

Old Lyme Shores Beach Association



Project Updates and Estimates for:

- Sewers
- Roadway Enhancements
- Stormwater Improvements

May 20, 2025

Prepared by Chris Shelton and James Moynihan

Disclosure on Estimates

- These slides present ESTIMATES¹ of OLSBA sewer, roadway enhancements & stormwater improvement costs
- The ACTUAL contract costs cannot be presented until after an approval vote on the Supplemental Bond Resolution

¹These estimates are based on Fuss & O'Neill estimated costs to complete OLSBA's portion of shared, internal and stormwater projects, plus OLSBA portion of East Lyme & New London buy-ins, as of 9/4/2024 as presented during WPCA's special meeting on 9/5/24

Proposal To Increase Maximum GROSS Bond Appropriation

Initial Bond Resolution

\$9.7 million approved by OLSBA membership in 2012.

Proposed Update

Request to approve a Supplemental Bond Resolution of \$13.0 million
Increasing total authorization to \$22.7 million.

Approval Required to Proceed with Coordinated Bidding of:

- Sewer Project
- Roadway Repaving & Enhancements
- Stormwater Drainage Improvements

How Would The Projects Be Funded

- 100% of Sewer project and basic repaving expected to utilize funding available from CT Clean Water Fund (CWF)¹
- At least 20% of both Stormwater Improvement and Roadway Enhancements expected to be CWF eligible (not included in enclosed analysis)
- Remaining investment for Stormwater and Roadway Enhancement projects would require OLSBA financing

100% of CWF-eligible costs would be funded by:

- ☐ 25% Grants
- ☐ 75% Financing for 20 years @ 2% fixed
- ☐ \$3.165M of Loan Forgiveness (Capped)

¹Based on terms currently offered by CT Clean Water Fund as of 5/20/25

Estimated NET Project Costs ¹

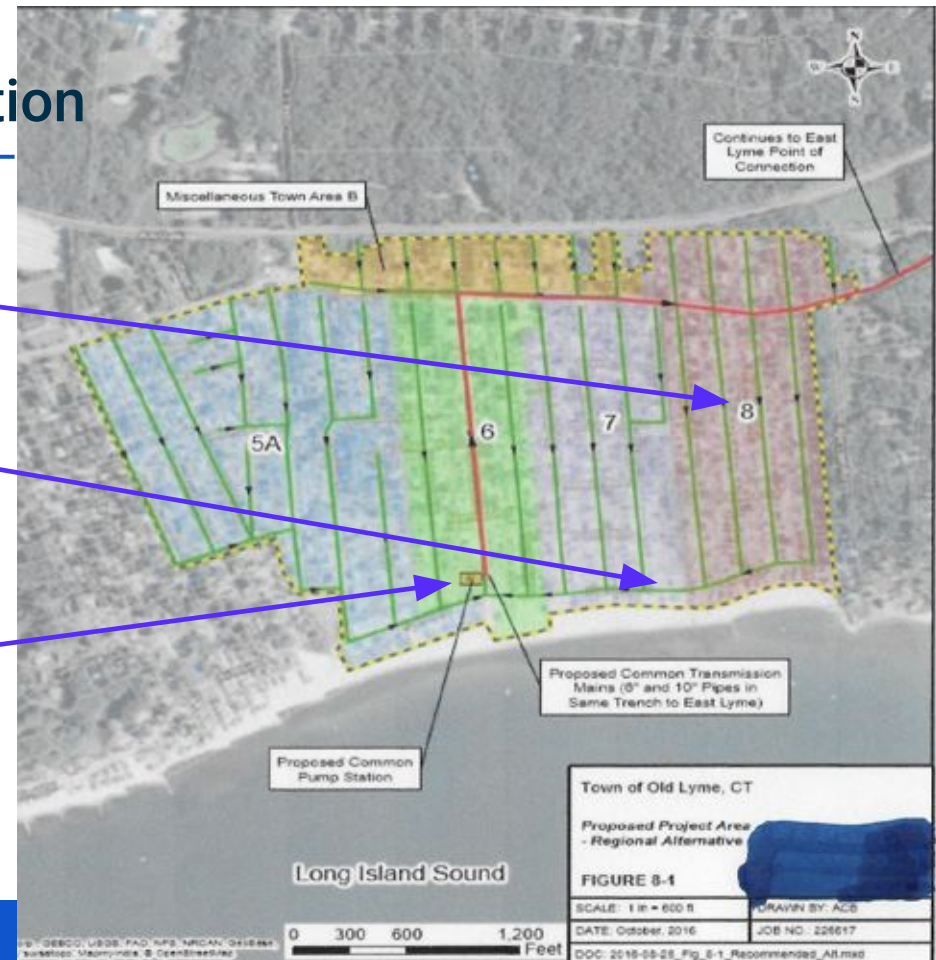
	<u>Total Cost</u>	<u>Cost per EDU</u>
Estimated GROSS Sewer Project Costs (OLSBA PORTION)	\$14,983,043	\$77,632
- CWF Grant (25%)	(\$3,745,761)	(\$19,408)
- CWF Loan Forgiveness (21.1% of \$15M)	(\$3,165,000)	(\$16,399)
NET Sewer Project Costs (to go)	\$8,072,282	\$41,825
Costs Spent to date:	\$810,395	\$4,199
IMAs (New London & East Lyme)	\$621,316	\$3,219
Total NET Sewer Cost	\$9,503,993	\$49,243
Stormwater Project (Potentially CWF Eligible)	\$3,347,856	\$17,346
Roadway Enhancements (Potentially CWF Eligible)	TBD	TBD
Total NET Sewer + Stormwater Cost	\$12,851,849	\$66,590
15% Contingency Assumption	\$2,749,635	\$14,247
Portion of which Granted (if cost overrun on sewer)	(\$687,409)	(\$3,562)
Total NET Sewer + Stormwater Cost w/Contingency	\$14,914,075	\$77,275

¹Includes current estimates for OLSBA portion of shared sewers (21.1%), the internal sewer project, repaving and stormwater improvement

All numbers in these slides are ESTIMATES and subject to change depending on various factors

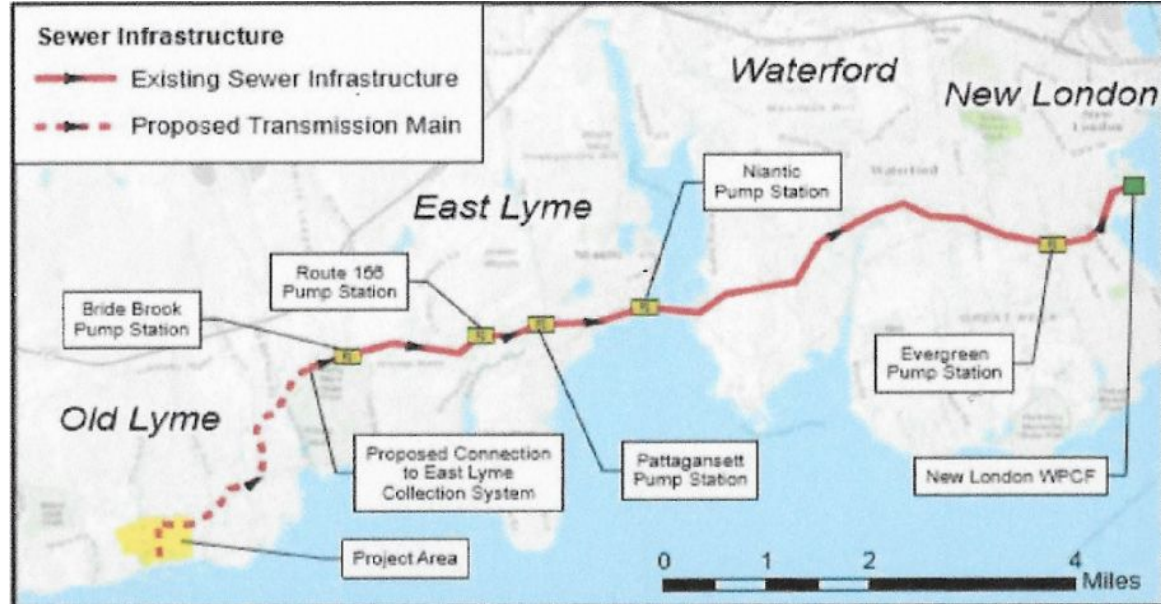
OLSBA Internal Project - Illustration

- I. Gravity sewer lines Installed on full length of Billow, Brightwater, Saltaire & Sea Spray
- I. Flow from all beaches would travel downhill to trunkline and across Common Transmission Main
- I. Connection to Force Main at Pond Road pump station



Shared Sewer Project - Illustration

- I. From Pond Road pump station, sewage travels through new force main
- I. Connects to East Lyme forced main at Bride Brook Pump Station
- I. Sewage treatment accommodated with upsize of New London receipt facility



SEWER Project Estimated Annual Cost per Equivalent Dwelling Unit (EDU)

Annual Payment of Principal & Interest per EDU¹

CWF Loan (20-years @ 2%)	\$3,520
East Lyme Loan (20-years @ 2%)	\$51
New London Loan (20-years @ 2.65%)	\$159

Total Estimated Sewer Financing Cost per EDU	\$3,730
Estimated Annual Payment to Operate Sewer per EDU ²	\$500

Total Estimated Annual Payment per EDU for Sewers	\$4,230
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CWF Funding & Grants
Subsidizes Annual
Cost of Sewers

Estimated One-Time Costs*

Estimated One-time Costs of Connection ³	\$10,000
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*Each residence will be responsible for these one-time costs

¹ CWF loan payment based on current estimate for sewer project cost shown on slide 5

² Estimated Operating cost based on experience in other CT towns, and DEEP estimate from presentation

³ One-time costs reflects potential costs relating to connection to the sewer system, septic abandonment and cost of meter.

All numbers in these slides are ESTIMATES
and subject to change depending on various
factors

Install new catch basins and 12" piping along Billow Road.

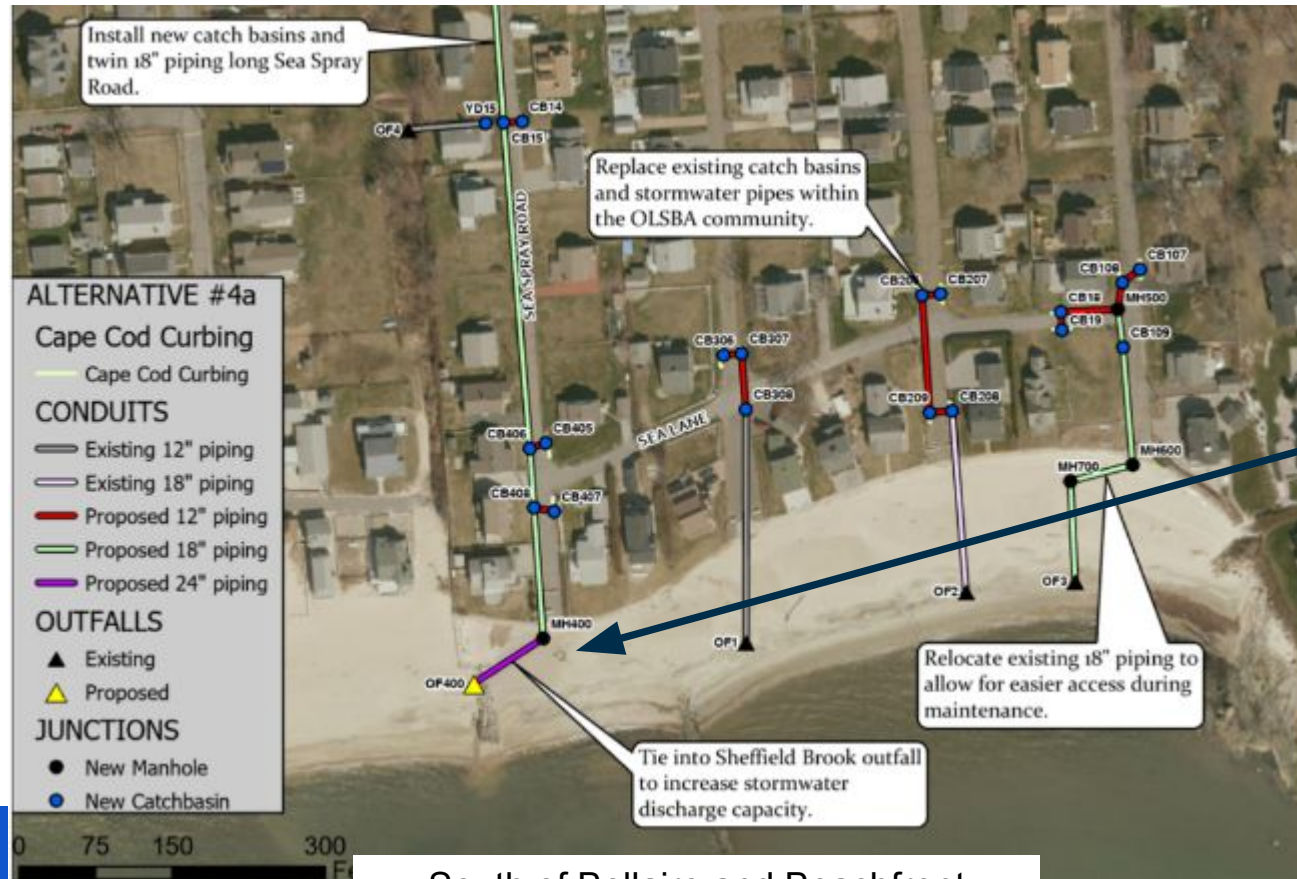
Install Cape Cod Curbing along Bellaire Road and Brightwater Road.

Outfalls to Sheffield Brook shall remain the same size and configuration.

Install new catch basins and 24" piping at low point of Bellaire Road.

North of Bellaire Road

Stormwater Project – Southern Portion



Alternative 2:
Sea Spray Road
Discharge runs
into OLSBA jetty

South of Bellaire and Beachfront

Total Cost per EDU Estimate after Adding Stormwater Improvement

Annual Payment of Principal & Interest per EDU

CWF Loan (20-years @ 2%)	\$3,520
East Lyme Loan (20-years @ 2%)	\$51
New London Loan (20-years @ 2.65%)	\$159

Total Estimated Sewer Financing Cost per EDU	\$3,730
Estimated Annual Payment to Operate Sewer per EDU	\$500
Total Estimated Annual Payment per EDU for Sewers	\$4,230

Total Estimated Stormwater Financing Cost per EDU	\$2,658
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GRAND TOTAL Estimated Annual Payment per EDU	\$6,887
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Estimated One-Time Costs*

Estimated One-time Costs of Connection	\$10,000
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*Each residence will be responsible for these one-time costs

¹ Estimate for connection from curb to residence, pumping out and filling septic tank in place.

² Water usage will be used to approximate flows to sewer

APPENDIX



Supplemental Bond Resolution

RESOLUTION AUTHORIZING A SUPPLEMENTAL APPROPRIATION OF \$6,800,000 FOR THE PLANNING, ACQUISITION, DESIGN AND CONSTRUCTION OF A SANITARY SEWER SYSTEM TO SERVE THE OLD LYME SHORES BEACH ASSOCIATION AND AUTHORIZING THE ISSUANCE OF BONDS, NOTES OR OTHER OBLIGATIONS IN AN AMOUNT NOT TO EXCEED **\$6,800,000** TO FINANCE SAID APPROPRIATION.

RESOLVED:

Section 1. That the Old Lyme Shores Beach Association in the Town of Old Lyme, Connecticut (the "Association") make a supplemental appropriation of \$6,800,000 for the planning, acquisition, design and construction of a sanitary sewer system to serve the Association including, but not limited to, connection fees for the conveyance of sewage to an existing regional sewerage facility and all costs associated with connecting to said regional sewerage facility, pump stations, acquisition of real property as may be required for the project, engineering, land surveying, geophysical studies, rights of way and easements, storm drainage improvements, road reconstruction, water distribution system improvements, and all other tasks related to the planning, acquisition, design and construction of said project, all to be completed in substantial accordance with plans and specifications as outlined in that certain study entitled "Wastewater Facilities Planning Report, Miami Beach Association, Old Lyme, CT," dated June 19, 2015, prepared by Fuss & O'Neill, Inc., as it may be amended from time to time, and for administrative, printing, legal and financing costs and other costs related thereto (collectively, the "Project"). The appropriation shall include any and all federal, state or other grants-in-aid, subsidies, loan forgiveness, or other funds received for the Project. The President and Treasurer may reduce or modify the scope of the Project, and the entire appropriation may be expended on the Project as so reduced or modified. This supplemental appropriation is in addition to the \$9,700,000 appropriation previously approved by voters of the Association on August 11, 2012.

Section 2. That the Association shall finance said supplemental appropriation by issuing its bonds, notes or other obligations in an amount not to exceed \$6,800,000 or so much thereof as the President and Treasurer may deem necessary after deducting any federal or state grants or subsidies, other grants-in-aid, principal loan forgiveness or other funds received for the Project. The bonds, notes or other obligations may, in whole or in part, be secured as to both principal and interest by (a) the full faith and credit of the Association, or (b) a pledge of revenues to be derived from the Project, including, without limitation, sewerage system sewer use charges, sewerage system connection charges and sewerage system benefit assessments, or any combination thereof, or (c) a pledge of revenues to be derived from the Project, including, without limitation, sewerage system sewer use charges, sewerage system connection charges and sewerage system benefit assessments, or any combination thereof, and also by the full faith and credit of the Association. The bonds, notes or other obligations shall be issued pursuant to the Connecticut General Statutes, as amended. The bonds, notes or other obligations may be sold as a single issue or consolidated with any other authorized issues of bonds, notes or other obligations of the Association. The bonds, notes or other obligations may be in the form of interim funding obligations, interim funding obligations in anticipation of project loan obligations, and project loan obligations issued to the State of Connecticut under the State of Connecticut's Clean Water Fund Program. The Treasurer shall keep a record of the bonds, notes and other obligations. The bonds,

notes and other obligations shall be signed in the name and on behalf of the Association by the President and Treasurer, shall bear the Association seal or a facsimile thereof, shall each recite that every requirement of law relating to its issue has been duly complied with and that such bond, note or other obligation is within every debt and other limit prescribed by law, and shall state that either (a) the full faith and credit of the Association, or (b) a pledge of revenues to be derived from the Project, including, without limitation, sewerage system sewer use charges, sewerage system connection charges and sewerage system benefit assessments, or any combination thereof, or (c) a pledge of revenues to be derived from the Project, including, without limitation, sewerage system sewer use charges, sewerage system connection charges and sewerage system benefit assessments, or any combination thereof, and also by the full faith and credit of the Association, are pledged to the payment of the principal thereof and interest thereon. The aggregate principal amount, the dated date, final maturity, rate or rates of interest, the date, time of issue and sale and all other terms, details and particulars of such bonds, notes or other obligations shall be as determined by the President and Treasurer. Said bonds, notes or other obligations shall be sold by the President and Treasurer at public sale, by negotiation or to the State of Connecticut under the Clean Water Fund Program, in their discretion. This supplemental bond authorization is in addition to the \$9,700,000 appropriation previously approved by voters of the Association on August 11, 2012.

Total authorization equals \$16,500,000

Supplemental Bond Resolution Continued

Section 3. That the President and Treasurer are authorized to issue temporary notes in anticipation of the receipt of the proceeds of said bonds, notes or other obligations, including, without limitation, issuing and renewing temporary notes in the form of interim funding obligations issued to the State of Connecticut under the State of Connecticut's Clean Water Fund Program. The temporary notes shall be signed by the President and Treasurer and shall bear the Association seal or a facsimile thereof. The temporary notes shall be issued with maturity dates in accordance with the Connecticut General Statutes, as amended, or the State of Connecticut's Clean Water Fund Program, as applicable. The temporary notes shall each recite that every requirement of law relating to its issue has been duly complied with, that such temporary note is within every debt and other limit prescribed by law, and that the temporary notes, in whole or in part, are secured as to both principal and interest by either (a) the full faith and credit of the Association, or (b) a pledge of revenues to be derived from the Project, including, without limitation, sewerage system sewer use charges, sewerage system connection charges and sewerage system benefit assessments, or any combination thereof, or (c) a pledge of revenues to be derived from the Project, including, without limitation, sewerage system sewer use charges, sewerage system connection charges and sewerage system benefit assessments, or any combination thereof, and also by the full faith and credit of the Association. The net interest cost on such temporary notes, including, without limitation, renewals thereof, and the expense of preparing, issuing, and marketing such temporary notes, to the extent paid from the proceeds from the issuance of bonds, notes, other obligations, or project loan obligations, shall be included as a cost of the supplemental appropriation.

Section 4. That the Association hereby declares its official intent under Treasury Regulation Section 1.150-2 of the Internal Revenue Code of 1986, as amended, that the Project costs may be paid from temporary advances of available Association funds and that the Association reasonably expects to reimburse any such advances from the proceeds of borrowings in an aggregate principal amount not in excess of the amount of borrowing authorized for the Project; that the President and Treasurer are authorized to bind the Association pursuant to such representations and agreements as they deem necessary or advisable in order to ensure and

maintain the continued exemption from federal income taxation of interest on the bonds, notes, temporary notes and other obligations authorized by this resolution, if issued on a tax-exempt basis, including, without limitation, covenants to pay rebates of investment earnings to the United States in future years; and that the President and Treasurer are authorized to make representations and agreements for the benefit of the holders of the bonds, notes, temporary notes and other obligations to provide secondary market disclosure information and to execute and deliver on behalf of the Association an agreement to provide such information with such terms and conditions as they, with the advice of bond counsel, deem necessary and appropriate, including, without limitation, bonds, notes, temporary notes and other obligations issued by the State of Connecticut under the State of Connecticut's Clean Water Fund Program.

Section 5. That the President is hereby authorized, empowered and directed in the name and on behalf of the Association to execute and deliver such other instruments, documents and agreements and to take such other and further action, as the President shall deem necessary, appropriate or desirable to carry out the purpose and intent of this resolution and to effectuate the transactions contemplated by this resolution, including, without limitation, contracting with vendors and others on behalf of the Association for the Project and approving construction expenditures for the Project.

Section 6. That the President is hereby authorized, empowered and directed in the name and on behalf of the Association to apply for and accept or reject any federal or state grants or subsidies, other grants-in-aid, loans and principal loan forgiveness and to execute and deliver to the State of Connecticut one or more project loan and project grant agreements, project loan and project grant and principal forgiveness agreements, and similar agreements with the State of Connecticut, and such other instruments, documents and agreements for and on behalf of the Association, and the President and other Association officials, employees and representatives acting at the direction of the President, are authorized to take all actions necessary and proper to obtain such grants, subsidies, grants-in-aid, loans and principal loan forgiveness and to take such other and further action, as the President shall deem necessary, appropriate or desirable to carry out the purpose and intent of the foregoing resolution, including, without limitation, to implement such project loan and project grant agreements, project loan and project grant and loan forgiveness agreements, and similar agreements with the State of Connecticut, to carry out the Project, to effectuate the transactions contemplated hereby, and to issue the bonds, notes, temporary notes and other obligations to finance the appropriation.

CT DEEP Consent Order (2018)



79 Elm Street • Hartford, CT 06106-5127

www.ct.gov/deep

Affirmative Action/Equal Opportunity Employer

STATE OF CONNECTICUT :

V. :

THE OLD LYME SHORES BEACH ASSOCIATION, THE OLD COLONY BEACH CLUB
ASSOCIATION AND MIAMI BEACH ASSOCIATION :

CONSENT ORDER

A. With the agreement of the Old Lyme Shores Beach Association ("OLSBA"), the Old Colony Beach Club Association ("OCBCA") and Miami Beach Association ("MBA"), the Commissioner of Energy and Environmental Protection ("The Commissioner") finds:

1. The Old Lyme Shores Beach Association ("OLSBA") is a specially chartered municipal corporation located in the Town of Old Lyme. OLSBA was established in 1947 by Special Act of the Legislature. OLSBA has the power to levy and collect real estate taxes. By virtue of these powers, OLSBA qualifies for the funding of a sanitary sewer construction project from the state of Connecticut's Clean Water Fund Program.
2. OLSBA submitted for the Commissioner's review a Wastewater Facilities Planning report dated January 2012 prepared by the consulting firm Fuss & O'Neill, Inc., and subsequently amended by the same firm in June 2012. This report identified numerous areas within the boundaries of OLSBA that could not support onsite wastewater treatment due to the overall density of development, lack of adequate space or adverse on-site subsurface conditions, such as shallow groundwater, bedrock, and rapidly draining soils. The report identified as the most technically and economically feasible alternative the conveyance of the wastewater to the City of New London via the towns of East Lyme and Waterford.

6. MBA submitted for the Commissioner's review a Wastewater Facilities Planning report dated December 13, 2013 and revised on April 1st, 2015 prepared by the consulting firm Fuss & O'Neill, Inc. This report identified numerous areas within the boundaries of MBA that could not support onsite wastewater treatment due to the overall density of development, lack of adequate space or adverse on-site subsurface conditions, such as shallow groundwater and rapidly draining soils. The April 1st 2015 report recommended as the most cost effective and technically feasible solution the construction of a regional wastewater system encompassing the installation of a gravity wastewater collection system within OLSBA, OCBCA and MBA; heretofore jointly referred to as the "the beach associations"; and the construction of a single shared pump station and force main pipe for the conveyance of the wastewater to the City of New London via the towns of East Lyme and Waterford.
7. By virtue paragraphs A.2., A.4., and A.6 above, a community pollution problem exists and the beach associations are causing pollution of waters of the state.
8. On October 23, 2017, the Commissioner approved the report referenced in A.6. above.
9. OLSBA, OCBCA and MBA have not implemented any structural solutions to address the wastewater disposal problems pursuant to paragraphs A.2., A.4., and A.6. above.
10. The recommendation included in the April 1st, 2015 report referenced in A.6. above supersedes previous recommendations pursuant to paragraphs A.2. and A.4., above. The April 1st 2015 report estimates a combined daily average sewage flow of up to 156,000 gallons to be discharged into East Lyme's wastewater conveyance system from the beach associations for final treatment and disposal at the Municipal Wastewater Treatment Plant in the City of New London.
11. The implementation of the remedial actions specified in the engineering report pursuant to paragraph A.6. above require the beach associations to procure capacity in the regional wastewater system serving the City of New London, the Town of Waterford and the Town of East Lyme; and design and construct a wastewater collection system within the boundaries of the beach associations and convey the wastewater through portions of the Town of Old Lyme to the regional wastewater system.
12. By virtue of the above, after giving due regard to regional factors, a community pollution problem exists and such pollution can best be abated by the action of the beach associations referenced in the paragraphs above.
13. By agreeing to the issuance of this consent order, OLSBA, OCBCA and MBA make no admission of fact or law except with respect to the matters addressed in the above paragraphs.

Consent Order

- B. With the agreement of the beach associations, the Commissioner, acting under Sections 22a-6, 22a-424, 22a-427, 22a-428 and 22a-458 of the Connecticut General Statutes orders OLSBA, OCBCA and MBA to undertake the following actions as follows:

1. Compliance schedule.

- a. The beach associations have retained Fuss & O'Neill, Inc., to prepare the documents, implement and oversee the actions required by this consent order. The beach associations shall retain one or more qualified consultant(s) acceptable to the Commissioner until this consent order is fully complied with, and, within ten days after retaining any consultant other than the one originally identified under this paragraph, the permittee shall notify the Commissioner in writing of the identity of such other consultant. The consultant(s) retained shall be a qualified professional engineer licensed to practice in Connecticut. The permittee shall submit to the Commissioner a description of a consultant's education, experience and training which is relevant to the work required by this consent order within ten days after a request for such a description. Nothing in this paragraph shall preclude the Commissioner from finding a previously acceptable consultant unacceptable.
- b. Unless another deadline is specified in writing by the Commissioner, on or before 547 calendar days after execution of this consent order by the beach associations and the Commissioner, the beach associations shall submit for the Commissioner's review and written approval, contract plans and specifications for the approved remedial actions identified in paragraph A.6., above. As part of the Commissioner's review and approval process of the plans and specifications, the beach associations shall provide the Commissioner with, 1) written legal confirmation that the wastewater capacity pursuant to paragraph A.11., above has been procured; 2) written confirmation that the application for all required permits and approvals have been submitted; 3) written legal confirmation that all required easements and/or right of ways necessary to construct the project pursuant to paragraph A.6., above have been secured; and 4) a project schedule listing anticipated bid and contract award dates; as well as a detailed schedule with tasks to be performed during the construction phase of the project pursuant to paragraph A.6., above.

- c. Unless another deadline is specified in writing by the Commissioner, the beach associations shall perform the approved remedial actions in accordance with the approved schedule(s), but in no event shall the approved remedial actions be completed later than 547 calendar days after the approval of the plans and specifications pursuant to paragraph B.1.b., above.
- d. The beach associations may request that the Commissioner approves in writing revisions to any document approved hereunder in order to make such document consistent with law or for any other appropriate reason.
- e. This Consent Order supersedes and administratively closes Consent Orders No. CO-WR-MU-12-001 and CO-WR-MU-12-002 issued on August 14, 2012 and October 1, 2012 to OCBCA and OLSBA, respectively.

7. Noncompliance. This consent order is a final order of the Commissioner with respect to the matters addressed herein, and is non-appealable and immediately enforceable. Failure to comply with this consent order may subject the beach associations to an injunction and penalties.

17. Joint and several liability. The beach associations shall be jointly and severally liable for compliance with this consent order.

DEEP & OAG Response Letter



October 2, 2024

Town of Old Lyme
Water Pollution Control Authority

Miami Beach Association
Water Pollution Control Authority

Old Lyme Shores Beach Association
Water Pollution Control Authority

Old Colony Beach Club Association
Water Pollution Control Authority

Re: Town of Old Lyme Wastewater Management Project

Dear Water Pollution Control Authority representatives,

We write to express our concern about the failure of the Water Pollution Control Authorities of the Miami Beach Association, Old Lyme Shores Beach Association and Old Colony Beach Club Association ("Associations") to complete the joint sanitary sewer system project. As you know, General Statutes § 22a-428 and the 2018 consent order between the Commissioner of Energy and Environmental Protection and the Associations require you to abate the documented community pollution problem caused by wastewater disposal by the beach associations. We are concerned that this project is not yet complete and that there have been considerable delays in meeting your obligations.

The State of Connecticut, including the Department of Energy and Environmental Protection ("the Department") and the Office of the Attorney General, take very seriously our commitment to water quality in Long Island Sound and public health. To that end, you are required by law to comply with 2018 consent order and state law. To complete this project, you may be eligible for significant but time-limited financial support, including a newly available forgivable loan. We strongly encourage you to take advantage of this support.

For over 10 years, the Department has been working with the Associations to ensure the protection of public health and the environment by ordering and facilitating the construction of a joint sanitary sewerage system to address the community pollution problem.

However, this additional state financial assistance is time limited and cannot be sequestered forever. In order to access this funding, the project communities must move forward in a timely fashion with the construction of the sanitary sewerage system. We appreciate the associations' efforts under their respective consent orders and state officials stand ready to help the associations and the Town of Old Lyme move this project to conclusion. Nevertheless, any additional delay in the construction of this project jeopardizes the subsidy and leaves the community pollution problem unabated.

As soon as possible, it is necessary that you provide us the details of a plan to meet your obligations under the consent orders and the relevant pollution abatement statutes and regulations.

We look forward to working in partnership to ensure that this project moves forward and is completed for the benefit of the community.

Sincerely,

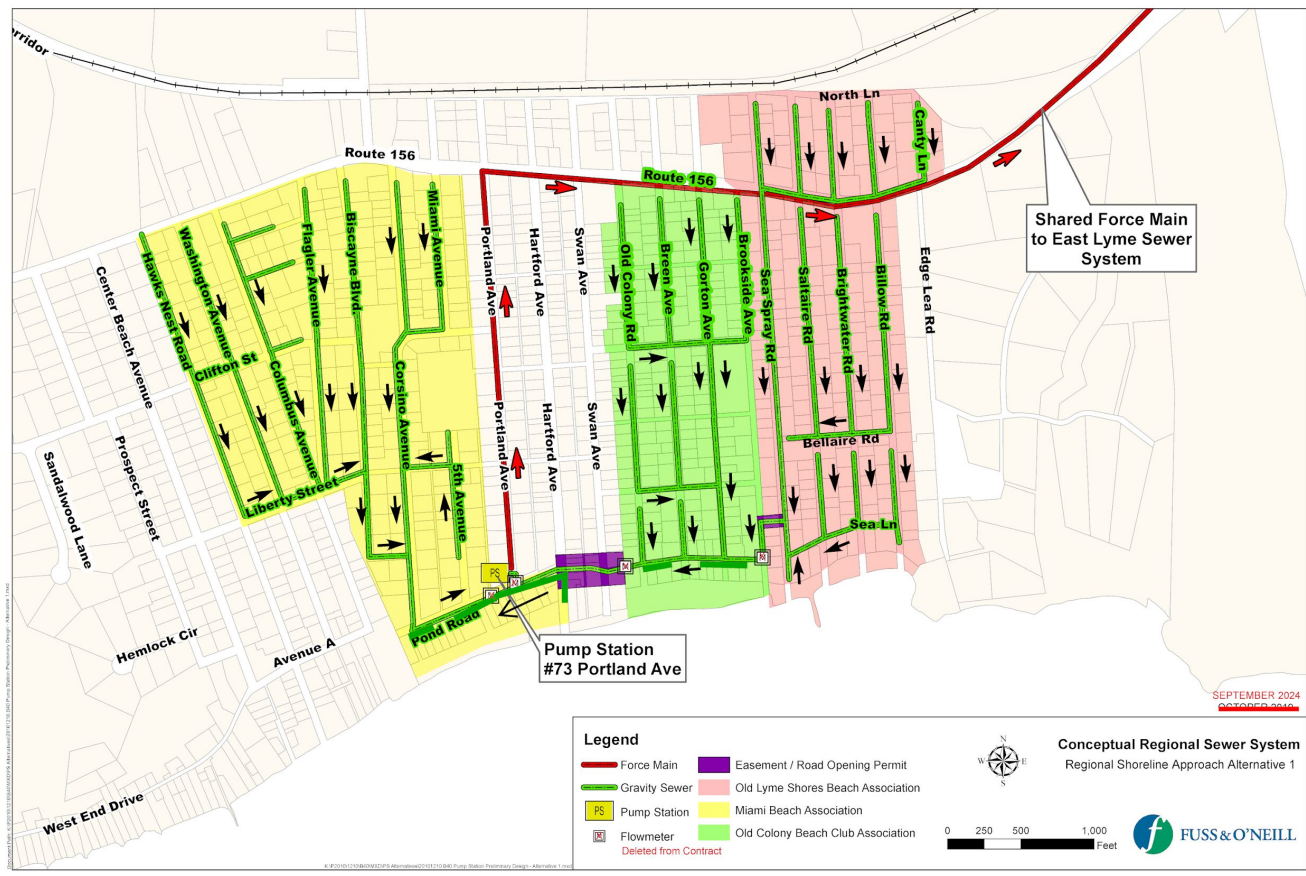
Handwritten signature of Katherine S. Dykes in blue ink.

Katherine S. Dykes
Commissioner, Connecticut Department of
Energy and Environmental Protection

Handwritten signature of William Tong in blue ink.

William Tong
Connecticut Attorney General

F&O Project Illustration



F&O Project Illustration- Regional Map

