



July 2, 2012

## **Call to the Special Association Meeting**

The Special Association Meeting of August 11, 2012 for Old Lyme Shores Beach Association has been scheduled.

**DATE: Saturday, August 11, 2012      TIME: 9:00am - 10:30am**

**LOCATION: Lyme - Old Lyme Middle School, 53 Lyme Street**

(The school is behind the fire house across from the Town Hall in the center of Town).

The purpose of this special meeting is to vote on a resolution appropriating \$9,700,000. for the planning, acquisition, design and construction of a sanitary sewer system to serve the Old Lyme Shores Beach Association and authorizing the issuance of \$9,700,000. Clean Water Fund obligations and/or drinking water obligations of the Old Lyme Shores Beach Association to meet said appropriation.

This vote will be the only business to be conducted at the August 11 Special Meeting.

Respectfully,

Board of Governors, OLS Beach Association

July 2, 2012

Dear Old Lyme Shores Beach Association Member:

Under the direction of the membership the Old Lyme Shores Beach Association Board of Governors (Board) recently completed a multi-year analysis of the environmental impact from our homes on the groundwater leaching into Long Island Sound. We performed this analysis to determine the best way to address our needs for the future and to preserve the water quality of our beach. We have worked cooperatively with the State Department of Energy and Environmental Protection (DEEP) since they would ultimately oversee the implementation of any remedy that might be necessary.

**History:**

Phase one of the project was to analyze the present level of pollution throughout the complex and provide the results to the DEEP. As the Board suspected, our homes are contributing an unacceptable amount of pollution into our groundwater and eventually into the Sound.

In Phase two of the project, the Board commissioned an engineering firm to explore potential remedies to this problem. The results of the study showed that connecting to the New London municipal sewer system would be the most effective solution. The DEEP agreed with this conclusion and has offered to partner with OLS to facilitate the connection of our homes to the municipal sewer system in New London.

It is important that all residents of Old Lyme Shores understand that the DEEP will not allow us to put off the installation of sewers for very long. The DEEP is the regulatory body tasked with protecting Long Island Sound from pollution and they want to see us take necessary action to improve the quality of our groundwater.

**Background:**

During this same period Old Colony Beach Association (OCBA) began an analysis of their impact on their groundwater with similar results. The



DEEP would like to see both beach associations address the water pollution issues at this time. Capacity currently exists at the New London facility and the DEEP will authorize our connection to that system. The Board feels that partnering with the DEEP and the OCBA at this time provides several significant advantages to our beach association. The DEEP has offered to pay for 25% of our sewer project costs as well as providing financing for our total project costs if we go beyond just sewers at an interest rate of 2% for 20 years. It is unlikely that Old Lyme Shores could raise the necessary capital for such a large project on our own. The DEEP is committed to moving forward with this arrangement and has budgeted money to do so now through an award called the Small Community Grant. In addition, by acting now, we can split the cost with OCBA of installing sewer pipes down the length of route 156 to our connection point in East Lyme.

The Board has also investigated making other necessary improvements to our antiquated and inadequate (i.e. drinking water, drainage, roads, fire protection) infrastructure at the same time. We investigated doing all of these improvements at once: to take advantage of the DEEP bonding for the entire project and to perform all the upgrades while our roadways are being dug up to install the sewer system. The Board analyzed the merits of making the following additional improvements as part of an overall infrastructure upgrade to our complex: installation of a new year-round water system with 8 inch water mains, adding 16 fire hydrants throughout the complex and creating a new comprehensive storm water drainage system to better handle rain runoff on each of our streets and ease flooding of the Sheffield Brook area.

We currently have been offered an opportunity to work cooperatively with these regulators. The incentives and this cooperative working relationship are a time limited offer. If we choose to postpone the installation of a sewer system we anticipate per home costs will be double what they are today. In addition, there is no guarantee that the New London facility will still have capacity to handle our waste and we would have to bear the full cost of connecting our system to the treatment facility. Other area beaches, i.e. Miami Beach Association, are looking to embark on a similar project and are just months behind us in their process.

### **Project Costs:**

The estimated per residence costs for a comprehensive project to install municipal sewers, upgrade our water delivery, fire protection and storm water drainage is from \$28,000 to \$41,000 per residence. These costs would be paid back over a 20 year period. This translates to an annual per residence cost of \$1,700 to \$2,500 and a monthly per residence cost of \$142-\$208 if we take advantage of the Community Grant and 2% financing provided to us by the DEEP as well as the shared cost with Old Colony. We have been told by a local real estate firm that increases in our individual property values will more than offset the cost of these investments in infrastructure.

If performed as part of the larger sewer project, these additional infrastructure improvements represent an increase of approximately 14% in OLSBA project costs. However, we would modernize our water delivery system allowing for year-round service, upgrade our fire protection and bring much needed relief from surface flooding to our properties. The installation of sewers will require that our roadways be torn up so the pipes can be buried and new roadways be constructed. If we wait to perform the other recommended upgrades to our services these new roadways which will cost approximately \$675,000 to \$1,000,000 would need to be torn up again. If our 80 year old water system develops a leak we would need to have our new roadways torn up to facilitate repairs.

Moving ahead with just the sewer project would save each home owner approximately \$20-\$30 per month and \$238-358 per year versus the cost of a comprehensive infrastructure project. However, it is very likely that these additional upgrades to our services will need to be done at some point in the near future at potentially higher construction costs and without the benefit of the 2% bonding being offered at this time through the DEEP.

### **Old Lyme Shores Board of Governors Recommended Action:**

Having conducted a thorough review of the needs of our Association to remedy our groundwater pollution, the Board recommends we move ahead with a comprehensive project to install municipal sewers, upgrade our water delivery, fire protection and storm water drainage at an

estimated cost of \$28,000 to \$41,000 per residence. We feel it is in the best interest of our members to begin this project as soon as possible to take advantage of the incentives and financing offered by the DEEP and the cost-sharing benefits of working with OCBA.

Please take the next few weeks to have any lingering questions answered and make the necessary arrangements to vote in person at our special meeting to be held on 8/11/2012. The process for voting is described in the enclosed materials which include a sample ballot and proxy voting instructions.

Thank you for your participation,

The Old Lyme Shores Beach Association  
Board of Governors



The Old Lyme Shores Beach Association  
Sewer Project Question and Ballot

Question:

“Shall the appropriation and clean water fund obligations and/or drinking water obligations authorization of \$9,700,000 for the planning, acquisition, design and construction of a sanitary sewer system to serve The Old Lyme Shores Beach Association, be approved?”

YES \_\_\_\_\_

NO \_\_\_\_\_

Those in favor of the resolution referred to in the question shall mark an “X” for “YES”.  
Those not in favor of the resolution referred to in the question shall mark an “X” for “NO”.

Old Lyme Shores Beach Association

VOTE BY PROXY

Sanitary Sewer System, Drinking Water, Drainage, Fire Hydrants, Road  
Construction

Instructions for Proxy Voting:

Robinson and Cole, our bond counsel has researched and advised the following procedure.

1. **There are three ways to vote on this project.**
  - a. Place your ballot in the ballot box on Saturday, August 11, 2012 before 10:30am at the Lyme/Old Lyme Middle School, 53 Lyme Street, Old Lyme, Ct.
  - b. Each owner is entitled to the appointment of one proxy designee, and the proxy designee who is voting for the owner must be a member of the association in good standing and place the proxy vote in the ballot box on Saturday August 11, 2012.
  - c. Each owner can give their proxy to the Board of Governors who will vote for the person.
  
2. **If you decide to proxy you must have the proxy sheet notarized.**
  - a. A proxy that has not been notarized will not be an acceptable vote
  - b. There will be a CPA firm not from Old Lyme overseeing the voting process and charged with counting the votes.

The following individuals have graciously agreed to provide notary services at no charge:

David Woolley	9 Bellaire Road, OLS	860 434 2384
Don Brodeur	10 Springbrook Road, Old Saybrook	860 388 4627
Owen Egan	48 Brightwater Road, OLS	860 434 9858

Old Lyme Shores Beach Association

VOTE BY PROXY

Sanitary Sewer System, Drinking Water, Drainage, Fire Hydrants, Road  
Construction

I, \_\_\_\_\_ (Property owner name)  
of \_\_\_\_\_ (Address),

do hereby provide authority and power to vote on my behalf by proxy at  
the special meeting of the Old Lyme Shores Beach Association to be held on  
August 11, 2012 concerning the sewer project authorization to

\_\_\_\_\_ (Name) of  
\_\_\_\_\_ (Address).

\_\_\_\_\_  
Property Owner Name  
Signature

Personally Appeared, property owner, before me this \_\_\_\_ day of  
\_\_\_\_\_, 2012 and declared the execution of said property to be his/ her free act  
and deed.

\_\_\_\_\_  
Notary Public  
Commission Exp \_\_\_\_/\_\_\_\_\_  
Commission of the Superior Court



## **Bond Resolution**

RESOLUTION APPROPRIATING \$9,700,000 FOR THE PLANNING, ACQUISITION, DESIGN AND CONSTRUCTION OF A SANITARY SEWER SYSTEM TO SERVE THE OLD LYME SHORES BEACH ASSOCIATION AND AUTHORIZING THE ISSUANCE OF \$9,700,000 CLEAN WATER FUND OBLIGATIONS AND/OR DRINKING WATER OBLIGATIONS OF THE OLD LYME SHORES BEACH ASSOCIATION TO MEET SAID APPROPRIATION

### **RESOLVED:**

- Section 1. The sum of \$9,700,000 is appropriated for the planning, acquisition, design and construction of a sanitary sewer system to serve The Old Lyme Shores Beach Association in the Town of Old Lyme, Connecticut (the "Association"), including, but not limited to, connection fees for the conveyance of sewage to an existing regional sewerage facility and all costs associated with connecting to said regional sewerage facility, pump stations, acquisition of real property as may be required for the project, engineering, land surveying, geophysical studies, rights of way and easements, storm drainage improvements, road reconstruction, and water distribution system improvements, and all other tasks related to the planning, acquisition, design and construction of said project, all to be completed in substantial accordance with plans and specifications as outlined in that certain study entitled "Wastewater Facilities Planning Report, Old Lyme Shores Beach Association, Old Lyme, Connecticut," dated December, 2011, as it may be amended from time to time, prepared by Fuss & O'Neill, 146 Hartford Road, Manchester, Connecticut 06040, and for administrative, printing, legal and financing costs related thereto, said appropriation to be inclusive of any and all State and Federal grants-in-aid less defrayment of any costs paid by The Old Colony Beach Club Association thereof (collectively, the "Project").
3. Section 2. The President is authorized in the name and on behalf of the Association to apply for and accept any and all Federal and State loans and/or grants-in-aid of the Project and is further authorized to expend said funds in accordance with the terms hereof and in connection therewith to contract in the name of the Association with engineers, contractors, attorneys and others. To meet any portion of the costs of the Project determined by the State of Connecticut Department of Energy and Environmental Protection to be eligible for funding under Section 22a-475 *et seq.* of the Connecticut General Statutes, as the same may be amended from time to time (collectively, the "Clean Water Fund Program"), the Association is authorized and may issue interim funding obligations in anticipation of project loan obligations and project loan obligations ("Clean Water Fund Obligations") together with the Drinking Water Obligations as defined in Section 3 herein, shall not exceed in the aggregate \$9,700,000, and in such denominations as the President and Treasurer shall determine. Clean Water Fund Obligations, Project Loan and Grant Agreements under the Clean Water Fund Program, and any other instruments, agreements or certificates under the Clean Water Fund Program shall be executed in the name and on behalf of the Association by the manual or facsimile signatures of the President and Treasurer, and bear the Association seal or a facsimile thereof. The aggregate principal amount of the Clean Water Fund Obligations to be issued, the dated date, final maturity, rate or rates of interest, the date, time of issue and sale and all other terms, details and particulars of



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