



**TOWN COUNCIL  
WATERTOWN, CONNECTICUT**

**MONDAY, SEPTEMBER 8, 2025  
8:00 P.M.  
MINUTES**

**SPECIAL MEETING**

**WATERTOWN TOWN HALL  
TOWN COUNCIL CHAMBERS  
61 ECHO LAKE RD.  
WATERTOWN, CT 06795**

1. Call Meeting to Order.

Vice Chair Ken Demirs called the meeting to order at 8:00 p.m.

2. Pledge of Allegiance.

Vice Chair Ken Demirs led the pledge of allegiance.

3. Roll Call.

PRESENT: Ken Demirs, Vice Chair  
Robert Desena  
Gary Lafferty  
Carina Noyd  
Jonathan Ramsay  
Robert Retallick  
Rachael Ryan

ABSENT: Mary Ann Rosa, Anthony DiBona

OTHERS PRESENT: Mark Raimo, Town Manager  
Megan Guiliano, Assistant Finance Director

Vice Chair Ken Demirs stated next is Public Participation and you did not need to fill out the form tonight. This is an opportunity for residents to share their concerns and questions in testimony with the council. Please direct all your comments to the chair remain respectful and limit your remarks to three minutes so that all voices can be heard. Council members will not debate during this portion but once public comment is concluded they

may ask clarifying questions for the record. All testimony will become part of the official record and will be used by the council in its deliberations.

#### 4. Public Participation.

Catherine Dinsmore, 35 Reynolds stated a financial hardship has been posed on WSA and Fire District rate payers some who are elderly and moderate to low-income residents. I am asking the town to provide information and resources that might ease a bit of their financial burden. The town should personally contact the 99 households in the Westgate district which will have to endure an obscene 200 percent increase in their water bills alone and provide information and assistance with applications for energy assistance, the town's food bank, holiday assistance programs and SNAP. Although personally contacting the 4,500 WSA rate payers and 2,200 fire district payers would not be feasible although I wish it were. Letters from the town offering help to obtain the above services should be sent to those households, the BOA, churches and civic organizations. Sadly, some of these residents might fall just above the income ineligible guidelines for assistance which eliminates them from receiving services but unfortunately not from the strain of figuring out how to buy groceries, pay for fuel and fill costly prescriptions. Perhaps the food bank could offer exemptions for these residents. Additionally, the Senior Center newsletter should announce that staff will help older residents apply for assistance programs. Historically the senior center was responsible for social service appointments for residents 55 and older and disabled residents of any age while social services handled requests from residents under 55. Press releases outlining available programs and assistance with applications for the effected residents should be sent to the Republican American and Town Times. Is this a lot of work, yes, it is. Do you owe it to the residents, yes, you do. If you need volunteers let me know.

Tom Donston, 320 Park Road stated in his travels I met up with a person and he says a select few people in this town had a meeting with Connecticut Water and he informed me that Connecticut Water would cover the cost of our bonding and they would have to take over the water. The only thing we would have to deal with is the sewers. Why are we not dealing with Connecticut Water, their offer was to cover what we are bonding? If the attorneys that are continuing this with the courts, did they say don't do this? In my opinion they probably should inquire? I think we should go after Connecticut Water's offer it's wrong to bond between both bonds. We are clearly terrible at running water & sewer in this town.

Jeffrey Desmarais, 294 Neill Drive stated last week I met with Waterbury Mayor Paul Pernerewski and two members of the staff to discuss the judgment. I was not representing the town in any official capacity or DTC Chair but as a concerned citizen on behalf of the concerned citizens of Watertown, I asked the mayor about a few different options. Starting with the temporary moratorium on interest until Watertown can hold a delayed referendum that would give time for all options discussed. The mayor responded that Waterbury could not change the interest due to it being a judgement. If he could, it would send a precedent for other rate payers in Waterbury to request the same. The court through legislature can

do it but Waterbury cannot unilaterally decide to do so. It could be part of a structured settlement to delay interest upon the repayment plan but would only delay it. We discussed a few more options but it would seem to me there were no avenues for relief through Waterbury. Even if there were it seems to me it would just rather get the money as soon as they could since they really need the 34 million dollars themselves. Also, about a week and a half ago I began discussions with the State's Treasurer Eric Russell when I told him about this issue, he informed me that this was the first time he had heard about it, this was just after Labor Day. That means no one from Watertown including our legislative delegation spoke to the State Treasurer or his office until I did. We discussed potential state options and those discussions are ongoing. Doing my research, it seems unlikely given the towns current bonding rating there are other options possibly available. The people of Watertown and Oakville are being made to pay an enormous price for this. Their leaders over a number of years made these decisions often with either little or no transparency. There was no contingency plan made in the event of a court loss, no litigation at the beginning of this process while paying. Every decision made throughout this has been the wrong one. Yet despite all of this they still do not take accountability. In fact, they still blame Waterbury they offer no apologies for what they did. They are now suddenly concerned with \$355,000 of monthly interest blaming those who vote no that those voters will be responsible for the town's financial fallout completely ignoring that they ran up 34 million dollars in debt. This is why I asked for more time, pennies on the dollar at this point is the cost of delaying a month or two to get this get all this information out to people. There are versions of this bond that might be more suitable. Rushing a vote with incomplete or worse information will not help get a yes vote. If a yes vote is what is needed to explain it in detail with other options consider and reject it and why those options were rejected. People need to vote their conscience on this referendum and then vote out who did this to us, thank you.

Richard Rozanski, 35 Reynolds Street stated I just came from another meeting with the Fire District, I just wanted to share something that they stated. We all know what is going on with Westgate residents they are facing a 200% increase on their water rate because they received their water from the Fire District at a bulk rate which is the Fire District residents' rate plus 25%. Some residents from that district, were at the meeting and were asking questions about why their water bill was so high. The Fire District said as a water utility they never seen another water utility single out a certain segment of their customer base to charge a different water rate. They stated that the overall cost of water to the WSA should be spread equally across the entire rate base so the Westgate residents should not be charged separately at a different rate because their water comes from the Fire District at different rate than Waterbury charges the WSA. Food for thought the Westgate people are being discriminating at a 200 hundred percent increase and the fact that the WSA had no empathy not a single comment during the rate increase hearings and sympathy with the Westgate residents. No offer to even to even try to step up that increase over time.

Katherine Camara, 31 Cottage Place stated I thought this was question and answer with a bonding agent I had some questions. The town is ultimately responsible for this bond, what happens if the WSA does have enough on hand to make one of the bond payments, is that shortfall coming from the General Fund? We have been told no properties will have a lien

due to this calamity. Let's say an elderly rate payer pays the portion of their bill that is for water & sewer but can't pay the additional portion of the bill that is for the bond payment? Does that mean they don't have to worry about a lien on their property because the short falls will be paid from the General Fund? They would have paid their utility bill just not the bond payment, would that be correct? There could be shortfalls because people did not pay it, have a foreclosure, a business could go out of business are we being told then that money is not collected by WSA is coming out of the General Fund? Do we have a sewer credit for a lower rate for residents that fill their pools since that water is not treated and returned to the sewer system? I know that other places do, I think we should especially now. I would like to make a statement about the 18% interest that people should know better saying that the judge or the mayor is charging us on just interest. That 18% interest rate applied to outstanding utility bills is set by statute. Anyone who thinks it is unjust needs to seek out our state representatives to ask them to work on a change of the statute. I heard that the senior center bus is going to the Big E on September 16<sup>th</sup>. Seniors that need a ride to the referendum wouldn't be provided one by our senior bus. It is affecting them they should be able to have a bus to go to the referendum.

Frankie Popilowski, 35 Chestnut Avenue stated I misunderstood this meeting too I thought we are going to get questions and answers. I am not happy that you are limiting us to 3 minutes again, this is a big deal for all of us. The 81 cents per thousand gallons that the water & sewer want to attach to our bills for administrative and billing purposes what's happened that they all of sudden need all this money? I would like to know the total gallons that they are charging 81 cents for because it is a lot of money if you look at it correctly. The water & sewer keeps talking about this infiltration, I walked around my property the other day when it was raining so hard and looked at the sewer and water caps. One is so close to the road that plow guy keeps hitting it and breaking it off because all this water was going down. I want to know why when that cap came off and I reported it that it was not fixed? I find this infiltration thing just doesn't make any sense when part of it is your own fault.

Tom Iadarola, Circuit Avenue stated I think it is horrible that our Water & Sewer Department messed up on their financial end of it and the Westgate people are getting the shaft for it. They made the mistake it wasn't the residents that did not pay their bills but the Water & Sewer misjudged and now we are getting charged at 200%. To make matters worse they doing away with the 8,000-gallon winter rate, your adding insult to injury. If anyone wants to be elected come November something has to change.

Debbie Boutote, Echo Lake Road stated I am a senior citizen, I live on social security with the tax increase we just had I was hit pretty hard. I live in the Fire District I went to the Fire District meeting I know that there is a 6 million dollars bill is in dispute because of that, there are no hard numbers going into this referendum, that makes me extremely nervous. I would not buy a house without knowing what the mortgage is going to be. I can't vote on this referendum without knowing what the hard numbers are going to be. There is a couple of things I am nervous about. One of the things I read in some of the documents said that if people say conserve water, they might have to relook at the numbers.

You have to bring in certain amount of money so conserving water is out of the question. If you conserve water, then you have to raise the rates. The water & sewer, it does not affect me the sewer does but the water doesn't. A lot of people I talked to are going to vote no because they are in the same position, I am. I have to count my numbers and guess what in May budget time is going to come again. Guaranteed you are going to raise my taxes again; the money doesn't fall from trees in my backyard. I don't want to lose my house that I have been paying for 25 years. Don't take it away from me because you made a mistake. You did this by not paying the bill when you should have, I am not alone.

Richard Rozanski, 35 Reynolds Street stated at the Fire District meeting they said pretty much assured that we won't have any Fire District numbers by the referendum date. Hopefully when you have your discussion later you would at least bring that up talking about what the impact of that is as far as the bonding goes. Another thing that hasn't been discussed so far and hopefully you would be able to shed some light on is the residents that have sewer only through the WSA such as Westgate and Winding Brook Farms do we have any plan on what their bond cost will be when they only use half the system and how you would access the bond cost. Senior housing, the Watertown Housing Authority has a 7% discount on their water & sewer from the WSA, how will the bond cost be accessed towards the Housing Authority will be the same as any other WSA customer or would there be some discount applied. One of the common themes I hear on social media is about the 7 million dollars interest that accompanies part of the 34-million-dollar judgement and frequently I hear people say I am happy to pay any of the water & sewer costs regarding Waterbury but I don't feel it should be just the rate payers that pay the interest. It would be nice to hear the Town Council's view on the 7 million dollars interest and why you feel that the rate payers should pay and why it shouldn't be spread across the whole tax base.

Amanda Manforte, Williams Circle stated I did just come from a BOE meeting, I spoke about the current BOE in place now my son will successfully graduate this year. They are working collaboratively they are transparent and yet this board continues to cut their budget without going to referendum first which is going to take away a very high value from our town. On top of that we have this water & sewer issue. I have at one time left the state and moved to North Carolina; I am familiar with our town. I am familiar with Charlotte Mecklenburg which is the 7<sup>th</sup> largest education board in the country and also very small rural county down there as well. I am familiar with different things and one thing I will have to say we need more education by this board before you cut budgets and more information out to the town regarding education so they understand the value that we have here. Because my family is now split, I have on child still down there I had to come back up with my two older children because my son would not be graduating today if we stayed there. I live here with my parents I distinctively thought that because they live in Oakville and thought the water comes from a different reservoir. That is not true, you do not educate the town, you are not transparent and this is a huge problem. I do believe that there needs to be a public admission of mismanagement of the situation that caused us to be in financial straits right now. We have citizens crying thinking they are losing their homes. I am worried for my parents on their fixed income and I think the best thing that could happen is the acknowledgment on your part that this was unfortunately and that there are going to be checks and balances to make sure that something like this never happens again. I do

wish that you would move the referendum and there should be a Q and A at the end of every Town Council meeting. I do feel there needs to be more transparency and we have a right to have our questions answered.

Joseph Crow, Circuit Avenue asked will well & septic be affected by this same recent price or be excluded from price increases going forward?

Eric Wozniak, Oak Drive stated some of these people that live in town are veterans and on fixed income, Social Security. This poor lady is crying because she going to lose her house, is there any compassion for our elderly. Have you been to the Senior Center, have you been to the local VFW 7330 where is the compassion. I have born and raised here these elderly people are scared of losing their houses so they work their whole life for their home. Some of these people don't have mortgagees get a lien put on their house because they cannot afford this new water bill. Will the town at least take care of the interest, my bill is going up \$300.00 dollars a month supposedly. We don't take questions, is the town going to pay the interest?

Frankie Popilowski stated you are not having another meeting before this vote? What good are any of you?

Ken Demirs answered stated there is line item 5 on the agenda, when we will do our discussion when we are done with public participation.

Frankie Popilowski asked if there are no more meetings before the vote? How do we get any answers?

Ken Demirs answered there is a meeting on September 15<sup>th</sup> at 7:00 here.

Barbara Zulkeski, 17 Mallory Road I was asked yesterday what would I do in this situation and in previous conversations with the Town Manager. I am going to read what I wrote this person yesterday. I already proposed several solutions to address the situation online. Fair and transparent rate structures, we need both rate models that are both equitable and clearly communicated. The current proposals are unrealistic they fail to reflect the evolving needs of individuals and the town. WSA's billing practices should have been revised long before the original judgement. Meanwhile the Fire District began adjusting its rates three years ago and is significantly ahead of WSA. As a result, their rate payers will experience less sticker shock when rates rise another 25% to align with Waterbury's structure. Note Westgate, the current proposals are unrealistic they fail to bring the evolving needs of individuals of the town. WSA billing practices should have been revised before the original judgement. Meanwhile the Fire District is adjusting its rates 3 years ago and is significantly ahead of WSA. As a result, rate payers will experience less sticker shock when rates rise 25% to align with Waterbury structure. The idea that we are not qualified for state support is misleading and must be challenged, if resources exist, we haven't pursued them. I have initiated a letter on a writing campaign state officials including Secretary of State; DEEP, our Senators and the Connecticut Republican Party. I plan to share these letters publicly so residents can use them as templates and access contact information. This kind of outreach

should have been a priority for our leadership years ago. If the town would join techsoup.org and get grants which cost you \$99.00 a year. Transparency and oversight, it's time for real accountability blaming the Fire District judges or Waterbury Attorneys is a distraction. We should be placing claims on the bond held by town leadership. That would include anybody on Town Council, Town Manager and Finance Director bonds funded by the taxpayers. But doing so would require admitting physical mismanagement. When the TC on the August 12<sup>th</sup> of public meeting was asked about being bonded, they claimed ignorance, that's not transparency it's evasion. Since then, I cannot find the video from August 12<sup>th</sup> online any more. You need to consider when doing these rates any type of change that could happen within the town, we must establish lasting protection with fiscal responsibility to build public trust that planning and clear communication and mechanisms for residential input on major financial decision. I don't think with this whole water rate thing and the NextGen consulting firm what you have doing these numbers are taking into consideration anything that may happen within this town. I am voting no for the bond because there is no trust.

5. Discussion on Water and Sewer repayment scenarios and assumptions.

Chair Ken Demirs stated I am going to let the public and the council know who is in the chambers with us. Attorney Glenn Rybacki – the bonding council, Barry Bernabe – Managing Director of Phoenix Advisors, Attorney Paul Jessell – Town Attorney, Dave McMahon – Superintendent of Water & Sewer, Jim Sugden – Chairman of the Water & Sewer Commission, Joe Masi – Water and Sewer Commissioner and several staff members.

Council questions:

Robert Retallick asked what will the Fire District contribute towards the cost?

Megan Guiliano, Assistant Finance Director answered we prepared a full accounting of the City of Waterbury billing. It has been reviewed by our attorney sent to the Fire District we anticipate it will be somewhere in the range of 5.5 to 8.5 million.

Jonathan Ramsay asked if whatever amount is due from the Fire District is delayed because of disagreements in the numbers, what is our plan to recoup that, what type of timeline would be needed?

Mark Raimo, Town Manager answered we do not have a direct timeline at this point we still are in negotiations with the WFD. They were presented with a full accounting, the reasons we are running 5 ½ to 8 ½ million dollars because of the application interest. The interest upon interest where there was a post judgement interest. We have one year to go after these bands that is short term bonding. We have discussed in the past and that would give us one year to work through that process with WFD. I am hoping we will be able to rectify those numbers and will come to some agreement before the end of that year.

Carina Noyd asked I just attended the Fire District meeting and they stated as of this afternoon they have not received a full accounting, they don't know what their bill is.

Mark Raimo, Town Manager answered there may be a discrepancy, we have prepared the full accounting and I believe it was sent through our Town Attorney who sent it to the Attorney for the Fire District.

Atty. Paul Jessell, Town Attorney it has not gone out yet, it is going out tomorrow.

Jonathan Ramsay asked there is a lot of discussion on the type of bond we are going after and why a general obligation bond is the best route to go.

Barry Bernabe, Director of Phoenix Advisors answered we are exploring doing a general obligation bond, there has been some options considered to do a revenue bond. A few municipalities throughout the state have done revenue bonds only. However, we don't think it's the most cost-effective option for the town to pursue. The reason primarily is the town is doing the general obligation the interest rate will be much lower than if it was a revenue only bond. In addition, the interest cost being much lower the issuance costs are much higher than the revenue bond issue than it is for a general obligation bond. Based on a 30-million-dollar bond issue the interest plus the additional cost plus the additional cost for a revenue only bond is close to a million dollars more over 20 years. Currently right now the Town of Watertown has obligation bonds that were issued in the past for Water and Sewer projects they got a great interest rate for that and the WSA and the Sewer Authority pays the town for those bonds already, that would be the same process. Long story short much lower interest costs by doing general obligations bond than revenue bonds.

Rachael Ryan asked I have had questions directed at me about state statutes and general obligation bonds and who is responsible for them. The bonds issued on the full faith and credit, my understanding it is the WSA responsibility but is that legal I thought if your general obligations for the town how can the total responsibility of the WSA happens will the town be liable in any way to repay the bond.

Barry Bernabe, Director of Phoenix Advisors answered on the legal aspect as I said already the town has issued obligation bonds in the past for Water and Sewer projects so this is not something new. It is done before and it's my understanding that the town pays the debt service on those bonds but they get reimbursed by the Water and Sewer Authority. The short answer to your question the town can issue general obligation bond for the Water and Sewer.

Rachael Ryan asked this isn't really a project for a lawsuit where the town itself is sued not the WSA. The name of the lawsuit is Waterbury vs. Watertown, isn't Watertown legally responsible for the WSA.

Mark Raimo, Town Attorney stated that question is better answered by our bond attorney.

Atty. Glenn Rybacki stated I believe your question was through GEO bonds is the town as a whole responsible. With regards to the bond payments themselves, yes it would be the town's responsibility.

Rachael Ryan asked how is it being paid by the WSA and not the whole town.

Atty. Glenn Rybacki answered what the understanding that the town itself would be the issuer of the bonds and as issuer they would be responsible for paying bond holders the money. Any reimbursement for debt service that is being paid on the bonds the understanding was that there would be an agreement that would be between the town, WSA and the Fire District I believe.

Rachael Ryan asked for accounting purposes so I understand this the town takes out the bond, the town gets that money, the town pays Waterbury and then we now have a 4%, 5% interest that we are paying on the bond but then the Water and Sewer Authority then pay the town based on the rates that they are charging the customers.

Atty. Glenn Rybacki answered as far as the basis for the payment that I am going to say I assume so.

Rachael Ryan asked would their legal documentation?

Atty. Glenn Rybacki answered there would be agreement memorandum of understanding or just an outright agreement between the Town and the WSA as far as what those payments would be when they would be due. It would more be than just a gentlemen's handshake there would be an actual agreement in place.

Rachael Ryan asked is an agreement the same thing as a contract?

Atty. Glenn Rybacki, Bonding Council answered yes.

Atty. Paul Jessell, Town Attorney added we also have a consolidation ordinance in Watertown, that's the ordinance that created the Water and Sewer Authority when it merged into the town, it used to be the old Oakville Fire District. Without going into too much detail, the consolidation ordinance states that special benefits are paid by the Water and Sewer Authority and usages are clearly benefits and unfortunately the entire amount of money would qualify for special benefits because it is totally related to usage.

Rachael Ryan stated I guess I learned that taxes are going up and the WSA can't pay off the obligation bond, I want to make sure that I hear and the people in the audience hear on how it's going to be paid. On top of the fact that the Fire District doesn't seem to have the 6 million dollars that is a significant shortfall in the calculations that have been made and the assumption according to the meeting the Fire District is hiring an attorney which means

that we would have to pay attorneys that would add to the cost of this whole situation. Am I understanding that correctly?

Atty. Paul Jessell, Town Attorney answered we have another meeting with the Fire District next week I believe it hasn't been set yet.

Robert Desena asked there is a question raised by member of the audience, is there any possibility outside of financial relief, that is state and federal bailout or grant assistance?

Mark Raimo, Town Manager answered at this point there is no access for us to get state bailout at this point, we have explored that. If the referendum would fail then we would reconsider that and look at those options.

Robert Desena asked why were the water and sewer rates issues not raised when Waterbury first held the suit back then?

Atty. Paul Jessell, Town Attorney answered as I understand it the Water and Sewer Authority had concerns that Waterbury would pay us back if we over paid, we continue time, time again to negotiate a contract with the city of Waterbury and we were rebuffed. We sent them letters and we had a second formal mediation at which we were as far as I can tell, getting some resolution and Waterbury couldn't meet again. It's been a real problem to get Waterbury to the table.

Robert Desena added thank you and well explained.

Jonathan Ramsay asked what is the status of our case with the Connecticut Supreme Court, do we have a deadline?

Atty. Paul Jessell, Town Attorney answered we have petitioned for certification to have the supreme court to hear the appeal and that was filed in July. The supreme court takes the month of August off so they just back in from their vacation. What I am told is, that we will hear something perhaps in October.

Jonathan Ramsay asked is there a permanent deadline?

Atty. Paul Jessell, Town Attorney answered they have no deadline on that.

Robert Retallick asked what will the bond payback obligation be to the Westgate customers?

Atty. Paul Jessell, Town Attorney answered I would say it would seem to me that they would only be paying the sewer portion that is the portion they get from the Waterbury. The water is coming from the Fire District.

Jonathan Ramsay asked at the last meeting we voted on rate payers for the paying towards bond obligation if I recall it was based on water usage. What about customers that are only sewer customers how will that get allocated.

Mark Raimo, Town Manager answered I think a recommendation would be a proportionally charge for those that are not using town water and sewer. That will have to go in front of the WSA board will have to another public hearing and it will be their responsibility to make that decision. Just as a reminder the WSA board is subordinate to the Town Council so I am sure the council could discuss and they make a recommendation as well.

Gary Lafferty asked a question was asked to me, if the referendum does fail is there a chance that Watertown would file for bankruptcy?

Mark Raimo, Town Manager answered I don't believe we are in that position as this time to discuss bankruptcy. If we continue to go without paying the debt it will become unsustainable with 18<sup>th</sup> and 8%, I don't really know the council is going to have discussion on how to move this forward after a decision is made on the 16<sup>th</sup>.

Robert Retallick asked it has brought up by somebody here that the monthly bill was going to be \$300.00 what will the average rate from WSA be?

David McMahon, Superintendent of Water & Sewer answered the handout is online and provided at the public hearing once available. Right now, we have under 12,000 and then over 12,000. The over 12,000 has a cost to that number, the example for the WSA over all customers is only 43.42 per quarter which is only a dollar 73.68. On the back side of the handout for that same 13,000-gallon example for the Westgate system and WSA sewer side is \$111.67 per quarter which is 446.68 annually. The second page is for the WSA customers that is an example is only 36.74 per quarter which is a 146.96 annually. For the Fire District Westgate customers for the 11 thousand gallons is 94.49 per quarter which is 377.96 annually.

Mark Raimo, Town Manager added just as a reminder we are not here talking about water today. I think this explanation is helpful and complicated to pick up a paper and work through this. We have been working with WSA and our computer system to put a calculator on line so residents see what the actual impact is to the rate increase. We have not been able to accomplish this at that time. But for today's referendum the numbers need to speak to the bond piece because we have no control over what the rates are at this point as far as Waterbury is concerned.

Robert Retallick asked is the 295 dollars a year is that based on 34 million or 24.

Mark Raimo, Town Manager answered at this point it is based on the 24 million. We estimated that the WFD is responsible as we said the 6 million dollars. We maxed out the 24 million as we discussed this referendum we did talk about looking at a total 30-million-dollar bond because we discussed that we would do short term bands over the year. To allow us time to recoup the money from the WFD and figure out that path. It is based on the 24 million, I know it is a lot for our citizens to trust we are going after it. There is no other way and the assumption was that interest is accumulating at \$355,000 a month. It would be in the best interest for us to stop that and then go back and recoup everything and to adjust the rate if needed in regards to what our choices are as we move forward.

Jonathan Ramsay asked back to the rate that we need to pay for on the bond, it would be calculated at our last meeting. There is a lot of discussion on the right method should have been more of a hybrid. Would it be safe to say that since the last meeting that was determined by a simple Town Council vote that at some point in time it is determined that the best move for the town is to change the method that its being charged. Right now, it is rate payers based on estimated use and if it was deemed that was not the best method and we wanted to change it, would it be a simple Town Council vote that would then change it?

Mark Raimo, Town Manager answered the council voted to use the usage as a reference for repayment so that we could give a number to the rate payers. If as we follow the accounting at some point, it is determined as we talked about conservation comes into play, if we lose a large user that would affect the way the payment would be. Yes, the council would have to reconvene and then make a recommendation to the WSA again have another meeting. A Public Hearing to discuss the impact of what's happening. This is not something we are going to put on the shelf; this is something that has to be monitored, we report back to the council and the town people.

Carina Noyd stated the numbers that are out as far as the bond repayment are based on the 24 million. I think that we need more clarity for people, I think the numbers should be based on worst case scenario so that people can vote at referendum knowing the worst and hoping for the best. Up until a few months ago, even in my place I was looking at the numbers we were being told of 10 million in reserve from the Water and Sewer Authority and 6 million from the Fire District and we made a 5-million-dollar payment from the Water and Sewer Authority and now we are not sure what will happen with the Fire District. I think people need to go to referendum with a clear expectation of what could possibly be there highest bill.

Mark Raimo, Town Manager answered I don't think we are going to have a clear indication of what the highest bill is. As we discussed by going out to bands and I am going to ask

Mr. Bernabe to answer this more clearly for everybody in the room. We are going for a one-year band that will be adjusted it may start at 30 thousand. We have not finalized the numbers with WFD, we may have to regroup again. Mr. Bernabe maybe you could explain a little more clearly on the banding process.

Barry Bernabe, Director of Phoenix Advisors added the way I see it is this is a situation where this liability is accruing at 18% each year. If the referendum passes and when we do this bond anticipation note, short term borrowing. The town could pay it off and bring that 18% down roughly 4%, that would stop the bleeding dramatically. It would give the town like the Town Manager said time to regroup to analyze the actual cost over the next year. When it is time to act on permanent financing a year from now the town will put its arms around the situation to bond just the next amount, the true cost that is needed. If something happens down the road, a state grant does happen, the assets are sold; the town will always have an opportunity to pay up all or a portion of these bonds at any point in the future. The town will also have an opportunity to refinance the loan to a lower rate in the future if interest rates were decrease again. That is why I understand there is a lot of frustration, ach time this referendum is deferred that liability is going to grow at 18%. This bonded anticipation note will lower that and cap it, no higher than 4%. Which seems like huge benefit to the town to bring that liability, that bleeding from 18% to 4% and it will give the town a year to get their arms around the final cost and make sure the permanent financing is done at the lowest amount possible over the course of the next 12 months.

Jonathan Ramsay stated on the discussions on the ability for town to put liens on people's property. It is my understanding Waterbury cannot put any liens on property because of the bill is not being paid. If an individual residence or business does not pay their water bill the Town of Watertown has the ability to put a lien on your house just like they didn't pay taxes.

Mark Raimo, Town Manager answered that is a very accurate statement.

Robert Retallick asked there was a question from the floor about Connecticut Water can anybody take that on?

Mark Raimo, Town Manager answered yes, I was involved in that discussion with Connecticut Water. It is still on the table, selling an asset like this is not a for sale sign that we take the highest bidder. There was some interest from Connecticut Water as there is interest from possibly other entities but at this point, we would have to go with an RFP, RFQ process and allow that person to bid. Just as an additional thought process so that anybody in the room understands it if our liability is not taken care of, we know have an asset that has a huge liability. Connecticut Water at no point said nor do I think allowed to buy for a full retail rate, it's a wholesale rate or fixed asset. For the discussion points that are out in the public, where they are saying Connecticut Water is going to buy the whole debt that is not completely possible at this point. It's not a true statement, we are going to continue to aggressively follow that asset but that has to be a decision that is based on the

input from the town's people. As a result of everything we are going through with the decisions that were made without their input it is even more imperative we get their input as we discuss selling an asset for the Town of Watertown.

Robert Retallick a question that came of the floor well and septic people?

Mark Raimo, Town Manager answered again we had discussions several times it was clarified and made in the statement the well and septic people are not directly affected. If this referendum were to pass the resolutions that have been written they would not be responsible to pay for the bonding portion. If that referendum fails everything will probably go back on the table and that may change. A well and septic person would be the impact through the normal general fund budget such as the water rates for the school system were to increase from the budget appropriately that would be the impact the general fund budget would take.

Rachael Ryan asked you mentioned that the Watertown Sewer Authority is subordinate to the town is that a change in recent years or if you made change to that or has always been that sort of order in the charter?

Mark Raimo, Town Manager added just so it clear, I have made no changes to the charter.

Atty. Paul Jessell, Town Attorney answered yes, I mentioned before the consolidation ordinance that is where all this comes from. It does setup the Water and Sewer Authority as subordinate to the town although there are some distinct powers of their own.

Rachael Ryan asked should they at the time have gotten authority from the Town Council to pay the rates that Waterbury was charging or had some discussion about this at that time.

Atty. Paul Jessell, Town Attorney answered two things number, one is a rate issue which is primarily in the ball park of the Water and Sewer. Secondly it was a trial strategy issue and it was brought up to both Water and Sewer Authority and the Town Council in discussions on a trial strategy.

Ken Demirs asked the referendum are the questions separated and can one fail and one pass?

Atty. Glenn Rybacki answered yes and yes. Both questions are individual questions one is not contingent up the other.

Ken Demirs asked in the event that this passes hopefully it doesn't fail how quickly can we do another referendum?

Mark Raimo, Town Manager stated as Attorney Rybacki can look that up I did have some additional discussion with the Town Clerk. There is a statute 9-369a that prevents us putting in anything on the ballot for the election in November because of the time frame so we have ordinance postings and notice postings it would be very difficult for us to get this until the end of November early December.

Atty. Glenn Rybacki added the requirement for a referendum is 30 days and add on council action, add on any other steps if nothing we could redo very quickly.

Jonathan Ramsay asked related to the referendum having two questions, let just say the bond for the road passes and the one for Water and Sewer fails. Would we expect Waterbury to try to prevent us from getting other bonding for other projects while we still have that outstanding debt with them?

Atty. Glenn Rybacki answered I would believe that don't have that power.

Jonathan Ramsay stated although we had lots of questions from you and we asked a lot of questions and gotten a few answers at the end of the day the rate payers of the town whatever group you want, we are looking at 18% interest we have an opportunity to refinance that to 4% we got to take it. The longer we wait the more money we are wasting. A lot of these details, yes they are important but it is not affecting the question on the ballot. The question is on the ballot we bond to reduce our interest or not. Hundreds of thousands of dollars away per month while figure out other details not related. The longer we wait the more money. I guess the important question is on the ballot and that is to bond to reduce the interest.

Barry Bernabe, Director of Phoenix Advisors stated in addition to that as you just said bring from 18 to 4%. If something happens down the road something, a grant comes in and something unexpected comes in, we don't need to borrow the full 34 million or whatever the amount is. The town still has that option to knock down that borrowing cost over the next 12 months. All options that people thought up those are still viable; they come to fruition the amount that we will permanently finance can be reduced.

Jonathan Ramsay asked are we able to do the bands to shorten the bonds more than for more one year? Let's say we are waiting on the state supreme court is that something we can keep rolling forward?

Atty. Glenn Rybacki answered yes you can, the thought in that you start taking on market risk resetting every year.

## 6. Adjournment.

Motion: Ken Demirs seconded by Jonathan Ramsay: to adjourn the Special Meeting at 9:14 p.m.

Motion passed unanimously

Respectfully submitted,

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Ken Demirs, Vice Chair  
Watertown Town Council

Approved: \_\_\_\_\_  
Susan King, Clerk