



TOWN OF WATERTOWN CONNECTICUT

OFFICE OF THE TOWN MANAGER

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Town of Watertown, Connecticut

Waterbury v. Watertown Rate Case – Ratepayer and Taxpayer Impact

Public Information Handout – August 12, 2025

Overview

This handout provides Watertown residents with an overview of the financial implications of the *Waterbury v. Watertown* case. The Town faces a **\$34 million** repayment obligation, which will be allocated proportionally based on actual water and sewer usage. The repayment is modeled over **20 years** at an interest rate of **4.25%**, helping the Town secure lower interest costs, protect fiscal stability, and maintain essential services.

Key figures if it is determined to use an equal share estimate:

- **Total Repayment:** \$34 million
- **Term:** 20 years
- **Interest Rate:** 4.25%
- **Annual Debt Service:** ≈ **\$2.56 million**
- **Number of Accounts:** 4,500
- **Equal-Share Estimate:** (\$568/ year or ~\$142/quarter or ~\$47/month per account)

Key figures if it is determined that payment is made based on usage:

To be determined...the Water and Sewer Authority and Finance Staff are working to establish the amount each account will be responsible for based on usage.

Usage Level	Monthly Gallons Used
Low Residential	5,000
Typical Residential	10,000
High Residential	20,000
Small Business	50,000
Large Business/Manufacturer	200,000

FAQ Highlights

- Portions will be determined by historical water and sewer usage—higher users pay more.
- Costs for municipal buildings may affect property taxes if not absorbed in departmental budgets.
- The Fire District will be billed according to the 1976 Agreement, plus applicable O&M costs.
- Outstanding debts from closed businesses or previous homeowners will only be pursued if there is an enforceable legal basis.
- Large users (such as manufacturers) will be billed in proportion to their contribution to total system usage.
- If bonding fails, interest continues to accrue. Contingency options include accelerated assessments, reallocation of funds, postponing projects, system sale, or sourcing alternative water.

NOTE: *These figures are estimates and are expected to be lower than currently stated. Several variables may influence the final bond amount. Initial payments will be made through short-term notes, referred to as “banding.” Once all figures have been thoroughly vetted and agreed upon, these notes will be converted into a 20-year bond. A complete accounting will be maintained and provided at the time of bond issuance. No expenditure beyond those specified in the bond ordinance will be included in the bond issuance.*