

# Town of Watertown, Connecticut Water & Sewer Litigation & Strategic Options Overview

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Summary of bonded debt repayment, strategic options for the WSA, and impacts on ratepayers.

Who is  
Responsible  
for Repaying  
the Bonded  
Debt?

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\$34M litigation bond:  
Repaid by WSA  
ratepayers

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Watertown Fire District:  
Expected contribution to  
litigation bond

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Litigation bond could be  
reduced/eliminated  
under strategic options

# Why Bond?

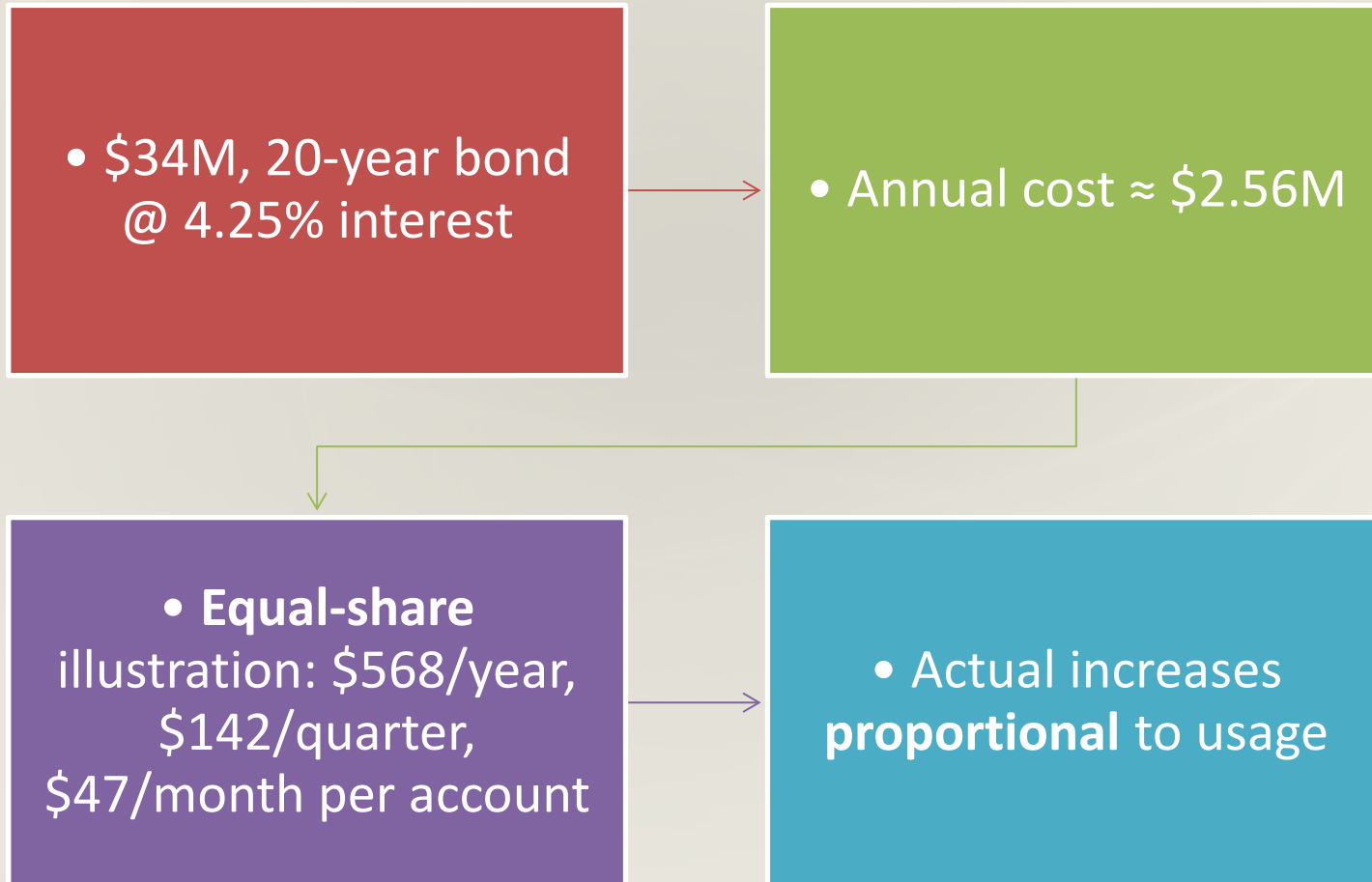
Avoids 18% statutory interest + 8% post-judgment interest

Secures lower interest rates, thereby reducing the total cost.

Debt management strategy to support AA Bond Rating

Estimated monthly interest accrual without bonding: \$355,000

# Estimated Rate Increases



Determining  
Each  
Ratepayer's  
Portion

Based on historical  
usage (12–24  
months)

Proportional to each  
customer's share of  
system consumption

# Will This Referendum Raise Taxes?



No direct property tax  
increase anticipated



If costs exceed budgets,  
they may flow into the  
municipal budget,  
potentially affecting taxes



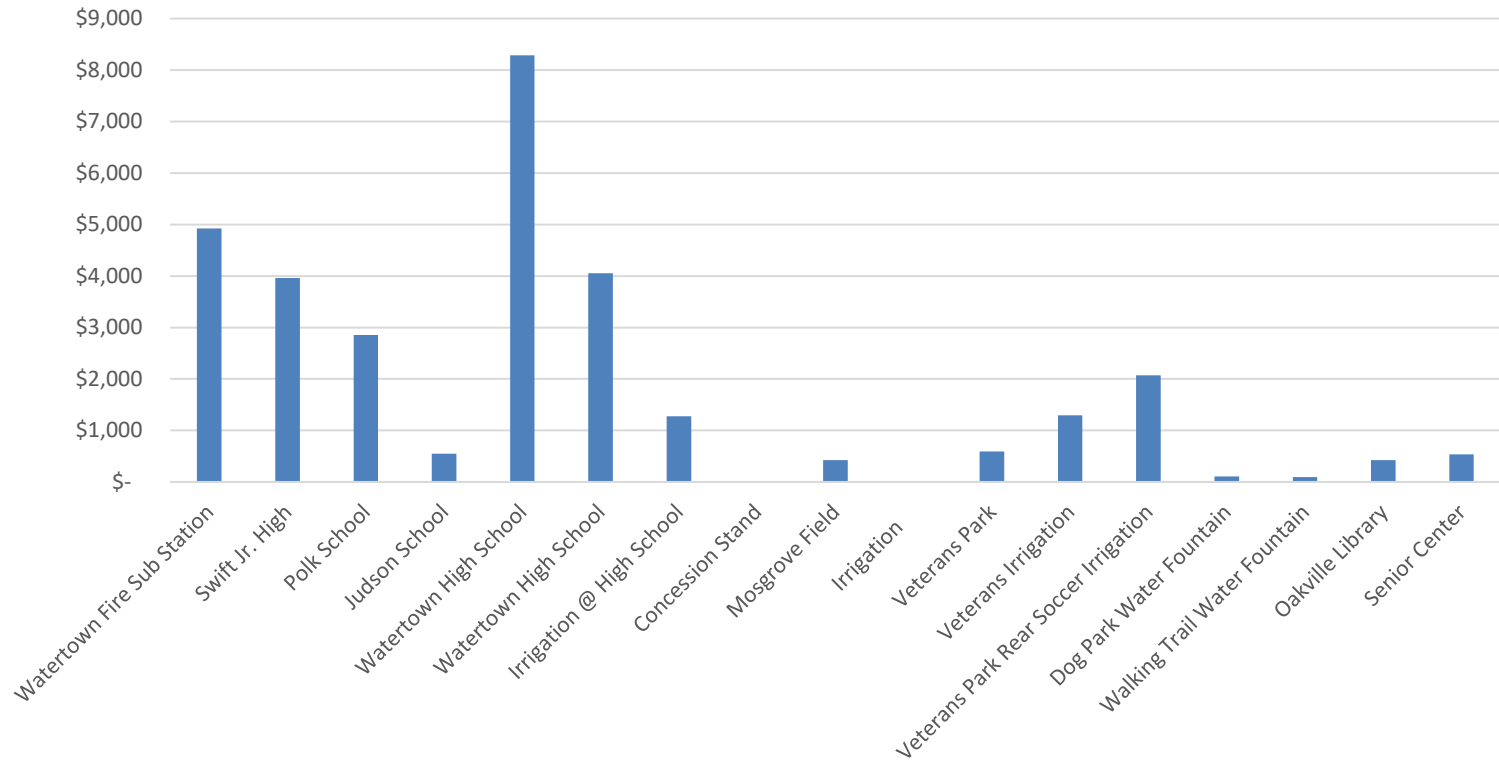
Water and sewer rates will  
increase as part of recovery  
strategy

If You  
Have a  
Well and  
Septic  
System

Not affected by  
Waterbury-related  
bonding or rate  
increases

Potential impact only if  
municipal budget is  
affected by overruns

## Total Charges: Billed from 7/1/2024 – 8/6/2025



## General Fund Budget Impact

The Town has **8,933 taxable residential properties**, **1,299 businesses**, and **25,599 motor vehicles** (including MV Supplemental Accounts), totaling approximately **36,169 taxable accounts**.

If we exclude motor vehicle taxes, the **estimated impact to the General Fund budget** would be **\$31,451.54**, divided among **10,232 taxpayers**.

- **Annual cost per taxpayer: \$3.07** (~\$0.26 per month)
- **Annual cost per taxable account** (all 36,169 accounts): **\$0.87**

*Note: This calculation does not reflect any change to the tax rate.*

If You  
Live in  
the Fire  
District

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Rate adjustments  
determined through  
Fire District  
governance

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Coordinated with  
Town for consistent  
approach

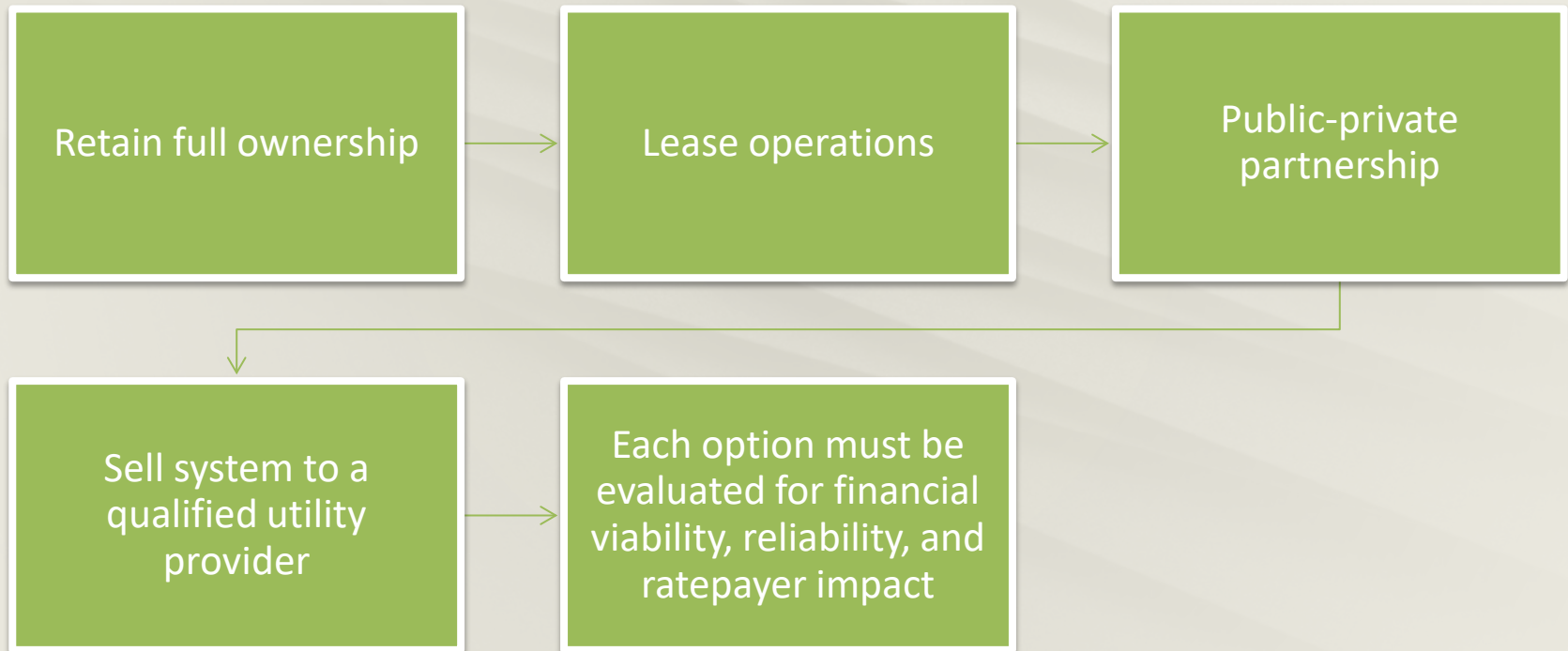
# If the Referendum FAILS

JUDGMENT REMAINS DUE;  
INTEREST CONTINUES TO  
ACCRUE MONTHLY



TOWN MAY RESORT TO  
LESS FAVORABLE  
FINANCING

# WSA Strategic Options



# Impact on WSA Staffing

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Dependent on selected option

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If transferred: Retention, severance, impact bargaining to be negotiated

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Goal: Fairness and minimal disruption

# System Valuation

PROFESSIONAL VALUATION  
CONSIDERS:

- PHYSICAL ASSETS

- INFRASTRUCTURE CONDITION

- REGULATORY COMPLIANCE

- PROJECTED REVENUES/EXPENSES

# Ensuring Local Control if Ownership Changes

Enforceable service  
quality standards

Rate-setting  
protocols

Public accountability  
provisions

PURA oversight for  
private purchasers

# Long-Term Rate Management Plan

01

IMPLEMENT RATE  
STABILIZATION  
PLAN

02

EVALUATE  
STRATEGIC  
OPTIONS FOR THE  
PATH FORWARD

03

EVALUATE  
SUPPLEMENTAL  
REVENUE  
OPPORTUNITIES