



# WPCA Update

## Unified Infrastructure Project

OLSBA Annual Meeting - May 28, 2024

### **Infrastructure Elements**

- ★ Mandated Sewer Installation
- ★ Roadway Repair, Enhancement, and Safety Improvements
- ★ Stormwater Management Improvements



# WPCA Update

### **General**

#### ➤ DEEP Consent Order

OLS and the other beaches (OCBA, MBA, and the Town of Old Lyme for the SVBA) remain under a consent order by the state to remediate our pollution of the Sound. Sewers have been identified as the best option to accomplish this. This project is not optional and most elements of the larger, unified construction project at OLSBA cannot be avoided. As an Association, we have elected to add certain additional elements to the project such as storm sewers, and road enhancements, and road safety improvements which are under our control.

#### ➤ August WPCA Special Meeting

At present, we anticipate being able to schedule a Special Meeting of the association in mid-August to early September. The WPCA will continue to refine this timeline as more information is available to us and we will share it with the Association membership.



# WPCA Update

## Agreements

### ➤ Town of Old Lyme & Cost Sharing Agreement

Your WPCA continues to champion final resolution regarding the Town of Old Lyme's membership status on the Cost Sharing Agreement. The Town expects to reimburse OCB, OLS and MBA in July, with FY 2025 funds. Payment will complete the third and final condition precedent required to finalize and sign an amended agreement.

### ➤ New London Agreement

We anticipate finalizing the amended agreement with New London by the end of June, which will ensure wastewater treatment capacity when we need it. The New London WPCA is seeking increases over the 2021 signed agreement with a 9.3% increase in buy-in fees and a modest increase in the carrying charge percentage over the 20-year period. The draft agreement represents best-effort negotiations to minimize the financial impact of New London's requirement to increase fees.



# WPCA Update

## Design

### ➤ Potential Design Modifications to Shared Infrastructure

We are working to finalize several recently identified design modifications for the shared sewer system which involve substantive cost implications. This includes a more recent requirement to redesign two bridge crossings on route 156 at Armstrong Brook and Four Mile River, at an additional expense to the shared project, due to CT DOT initiated bridge replacement work. Extensive bridge replacement work may start in the Spring of 2025 and continue for up to two years according to CT DOT and their consulting engineering firm. The Alliance is engaged in detailed coordination discussions in an effort to minimize financial impact to our project and establish a concurrent construction schedule for installation of our force main and CT DOT's bridge construction work.



# WPCA Update

## Construction

### ➤ Projected Bid Inflation

CT DEEP is estimating that construction bids may come in between 20 and 25% higher than last time. An independent group of our WPCA members has confirmed this assumption. It is hard to estimate with any certainty what future bids will look like because we don't know how many bidders will participate, current workloads of qualified contractors and material costs, etc. Also, the financial impact of pending design modifications are unknown.

### ➤ Seeking New Bids

We anticipate being able to seek new bids sometime in late June or July.



# WPCA Update

## Financing

### ➤ CT \$15M Forgivable Loan Update

Your WPCA spearheaded discussions with Bond Counsel and CT Treasury' Principle Debt Specialist to gain needed clarity regarding terms and conditions for the new Forgivable Loan agreement. We requested a follow-up meeting with CT Treasury which took place on May 17, 2024 and which resulted in modifications to and improved clarity regarding their initial worksheets for allocation of the \$15M and resultant recommended resolution amounts for the supplemental resolutions. At this point we are still not clear on exactly how the \$15M loan will be allocated. We prefer it be allocated to the shared infrastructure portion of the project but CT DEEP has a strict guideline which limits grant contribution to any one project to 50%. Negotiations regarding this matter continue.



## WPCA Update

### **Financing, continued**

➤ **CT \$15M Forgivable Loan Update (continued)**

At a meeting organized and hosted by your WPCA on May 17, 2024, the Principle Debt Management Specialist who holds the purse strings at CT Treasury confirmed that the \$15M forgivable loan is “locked in” for our use providing us some time to continue our work on cost estimation. The state’s current position is that no additional funds would be available from CT Treasury internal resources. Despite these assertions, we continue to look for more sources of funding to try and make this project more affordable for OLS residents.

Your WPCA continues to push the state of CT and Alliance members (OCBA, MBA, and the Town of Old Lyme for the SVBA), to make decisions and create greater certainty prior to finalizing a new project resolution for consideration by our membership.



## WPCA Update

### **Financing, continued**

➤ **New Bond Resolution**

A new supplemental resolution, reflecting increases in the scope of this project, escalating construction costs and which includes our portion of the \$15M forgivable loan will need to be approved by the OLS membership at some point in the near future. We must ensure that the supplemental resolution when combined with the original funding authorization is sufficient to cover all Clean Water Fund eligible and ineligible costs for the combined OLSBA sewer, road improvement, and stormwater mitigation project.

When we have a Supplemental Resolution to bring before the membership, we will share it well in advance and have a special meeting dedicated to answering questions before any vote.



# WPCA Update

## **Next Steps**

- Address and resolve issues described in this update
- Conclude revisions regarding existing agreements
- Schedule a Special WPCA Meeting - August

## **More Information**

- Old Lyme Shores WPCA website - [oldlymeshores.org/wpca](http://oldlymeshores.org/wpca)
- Additional Questions and Feedback welcomed!  
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