



FOR IMMEDIATE RELEASE

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Statement Regarding Appellate Court Decision in *City of Waterbury v. Town of Watertown*

WATERTOWN, CT – The Connecticut Appellate Court issued its decision in the matter of *City of Waterbury v. Town of Watertown* on June 10, 2025. The Appellate Court’s decision affirms the trial court’s judgment in favor of the City of Waterbury.

The Appellate Court, like the trial court before it, ignored the parties’ decades-long contractual relationship and the 1921 Special Act that created a unique relationship between them: The Special Act allowed Waterbury to draw water from neighboring towns like Watertown and to contract with them to provide water service. Waterbury and Watertown contracted for water service from 1939-2018 and for sewer service from 1951-2018. Moreover, Watertown invested millions of dollars in Waterbury’s water treatment facility and its sewage treatment facility, which makes it stand out above all the other users of Waterbury’s services.

The Town of Watertown is disappointed in the outcome and maintains that the Court reached an incorrect conclusion. Nonetheless, it is now the responsibility of the Watertown Town Council and the Watertown Water and Sewer Authority (WSA) to assess the legal and financial options available in order to resolve this longstanding dispute in the most effective and fiscally responsible manner.

The Town of Watertown defended the legal action not out of reluctance to pay fair rates, but from a responsibility to defend its ratepayers from retroactive assessments and unilateral rate-setting practices. Throughout this process, the Town made multiple good-faith attempts to negotiate equitable rate adjustments, with full recognition that changes in rate structures were appropriate. Unfortunately, those efforts were either rejected or met with inflexible responses from the City of Waterbury, necessitating Watertown’s defending its ratepayers.

Available Options Moving Forward

The Town is currently reviewing several options for resolving the matter:

- 1. Petition for Certification to the Connecticut Supreme Court**
Watertown may seek further judicial review by petitioning the Connecticut Supreme Court. Doing so would be relatively inexpensive and would ensure that the Court with the final say on Connecticut law can, if it so chooses, review the Appellate Court’s decision. The Supreme

Court typically rules on petitions within 8-10 weeks. It is important to note that while only about 25% of petitions for certiorari are granted, more than half of those granted are ultimately overturned.

2. Sale of the Water and Sewer System

The Town also has the option to sell its water and sewer system to a qualified public or private utility provider equipped to deliver more competitive rates, streamline operations, and ensure greater long-term stability for ratepayers. Importantly, the proceeds from such a sale could be strategically applied to reduce or fully eliminate the outstanding judgment, positioning the Town for a stronger financial future.

3. Payment of Judgment with Rate Adjustments

Watertown may opt to pay the judgment and adjust water and sewer rates accordingly. Key considerations include:

- This is a fee-based dispute; no general tax increase is anticipated to the general fund budget.
- No liens will be placed on individual properties as a result of this judgment.
- The Town is exploring the following mechanisms:
 - Negotiating a structured payment plan with the City of Waterbury to halt further interest accrual.
 - Issuing municipal bonds to pay the judgment in full immediately and amortize the cost over 20–30 years.

4. Exploring Alternative Water Suppliers

The Court affirmed that Watertown is under no obligation to continue receiving water service from the City of Waterbury and retains the right to pursue alternative providers, such as Connecticut Water or Aquarion. Although transitioning to a new provider would entail substantial infrastructure investment and would not recover past capital contributions to Waterbury's system, this remains a viable path. In light of ongoing concerns about Waterbury's apparent underinvestment in its water infrastructure, the Town should actively evaluate alternative sources to ensure long-term reliability and financial prudence.

The Town Council, in coordination with legal counsel and financial advisors, is actively evaluating these options to determine the most sustainable, cost-effective approach for Watertown's water and sewer customers.

For more than 80 years, Watertown and Waterbury maintained a constructive and mutually beneficial relationship. Claims made by Waterbury suggesting that Watertown arbitrarily determined its payments are factually inaccurate. The Town repeatedly attempted to engage in meaningful dialogue to arrive at a fair and balanced rate structure. Those efforts, however, were

met with refusal or rigidity, leaving Watertown to defending its position as the only remaining course to protect the Town's interests.

The Town Council will hold its regularly scheduled meeting on **Monday, June 16, 2025, at 7:00 PM** at **Watertown Town Hall, 61 Echo Lake Road, Watertown, CT**. During this meeting, the Council will discuss the options outlined above and take steps to develop a comprehensive plan to resolve the matter.

The Town of Watertown remains firmly committed to transparency, fiscal responsibility, and securing long-term solutions that serve the best interests of its residents and ratepayers.

Watertown was incorporated in 1780. It is approximately 29.8 square miles in size with an estimated population of 21,661 according to the 2000 census. The Town is a quasi-rural and suburban community. Watertown is served by both the Watertown and Oakville Post Offices, as Oakville is part of the Town of Watertown.