

OLS Infrastructure Project Update

OLSBA WPCA



Overview

- What Are our Options Currently?
- Brief History Recap
 - Summary Timeline
- Project Scope
- Bond Resolution
- Shared Infrastructure - Cost Sharing Alliance
- Project Status / Recent Activity
- Next Steps



Our Options?

- Immediately available options are very limited
- Encumbered with several legal contracts and obligations
- Options 2 and 3 are illustrative only
 - Reflects thoughtful, deliberate contemplation
 - Requires further in-depth analysis and risk assessment**
- Collectively, consideration of Options 1, 2 and 3 would be sequential

OPTION 1: Stay the course

- a. Pursue substantial grant funding
- b. CWF Loan repayment deferred to January, 2024
- c. Execute the construction phase - Q4 2023?
- d. In compliance with the consent order
- e. Supported by DEEP**

**Preliminary review and analysis has been completed



Our Options? (cont'd)

OPTION 2: Pause the Project - 2 to 3 years

- a. Explore reconfiguration; Town-led effort
- b. DEEP's Posture - Unknown**

2. Abort the project

- a. Secure required legal representation/retainers
- b. Breach various contracts
- c. Strategic approach to limit financial exposures
- d. DEEP's Position? - Unknown; May elect to invoke enforcement action at some point**

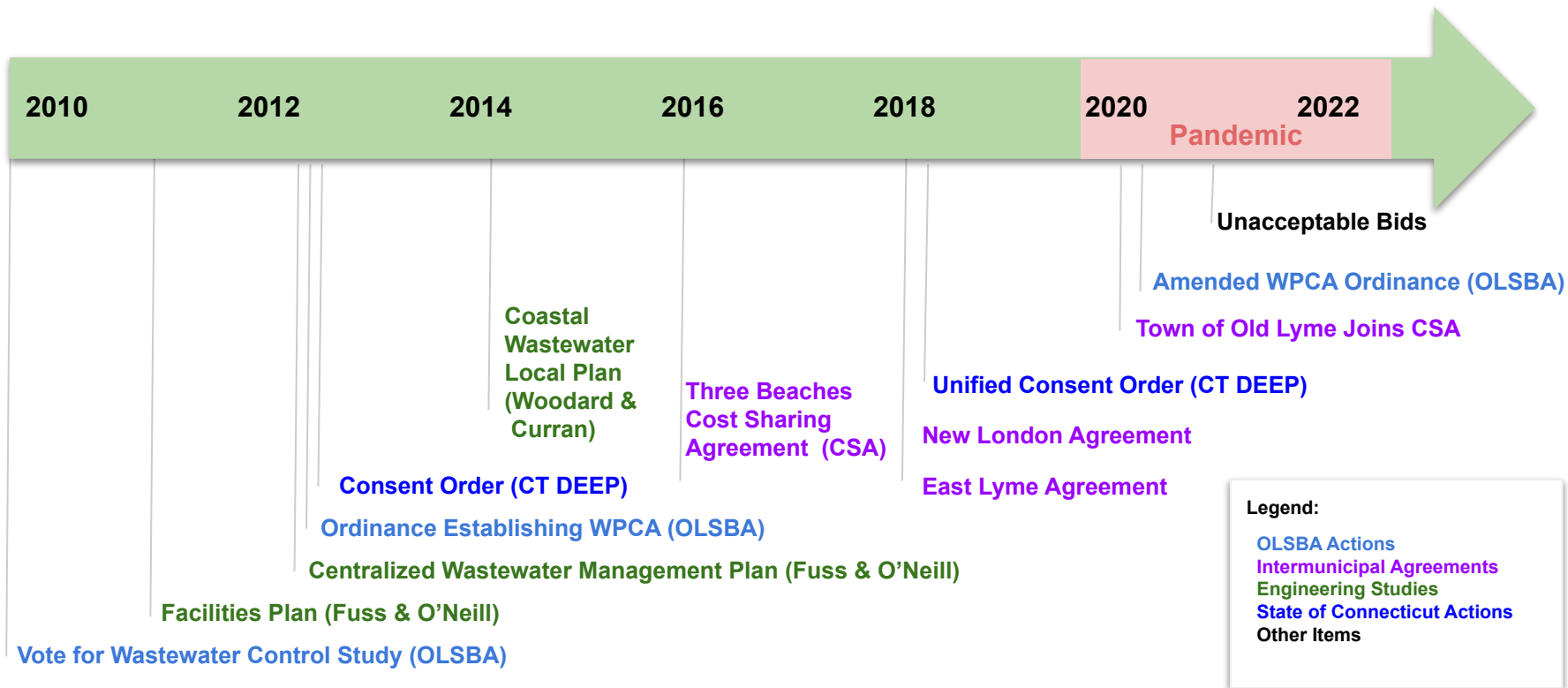


Brief History Recap

- Refer to Timeline
- For more information, refer to:
 - History of the WPCA at:
[WPCA History | OLS Standard \(oldlymeshores.org\)](https://oldlymeshores.org/wPCA-History-OLS-Standard)
 - OLSBA [Spring Meeting Minutes](#)
 - OLSBA WPCA - [Revisiting Our History](#)



Summary Timeline





Project Scope

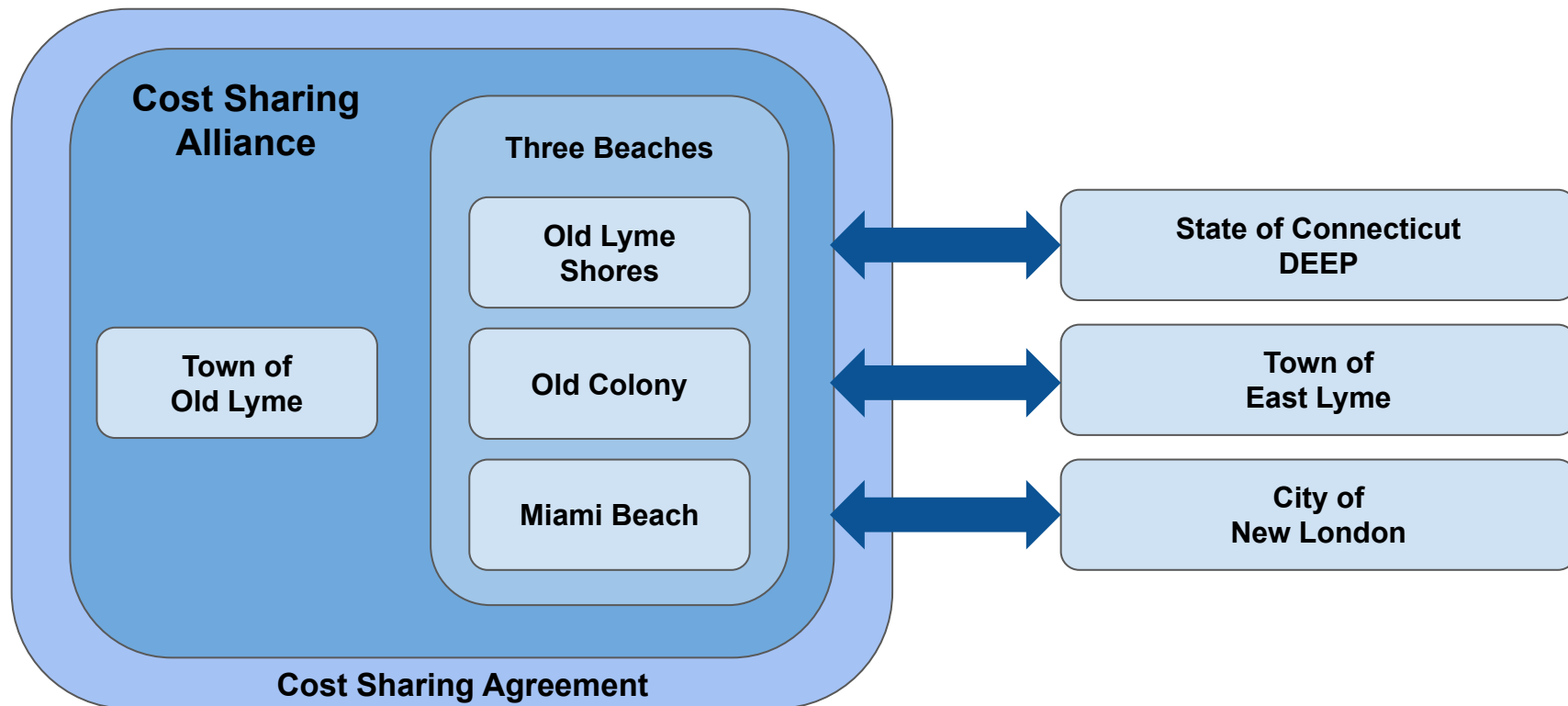
- **Wastewater Management**
 - Engineering studies found sewers offer best functional & economic solution
- **Drinking Water Supply**
 - Connecticut Water Company offered to install new water mains at their cost
- **Road Regrading & Repaving**
 - Roads in disrepair need attention; road repairs related to sewer installation are CWF eligible; extensive road improvements are ineligible
- **Stormwater & Drainage Management**
 - Significant impact to beach infrastructure and a minority of residents
 - Aged and failing infrastructure requiring costly emergency repairs
 - 20% of stormwater improvements are eligible for CWF subsidies



Bond Resolution

- **Bond authorized by association vote**
 - Voted 2012
 - Authorized \$9.7M
 - Required to complete work scope within the bond limitation regardless of possible infusion of grant funding
 - Current situation would require a new or amended resolution to go forward

Summary Organizational & Relationship Structure





Project Status / Recent Activity

- **Project is On Hold**
 - No new expenditures authorized
 - Will incur legal expense for CWF loan closings in January, 2023
- **Loan repayment obligation deferred to January, 2024 (per recent agreement with CT Treasury)**
 - Will continue to accrue interest
 - Fairest outcome for all residents
 - WPCA is unable to commence benefit assessment at this juncture
 - If payment started in January, 2023, the association would have had to raise funds via the tax roles



Project Status / Recent Activity (cont'd)

- **Recent meeting with officials from DEEP and CT Treasury**
 - Loan repayment schedule deferred (due to successful petition)
 - DEEP acknowledged our good-faith efforts and due diligence to date to comply with the consent order (strategically significant)
 - DEEP will not pursue enforcement *actions at this time*; (subject to change)
 - DEEP supported loan repayment deferral petition, but expects continued efforts by the alliance to secure grant funding in 2023, and anticipates our ability to proceed with the project
 - No clear signals from DEEP on their posture should efforts to secure significant grant funding are unsuccessful



Next Steps

- **Continue collaboration with the Shared Municipal Sewer Alliance**
 - Strategically important until certain unknowns are resolved
 - Determine likelihood, potential grant funding amounts, and timing for fund availability
 - Refresh projected cost per resident, adjusted market conditions, and offsets from additional grants
- **Formulate a resolution(s) for vote by residents**
 - Resolution to effectively cancel the previous resolution; and
 - Resolution defining a going-forward outcome (TBD); OR
 - Resolution to abort the project - subject to detailed analysis and full disclosure; AND
 - Resolution to address road repair/improvement and stormwater remediation
- **Communications**
 - Periodic updates: October, 2022 to May, 2023
 - Tentative: Association Vote - Spring Meeting, 2023