

OLSBA BOG Special Meeting April 29, 2026 at 7:30 via zoom, Draft Meeting Minutes

Officers/Board Members Present:

John Cunningham (President), Paul Yellen (VP), Tracey Cappellucci (Secretary)

Board Members: Tim Larson, Jerry Vande Werken, Jack Thomas, Mary Kate Reynolds

Key takeaways

- The OLSBA Board voted unanimously (4-0) to authorize the president to sign two notices to proceed (NTP) for the shared sewer infrastructure project
- The project involves two contractors: JL Raymakers for the pump station and Baltazar for the force main and trunk sewer
- Total project cost is \$26.5 million, with OLSBA's share approximately \$1 million (3.8% of total cost) due to state subsidies
- Clean Water Funds application expected to be approved within 45 days (mid-June), with reimbursement cycle beginning in early July
- Old Colony has already signed all three notices to proceed; Miami Beach Association expected to sign this week
- The town is currently not participating, but may rejoin before permanent loan obligations are finalized

Discussed topics

Authorization to Sign Notices to Proceed

John presented a comprehensive overview of the authorization request for signing two notices to proceed for shared sewer contracts. (See attached Power Point) The board discussed combining both agenda items since they are part of the same project.

- **Details**
 - Tim: Made the motion to accept items 1 and 2 as presented and authorize John to act accordingly on behalf of the board
 - Jack: Seconded the motion

- John: Explained that both NTPs should go together as they are part and parcel of the same project with two separate contractors
- **Conclusion**
 - Motion passed unanimously 4-0 to authorize the president to sign both notices to proceed

Project Cost Structure and Financial Benefits

John provided detailed breakdown of project costs and the significant financial benefits from state subsidies. (See attached Power Point)

- **Details**
 - John: Original project cost over \$27 million reduced to \$26.5 million by deferring buying costs to operations and maintenance
 - John: After 25% Clean Water Funds grant (\$6.5 million) and \$15 million forgivable loan, the Three Beaches are paying effectively \$3.5 million
 - John: Interest rate subsidy saves \$145,000 annually in debt service, with present value of approximately \$1.6 million
 - John: OLSBA's share is approximately \$1 million, equating to \$5,300 per EDU or \$265 per year for 20 years
 - John: State subsidies reduce the cost from \$41,000 per home to approximately \$5,000 per home
- **Conclusion**
 - The state subsidies provide significant cost reduction of approximately \$36,000 per home
 - OLSBA will have a 30% ownership stake in the public utility for 3.8% of actual construction costs

Timing and Urgency

The board discussed why issuing the notices to proceed this week is critical to project success.

- **Details**
 - John: Delays have historically increased costs; this delay is within the association's control
 - John: Notice of award was issued 90 days ago and contractors are getting antsy
 - John: Moving forward signals to contractors that this is a real project and enables them to line up suppliers and organize crews
 - John: Re-bidding would reset project costs, which increased over 50% in the last bidding cycle

- Tim: Emphasized not wanting perfect to be the enemy of good and the need to move forward after spending inordinate time on the project
- Tim: Stressed the importance of the Board of Governors acting on behalf of membership
- **Conclusion**
 - Downside risk of delays is much greater than the cost of moving forward
 - The association's membership has voted three times to get this project done

Payment Timing and Cash Flow

Jerry raised questions about contractual payment obligations and timing concerns related to Clean Water Funds availability.

- **Details**
 - Jerry: Asked when invoices must be paid after notice to proceed is signed
 - Jerry: Expressed concern about paying invoices before Clean Water Funds are available, noting the 45-day DEEP timeline plus treasurer's office and AG's office processing
 - Jerry: Inquired whether Old Colony would front money not covered until Clean Water Funds are accessible
 - John: Explained typical supply chain payment terms with 30-60 day payment windows after delivery
 - John: Noted DEEP stated funds could be available in July and they're expediting the process
 - John: Clarified that nearly 100% of the shared project is reimbursable by the state
 - John: Mentioned Old Colony is sitting on a very large cash reserve and has liquidity to serve as conduit
- **Conclusion**
 - OLSBA will not have to come up with funds during the construction phase for the shared project
 - Only incidental fees for attorneys and other professionals may need to be covered separately
 - Payment timing should align with Clean Water Funds reimbursement cycle

Status of Other Beach Associations

Mary Kate inquired about the signing status of other participating associations.

- **Details**
 - MK: Asked if Miami or Old Colony has signed the notices to proceed
 - John: Confirmed Old Colony has signed all three (internal and two shared) and submitted them on Monday
 - John: Stated Miami Beach is expected to sign the shared notices this week based on rumors, though he hasn't spoken directly to their president
- **Conclusion**
 - Old Colony has completed their signatures
 - Miami Beach Association expected to sign this week

Community Engagement and Public Comment

The board briefly discussed procedures for community input during the meeting.

- **Details**
 - MK: Asked if community members should be allowed to comment before the vote
 - Tim: Initially suggested moving directly to vote after motion and discussion
 - Jack: Agreed that community should be allowed to comment
 - John: Opened the floor to community comments, calling it the democratic thing to do
 - Tim: Clarified he wasn't trying to prevent member comments, just maintaining parliamentary procedure for audit purposes
- **Conclusion**
 - The floor was opened for community comment before the vote
 - No community members chose to speak

Future Community Communications

Tim raised the importance of ongoing community engagement as the project progresses.

- **Details**
 - Tim: Suggested planning community conversations about what the project will look like and timing
 - Tim: Requested that Fuss and O'Neill provide billboards showing profiles, cross-sections, before and after views
 - John: Confirmed there will be more public meetings and information sessions once they get down to the beach in a couple of weeks
- **Conclusion**

- Additional community engagement sessions will be scheduled
- Visual materials will be prepared to help members understand the project scope