

OLSBA - WPCA MEETING MINUTES - UNAPPROVED

When: October 28, 2021

Where: Virtual Meeting via Zoom/Teleconference

The meeting was called to order at 7:34pm by Al Roy, WPCA Chairman

WPCA Members present: Al Roy, Dede DeRosa, Tom Annulli, John Cunningham, Sue Mahoney, Matt Merritt (ex-officio). Absent: Bob Palazzo

In addition, 12 OLS residents were on the call.

Approval of minutes of September 30, 2021 Meeting

Tom Annulli made a motion to approve the minutes from the August 26th meeting, Dede DeRosa seconded the motion. Minutes were approved.

Treasurer's Report

Tom Annulli, WPCA Treasurer, reviewed the end-August Balance Sheet and Income Statement. Tom noted that there was no activity except account interest as we continue to be on hold during the bid analysis process. There are a couple of invoices for bid advertisement and F&O support that are soon to be processed. The Financial Statements are attached to these minutes.

Sewer Project Status

Al Roy provided an overview of the bid status and referenced his "Letter to Residents" that was discussed at the October 19th BOG meeting and is posted on the website. While the second round of bids came in lower than those received in May, the construction costs are still significantly higher than estimated. Work continues to analyze and evaluate the bids, the projected financial gap and alternatives for a path forward. We are coordinating our efforts with Old Colony, Miami and the Town of Old Lyme (Soundview) as we are in a partnership under the CSA. Old Colony has received construction bids, however, Miami and Soundview have not yet gone out to bid.

Fuss & O'Neil recently provided an updated "Opinion of Cost" based on the shared construction bids and the internal OLS construction bid results. Bottom line, the total project cost exceeds our last "Opinion of Cost" from September 2020 by \$3M (44%) and is above our bond limit of \$9.7M. Dede DeRosa walked through the highlights of the updated cost projections:

- Construction costs are up 58% or \$3M
- Non-construction costs increased slightly 6% or \$62k
- Contingency was dropped to 3% from 5% (which we feel is inadequate)
- Storm Drainage costs have more than doubled and 80% of these costs are not eligible for Clean Water Fund reimbursement

Al reported that recent meetings with Joe Courtney's office were disappointing. There does not appear to be any additional federal grant money that will be available to us in the near term. It was indicated that it might be easier to pursue funding if the Town of Old Lyme was in the lead on the project vs. the beach associations.

Exit Strategy/Contingency Planning

While the WPCA has been focused on the bid process and negotiations with the other beaches, the OLS Board of Governors is pursuing two parallel tracks of work. The first priority was to engage an outside counsel (Hinckley & Allen) to provide a legal opinion on our liability under the various contracts and agreements. An Opinion Letter was received late on October 27th and will be reviewed by the BOG and WPCA. Matt Merritt briefly reviewed the recommendations and acknowledged that there was more to analyze and question since this

opinion was just received. Matt will be sending the letter to the full BOG and WPCA for their review. The second track of work will be to assess alternatives to satisfying the DEEP consent order should we not be able to move forward with sewers.

Options and Decision Timeline

Al reported that the WPCA and BOG will be working quickly to lay out a timeline for getting additional information and defining scenarios for moving forward. The goal is to be able to present options to the membership in early-December.

Correspondence

No correspondence received this month.

Resident Comment

Bryan Even asked whether the Town of Old Lyme is officially a part of the Cost Sharing Agreement with the 3 beaches. Al Roy stated that they have signed an agreement to join the CSA pending completion of several pre-requisites. To date, one of these conditions is outstanding. The Town is under a DEEP Consent Decree for Soundview similar to the mandate that the 3 beaches have to address the pollution problem.

Kathi Stickley asked whether Hinckley and Allen considered the Town part of the CSA when they reviewed the contract. Is it possible that one party could block the others from exiting the agreement? Al responded that it appeared Hinckley and Allen did not consider Old Lyme a full partner in the contract since the final CSA has not been fully executed. Exit provisions are somewhat ambiguous and we will need to have follow up discussions on this point.

Mark Bernacki asked if the decision to include storm drainage in the project was mandated by DEEP or could it be eliminated since it has become a big ticket item. Al responded that the decision to include storm drainage was made by OLS. Storm drainage will cost \$1.7M according to the recent bids. Eliminating storm drainage improvements from the project at this point would require a revised and approved referendum.

The meeting was adjourned at 8:28pm.

The next WPCA Meeting is scheduled for November 18th at 7:30PM via Zoom.