



Notice to Proceed: Shared Project

Recommendation for the Board of Governors

April 28 2026

John Cunningham, OLSBA President

April 28, 2026



Request Authorization to Sign Two Shared Project Notices to Proceed

J.L. Raymakers & Sons (Pump Station)

Baltazar Construction (Force Main and Shoreline Trunk Sewer)

- What are we authorizing?
- Why does issuing this week matter?
- What will this cost Old Lyme Shores Beach Association?
- How will Town participation change the cost profile?
- What does this commitment buy the association?
- What are the costs of early sourcing of materials?
- What decision must the Board of Governors deliver?

What are we authorizing?



CONTRACT 1 — SHARED PROJECT

J.L. Raymakers & Sons

Shared Sewer Infrastructure contract.

Covers the Pump Station.

Notice of Award issued ~90 days ago.

CONTRACT 2 — SHARED PROJECT

Baltazar Construction

Shared Sewer Infrastructure contract.

Covers the Force Main and Shoreline Trunk Sewer.

Notice of Award issued ~90 days ago.

Note: All three Associations (OLSBA, OCBCA, MBA) must sign the Shared Project Notices to Proceed.

*The Internal NTPs are **not** on the agenda this week — they require more consideration given the OLSBA-only local share.*

Why does issuing this week matter?



Delays increase costs.

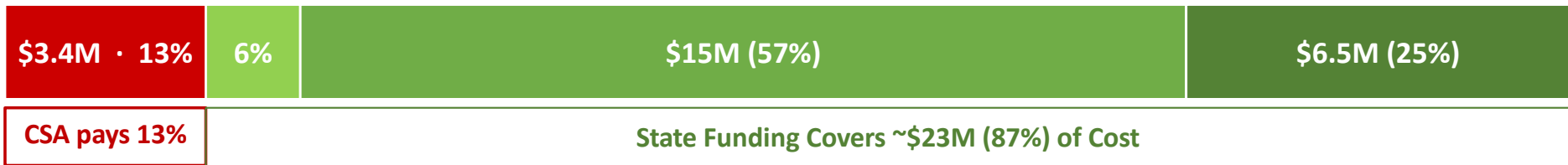
*Construction costs rose ~58% between bid rounds.
We have momentum — let's not repeat that experience!*

- We issued Notice of Award almost 90 days ago – we risk losing contractors
- Signals we are ready for them to allocate crews to our project before other projects
- Enables the contractors to source materials and arrange for delivery
- Addresses risk of unnecessary cost escalation
 - From rebidding – that would reset the whole project cost
 - From delays that warrant inflation adjustments

What Does This Cost the Association?



At the 4/21 DEEP meeting, we were told the Shared Project cost is \$26.5M ([source](#))



<ul style="list-style-type: none"> \$1.2M (35%) Miami Beach \$1.2M (35%) Old Colony \$1.0M (30%) Old Lyme Shores <hr/> <p> \$3.4M (13%) Net Real Cost to CSA Members</p>	<ul style="list-style-type: none"> \$6.5M (25%) CWF Grant Funds \$15M (57%) EPA / CWF Loan Forgiveness \$1.6M (6%) CWF Interest Subsidy <hr/> <p>\$23.1M (87%) Total of State Subsidies</p>
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CWF rate vs. 6.5% municipal bond — savings on the \$5M Cost-Sharing tranche

- Saves \$145k / yr in total annual debt service
- \$3M in total payment reductions over 20 years (PV ≈ \$1.6M)

How will Town participation change the cost profile?



OLSBA's obligation to the Shared Project, depending on Town participation...

SCENARIO A · WITHOUT TOWN

\$1M (3.8%)

total OLSBA cost

*\$41k/EDU Gross
\$36k/EDU Subsidy*

\$5,300 per EDU *(one-time equivalent)*

\$265/yr × 20 years

OLSBA pays a marginally higher cost (~\$320k more), but owns 30% of the flow to New London outright.

SCENARIO B · WITH TOWN

\$680k (2.5%)

total OLSBA cost

*\$29k/EDU Gross
\$25k/EDU Subsidy*

\$3,500 per EDU *(one-time equivalent)*

\$175/yr × 20 years

The Town should join to avoid a later buy-in fee proportional to its utilization (30% of \$26.5M is \$8M)

Source: Figures from the 4/21/26 DEEP meeting's Fuss & O'Neill presentation [20260421_Old Lyme Projects Construction Phase.pdf](#) (p. 11)

What does this commitment buy the association?



10x

LEVERAGE

OLSBA pays **2.5–3.8%** of the cost

Gains **20–30% ownership stake**

Appreciating **\$26.5M asset**

- Sewer system is a public utility asset (pump station, force main, shoreline sewer) that we partly own
- Future optionality to offset costs through Town buy-in
- If the Town does not rejoin before PLO, OLSBA pays only the marginally higher cost (~\$320k) and controls later buy-in price
- If the Town wishes to join later, a buy-in fee proportional to utilization is paid
- Buy-in fees are distributed to the three beaches who own the sewer infrastructure

What are the costs of early sourcing of the materials?



CT DEEP indicated 45 days to CWF approval — putting us at mid-June.

The supply-chain timing fits.

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Contractor Negotiates qty/price/delivery; issues PO	Supplier May ask for deposit (contractor- or customer-financed)	Delivery Contractor on 2/10 Net 30 terms	F&O / Beaches Package invoices, submit to DEEP	DEEP → OCBA Disburse funds to OCBA	OCBA → Contractor OCBA pays the contractor

Reimbursement timing

- Invoices submitted by the 2nd day of a month are processed that month
- Invoices presented by 7/2 → paid in July; by 8/2 → paid in August
- **Conclusion: interim financing by OLSBA does not appear necessary for the Shared Project**
- First-round CWF timing could ripple — all parties are eyes-wide-open on that

Decision Required & Next Steps



MOTION

The OLSBA BOG authorize the OLSBA President to sign the Shared Project Notices to Proceed:

- (1) J.L. Raymakers & Sons Notice to Proceed
- (2) Baltazar Construction Notice to Proceed

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This week

Special BOG meeting 4/29/26

President signs both Shared NTPs

Internal OLSBA NTP deferred

OCBA submitted all NTPs on 4/28/26

2

May 2026

Shared Agreement signing

Internal Project NTP meeting/votes

Contractors initiate procurement

3

Mid-June /Early July

Reimbursement cycle begins

CWF construction-loan applications approved (~45-day DEEP timeline)



Recommendation

Issue the two Shared Project Notices to Proceed.

Lock in 87% subsidy on a \$26.5M asset.

Invest in our future – with generous State assistance!

Our members voted in favor of this project three times already.

The funding is authorized. Lock it in – the subsidies are quite generous & it will not get more affordable.

The engineering agreement is signed. Let Fuss & O'Neill work for our collective benefit.

The contractors are bound by Notice of Award. Avoid further delays that could unnecessarily escalate costs.

I recommend the BOG authorize the OLSBA President to sign the J.L. Raymakers and Baltazar NTPs.

John Cunningham

President, Old Lyme Shores Beach Association · April 2026