

# **Old Lyme Shared Sewer Project Alliance**

**Miami Beach Association • Old Colony Beach Association**

**Old Lyme Shores Beach Association • Town of Old Lyme (Sound View)**

The Old Lyme Shared Sewer Project Alliance (OLSSPA) is submitting this overview and specific, critical near-term objectives for your review and consideration. Our intent is to inform you of key project decisions regarding project planning and viability that must be made within a matter of months.

## **Critical Near-Term Objectives**

We have set some benchmarks to move this project forward or to abandon the project. If we cannot secure additional funding, we will not be able to proceed with the project. OLSSPA believes in the next 6-months intensive discussion and coordination with DEEP representatives will be critically important.

**January 31, 2023-** Work on closing to extend the design phase Interim Funding Obligation (IFO) to January 31, 2024. During the next 6-month period, we need to secure additional funding to make this project a reasonable cost to the residents of the four communities.

**May 1, 2023-** Old Lyme WPCA receives & reviews bids for the Sound View gravity sewer project. This will provide the other three communities the information needed to see if the construction costs have decreased/increased from the original bids from 2020 & 2021.

**June 1, 2023-** Based on feedback from DEEP, State and Federal legislators and other State agencies, the OLSSPA will determine the practicality and prudence of incurring new project expenses to prepare for and execute new construction bids. Firm commitments for additional funding will be the determining factor to proceed with the bid process. If additional funding is not available or in process at this date, OLSSPA will begin the process of abandoning the project.

**September 1, 2023-** OLSSPA will decide by this date to abandon the project or proceed forward with additional funding in place. The additional funding must be enough to make the project economically feasible. By this date, if additional funding is not secured, OLSSPA will need to provide DEEP a letter advising we will be looking for a modification to the Clean Water sewer project consent decree as it is not economically feasible to continue with the project. OLSSPA will advise their residents that the project is well beyond our agreed bond referendum, and we will hold a vote to terminate the project. The residents will be responsible for paying back the expenses to date through a 20-year note that comes due January 2024.

The Members of the Alliance are parties to a Consent Order voluntarily entered into in February, 2018. The Consent Order was based upon a 2012 Wastewater Facilities Planning Report prepared by Fuss & O'Neill, Inc, which identified the most technically and economically feasible alternative for the conveyance of the wastewater to the City of New London via the towns of East Lyme and Waterford.

As we have been working on a solution to the pollution problem in our four communities, the following issues caused significant delays and price increases:

- Delays due to the complexity of the project and required reviews by DEEP staff to get a design project approved and ready for construction. Multiple Interim Funding Obligations (IFO) closing costs expenses due to limitations placed on the project by the State caused significant increases in the project.
- Construction bids went out and exceeded the Bond limits placed on the individual projects. The cost increases were due to nationwide construction cost increases, labor escalation, material escalation, supply chain issues and COVID. The OLSSPA worked on securing a 2<sup>nd</sup> bid that was broken out into smaller projects to bring the price down, but the final bids continued to exceed the bond amounts set by the four communities.

As OLSSPA worked to get this project out of the design phase and into a construction phase, we have lobbied with our representatives from the State & Federal Governments to obtain funding to offset the additional costs incurred over the past few years as we attempt to advance this project forward. As we worked tirelessly to get assistance, we pursued the following programs and contacts to get the needed funding:

- Collaborated with staff from Representative Courtney's office to secure a STAG grant. We did not receive the grant and were referred to Senator Blumenthal's office for additional assistance.
- Collaborated with Senator Blumenthal and Senator Murphy's staff to get additional funding through a discretionary funding program. We got notification that the funding was not approved.
- We secured a lobbyist to obtain State funding. Conducted meetings with Commissioner Boughton and State Senator Formica seeking assistance through the Federal Infrastructure program and other State programs. We were told financial assistance should be available but, after many inquiries, we produced no additional assistance. There may be other ways to secure the additional funding required to move this project into construction, but there has been no assistance to date.

OLSSPA must report the progress of this project to our constituents as this project has long term economic repercussions, which we are trying to balance.

- 1) The community is looking to mitigate groundwater pollution and have a cleaner Long Island Sound.
- 2) The project is not economically feasible at the current cost associated with this project.

Miami Beach Association

Old Colony Beach Association

Old Lyme Shores Beach Association

Town of Old Lyme