



WPCA Update



WPCA Update

Combined Sewer/Road/Stormwater Infrastructure Project

Overview

This update covers ongoing activity since our report at the WPCA meeting on August 22

- Status: Supplemental project grant funding (forgiveable loan)
- Status: Negotiations with New London to extend the Intermunicipal Agreement (“IMA”)
- Next Steps



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Supplemental Grant Funding

DEEP announced a supplemental funding opportunity on August 21

- \$15M is potentially and conditionally available (in addition to the 25% Grant component of our existing CWF Loan and Grant Agreement)
- Supplemental funding would be in the form of a forgivable loan
- The \$15M is a Not To Exceed (“NTE”) amount, and not to exceed 50% of total CWF eligible costs
- Performance of a Financial Capability Assessment (“FCA”) is required to determine whether the financial hardship test is met, using Mean Household Income (“MHI”)
- Town of Old Lyme publicly available census data (town-wide) will be used for the FCA as a proxy for shoreline homeowner MHI



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Supplemental Grant Funding, continued

Meeting: Financial Capability Assessment (“FCA”)

Highlights from the Old Lyme Shared Sewer Alliance (“OLSSPA” or “Alliance”) exploratory meeting with DEEP on August 29

- Attendance included DEEP and CT Treasury high ranking officials, Alliance members, and representatives from the Fuss and O’Niell (“F&O”) and Woodard and Curran (“W&C”) engineering firms
- Elements of and requirements for completing the FCA were reviewed in detail
- DEEP is requiring expert assistance from F&O and W&C to complete the FCA
- This will be an iterative process – not a “one-and-done” effort
- **Key takeaways from the DEEP Deputy Bureau Chief:**
“...the State considers this one project for purposes of determining funding. It goes together or it doesn’t go.” (i.e. one unified project, four entities)
- This is a “limited opportunity” and final submission is required within 45 days



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New London Intermunicipal Agreement

This IMA established terms and conditions for New London to receive and process flow from the Alliance member shared sewer conveyance system

- Agreement reached four years ago following highly contentious negotiations
 - Assumed a four-year window was sufficient time to complete the project and commence flow but was set to expire September 1, 2023
- An agreement in principal was reached on September 1
 - Avoided default on the agreement
 - Attorney is drafting a revised IMA
 - OLSBA WPCA will review and vote on approval of modified terms
 - OLSBA President and WPCA Chairman signature approval will be required



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Next Steps

- Alliance is working with DEEP and engineering consultant on FCA and additional funding
 - Results from the FCA will determine qualification for supplemental funding
 - If qualified, prepare for and seek new RFPs to support validate FCA results
 - Includes identifying and estimating all post-construction costs (O&M, Administrative, etc.)
- Alliance: Perform a comprehensive total cost analysis: Design, plus Construction, plus post-construction
- Alliance: Examine and validate whether economic feasibility can be achieved using EPA and DEEP metrics
- OLS: Prepare total project construction and going-forward cost analysis, for our internal and pro-rata portion of the shared infrastructure
- OLS: Prepare cost per resident (EDU) information for a new OLSBA resolution
- Prepare referendum package
- OLS Members: Vote – Timing TBD