

Town of Exeter Fact Sheet 2012
Article 5
Groundwater Treatment Facility

Article

To see if the Town will vote to raise and appropriate the sum of six-million three-hundred fifty thousand dollars (\$6,350,000) for the design and construction of a new groundwater treatment facility on property around the Lary Lane Well, equipping and upgrading the Lary Lane, Gilman Park, and Stadium Well facilities, together with necessary water main upgrades. These additions and changes will significantly improve the potable water quality and improve the system's overall reliability. The Town will authorize the issuance of not more than (\$6,350,000) of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33) and to authorize the Board of Selectmen to issue and negotiate such bonds or notes and to determine the rate of interest thereon; furthermore, to authorize the Board of Selectmen to accept any state or federal grants, including an approved grant of 20% debt forgiveness from the NHDES, to reduce the cost of this project. Debt service will be paid from the water fund.

(3/5 ballot vote required for approval.)

Recommended by the Board of Selectmen

Description

Article 5 of the Town Warrant is a request to approve bonding for a groundwater treatment facility and associated infrastructure in an area adjacent to the Lary Lane Well (located on Lary Lane). This project is part of the long term water supply management plan for the Town. In 2007, the Town was notified by DES that the current Lary Lane Well did not meet new drinking water standards relative to arsenic. Therefore, the Town discontinued regular use of this dependable water resource. Construction of the groundwater facility would tie in the Lary Lane Well with the Gilman and Stadium groundwater wells. Water would be treated by the new facility to current drinking water standards. It is estimated that these sources will produce over 1 million gallons per day (mgd) of drinking water. In addition it is expected the water will be of better quality than the current Exeter River surface water source and be less costly to treat. The groundwater facility has been a standing recommendation since Whitman and Howard first recommended it in 1986. The project will improve water quality and treatment costs of groundwater will be less than the current surface water plant on Portsmouth Avenue.

If the project is approved, design will begin in 2012, followed by construction in 2013. The Board of Selectmen determined the Lary Lane site is the best fit for the Town after reviewing the Gilman Park and Lary Lane site options, and receiving public input.

Financing

The financing for this project will come from a combination of sources. The warrant article seeks a loan authorization for \$6,350,000 from the State Revolving Loan Fund. If approved by the voters, the State will pay for 20% of the project in debt forgiveness. This will save rate payers \$1,270,000 off the total project cost, making the real cost of the project \$5,080,000. The Town must appropriate the full amount, however, to be eligible for the debt forgiveness. The project will be designed and built using the DES loan funds. After the project is built, the Town will amortize the final project cost over 20 years with the first year payment likely due in 2014. This project will increase water rates by \$1.29/1,000 gal and is estimated at \$58.08 per year or \$14.52 per quarter for a user of 12,000 gallons of water per quarter. The loan will be for 20 years. The payments will decline as the loan is amortized.