employee that has the knowledge and ability to look after both administration and operation and maintenance. Also permit reporting requirements and grant writing is done inhouse. In the absence of finding an employee with the same skill set in the future, the current position may need to be changed into two distinct positions and work may need to be contracted out.

Personnel

Current for 2024?	Full Time	Part Time
Sewer Director	✓	
Additional for 2025?		
None		

Operational Costs – (Non-Personnel)

What are the biggest factors driving operational cost changes?

Permit requirements, aging infrastructure, and stormy wetter weather.

Are there any anomalies that occurred this year or will occur next year?

The two back-to-back weather events in January affected our system. Both pumps at Church Road Pump Station and Jenness Beach Pump Station ran in tandem (emergency mode) for hours during each storm. Increasing the electricity and treatment cost significantly. The vehicle access points to each station were flooded. The sewer infrastructure abuts the Atlantic Ocean and runs through the towns of North Hampton and Hampton where it discharges to the Town of Hampton Wastewater Treatment Plant because of its location it is vulnerable.

Are there plans to manage growing costs or to drive reductions?

Yes, the Sewer Commission is committed to being cost efficient (reducing expenses while maintaining outputs) and effective (getting the best return on investment). They have taken a data driven

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systematic proactive approach to decision making, by studying, evaluating, and planning. Each pump station has had an overall assessment, capacity study, and energy evaluation completed. A Level of Service Workshop was recently held as part of the development of an Asset Management Program which is currently underway. Funds have been secured to conduct a sewer infrastructure vulnerability assessment and for EPA Creating Resilient Water Utilities climate change risk assessment technical assistance this coming year and an Infiltration and Inflow (I/I) Assessment and Reduction Plan in 2026. In conjunction with the previously mentioned activity the Sewer Director is consulting with an NHDES Financial Analyst about financial planning and rate setting. Further financial evaluation and a rate study is anticipated as well as updating the Sewer User Charge Ordinance in the coming years. Priority has been given to pursuing grants, loan forgiveness, and support in kind to meet the Sewer Commissions goals, objectives, and obligations.

Capital Expenditures

Capital outlay – include explanatory narratives and quotes

CIP Submissions

Wastewater Treatment Plant Improvements (In operating budget)

The Agreement for Treatment and Disposal of Wastewater October 1989 between the Town of Hampton requires the Town of Rye to contribute 4% towards the Town of Hampton's 2009, 2011 and 2018 WWTP Improvements Loans (bond payments). For FY2025 Rye's share is \$38,025.24.

Wastewater Asset Management Program (100% grant funded)

The NHDES – Clean Water State Revolving Fund Program has awarded a \$30,000.00 grant to the Sewer Commission for the development of an Asset Management Program (AMP) for wastewater assets. This program will address all vertical (pump stations) and horizontal assets (piping, manholes etc.). The associated cost includes software, equipment purchases, and engineering services. This project will integrate existing horizontal collection system data into a software platform; inventory assets; determine the value of the assets owned; prioritize assets based on a condition assessment; conduct a life cycle analysis on each critical asset; and develop a funding strategy for asset maintenance and replacement. This is no cost to the town and users. The program launch took place in August of 2024 with the completion date set for October 2025

Warrant articles – include now for informational purposes

Other than CIP submissions what are the possible warrant articles and why they will be needed?

The Sewer Commissions 2024 NHDES Clean Water State Revolving Fund Pre-Application for an Inflow and Infiltration Assessment and Reduction Plan was selected as being eligible for \$100,000.00 in principal forgiveness (100% of the proposed project cost). The Town of Rye's sewer system has experienced high levels of inflow and infiltration that exceed normal levels. The need for the plan has intensified as wetter stormy weather in combination with high tides has become more frequent. The purpose of the plan is to implement a consistent, long-term approach to utilizing limited resources to effectively address I/I within the collection system and to correct the following capacity issues experienced: chronic NPDES Permit violations specifically total suspended solids that are above limits during weather events at the WWTP; compliance issues related to flow limits as indicated in the Intermunicipal Agreement between the Town of Rye and The Town of Hampton; Town of Rye Sewer Use Ordinance compliance violations including the connection of downspouts and sump pumps; the

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current moratorium against extensions or expansions which adds additional flow to the system; excessive pump run times and simultaneous pump operation that have resulted in higher than normal energy use and added wear and tear to pumps and motors; lack of infrastructure resilience to extreme weather events; aging infrastructure such as manhole structures; unnecessary clear water treatment, collection and distribution; significant financial burden of higher treatment, energy, maintenance and labor cost; and higher than normal risk of sanitary sewer overflows.

The proposed I/I Assessment Reduction Plan includes various evaluation components: flow monitoring, manhole inspections, smoke/dye testing, Targeted CCTV inspection and further data evaluation of existing CCTV footage. The goal of the project is to identify a clear path forward in minimizing infiltration, inflow and ex-filtration, and maximum conveyance of wastewater to the WWTP, by identifying, designing, and prioritizing ways to address I/I issues.

Draft Article ____ To see if the Town will vote to raise and appropriate the sum of one hundred thousand dollars (\$100,000) for the purpose of developing a Infiltration and Inflow (I/I) Assessment and Reduction Plan to authorize the Sewer Commission to borrow one hundred thousand dollars (\$100,000) from the New Hampshire Department of Environmental Services (DES) Clean Water Revolving Fund and to appropriate the amount of XXX (\$XXX) for interest payments during 2026. This DES program includes principal forgiveness, thus there is no cost to the town other than a small amount of interest. This appropriation is in addition to the operating budget. (3/5 vote required).

Why are these included in the budget as capital expenditures and not as operational costs?

The Wastewater Treatment Plant Improvements are included in the budget as operational cost. The Wastewater Asset Management Program is a grant, and the Infiltration and Inflow (I/I) Assessment and Reduction Plan is loan forgiveness other than a small amount of interest and a warrant article is required.

How are these part of a strategy/plan to maintain/support/update capital equipment?

These activities are all interconnected and part of a data driven systematic strategic planning approach that assists with maintaining, supporting, and updating capital equipment. The Asset Management Program itself is a plan to maintain, support and update capital equipment (assets). Please see above.

DEPARTMENT GOALS & OBJECTIVES:

Past Year:

What has your department accomplished this year? Were you able to meet the department's expectations and/or the needs of the community last year? Were there any key successes you would like to share?

The department's expectations and/or the needs of the community were met this year. The following are notable accomplishments and key successes.

- A FEMA Building Resilient Infrastructure and Communities (BRIC) Grant to develop a Sewer Infrastructure Vulnerability Assessment was awarded. The Federal portion of the grant is \$55,000.00 and the local cost share is \$18,500.00 of which will be satisfied through the sewer budget.

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- A Clean Water State Revolving Fund (CWSRF) Pre-Application to conduct an Infiltration and Inflow (I/I) Assessment and Reduction Plan was submitted, and the project was placed on the NHDES CWSRF Priority List for Wastewater Planning Projects and is eligible for \$100,000 in principal forgiveness.
- A Clean Water State Revolving Fund (CWSRF) Grant to develop an Asset Management Program (AMP) in the amount of \$30,000.00 was awarded. The kickoff meeting was held in August and as part of the program a Level of Service Workshop was held in September.
- The Sewer Director participated in extensive Climate Resilience Training for Wastewater Utilities offered by the Environmental Protection Agency (EPA) at no cost and the Sewer Commission has been selected to receive free climate change risk assessment technical assistance to complete a preliminary climate change risk assessment using the Climate Resilience Evaluation and Awareness Tool (CREAT).
- Previously designated American Rescue Plan Act Funds in the amount of \$166,200 will be spent by year end. In 2023, \$95,719 was expended to upgrade the Abeniqui Pump Station (two new pumps, side rails, control panel, and generator). By year end \$70, 421.60 will be spent to replace the generator at Church Road Pump Station and pumps at the Jenness Beach Pump Station.
- The underground propane tank at Church Road Pump Station and above ground propane tanks at Abeniqui Pump Station were replaced.
- Since 2022, \$351,200 has been secured in grants and loan forgiveness not including approximately \$40,000 of in-kind technical assistance. To conduct necessary replacements, personnel, planning, and evaluations all of which was needed and otherwise would have been paid for by the users.

Moving Forward

What are your goals for next year?

- Complete the Asset Management Program including software and equipment selection, inventorying assets, prioritizing assets, life cycle costing, develop funding strategy for asset management and replacement, develop a Level of Service Matrix including goals and vision, develop the implementation and communication plan for the AMP, participate in training and host a wrap-up presentation and community user manual.
- Develop, advertise, and award the Request for Qualifications/Proposal to develop a Sewer Infrastructure Vulnerability Assessment.
- Complete a preliminary climate change risk assessment using the Climate Resilience Evaluation and Awareness Tool (CREAT).
- Submit the final Clean Water State Revolving Fund (CWSRF) Application to conduct an Infiltration and Inflow (I/I) Assessment and Reduction Plan, develop, advertise, and award the Request for Qualifications/Proposals.
- Conduct land maintenance at Church Road Pump Station.
- Work towards developing major storm and flood event adaptation plans to meet NPDES permitting requirements.
- Stay current with the use of AI in wastewater operations.
- Continue to identify and apply for outside funding opportunities and in-kind support to offset increasing capital and operational costs.

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Create efficiencies?

This has been identified as a department priority. The purpose of all our planning and evaluation activity is to implement a consistent, long-term approach to utilizing limited resources to effectively address and correct issue within the collection system and to ensure it is operating in an effective and efficient manner. Ultimately streamlining our operations to ensure we are attaining the best return on our investment.

Solve hiring/retention issues?

There are no hiring/retention issues currently.

IT initiatives to streamline operations?

Since 2012, the Sewer Department has been utilizing technology (Mission Communications - SCADA) a wireless communication device that allows remote monitoring of the pump stations as well as the ability to provide extensive data reports. To build on this further either ArcGIS Pro or PeopleGIS software and tablet will be acquired as part of the Asset Management Program currently being developed. This will allow us to integrate vertical and horizontal collection system data into a platform (one place) that allows us to store and analyze data (identify patterns, make predictions, and answer questions) including financial planning.

If you fell short this year, what needs to happen to close the gap?

Do not anticipate falling short.

Do you see the needs/expectations of the community changing over the next three or so years?

At our recent Level of Service Workshop stakeholders expressed that providing a continuous reliable service and being fiscally responsible is most important to them. I do not see their needs and expectations changing much. However, the ability to meet that need and expectation has become increasingly difficult each year.

What must happen in this department to keep up with those changes?

To maintain a continuous reliable service in a fiscally responsible manner. It is important that we continue to plan, evaluate, and anticipate threats in strategically moving forward. We must take advantage of and look for outside funding opportunities and in-kind support.

What are the largest risks or threats to the department - market/environmental/demographic changes? Permit requirements, aging infrastructure, and stormy wetter weather are all threats to the department. However, because our wastewater discharges to Hampton's WWTP there are capacity limits, preventing growth. Therefore, we are unable to take advantage of economy of scale. Currently 555 parcels are connected to the sewer system. This is one of our biggest challenges as our system consist of 6.9 miles of gravity sewer, three pump stations, one of which is in a designated flood zone and 3.5 miles of force main that directly abuts the Atlantic Ocean and runs through the towns of North Hampton and Hampton.

Respectively Submitted,
Lee Arthur,
Sewer Director

Sewer Department

Budget Category	2022		2023		2024		2025		1 Year Change		3 Year Change	
	Budgeted/Actual	Budgeted/Actual	Budgeted/Actual	Budgeted/YTD 9/30	Proposed	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change	
Salaries/Benefits	\$128,553.00/\$127,289.53	\$141,618.00/\$137,625.94	\$147,676.00/\$104,171.26	\$	161,415.00	\$13,739.00	9.30%	\$32,862.00	9.30%	\$32,862.00	25.50%	
Operations	\$214,405.00/\$207,720.49	\$233,770.00/\$263,954.28	\$332,238.00/\$71,567.43		\$307,696.00	(\$24,542.00)	-7.30%	\$93,291.00	-7.30%	\$93,291.00	43.50%	
Capital Purchasing	\$17,330.00/\$17,329.00	\$50,260.00/\$49,625.00	\$48,570.00/\$0		\$38,026.00	(\$10,544.00)	-21.70%	\$20,696.00	-21.70%	\$20,696.00	119.40%	
Total	\$360,288.00/\$352,339.02	\$425,648.00/\$451,205.22	\$528,484.00/\$175,738.69	\$	507,137.00	(\$21,347.00)	-4%	\$146,849.00	-4%	\$146,849.00	40.75%	

All Line-Item Increases	2024 Budget		2025 Proposed		Short Discussion	
	\$ Change	% Change	\$ Change	% Change		
S/F - Salaries	\$88,972.00	11.70%	\$10,413.00	11.70%	From mid-point to maximum on wage scale includes 3.25% cola	
S/F - Vacation Buy Back	\$3,453.00	14.30%	\$497.00	14.30%	From mid-point to maximum on wage scale includes 3.25% cola	
S/F - FICA/MEDI	\$8,544.00	11.00%	\$941.00	11.00%	Based on salary change and includes SF-Temporary Help line item	
S/F - Retirement	\$16,257.00	8.30%	\$1,358.00	8.30%	Based on salary change and retirement rate changes	
S/F - Health Insurance	\$25,860.00	2.00%	\$530.00	2.00%	Based on plan change and rate change	
S/F - Telephone	\$6,053.00	13.00%	\$790.00	13.00%	Rate change	
S/F - Water	\$1,080.00	15.50%	\$168.00	15.50%	Rate change	
S/F - System Maintenance	\$37,000.00	8.10%	\$3,000.00	8.10%	Rate changes and additional maintenance	

All Line-Item Decreases	2024 Budget		2025 Proposed		Short Discussion	
	\$ Change	% Change	\$ Change	% Change		
S/F - Engineering Services	\$11,000.00	-54.00%	\$6,000.00	-54.00%	Electrical engineering not needed in 2025	
S/F - Legal Services	\$9,000.00	-44.00%	\$4,000.00	-44.00%	Legal for Hampton IMA not needed in 2025 (renewed til 11/15/29)	
S/F - Hampton Cap Improvement	\$48,570.00	-21.70%	\$10,544.00	-21.70%	2005 Hampton Bond (4.75 million) final payment 2024	
S/F - Grant Matching	\$18,500.00	-100.00%	\$0.00	-100.00%	One time BRIC Grant match for sewer infrastructure vulnerability assessment	

Proposed Capital Outlay

Current Year (2025) CIP Submissions

Description	Est. Cost	CIP Priority	CIP Document Link	Funding Source
Asset Management Program	\$30,000.00	1	Please see attached	100% Grant Funded
WWTP Improvements	\$38,025.24	Mandated	Please see attached	Operating Budget

Future Years

Description	Year	Amount	CIP Priority	Funding Source
I/I Assessment and Reduction Plan	2026	\$100,000.00	1	100% Loan Forgiveness
Financial Analysis and Rate Study	TBD	TBD	TBD	TBD
Sewer User Charge Ordinance Update	TBD	TBD	TBD	TBD
WWTP Improvements	2026	\$37,332.84	Mandated	Operating Budget
WWTP Improvements	2027	\$36,640.48	Mandated	Operating Budget
WWTP Improvements	2028	\$35,948.00	Mandated	Operating Budget
WWTP Improvements	2029	\$32,495.12	Mandated	Operating Budget
WWTP Improvements	2030	\$32,043.72	Mandated	Operating Budget



Town of Rye, New Hampshire

2025 - 2030 CIP Project Request

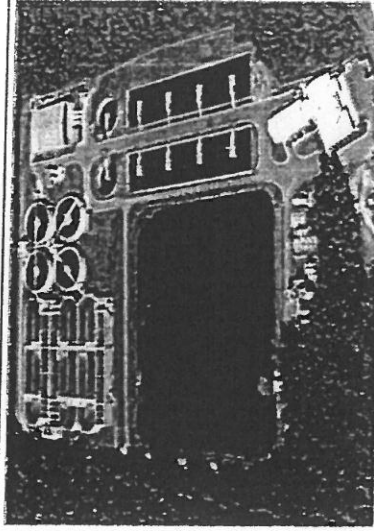
Project Title: WWTP Improvements

Department: Sewer
 Contact: Lee Arthur
 Phone: (603) 964-6815
 e-mail: sewer@town.rye.nh.us

Project Priority: Mandated
 Est. Total Cost: \$212,485.40
 Est. Useful Years: 20+ Years

PROJECT DESCRIPTION & RATIONALE

This is a requirement in the Agreement for Treatment and Disposal of Waste Water October, 1989 between the Town of Hampton and The Town of Rye. Therefore, will continue to be included in the operating budget. Rye's Share of 4% to Hampton's 2009, 2011 and 2018 WWTP Improvements Loans (bond payments) for the FY 25-30 are indicated below.



Capital Cost:

	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	Total
2009 WWTP Loan \$1.38 M	\$3,130.64	\$3,038.12	\$2,945.60	\$2,853.04	x	x	\$11,967.40
2011 WWTP Loan \$1.265 M	\$3,176.04	\$3,111.48	\$3,046.92	\$2,982.32	\$2,917.76	\$2,853.20	\$18,087.72
2018 WWTP Loan \$11.78 M	\$31,718.56	\$31,183.24	\$30,647.96	\$30,112.64	\$29,577.36	\$29,190.52	\$182,430.28
Total of Capital Costs	\$38,025.24	\$37,332.84	\$36,640.48	\$35,948.00	\$32,495.12	\$32,043.72	\$212,485.40

Operating Budget Impact:

	\$38,025.24	\$37,332.84	\$36,640.48	\$35,948.00	\$32,495.12	\$32,043.72
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Proposed Funding Source

<input type="checkbox"/>	General Fund (tax rate)
<input checked="" type="checkbox"/>	User Fees
<input type="checkbox"/>	Capital Reserve
<input type="checkbox"/>	Impact Fee Account
<input type="checkbox"/>	Other (Grants, Special Ass'mt)
<input type="checkbox"/>	Bond



Town of Rye, New Hampshire

2025 - 2030 CIP Project Request

Project Title: Wastewater Asset Management Program

Department: Sewer
 Contact: Lee Arthur
 Phone: (603) 964-6815
 e-mail: sewer@town.rye.nh.us

PROJECT PRIORITY: 1
 Est. Total Cost: \$30,000.00
 Est. Useful Years: Living Document

PROJECT DESCRIPTION & RATIONALE

The NHDES – Clean Water State Revolving Fund Program has awarded a grant to the Sewer Commission for the development of an Asset Management Program (AMP) for wastewater assets. This program will address all vertical (pump stations) and horizontal assets (piping, manholes etc.). The associated cost includes software, equipment purchases, and engineering services. This project will integrate existing horizontal collection system data into a software platform; inventory assets; determine the value of the assets owned; prioritize assets based on a condition assessment; conduct a life cycle analysis on each critical asset; and develop a funding strategy for asset maintenance and replacement. These deliverables are much needed as our system ages. This will be at no cost to the town and users.



Capital Cost:	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	Total	Proposed Funding Source
Planning/Design/Engineering	\$30,000.00						\$30,000.00	<input type="checkbox"/> General Fund (tax rate)
Total of Capital Costs	\$30,000.00						\$30,000.00	<input type="checkbox"/> User Fees
Operating Budget Impact:	\$0.00							<input type="checkbox"/> Capital Reserve
								<input checked="" type="checkbox"/> Impact Fee Account
								<input checked="" type="checkbox"/> Other (Grants, Special Assmt)
								<input type="checkbox"/> Bond