



TOWN OF RYE SEWER COMMISSION

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MEMORANDUM

To: Jessica Doucette, Executive Assistant

From: Lee Arthur, Sewer Director

Date: October 16, 2026

Subject: Town of Rye Sewer Department Capital Improvement Plan (CIP) and Narrative

Financial Structure and Fiscal Responsibility

The Town of Rye Sewer Department is funded entirely through sewer user fees and operates through Fund 2, a separate sewer enterprise fund. Revenues generated from user fees and other charges are deposited into this fund and used to support departmental operations, maintenance, and capital improvements. Unexpended funds may accumulate from year to year. Sewer Department revenues and expenditures are managed separately from the Town's General Fund.

The Sewer Commission has demonstrated a proactive and fiscally responsible approach to funding infrastructure improvements. In addition to utilizing sewer user fees, the Commission actively pursues grants, loans with principal forgiveness, and in-kind technical assistance to reduce the financial burden on ratepayers and maximize available resources.

Proactive Planning and Asset Management

The Sewer Commission is committed to operating an efficient, effective, and financially sustainable wastewater collection system. Its approach to infrastructure planning and investment is systematic, data driven, and focused on identifying needs before they become costly emergencies.

Comprehensive assessments have been completed for each pump station, including capacity studies, energy evaluations, and cybersecurity audits. In October 2025, the Commission completed a Wastewater Asset Management Program (AMP) that establishes a framework for managing the Town's wastewater infrastructure over a 100-year planning horizon. The system's infrastructure is currently valued at approximately \$36.1 million.

The Commission is continuing to build on this foundation through a Sewer Infrastructure Vulnerability Assessment and an Infiltration and Inflow (I/I) Assessment and Reduction Plan. These initiatives will identify vulnerabilities, evaluate system performance, and determine additional improvements necessary to maintain reliable service, protect infrastructure, and improve operational efficiency.

Funding has also been secured to conduct a Sewer Financial Assessment Plan for the coming year. This assessment will help the Commission evaluate the financial resources and funding strategies necessary to implement identified improvements over time. In-kind technical assistance from the New Hampshire

Department of Environmental Services (NHDES) and the U.S. Environmental Protection Agency (EPA) has been instrumental in advancing these initiatives and supporting the development of a sound, financially sustainable CIP.

Wastewater Treatment Obligations

Under the Agreement for Treatment and Disposal of Wastewater with the Town of Hampton, the Town of Rye is responsible for contributing 4% toward Hampton's Wastewater Treatment Plant (WWTP) Improvement Loans and Bond Payments associated with the 2009, 2011, and 2018 improvement projects. These obligations are reflected in this CIP submission.

An additional \$15.7 million WWTP Improvement Loan will create a new financial obligation for Rye beginning in 2028. The corresponding bond payment schedule has not yet been issued. Once available, this schedule will be incorporated into the Town's long-term financial planning to account for the additional expense and its impact on future sewer fund resources.

Capital Improvement Planning and Long Term Funding Strategy

A well developed Capital Improvement Plan will ensure that infrastructure investments are prioritized according to risk, criticality, operational need, and cost effectiveness. By integrating the findings of the completed Asset Management Program with the results of the ongoing vulnerability and I/I assessments, the Sewer Commission expects to establish a comprehensive, data-driven CIP that addresses both immediate needs and long term infrastructure requirements.

The Commission's objective is to identify and prioritize capital needs, evaluate viable funding strategies, and develop projects that are sufficiently advanced and ready for implementation when funding opportunities become available. This approach will strengthen the Town's ability to compete for grants, access favorable financing, coordinate improvements, and minimize unnecessary costs to sewer users.

Through disciplined fiscal management, infrastructure assessment, and long-range planning, the Sewer Commission is working to protect the Town's significant wastewater infrastructure investment while maintaining reliable service and promoting the long term financial sustainability of the sewer enterprise fund.

Public Access to Planning Documents

The complete Wastewater Asset Management Program is available on the Town of Rye Sewer Department webpage. The Sewer Infrastructure Vulnerability Assessment is expected to be available following November 13, 2026.

Current CIP Active Items					
Description	Expense Account	Cost	CIP Priority	Funding Source	Status
Sewer Infrastructure Vulnerability Assessment	02-4327-26-002 (25%) 02-4801-26-002 (75%)	\$74,000.00	1	75% Grant Funded	Awarded
OVW-Cybersecurity Grant	02-4801-26-004	\$7,201.00	1	100% Grant Funded	Awarded
I/I Assessment and Reduction Plan	02-4801-26-001	\$100,000.00	1	100% Loan Forgiveness	Awarded
Sewer Financial Assessment Plan	02-4801-26-003	\$45,000.00	1	100% Loan Forgiveness	Awarded
NHDES AMP Technical Assistance	N/A	TBD	1	100% In-kind Funded	Awarded
EPA SWIFT Technical Assistance	N/A	TBD	1	100% In-kind Funded	Awarded

Future Years					
Description	Expense Account	Year	Amount	CIP Priority	Funding Source
*JBPS Adaptation Measures - SIVA		TBD	\$375,000 est.	1	Seeking Grant
**CRPS Control Panel - AMP		TBD	\$100,000 est.	TBD	TBD
WWTP Improvements Phase II, 15.7 M	02-4326-90-698	2028-2048	TBD	Mandated	Operating Budget
WWTP Improvements	02-4326-90-698	2027	\$36,640.48	Mandated	Operating Budget
WWTP Improvements	02-4326-90-698	2028	\$35,948.00	Mandated	Operating Budget
WWTP Improvements	02-4326-90-698	2029	\$32,495.12	Mandated	Operating Budget
WWTP Improvements	02-4326-90-698	2030	\$32,043.72	Mandated	Operating Budget
WWTP Improvements	02-4326-90-698	2031	\$31,295.36	Mandated	Operating Budget

*The Jenness Beach Pump Station Adaptation Measures were identified in the Draft Sewer Infrastructure Vulnerability Assessment and include flood proof entry way double door, demountable barrier, watertight wet well hatch, concrete foundation extension, and concrete foundation wall. Hardening the structure will assist in the prevention of flooding.

**The Church Road Pump Station Control Panel was identified as having a high risk of failure (Risk score of 20) in the Asset Management Program.

Respectively Submitted,
Lee Arthur,
Sewer Director