

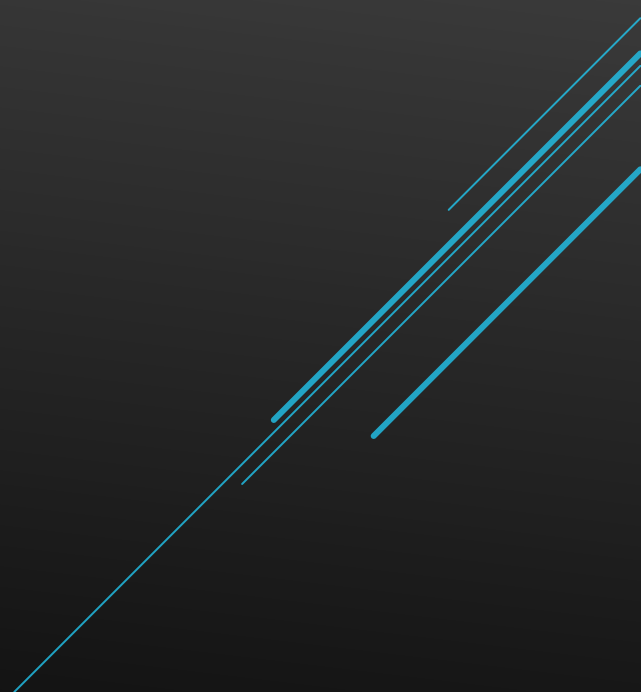
**FY 2026–2027**

**WATERTOWN WATER & SEWER AUTHORITY  
BUDGET FRAMEWORK OVERVIEW**

TOWN COUNCIL BRIEFING & PUBLIC FORUM



# AGENDA

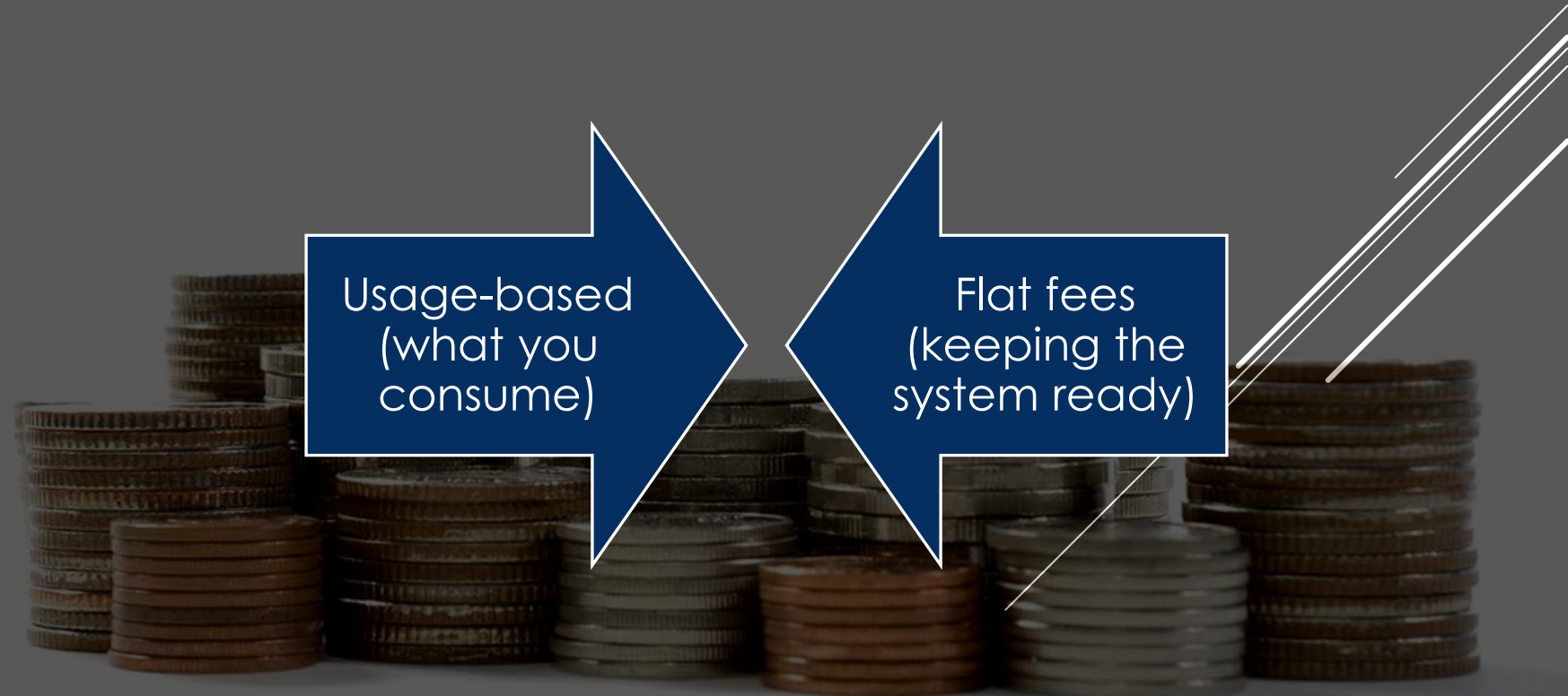
- ▶ Introduction: What Tonight Is (and Is Not)
    - **Explains budget assumptions and structure**
    - **Provides context for future decisions**
    - **Supports transparency and public understanding**
    - **Not a rate vote**
    - **Not a service expansion proposal**
- 
- A decorative graphic consisting of several parallel teal lines of varying lengths, slanted upwards from left to right, located in the bottom right corner of the slide.



WHAT IS THE  
WATER & SEWER  
AUTHORITY?

# ENTERPRISE UTILITY - TWO TYPES OF CHARGES

- Funded by user fees
- Not supported by property taxes



# WHY THIS BUDGET LOOKS DIFFERENT?

- **More Complete Cost Recognition**
  1. Updated supplier rates
  2. Normalized multi-year usage
  3. Debt service now entering operations
- **No change in service levels**



# HOW THE NUMBERS WERE BUILT

## ➤ Multi-Year Historical Averages

➤ Water: 7-year average

➤ Sewer: 6-year normalized average



Why This Matters



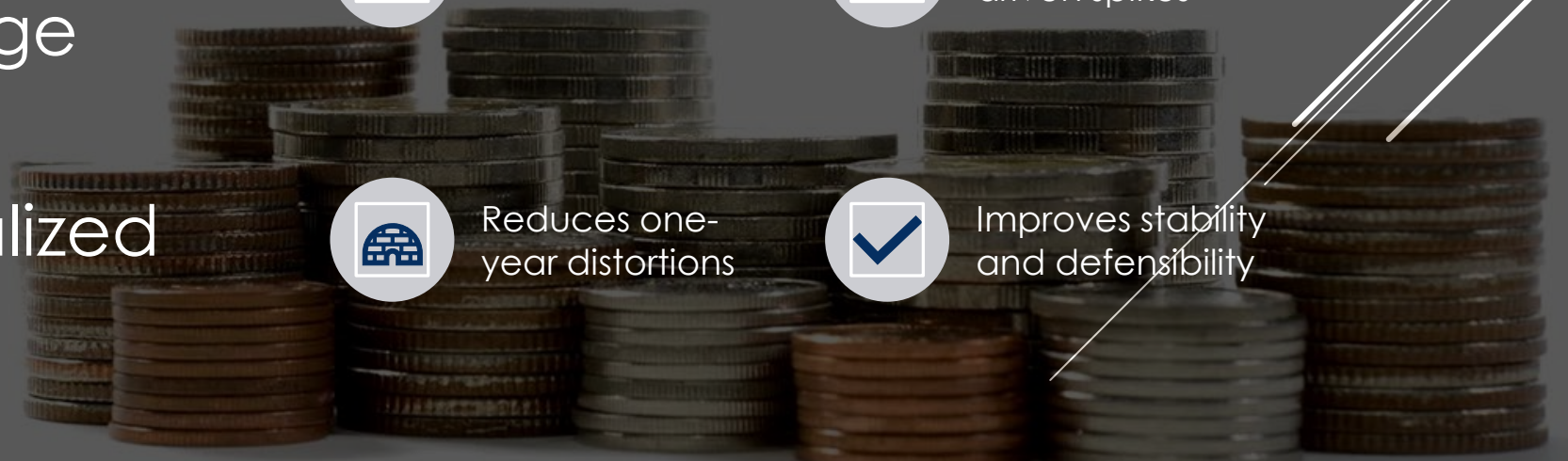
Avoids weather-driven spikes



Reduces one-year distortions

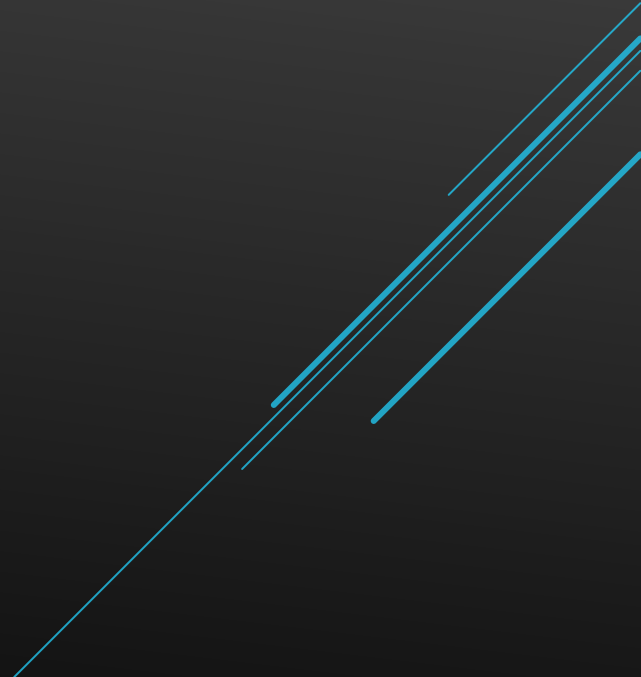


Improves stability and defensibility



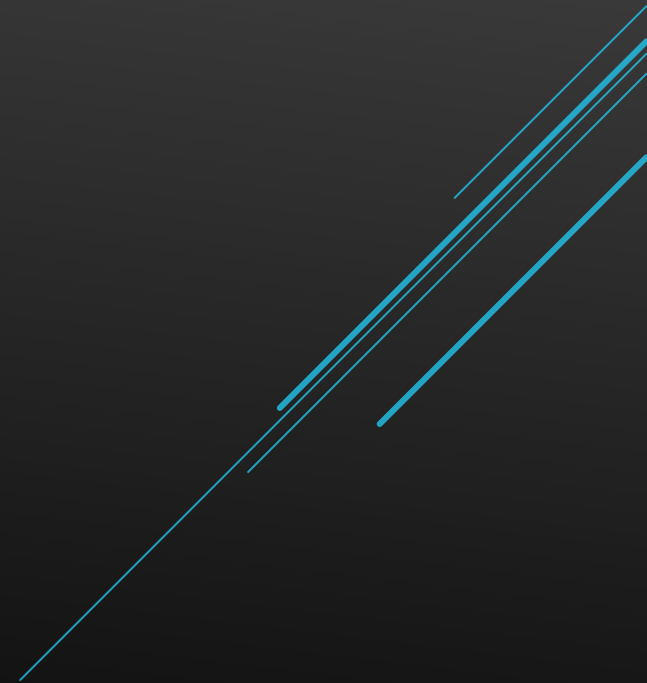
# WATER OPERATIONS: COST FIRST

PURCHASED WATER = PRIMARY COST DRIVER

- ▶ Based on long-term average usage
  - ▶ Supplier rate applied uniformly
  - ▶ Planning estimate only
- 

# WATER OPERATIONS: REVENUE

- ▶ Conservative Planning Approach





### External Cost Driver

- Sewer disposal paid to Waterbury



### Flow-Based System

- Costs vary by volume
- Normalized for planning



SEWER OPERATIONS ARE MORE  
COMPLEX

# SEWER COST ALLOCATION

## ➤ **Two Customer Groups**

- WSA Retail Customers
- Watertown Fire District (Wholesale)

**Based on Long-Term Average Flow**



# SEWER REVENUE STRUCTURE

## ➤ **Different Rates, Different Roles**

- Retail customers: adopted retail rate
- Fire District: existing contractual rate

**Flat fees support fixed costs**

A decorative graphic consisting of several parallel teal lines of varying lengths, slanted upwards from left to right, located in the bottom right corner of the slide.

A blue pen is positioned diagonally across the left side of the slide. The background features a dark blue bar chart with several bars of varying heights, overlaid on a grid pattern. The overall color scheme is dark blue and grey.

➤ **No Service Expansion**

- Stable staffing
- Stable operations

➤ **Primary Pressure Comes From**

- External costs
- Debt service

**OPERATING BUDGETS (FUNDS 015 & 017)**

SEWER OPERATIONS FUND 015

<b>TOWN OF WATERTOWN</b>					
<b>FINANCE BUDGET BOOK - Revenue</b>					
Account	Description	2024-2025 Adoped Budget	2025-2026 Adopted Budget	2025-2026 Received to Date	2026-2027 Estimated Revenue
<b>Sewer Operations - 015</b>					
015.40600.460.0000.0000	INTEREST ON INVESTMENTS	3,000	66,336	-	-
015.40755.460.0000.0000	LIEN FEES	-	1,200	20	100
015.40760.460.0000.0000	SEWER CHARGES	4,190,413	3,072,000	2,201,755	6,721,190
015.40761.460.0000.0000	SEWER INTEREST @ DELINQUENTS	35,000	35,000	24,968	35,000
015.40763.460.0000.0000	MISCELLANEOUS	5,000	-	3,575	1,000
015.40763.460.3164.0000	PERMITS, CONNECTION FEES, & INSPECTIONS	4,250	3,500	7,575	3,500
015.4821.460.0000.0000	TRANSFER FROM W&S DEBT 019	-	-	23,642,723	-
<b>Sewer Operations Totals</b>		<b>4,237,663</b>	<b>3,178,036</b>	<b>25,880,617</b>	<b>6,760,790</b>

				2.9.2026				
		<u>FISCAL YEAR</u>	<u>FISCAL YEAR</u>	<u>FISCAL YEAR</u>	<u>FISCAL YEAR</u>	<u>FISCAL YEAR</u>	<u>FISCAL YEAR</u>	<u>FISCAL YEAR</u>
<u>Account</u>	<u>Description</u>	<u>2024-2025</u>	<u>2025-2026</u>	<u>2025-2026</u>	<u>2025-2026</u>	<u>2026-2027</u>	<u>2026-2027</u>	<u>2026-2027</u>
		<u>Actual</u>	<u>Adopted</u>	<u>Expended</u>	<u>1 Year</u>	<u>Department</u>	<u>Town Manager</u>	<u>Town Council</u>
		<u>Expenditures</u>	<u>Budget</u>	<u>To Date</u>	<u>Estimate</u>	<u>Recommended</u>	<u>Recommended</u>	<u>Recommended</u>
<b>015 - Sewer Operations</b>								
<b>501 - Personnel Services</b>								
015.50110.074.0037.9015	BOOKKEEPER II	-	-	-	-	24,516	24,516	
015.50110.074.0038.9015	BOOKKEEPER I	20,374	20,721	14,133	20,721	-	-	
015.50110.074.0091.9015	WAGE BENEFIT ADJUSTMENT	-	8,500	-	8,500	5,299	5,299	
015.50110.074.0259.9015	UTILITY MAINTAINER	104,198	108,506	53,649	108,506	111,790	111,790	
015.50110.074.0726.9015	W & S SUPERVISOR	46,809	48,320	56,162	48,320	44,455	44,455	
015.50110.074.1702.9015	ASST SUPERINTENDENT	5,407	-	-	-	-	-	
015.50110.074.1784.9015	SUPT/ENGINEER	50,868	59,500	-	-	59,167	59,167	
015.50110.074.2110.9015	ADMIN ASST	21,868	22,241	10,287	22,241	24,239	24,239	
015.50110.074.3111.9015	OFFICE MANAGER	-	-	-	-	-	-	
015.50110.074.3160.9015	WSA CONTROLLER	35,035	35,718	21,327	35,718	37,525	37,525	
015.50110.074.3163.9015	WSA BUSINESS ANALYST	-	27,094	-	27,094	-	-	
New Line	DIRECTOR OF PUBLIC WORKS - STIPEND	-	-	-	-	6,000	6,000	
015.50120.074.0043.9015	MINUTES SECRETARY	-	1,000	-	1,000	1,000	1,000	
015.50120.074.0077.9015	CUSTODIAN	1,426	2,215	957	2,215	2,296	2,296	
015.50120.074.0247.9015	PART TIME INSPECTOR	8,702	-	-	-	-	-	
015.50130.074.0000.9015	OVERTIME	15,139	25,000	11,740	25,000	25,000	25,000	
015.50135.074.0000.9015	STANDBY SALARIES	3,675	4,000	2,325	4,000	4,000	4,000	
015.50146.074.0000.9015	UNIFORM ALLOWANCE	391	600	-	600	600	600	
015.50146.074.1274.9015	SHOE ALLOWANCE - ORGANIZED	450	450	150	450	450	450	
<b>502 - Employee Benefits</b>								
015.50210.074.0000.9015	SOCIAL SECURITY	19,092	24,085	10,900	24,085	20,899	20,899	
015.50210.074.0270.9015	MEDICARE	4,358	5,633	2,462	5,633	4,888	4,888	
015.50220.074.0000.9015	EMPLOYEE'S RETIREMENT	11,259	27,571	6,401	27,571	10,262	10,262	
015.50230.042.0000.9015	HEALTH AND DENTAL	-	91,185	52,261	91,185	104,863	104,863	
015.50232.074.0000.9015	LIFE INSURANCE	1,750	1,165	923	1,165	1,395	1,395	
015.50243.074.0000.9015	DISABILITY INSURANCE	510	600	258	600	600	600	

503 - Purchase Services								
015.50310.074.0000.9015	PROF & TECH SERVICES	30,000	100,000	23,465	100,000	100,000	100,000	
015.50316.074.2442.9015	DATA PROCESSING SERVICES	24,918	50,000	11,966	50,000	35,000	35,000	
015.50317.074.0000.9015	MAINT LAND & BUILDINGS	2,737	7,500	1,603	7,500	4,000	4,000	
015.50317.074.3178.9015	SEWER MAINTENANCE	35,000	35,000	5,078	35,000	35,000	35,000	
015.50318.074.0356.9015	INFILTRATION INFLOW	17,750	50,000	-	50,000	40,000	40,000	
015.50318.074.0309.9015	LAB SAMPLES	4,804	12,000	-	12,000	7,500	7,500	
015.50318.074.0465.9015	INSTRUMENT SERVICE CONTRACT	12,069	15,000	1,132	15,000	15,000	15,000	
015.50318.074.0467.9015	PUMPING EQUIPMENT MAINTENANCE	8,564	20,000	13,149	20,000	20,000	20,000	
015.50318.074.1276.9015	GENERATOR SERV CONTRACT	1,995	9,500	7,484	9,500	7,500	7,500	
015.50319.074.0000.9015	VEHICLE MAINTENANCE	1,884	3,500	2,244	3,500	3,500	3,500	
015.50320.074.1277.9015	RADIO MAINTENANCE	-	7,500	-	7,500	7,500	7,500	
015.50323.074.0000.9015	UTILITIES - ELECTRIC	56,218	80,000	25,676	80,000	60,000	60,000	
015.50326.074.0000.9015	TELEPHONE	2,815	7,000	2,356	7,000	4,000	4,000	
015.50327.074.0000.9015	POSTAGE	3,500	3,500	674	3,500	3,500	3,500	
015.50329.074.0000.9015	TRAINING-MTGS W/O TRAVEL	1,789	2,500	38	2,500	2,500	2,500	
015.50330.074.0000.9015	PRINTING & BINDING	21,693	25,000	7,113	25,000	25,000	25,000	
015.50331.074.0078.9015	COPY MACHINE	2,012	2,500	1,236	2,500	2,500	2,500	
015.50332.074.0000.9015	MAINTENANCE AGREEMENTS	1,987	7,500	-	7,500	3,000	3,000	
015.50334.074.0157.9015	FILE & RELEASE LIEN	470	2,500	385	2,500	2,000	2,000	
015.50334.074.0158.9015	LEGAL SERVICES	57,247	40,000	7,947	40,000	30,000	30,000	
015.50334.074.0163.9015	FISCAL SERVICES (AUDIT)	7,500	3,750	-	3,750	3,750	3,750	
015.50336.074.0000.9015	ADVERTISING	578	5,000	1,350	5,000	3,000	3,000	
015.50337.074.0000.9015	MILEAGE ALLOWANCE	837	1,500	80	1,500	1,500	1,500	
015.50338.074.0000.9015	CLOTHING CLEANING	-	500	-	500	500	500	
015.50339.074.2277.9015	MEMBERSHIPS	1,710	4,000	1,691	4,000	2,500	2,500	
015.50344.074.0000.9015	SEWAGE DISPOSAL	1,715,178	1,500,000	1,139,210	1,500,000	4,039,000	4,039,000	
015.50351.074.0000.9015	UTILITIES - PROPANE	1,254	3,500	737	3,500	2,500	2,500	



<b><u>015 Sewer Operations</u></b>		
<b><u>Account Number</u></b>	<b><u>Account Description</u></b>	<b><u>Includes</u></b>
<b><u>Sewer Operations</u></b>	<b><u>Inactivated</u></b>	
<b><u>Account Number</u></b>	<b><u>Account Description</u></b>	
<b><u>Sewer Operations</u></b>	<b><u>Brand New Line Items Added in GL</u></b>	
<b><u>Account Number</u></b>	<b><u>Account Description</u></b>	
New Line Item	DIRECTOR OF PUBLIC WORKS - STIPEND	

WATER OPERATIONS FUND 017

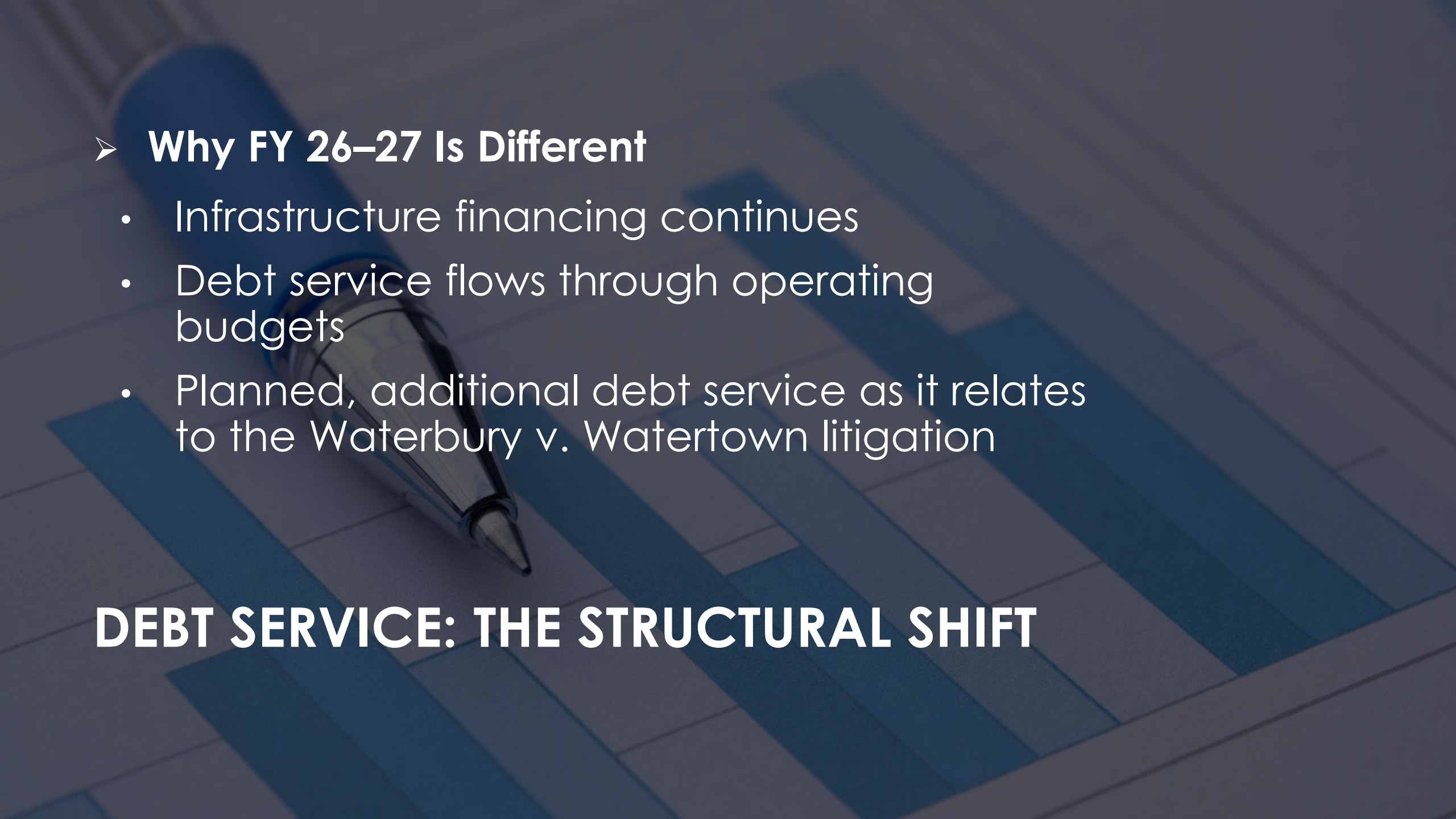
<b>TOWN OF WATERTOWN</b>					
<b>FINANCE BUDGET BOOK - Revenue</b>					
Account	Description	2024-2025 Adoped Budget	2025-2026 Adopted Budget	2023-2026 Received to Date	2026-2027 Estimated Revenue
<b>Water Operations - 017</b>					
017.40600.460.0000.0000	INTEREST ON INVESTMENTS	-	73,498	-	0
017.40625.460.0000.0000	FUND BALANCE	-	714,730	-	-
017.40666.460.0000.0000	TRANS FROM GEN FUND	-	-	-	-
017.40750.460.0000.0000	WATER RENTS	2,772,004	1,973,324	1,111,849	2,823,734
017.40751.460.0000.0000	WATER INTEREST @ DELINQUENTS	48,830	24,000	97,488	20,000
017.40752.460.0000.0000	WATER A/R & MISC CHARGES	25,000	20,000	10,550	18,000
017.40753.460.0000.0000	HYDRANT RENTALS	228,500	228,604	189,882	228,000
017.40754.460.0000.0000	WATER APPLICATIONS	-	-	-	500
017.40755.460.0000.0000	LIEN FEES	3,000	2,000	300	250
017.40763.460.0000.0000	MISCELLANEOUS	-	-	-	250
017.40763.460.3164.0000	PERMITS, CONNECTION FEES, & INSPECTIONS	4,250	4,000	6,125	1,000
<b>Water Operations Totals</b>		<b>3,081,584</b>	<b>3,044,156</b>	<b>1,416,194</b>	<b>3,091,734</b>

				2-9-2026				
		FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR
Account	Description	2024-2025	2025-2026	2025-2026	2025-2026	2026-2027	2026-2027	2026-2027
		Actual	Adopted	Expended	1 Year	Department	Town Manager	Town Council
		Expenditures	Budget	To Date	Estimate	Recommended	Recommended	Recommended
<b>017 - Water Operations</b>								
<b>501 - Personnel Services</b>								
017.50110.074.3163.9017	WSA BUSINESS ANALYST	-	27,094	-	27,094	-	-	-
017.50110.075.0038.9017	BOOKKEEPER I	20,374	20,721	14,133	20,721	-	24,516	-
017.50110.075.0091.9017	WAGE BENEFIT ADJUSTMENT	-	8,500	-	8,500	-	5,299	-
017.50110.075.0258.9017	UTILITY MAINTAINER/METER READER	-	-	-	-	-	111,790	-
017.50110.075.0259.9017	UTILITY MAINTAINER	104,199	108,506	53,649	108,506	-	-	-
017.50110.075.0726.9017	W & S SUPERVISOR	46,809	48,424	-	-	-	44,455	-
017.50110.075.1702.9017	ASST SUPERINTENDENT	5,407	-	-	-	-	-	-
017.50110.075.1784.9017	SUPT/ENGINEER	50,808	59,500	907	59,500	-	59,167	-
017.50110.075.2110.9017	ADMIN ASST	21,868	22,241	10,287	22,241	-	24,239	-
017.50110.075.3160.9017	WSA CONTROLLER	35,027	35,718	21,327	35,718	37,523	37,523	-
New Line	DIRECTOR OF PUBLIC WORKS - STIPEND	-	-	-	-	6,000	6,000	-
017.50120.075.0043.9017	MINUTES SECRETARY	-	1,000	-	1,000	1,000	1,000	-
017.50120.075.0077.9017	CUSTODIAN	1,426	2,215	957	2,215	2,296	2,296	-
017.50120.075.0247.9017	PART TIME INSPECTOR	8,702	-	-	-	-	-	-
017.50130.075.0000.9017	OVERTIME	14,978	25,000	11,751	25,000	25,000	25,000	-
017.50135.075.0000.9017	STANDBY SALARIES	3,675	4,000	2,325	4,000	4,000	4,000	-
017.50146.075.0000.9017	UNIFORM ALLOWANCE	391	600	-	600	600	600	-
017.50146.075.1274.9017	SHOE ALLOWANCE - ORGANIZED	450	450	150	450	450	450	-
<b>502 - Employee Benefits</b>								
017.50210.000.0000.0000	SOCIAL SECURITY - MEDICARE	398	-	319	-	-	-	-
017.50210.000.0270.0000	SOCIAL SECURITY - MEDICARE	93	-	75	-	-	-	-
017.50210.075.0000.9017	SOCIAL SECURITY	18,623	24,085	10,527	24,085	24,085	24,085	-
017.50210.075.0270.9017	MEDICARE	4,356	5,633	2,462	5,633	5,633	5,633	-
017.50220.075.0000.9017	EMPLOYEE'S RETIREMENT	11,257	27,571	6,351	27,571	10,262	10,262	-
017.50230.042.0000.9017	HEALTH AND DENTAL	-	91,185	52,264	91,185	104,863	104,863	-
017.50232.075.0000.9017	LIFE INSURANCE	1,750	1,165	923	1,165	1,393	1,393	-
017.50243.075.0000.9017	DISABILITY INSURANCE	510	600	258	600	600	600	-

<b>503 - Purchase Services</b>								
017.50310.074.0000.0000	PROF & TECH SERVICES	30,000	100,000	23,465	100,000	100,000	100,000	
017.50310.075.0470.9017	CONSULTANT TOWN ENGINEER	6,590	-	-	-	-	-	
017.50316.075.2442.9017	DATA PROCESSING SERVICES	26,568	50,000	11,966	50,000	35,000	35,000	
017.50317.075.0000.9017	MAINT LAND & BUILDINGS	2,030	7,500	797	7,500	4,000	4,000	
017.50318.075.0369.9017	LAB SAMPLES	9,823	12,000	5,911	12,000	7,500	7,500	
017.50318.075.0465.9017	INSTRUMENT SERVICE CONTRACT	11,531	15,000	90	15,000	15,000	15,000	
017.50318.075.0467.9017	PUMPING EQUIPMENT MAINTENANCE	9,825	20,000	12,713	20,000	20,000	20,000	
017.50318.075.0858.9017	MAINTENANCE OF MAINS	107,216	200,000	142,638	200,000	200,000	200,000	
017.50318.075.1276.9017	GENERATOR SERV CONTRACT	1,995	9,500	2,103	9,500	7,500	7,500	
017.50319.075.0000.9017	VEHICLE MAINTENANCE	1,884	3,500	2,244	3,500	3,500	3,500	
017.50320.075.1277.9017	RADIO MAINTENANCE	-	7,500	-	7,500	7,500	7,500	
017.50323.075.0000.9017	UTILITIES - ELECTRIC	63,180	110,000	35,437	110,000	60,000	60,000	
017.50324.075.0000.9017	UTILITIES - WATER	1,159,380	1,100,000	684,454	1,100,000	1,320,000	1,320,000	
017.50326.075.0000.9017	TELEPHONE	2,815	7,000	2,356	7,000	4,000	4,000	
017.50327.075.0000.9017	POSTAGE	3,500	3,500	674	3,500	3,500	3,500	
017.50329.075.0000.9017	TRAINING-MTGS W/O TRAVEL	1,789	2,500	38	2,500	2,500	2,500	
017.50330.075.0000.9017	PRINTING & BINDING	21,693	25,000	7,113	25,000	25,000	25,000	
017.50331.075.0678.9017	COPY MACHINE	2,012	2,500	1,126	2,500	2,500	2,500	
017.50332.075.0000.9017	MAINTENANCE AGREEMENTS	1,700	7,500	-	7,500	5,000	5,000	
017.50334.075.0157.9017	FILE & RELEASE LIEN	780	2,500	365	2,500	2,000	2,000	
017.50334.075.0158.9017	LEGAL SERVICES	57,247	40,000	7,947	40,000	30,000	30,000	
017.50334.075.0163.9017	FISCAL SERVICES (AUDIT)	7,500	3,750	-	3,750	3,750	3,750	
017.50336.075.0000.9017	ADVERTISING	578	5,000	1,350	5,000	3,000	3,000	
017.50337.075.0000.9017	MILEAGE ALLOWANCE	837	1,500	80	1,500	1,500	1,500	
017.50338.075.0000.9017	CLOTHING CLEANING	-	500	-	500	500	500	
017.50339.075.0000.9017	MEMBERSHIPS	1,710	4,000	1,691	4,000	3,000	3,000	
017.50351.075.0000.9017	UTILITIES - PROPANE	1,254	3,500	737	3,500	2,500	2,500	
017.50357.075.0000.9017	HYDRANT MAINTENANCE	17,879	20,000	4,550	20,000	20,000	20,000	



<b><u>017 Water Operations</u></b>		
<b><u>Account Number</u></b>	<b><u>Account Description</u></b>	<b><u>Includes</u></b>
<b><u>Water Operations</u></b>	<b><u>Inactivated</u></b>	
<b><u>Account Number</u></b>	<b><u>Account Description</u></b>	
<b><u>Water Operations</u></b>	<b><u>Brand New Line Items Added in GL</u></b>	
<b><u>Account Number</u></b>	<b><u>Account Description</u></b>	
<b><u>New Line Item</u></b>	DIRECTOR OF PUBLIC WORKS - STIPEND	



➤ **Why FY 26–27 Is Different**

- Infrastructure financing continues
- Debt service flows through operating budgets
- Planned, additional debt service as it relates to the Waterbury v. Watertown litigation

**DEBT SERVICE: THE STRUCTURAL SHIFT**



- **Clearer Baseline**
  - Better planning visibility
- **Future Discussions Expected**
  - Rates
  - Capital priorities
  - Long-term sustainability

WHAT THIS MEANS  
GOING FORWARD



## ➤ **Independent Review**

- Validates assumptions
- Tests scenarios
- Supports informed policy decisions

**WHY UPDATE THE RATE STUDY**



## CLOSING & COMMENT

- ▶ **Purpose Tonight**
- ▶ Explain the “why” behind the numbers
- ▶ Invite questions and feedback
- ▶ Commit to transparency
- ▶ Show how we are working to manage costs and limit pressure on rate



THANK YOU

- WSA Team
  - 860-945-5268
  - [Townmanager@Watertownct.org](mailto:Townmanager@Watertownct.org)
  - [www.Watertownct.org](http://www.Watertownct.org)