

OLSBA - WPCA MEETING MINUTES

When: November 18, 2021

Where: Virtual Meeting via Zoom/Teleconference

The meeting was called to order at 7:33 pm by Al Roy, WPCA Chairman

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

An additional 15 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 10/28/2021 meeting, John Cunningham seconded the motion. Minutes were approved.

Treasurer's Report

Tom Annulli, WPCA Treasurer, reviewed the end-October Balance Sheet and Income Statement. Tom noted that the statements reflect recent payments for bid advertising and an engineering bill from April/May that had been misdirected to the previous WPCA Chair and was just recently received by the Treasurer. There were no other major expenses as the project remains on hold while options for moving forward are analyzed. The Financial Statements are attached to these minutes.

Dede DeRosa made a motion to accept the Treasurer's report, John Cunningham seconded the motion. Report accepted into the record.

Sewer Project Status

Al Roy reported that a set of options have been drafted including important considerations and ramifications (financial, legal, and practical outcomes) for each option. We intend to present these options in depth at the December WPCA meeting. Options under consideration:

- Advance to Construction. This is NOT a recommendation from the WPCA at this time, but is intended to serve as a "baseline" to illustrate the total cost to construct under current circumstances.
- Delay the Project. Would allow time to determine availability of new funding from the just signed federal infrastructure bill. Our understanding is that this could easily take 180+days.
- Abort the Project. Would also need to include a "Plan B" to satisfy the consent decree.
- Seek additional support from DEEP.
- Seek Alternative Environmental Compliance Measures that would be approved by DEEP.

Exit Strategy/Contingency Planning

Al and Matt reported that the BOG received an outside legal opinion last month from Hinkley, Allen, & Snyder LLP on our current situation including an assessment of contractual liabilities and considerations for OLS. The BOG intends to schedule a meeting with the firm to review the opinion in more detail and gain their insight on the various options for moving forward. This will be reported/discussed in more detail at an upcoming BOG Meeting and the December WPCA meeting.

Old Lyme Sewer Project Stakeholders Meeting

Al reviewed the highlights of a virtual meeting held on Nov. 5, 2021 that was organized by Fuss & O'Neill and attended by the three beach associations, the Town of Old Lyme, Deep, and State of CT Treasury:

- State of CT DEEP acknowledged our collective (incl. Town of OL) commitment to the project and consent order and, **for now**, believes enforcement action is unlikely.

- State of CT Treasury confirmed that if we abort the project we would need to begin payback on the loans incurred (to be paid over 20 years at 2% interest). They would entertain an extension of the Interim Funding Obligation (IFO) if the group decides to postpone the project.
- Generally the group agreed to consider delaying the project to allow time to determine availability of new/additional funding.
- DEEP will consider options to resolve issues with the Town of Old Lyme-East Lyme inter-municipal agreement that appears to be at an impasse.
- Ideally we will be able to maintain the partnership and come to consensus on the best option for moving forward. There is some risk, however, that all parties may not be aligned on the best approach. Discussions will continue and we should have a better sense of the issues by our next meeting.

Miscellaneous Updates

We finally received the official signed New London Inter-Municipal Agreement.

F&O has completed a tabulation of the recent bid results, which is still considered a draft.

Both of these documents will be uploaded to our website oldlymeshores.org and available for review.

Board Questions/Comments

Dede DeRosa asked for clarification on the outside date for making a decision on how we are going to proceed. Al confirmed that we need to respond to the bids no later than Feb 2 or the bidders terms/pricing expire and we also need to set a direction by the end of January in order to obtain CT Treasury's support as our current Interim Funding Obligation (IFO) becomes due at that time. If we were to proceed to construction, the IFO would roll to a construction loan. If we delay the project we would need to obtain an extension. If we abort the project, repayment of money spent to date would need to begin by the end of January 2022.

Matt Merritt reiterated the need to keep the BOG updated on the CSA partnership with the other beaches. It is imperative that the BOG and WPCA are in synch with the direction. He also confirmed that the BOG would be doing a "deep dive" on the Hinckley, Allen & Snyder document.

Correspondence

No correspondence received this month.

Resident Comment

There were no resident comments.

Before closing the meeting, Al stated that WPCA continues to be committed to full transparency and timely communication to OLS Residents as the situation continues to evolve over the next two months.

The meeting was adjourned at 8:01 pm.

The next WPCA Meeting is scheduled for December 16th at 7:30PM via Zoom.

Attachment: October Financial Statements