

Water and Sewer Authority
Watertown, CT
Regular Meeting Agenda

Date: Wednesday, March 18, 2026

Time: 7:00 PM

Place: Watertown Town Hall
61 Echo Lake Rd.
Watertown, CT 06795
Planning and Zoning Conference Room

1. Call Meeting to Order
2. Roll Call
3. Minutes
4. Superintendent's Report – February 2026
 - a. Software Update
 - b. Waterbury Billing
 - c. Additional Updates
5. Public Participation – (Read Statement)
6. Correspondence/ Information
7. Old Business
 - a. **BAN/Bond Conversion 2026 – Risk Register (Standing Item)**
Discussion and possible action regarding the 2026 BAN-to-bond conversion, including review and maintenance of the associated risk register as a standing agenda item to support ongoing monitoring, mitigation, and decision-making.
 - b. **Monthly Review of Operational Budgets (Standing Item) – Fund 015 (Sewer) and Fund 017 (Water)**
Review of monthly operating budget performance for the Sewer (Fund 015) and Water (Fund 017) enterprise funds to monitor compliance with the operational budget freeze implemented in January 2026, identify variances, and confirm adherence to spending controls.
 - c. **Update on Ratepayer Communication and Messaging**
Discussion and update on messaging strategies to keep ratepayers informed regarding

potential future rate adjustments, including timing, scope, and coordination of internal and external communications.

d. **Rate-Setting Discussion for 2026 (Standing Item)**

Ongoing discussion regarding the establishment of 2026 rates. This item will remain on the agenda as standing old business while the Authority continues to develop, review, and refine the information necessary to evaluate and, if appropriate, implement a rate increase.

8. New Business

- a. **Discussion and possible action** on ranking Connecticut Department of Public Health – Drinking Water State Revolving Fund (CT DPH DWSRF) Projects and their eligibility ranking.
- b. **Discussion and possible action** on the review of the Water & Sewer Authority Policy Manual and the establishment of a process for its periodic review and update.
- c. **Discussion and possible action** consider appropriating \$1,000,000 from the Special Fund to cover Water & Sewer costs exceeding the originally budgeted amount to ensure all obligations can be paid. The appropriation will be split as such: 75% Sewer, 25% Water
- d. **Discussion and possible action** regarding notice from the City of Waterbury of proposed water rate increases, including an increase in the commodity rate from \$2.65 per CCF to \$3.60 per CCF (plus any applicable additional fees), and an increase in the quarterly meter charge to \$124 per quarter, and consideration of the potential financial and operational impacts to the Watertown Water & Sewer Authority and its ratepayers.
- e. **Discussion and possible action** on setting a Special Meeting in April 2026.

9. Adjournment



TOWN OF WATERTOWN
WATER AND SEWER AUTHORITY
747 French Street
Oakville, Connecticut 06779-1099
(860) 945-5299 Fax (860) 945-5298

TO: Water and Sewer Authority Members
FROM: WSA Staff
DATE: March 18, 2026
RE: Minutes

Attached is a copy of the Minutes Status sheet. This list shows the status of the minutes of each Water and Sewer Authority meeting. Reading from the left as follows:

1. First column is the date of the meeting.
2. Second column is the type of meeting.
 - R = Regular
 - RESCH = Rescheduled
 - S = Special
 - PH = Public Hearing
 - PIM = Public Informational
3. Third column is the date the minutes went to the Authority for review and approval or, in some cases, that the meeting was cancelled.
4. Fourth column indicates whether the minutes have been filed with the Town Clerk. An "X" in this column indicates they have been filed. A blank space indicates they have not been filed because they have not been approved by the Authority.

JM
Attachment

Meeting Date Type

Minutes to WSA

Minutes to Town Clerk

2026

1/21/2026 R

2/18/2026 R

2/18/2026

3/18/2026

WATERTOWN, CONNECTICUT
 WATER AND SEWER AUTHORITY
 REGULAR MEETING
 WEDNESDAY, FEBRUARY 18, 2026

1. Call Meeting to Order

Secretary Keith Franson calls the Regular meeting to order at 7:00 PM.

2. Roll Call

Members present: Joseph Masi, Raymond Primini, Marisa Mancini-Cavallo, Keith Franson

Members excused: Edward Wilk, James Sugden

Others present: Jerry Lukowski, Mark Raimo

3. Minutes

A motion was made by Joseph Masi to approve the Regular Meeting minutes 1/22/2026 as presented. The motion was seconded by Marisa Mancini-Cavallo. All in favor. Motion passes.

4. Superintendent's Report – February 2026

- a. Software Update
- b. Appropriation for W&S Operations - March
- c. Waterbury Billing
- d. The Watertown Fire District has continued to remit payment to the Watertown Water and Sewer Authority for billed charges. These payments are being made under protest, consistent with prior communication. The relevant Watertown Fire District meeting minutes documenting this action are attached for the Authority's information and record.
- e. Additional Updates

I. Operations Water and Sewer: January 2026

Call Before You Dig – 50	Non-Payments – Shut-Off – 0	Non-Payments – Turned On – 0
Backflow Device Inspections – 0	Fats, Oil, & Grease – 0	Water Leak Investigation – 4
Water Service Leaks – 1	Water Service Repairs – 0	Water Service Inspections – 1
Water Main Leaks – 3	Water Main Repairs – 3	Water Main Inspections – 3
Fire Hydrants Flushed – 0	Fire Hydrants Installations – 1	Fire Hydrants Repaired – 1
Water Service Taps – 0	Water Service Installations – 1	Water Main Installations – 0
Sewer Lateral Inspections – 2	Sewer Main Inspections – 0	Sewer CCTV Inspections – 0
Sewer Lateral Blockage – 1	Sewer Lateral Repairs – 1	Sewer Lateral Installations – 1
Sewer Main Blockages – 0	Sewer Main Repairs – 0	Sewer Main Installations – 0
Sewer Manhole Inspections – 0	Sewer Manhole Repairs – 0	I&I Inspections – 0

II. Business Administration:

Total Customer Transactions from **January 1 – January 31**

- Broken down as: Cash – **3%** Checks – **67%** Electronic – **30%** **Total = \$692,371.56**

Non-Payment / Collections Shut Offs: **Delinquent Notices sent to Residential Customers
Jan.2026**

- Notices Mailed: **155** Outstanding Amount: **\$120,919.19** Monies Collected: **\$30,813.51 = 25%**

III. Department Position Status:

- Temporary Administrative Position - Hiring Service Vendor – Onboard
- WSA Utility Maintainer II – Position filled
- WSA Business Analyst II – Vacant – On Hold by Town Manager
- WSA Chief Maintainer – Drafting Job Description for Union and Town Manager Approvals
- WSA Assistant Controller – Drafting Job Description for Union and Town Manager Approvals
- WSA Business Analyst I – Drafting Job Description for Union and Town Manager Approvals

IV. Project Status:

- WSA & Waterbury – WWD 42” Transmission Main Repairs – Bassett Rd – Delayed to 2026 - 2027
- WSA & Waterbury – WWD Slip Lining Project - Ongoing
- Echo Lake Booster Station – 16” & 12” Main Installation Design Project – On Hold
- WSA Emergency Operations Plan – Draft Reviews – Pending Reviews by Town Manager and Emergency Management Director – 04-23-2025
- Edmunds GovTech - WSA Utility / Customer Billing Software Project – Ongoing Next Meeting Scheduled for August
- WaterWorth Utility Software Project – Ongoing
- Lead and Copper Rule – Task III – Ongoing
- SCADA Upgrade Project – Ongoing
- ArcGIS Project – Ongoing
- AMI (Automated Metering Interface) Pilot Project - Ongoing
- Water Storage Tanks – Multi-year Maintenance & Repairs Project – Bid Documents Preparation
- Bunker Hill Rd – Straits Tpke to Commercial St – 12” Main Installation Project – Ongoing Design
- Commercial St – States St to New Wood Rd – 12” Main Installation Project – Ongoing Design
- Frederick St – Frederick St D.E. to Falls Ter – 6” Main Installation Project – Ongoing Design
- CT DPH Project Applications – Applications submitted
- CT DEEP Project Applications – Application submitted for I&I (Infiltration & Inflow)

5. Public Participation

Mr. Franson reads the Public Comment Statement as follows:

Public Comment Statement

"At this time, the Authority will accept public comment. Public comment is an opportunity for residents to provide testimony and input for the Authority's consideration as part of its decision-making process. Members of the Authority may consider this testimony during discussion and deliberation; however, the Authority will not respond to questions or engage in dialogue during public comment. The meeting and agenda are intended for the Authority to conduct its official business.

Public comment shall be limited to matters within the Authority's jurisdiction. There shall be no direct public comment regarding individual staff members. Comments related to staff concerns should be directed through appropriate administrative channels outside of this meeting."

Catherine Dinsmore, 35 Reynolds St., offered some suggestions for affordable and non-complicated communication solutions.

Richard Rozanski, 35 Reynolds St., asks if there is a progress report on the status of the RFP/RFQ process to determine the water and sewer assets.

Katherine Camara, 31 Cottage Pl., spoke about an e-mail correspondence with the WSA.

Frankie Popilowski, Oakville, asks who pays for the new attorney's fees?

6. Correspondence/ Information – None.

7. Old Business

a. **BAN/Bond Conversion 2026 – Risk Register (Standing Item)**

Discussion and possible action regarding the 2026 BAN-to-bond conversion, including review and maintenance of the associated risk register as a standing agenda item to support ongoing monitoring, mitigation, and decision making.

Mr. Raimo states that he would like to keep the Risk Register from the previous meeting, on the Agenda as a standing item for future meetings

b. Monthly Review of Operational Budgets (Standing Item) – Fund 015 (Sewer) and Fund 017 (Water)

Review of monthly operating budget performance for the Sewer (Fund 015) and Water (Fund 017) enterprise funds to monitor compliance with the operational budget freeze implemented in January 2026, identify variances, and confirm adherence to spending controls.

Mr. Raimo refers to the Agenda Item #7b. Profit & Loss Overview. He states that it is a draft that will be worked on every month to track the WSA expenses and revenue to understand the net value of the budget freeze and to have a clear idea of what is available to use towards the interest payment for the bond.

c. Update on FY 2026/2027 Budget and Debt Service

Status update on the FY 2026/2027 Sewer Operations (Fund 015), Water Operations (Fund 017), associated capital budgets, and Debt Service (Fund 019), including any material adjustments, emerging issues and alignment with adopted financial controls.

Mr. Raimo refers to Agenda Item #7c. Executive Summary, located in the meeting packet.

d. Ratepayer Communication and Messaging

Discussion and update on messaging strategies to keep ratepayers informed regarding potential future rate adjustments, including timing, scope, and coordination of internal and external communications.

Mr. Raimo states he appreciates the comments in public participation. He states its very important to build a messaging campaign over the next few months. He will bring a proposal to the next meeting of a 90 day calendar of events for the WSA staff to fulfill to communicate to the public.

e. Rate-Setting Discussion for 2026 (Standing Item)

Ongoing discussion regarding the establishment of 2026 rates. This item will remain on the agenda as standing old business while the Authority continues to develop, review, and refine the information necessary to evaluate, and if appropriate, implement a rate increase.

Mr. Raimo would like to keep the rate-setting discussion on the agenda to talk about every month. He will bring up the topics and use the Executive Summary to have an open

dialogue with the WSA to produce communications for the public. Mr. Raimo reached out to Mike Maker who did the 2025 Rate Study to produce the correct numbers that he needs to complete the Rate Study for 2026.

8. New Business

a. Engagement of Legal Counsel and Financial Advisory Services – City of Waterbury Dispute

Discussion and possible action on executing an agreement with Harris Beach Murtha Attorneys to provide legal representation in connection with the dispute involving the City of Waterbury/Watertown Fire District, and with Fiondella, Milone, & LaSaracina LLP (FML) to provide accounting and financial advisory services related to billing analysis, financial review, and support associated with this matter.

Mr. Raimo states the Town Council voted to engage with the firm at a \$10,000 threshold.

A motion was made by Joseph Masi to concur with the Town Council's motion to approve the engagement of the Harris Beach Murtha Attorney's and FML LLP Attorneys. The motion was seconded by Raymond Primini. All in favor. Motion passes.

9. Adjournment

A motion was made by Joseph Masi to adjourn the Regular Meeting at 8:00 PM. The motion was seconded by Raymond Primini. All in favor. Motion passes.

Respectfully submitted,
Keith Franson, Secretary
Water and Sewer Authority

Approved by: _____



**TOWN OF WATERTOWN
WATER AND SEWER AUTHORITY
747 French Street
Oakville, Connecticut 06779-1099
Main Office (860) 945-5299**

Date: March 18, 2026

To: Mark A. Raimo, Town Manager

Re: **Superintendent's Report – February 2026**

I. Operations Water and Sewer: February 2026

Call Before You Dig – 41	Non-Payments – Shut-Off – 0	Non-Payments – Turned On – 0
Backflow Device Inspections – 0	Fats, Oil, & Grease – 1	Water Leak Investigation – 4
Water Service Leaks – 0	Water Service Repairs – 0	Water Service Inspections – 1
Water Main Leaks – 0	Water Main Repairs – 3	Water Main Inspections – 0
Fire Hydrants Flushed – 3	Fire Hydrants Installations – 1	Fire Hydrants Repaired – 1
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Sewer Lateral Inspections – 0	Sewer Main Inspections – 0	Sewer CCTV Inspections – 0
Sewer Lateral Blockage – 0	Sewer Lateral Repairs – 0	Sewer Lateral Installations – 0
Sewer Main Blockages – 0	Sewer Main Repairs – 0	Sewer Main Installations – 0
Sewer Manhole Inspections – 2	Sewer Manhole Repairs – 1	I&I Inspections – 0

II. Business Administration:

Total Customer Transactions from **February 1 – February 28**

- Broken down as: Cash – **4%** Checks – **77%** Electronic – **19%** **Total = \$690,726.39**

Non-Payment / Collections Shut Offs: **Delinquent Notices sent to Residential Customers January 2026**

- Notices Mailed: **155** Outstanding Amount: **\$120,919.19** Monies Collected: **\$37,204.99 = 30%**

III. Department Position Status:

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Public Comment Statement

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Watertown Water and Sewer Authority

Risk Register

FY 2026/2027 – BAN Interest and Bond Conversion

Purpose: Internal risk tracking and mitigation management
Status: Working document – to be updated regularly
Reporting Frequency: Quarterly (minimum), monthly during Q2–Q4 FY 26/27

Risk Register

Risk ID	Risk Description	Risk Category	Likelihood	Impact	Risk Rating	Mitigation Actions	Responsible Owner	Monitoring / Notes
R-01	BAN interest payment due October 2026 exceeds available cash flow	Financial / Debt	Medium	High	High	<ul style="list-style-type: none"> • Confirm final interest calculation early • Identify multiple funding sources (budget, reserves, surplus) • Avoid reliance on single offset 	Finance Director / WSA Treasurer	Interest identified as fixed
R-02	Bond conversion occurs at higher-than-anticipated interest rates	Financial / Market	Medium	Medium	Medium	<ul style="list-style-type: none"> • Monitor bond market conditions • Reduce principal prior to issuance where possible • Maintain flexibility on timing 	Finance Director	Market review prior to issuance
R-03	Insufficient surplus or unused operating funds available for debt reduction	Financial / Budget	Medium	Medium	Medium	<ul style="list-style-type: none"> • Implement temporary budget restraint • Track discretionary 	TM-Superintendent / WSA Chair	Monthly budget variance review

Risk ID	Risk Description	Risk Category	Likelihood	Impact	Risk Rating	Mitigation Actions	Responsible Owner	Monitoring / Notes
R-04	Overuse of reserves reduces liquidity below prudent levels	Financial / Liquidity	Low-Medium	High	Medium	<ul style="list-style-type: none"> spending monthly Require approval for nonessential expenses Establish minimum reserve threshold Limit reserve use to one-time obligations Require Board approval for reserve drawdowns Exclude anticipated payments from base budget Track receivable status formally Apply funds only upon receipt 	Finance Director	Reserve balance reported quarterly
R-05	Delay or non-payment of amounts owed by Watertown Fire District	Intergovernmental	Medium-High	Medium	Medium-High	<ul style="list-style-type: none"> Do not assume recovery in planning Treat recovery as one-time offset if received Model rate impacts early Discuss incremental adjustments Clearly separate debt-related costs Adopt debt transition year designation Document funding strategy and controls 	Superintendent / Legal Counsel	Status update each quarter
R-06	Litigation recovery does not materialize or is delayed beyond bond issuance	Legal / Financial	Medium	Medium	Medium	<ul style="list-style-type: none"> Do not assume recovery in planning Treat recovery as one-time offset if received Model rate impacts early Discuss incremental adjustments Clearly separate debt-related costs Adopt debt transition year designation Document funding strategy and controls 	Legal Counsel / Finance Director	Legal status briefings as needed
R-07	Rate adjustments required but delayed	Revenue / Policy	Medium	Medium	Medium	<ul style="list-style-type: none"> Do not assume recovery in planning Treat recovery as one-time offset if received Model rate impacts early Discuss incremental adjustments Clearly separate debt-related costs Adopt debt transition year designation Document funding strategy and controls 	Superintendent / WSA Authority	Rate review schedule
R-08	Lack of formal policy direction during debt transition year	Governance	Low-Medium	Medium	Medium	<ul style="list-style-type: none"> Do not assume recovery in planning Treat recovery as one-time offset if received Model rate impacts early Discuss incremental adjustments Clearly separate debt-related costs Adopt debt transition year designation Document funding strategy and controls 	WSA Authority	Policy adoption tracked

Risk ID	Risk Description	Risk Category	Likelihood	Impact	Risk Rating	Mitigation Actions	Responsible Owner	Monitoring / Notes
R-09	Inadequate documentation of debt-related decisions	Governance / Compliance	Low	Medium	Low-Medium	<ul style="list-style-type: none"> • Maintain written resolutions and memos • Centralize documentation for audit/FOIA 	Superintendent	Annual documentation review
R-10	Communication gaps lead to stakeholder confusion or mistrust	Reputational	Low-Medium	Medium	Medium	<ul style="list-style-type: none"> • Develop clear internal and external messaging • Separate technical and public communications 	Superintendent / WSA	As-needed updates



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Executive Summary

Watertown Water & Sewer Authority

FY 2025–2026 Operations – Profit/Loss Overview (Through February 28, 2026)

The attached financial summary provides a year-to-date overview of revenues and expenses for the Watertown Water & Sewer Authority enterprise operations, including **Sewer Funds 015 and 016 and Water Funds 017 and 018**. While the document file was updated on **March 11, 2026**, the financial data reflects activity **through February 28, 2026**. The reporting period therefore corresponds to the February month-end financials to ensure consistency with the Profit and Loss statements generated from the Town's financial system.

Overall Financial Position

As of **February 28, 2026**, the Water & Sewer Authority enterprise system remains financially stable and is operating with a positive year-to-date position.

- **Total Revenues (Water and Sewer):** approximately \$3,982,344
- **Total Operating Expenses:** approximately \$2,959,159
- **Net Operating Position:** approximately \$1,023,185 surplus

This positive margin reflects the balance between system revenues and operational expenditures through the February reporting period a specific point in time.

Revenue Overview

Revenue for the enterprise funds is generated primarily through system charges and user fees and is divided between the two major utility services:

- **Water Operations (Fund 017):** approximately \$1,534,469
- **Sewer Operations (Fund 015):** approximately \$2,447,875
- **Combined Revenue:** approximately \$3.98 million

These revenues are derived primarily from **user fees and service charges**, rather than property taxes, consistent with the enterprise fund structure governing municipal water and sewer utilities.

Expense Overview

Operating expenditures across the utility funds total approximately **\$2.96 million year-to-date** and include:

- Sewer operational expenses (**Funds 015 and 016**)

- Water operational expenses (**Funds 017 and 018**)
- System maintenance, utilities, treatment costs, and administrative expenses

The budget framework anticipates approximately **\$4.53 million in total annual operating expenses**, leaving the remaining balance available for operations during the remainder of the fiscal year.

Supporting Financial Documentation

Supporting documentation for the February reporting period has been prepared and are being verified. The those files contain:

- **February revenue backup**, including Fund **015 and 017 reports from Tyler** and corresponding reports from the **billing software system**.
- **February expense reports** from Tyler for **Funds 015 and 017**.
- A **revenue correction document** identifying adjustments to be made to certain revenue entries. Finance will be completing the necessary **journal entries**, after which future financial reports generated from Tyler will reflect these corrections.

Operational Observations

- The enterprise funds are currently **operating within budgeted parameters**.
- Sewer revenues represent the **larger share of system income**, reflecting wastewater treatment costs and regional service obligations.
- Water and sewer expenditures remain **consistent with projected operational spending** for this stage of the fiscal year.
- Monthly financial positions may fluctuate due to billing cycles and operational timing, but the year-to-date position remains positive.

Conclusion

Based on the current financial data, the Watertown Water & Sewer Authority enterprise operations are performing **within expected financial ranges for FY 2025–2026**. Revenues continue to support operational costs while maintaining a positive year-to-date operating position.

The Authority will continue monitoring financial performance as it evaluates **long-term financial planning, infrastructure investment needs, and debt obligations**, including the upcoming **conversion of the Bond Anticipation Note (BAN) to long-term financing and related rate planning considerations**.

Income

	July	August	September	October	November	December	January	February	March	April	May	June	Totals
Cash	\$ 21,020.18	\$ 18,143.55	\$ 22,171.18	\$ 31,695.53	\$ 18,491.12	\$ 16,609.35	\$ 22,438.00	\$ 26,798.48					\$ 1,534,469.46
Check	\$ 301,442.41	\$ 229,893.93	\$ 319,224.49	\$ 342,925.89	\$ 319,138.43	\$ 306,792.42	\$ 462,977.79	\$ 534,988.42					\$ 2,447,874.85
Electronic	\$ 101,734.56	\$ 86,895.74	\$ 135,620.51	\$ 125,235.66	\$ 98,083.87	\$ 105,781.85	\$ 209,405.22	\$ 129,482.28					\$ 1,795,412.37
Return/Reversal		\$ (1,554.11)	\$ (1,554.11)				\$ (2,449.45)	\$ (522.79)					\$ 3,982,344.31
Total Income	\$ 424,197.15	\$ 334,833.22	\$ 475,462.07	\$ 499,856.88	\$ 435,713.42	\$ 429,183.62	\$ 692,371.56	\$ 690,726.39					\$ -

Revenue Break out

	July	August	September	October	November	December	January	February	March	April	May	June	Totals
Water (Fund-017)	\$ 166,186.89	\$ 115,262.12	\$ 160,356.01	\$ 184,692.34	\$ 143,410.11	\$ 147,739.78	\$ 402,766.93	\$ 214,055.28					\$ 1,528,466.85
Sewer (Fund-015)	\$ 258,010.26	\$ 219,571.10	\$ 315,106.06	\$ 315,164.54	\$ 292,303.31	\$ 281,443.84	\$ 289,604.63	\$ 476,671.11					\$ 58,781.08
Total	\$ 424,197.15	\$ 334,833.22	\$ 475,462.07	\$ 499,856.88	\$ 435,713.42	\$ 429,183.62	\$ 692,371.56	\$ 690,726.39					\$ 1,649,569.15

Expenses

	July	August	September	October	November	December	January	February	March	April	May	June	YTD	Budget Balance
15 Sewer	\$ 3,178,036.00	\$ 28,540.74	\$ 39,143.40	\$ 279,367.50	\$ 271,148.96	\$ 274,392.06	\$ 267,872.49	\$ 312,183.80					\$ 1,528,466.85	\$ 1,649,569.15
16 Sewer	\$ 523,169.48	\$ 19,413.30	\$ 2,866.20	\$ 2,934.88	\$ 2,965.33	\$ 25,669.48	\$ 3,129.29	\$ 2,003.10					\$ 58,781.08	\$ 464,388.40
17 Water	\$ 3,044,156.00	\$ 30,339.72	\$ 273,445.87	\$ 256,576.15	\$ 91,972.21	\$ 193,895.08	\$ 179,636.16	\$ 175,634.51					\$ 1,248,743.63	\$ 1,795,412.37
18 Water	\$ 743,169.48	\$ 19,413.30	\$ 146.20	\$ 48,796.37	\$ 10,798.93	\$ 36,118.01	\$ 3,129.30	\$ 2,198.07					\$ 123,167.24	\$ 620,002.24
Total Expenses	\$ 7,488,530.96	\$ 97,707.06	\$ 88,954.39	\$ 555,625.77	\$ 579,455.86	\$ 530,074.63	\$ 453,767.24	\$ 492,019.48					\$ 2,959,158.80	\$ 4,529,372.16

Monthly Net Positions

	July	August	September	October	November	December	January	February	March	April	May	June	Net Totals
Water Net Position (Funds 17& 18)	\$116,433.87	\$65,451.13	(\$113,236.06)	(\$120,680.16)	\$40,638.97	(\$82,273.31)	\$220,001.47	\$36,222.70	\$0.00	\$0.00	\$0.00	\$0.00	\$162,558.59
Sewer Net Position (Funds 15 & 16)	\$210,056.22	\$180,427.70	\$33,072.36	\$41,081.20	\$233,520.08	(\$18,617.70)	\$18,602.85	\$162,484.21	\$0.00	\$0.00	\$0.00	\$0.00	\$660,626.92
TOTAL Net Position Each Month	\$326,490.09	\$245,878.83	(\$80,163.70)	(\$79,598.98)	\$274,159.05	(\$100,891.01)	\$238,604.32	\$198,706.91	\$0.00	\$0.00	\$0.00	\$0.00	\$1,023,185.51

Notes:

Sewer Rev includes WFD Unico
 Revenue #'s out of CUSI
 Expense # out of Tyler

P&L Disclosure Note:

The financial figures presented in this Profit and Loss statement reflect moving balances based on transactions recorded as of the date and time of preparation. These amounts are subject to change as additional revenues, expenditures, adjustments, or reconciliations are processed. Accordingly, the figures should be interpreted as point-in-time information and not as final or audited results.

Subject: Water & Sewer Authority – Financial Review and Public Information Process

Dear Residents,

Over the past several months, there has been significant public discussion regarding matters involving the Watertown Water & Sewer Authority, including the *Waterbury v. Watertown* litigation and related financial considerations affecting the Town's water and sewer systems.

With those matters now substantially addressed, the focus moving forward is on responsible financial planning, infrastructure sustainability, and maintaining transparency in how the Town manages its water and sewer enterprise systems. As part of this effort, the Watertown Town Council has established a bipartisan committee to review existing policies and provide recommendations regarding governance, communications, and risk management practices associated with the Water & Sewer Authority. This review is intended to ensure that the Town's policies remain clear, consistent, and aligned with best practices as the Authority continues its work.

At the same time, the Water & Sewer Authority will be conducting a structured review of its financial conditions and long-term planning considerations. This process will include regular Authority meetings, public posting of financial materials, and plain-language explanations intended to help residents better understand how the water and sewer enterprise funds operate and how financial planning decisions are evaluated.

Water and sewer services operate as enterprise funds, meaning they are supported through system revenues rather than property taxes. As part of the current review, the Authority will be evaluating operational costs, wastewater treatment expenses, infrastructure investment needs, and long-term financing considerations.

To support transparency and access to information, a dedicated section has been added to the Town's website where residents can follow this process and review materials as they become available:

www.watertownct.org → **Departments** → **Water & Sewer** → **Rate & Financial Planning Updates**

Information posted there will include:

- Plain-language explanations of financial documents
- Technical exhibits and budget projections
- Meeting schedules and materials
- Frequently asked questions regarding rates and enterprise fund operations

In addition, the Town will periodically produce a **short informational newsletter summarizing key updates from the review process**. Printed copies of this newsletter will be available to the public at **Town Hall and the local libraries** so residents may easily access the information even if they do not regularly use the Town's website.

As the Authority works through this review, residents are encouraged to stay informed and attend meetings if they wish to follow the discussion. Any potential rate action would occur only after public review and a formally noticed public hearing.

The goal of this effort is to ensure that Watertown's water and sewer systems remain reliable, financially sustainable, and transparently managed for the benefit of the community.

Additional updates will be shared as information becomes available.

Sincerely,

Mark A. Raimo
Town Manager
Town of Watertown

DRAFT

TOWN OF WATERTOWN

WATER & SEWER AUTHORITY

MEMORANDUM

To: Members, Watertown Water & Sewer Authority

From: Mark A. Raimo, Town Manager

Date: March 12, 2026

Re: Proposed 90–120 Day Communication Plan – Rate Review, Budget Impact, and BAN-to-Bond Conversion

I. Purpose

The purpose of this memorandum is to present a structured communication plan for the Water & Sewer Authority (WSA) as it evaluates financial conditions, capital planning, and potential rate impacts associated with:

- Enterprise fund budget considerations
- Long-term infrastructure needs
- Bond Anticipation Note (BAN) to Bond conversion
- Debt service planning and sustainability

The proposed plan establishes a transparent, predictable framework for public communication over a **90-day period**, with flexibility to extend to **120 days** if additional analysis or review is required.

This approach is intended to ensure clarity, consistency, and informed public participation prior to any formal rate action.

II. Guiding Principles

All communications during this period will adhere to the following principles:

1. **Process-Focused Communication** – Emphasizing structure, legal requirements, and enterprise fund mechanics rather than reacting to commentary.
2. **Plain Language First** – Providing accessible summaries for residents alongside technical documentation.
3. **Full Transparency** – Posting supporting financial and capital documents publicly.

4. **Clear Distinction Between Planning and Authorization** – Reinforcing that capital tracking does not constitute spending approval.
5. **Structured Public Participation** – Culminating in a formal public hearing prior to any final decision.

The objective is to promote understanding and informed testimony.

III. Proposed Timeline (90–120 Days)

Phase 1 – Initial Overview (Weeks 1–3)

Objective: Establish context and explain process.

Actions:

- Launch a dedicated webpage, new section:
 - www.watertownct.org
 - Departments → Water & Sewer
 - New section: “Rate & Bonding Information Updates”
- Post a general overview explaining:
 - Enterprise fund structure
 - BAN to Bond conversion framework
 - Infrastructure and capital planning considerations
 - Frequently Asked Questions

WSA will confirm a **minimum monthly meeting schedule**, with additional meetings scheduled as needed.

Phase 2 – Technical Posting & Ongoing Updates (Weeks 4–8)

Objective: Provide supporting documentation and financial modeling transparency.

Actions:

- Post technical materials, including:
 - BAN structure and debt service projections
 - Multi-year financial scenarios
 - Capital planning summaries
- Accompany each technical posting with:
 - A plain-language summary
 - A “What This Means for Ratepayers” section

WSA meetings will continue monthly or more frequently if necessary. Summaries of key discussions will be posted online.

Phase 3 – Preliminary Rate Impact Discussion (Weeks 9–12)

Objective: Provide clarity regarding potential rate implications.

Actions:

- Post scenario comparisons illustrating possible approaches (e.g., stability-focused, accelerated debt reduction, hybrid approaches).
- Clarify statutory and governance authority related to rate setting.
- Continue plain-language summaries to accompany technical information.

Consider a workshop-style informational session which may be held if deemed appropriate. No final action would be taken during informational workshops.

Phase 4 – Formal Public Hearing (Weeks 12–16 if extended)

Objective: Provide structured opportunity for public testimony.

Actions:

- Schedule and publicly notice a formal public hearing.
- Provide advance access to all relevant documents.
- Accept testimony consistent with established meeting procedures.
- Deliberate and act consistent with legal authority and adopted policy.

If additional analysis is necessary, the review period may extend to 120 days.

IV. Direct Communication to Ratepayers

It is recommended that the WSA authorize a **direct mail notice** to all ratepayers early in the review period.

Purpose

To ensure all ratepayers are informed of:

- The ongoing review process
- Timeline and meeting schedule
- Where to access information
- How to participate

Content Overview (Plain Language)

The mailer would explain:

- The Authority is reviewing financial and capital planning information.
- No rate decision has been finalized.
- Monthly public meetings will occur during the review period.
- A dedicated website page is available for updates.
- A formal public hearing will occur prior to any final action.

The mailer will direct residents to:

www.watertownct.org

Departments → Water & Sewer

“Rate & Bonding Information Updates”

V. Website Communication Structure

The Water & Sewer webpage within the Town webpage will include:

1. Overview Summary (Plain Language)
2. Frequently Asked Questions
3. Technical Documents (with posting dates)
4. Meeting Materials and Agendas
5. Public Hearing Information

Each technical posting will include a brief explanatory summary to ensure accessibility.

VI. Role of the Water & Sewer Authority

During this review period, the Authority will:

- Meet monthly at minimum
- Schedule additional meetings as needed
- Review financial modeling and infrastructure planning
- Provide predictable updates

Town of Watertown – Office of the Town Manager

Memorandum: Proposed 90–120 Day Communication Plan – Rate Review, Budget Impact, and BAN-to-Bond Conversion

March 3, 2026

- Conduct a formal public hearing before any final rate decision

No final rate action will occur without:

- Public posting of relevant materials
 - Adequate review period
 - Opportunity for public testimony
-

VII. Integration with Capital Budget Messaging

Communications will reinforce that:

- Capital budgets are tracking tools, not automatic authorizations.
 - Enterprise funds are self-supporting and do not rely on property taxes.
 - Rate adjustments reflect actual service costs and infrastructure obligations.
 - Long-term planning promotes stability and avoids abrupt financial impacts.
-

VIII. Conclusion

This 90–120-day communication framework is intended to support transparency, predictability, and informed civic participation as the Authority evaluates financial planning and potential rate implications.

The goal is not expediency, but clarity and responsible decision-making grounded in structure and public process.

If the Authority concurs, staff will proceed with implementation of Phase 1 communications and prepare the direct mail notice for review.

FRONT SIDE

Watertown Water & Sewer Authority

Important Information for Ratepayers

Review of Rates, Infrastructure Planning & Bond Financing

The Watertown Water & Sewer Authority (WSA) has begun a structured review of financial planning and infrastructure needs related to:

- Water and sewer system operations
- Long-term infrastructure improvements
- Bond Anticipation Note (BAN) to Bond conversion
- Debt service planning and sustainability

At this time, **no final rate decision has been made.**

This review will occur over the next 90 days through regularly scheduled WSA meetings.

The purpose of this process is to ensure transparency, provide clear information to ratepayers, and allow for public participation before any action is taken.

BACK SIDE

How to Stay Informed

A dedicated webpage has been created to provide ongoing updates, including:

- Plain-language summaries
- Financial and technical documents
- Frequently Asked Questions
- Meeting dates and materials
- Public hearing information

Visit:

www.watertownct.org

Click **Departments** → **Water & Sewer**

Select **“Rate & Bonding Information Updates”**

What to Expect

- Monthly WSA meetings (at minimum)
- Public posting of financial information
- Explanation of potential rate impacts
- A formal public hearing before any final rate action

If additional analysis is needed, the review period may extend to ensure thorough evaluation.

Public Participation

Residents are encouraged to:

- Review posted materials
- Attend WSA meetings
- Provide testimony at the scheduled public hearing

All official actions are taken in public meetings and documented in meeting minutes and posted materials.

Town of Watertown Water & Sewer Authority Update



**Moving
Forward**

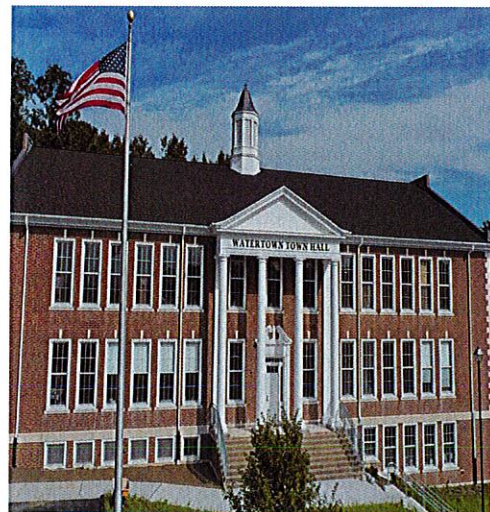


**What is
Happening
Now**



Funding

and more..



Contact Us

 info@watertownct.org

 860.945.5255

 www.watertownct.org

Moving Forward

WATER & SEWER FINANCIAL REVIEW

Over the past several months, there has been significant public discussion regarding matters involving the Watertown Water & Sewer Authority, including issues related to the Waterbury v. Watertown litigation and financial considerations affecting the Town's water and sewer systems.

With those matters now largely addressed, the Town is now focusing on:

- **Responsible financial planning**
- **Infrastructure sustainability**
- **Transparent public communication**



To support this effort, the Town Council has established a bipartisan committee to review policies and provide recommendations regarding governance and risk management associated with the Water & Sewer Authority.

What is Happening Now

Beginning **March 18, 2026**, the Water & Sewer Authority will begin a structured 90–120 day public financial review process.

This process will include:

- **Regular Water & Sewer Authority meetings**
- **Public posting of financial information**
- **Plain-language explanations of technical materials**
- **Opportunities for residents to review information and ask questions**
- **A formal public hearing before any final decision**

Important: No final rate decision has been made at this time.



How the Water & Sewer System is Funded

ENTERPRISE FUND STRUCTURE

PROPERTY TAXES Town Services

POLICE

FIRE

SCHOOLS

ROADS

ENTERPRISE FUND Water & Sewer System

FUNDED BY:

USER FEES

NOT FUNDED BY:

PROPERTY TAXES

SEPARATE

Key Point: Water and sewer services operate as an enterprise fund, meaning the system is self-supporting through user fees, not property taxes.

Revenue from water and sewer rates supports:

- System operations and maintenance
- Infrastructure repairs and upgrades
- Environmental and regulatory compliance
- Long-term capital investments
- Debt associated with major infrastructure projects



Why This Review is Important

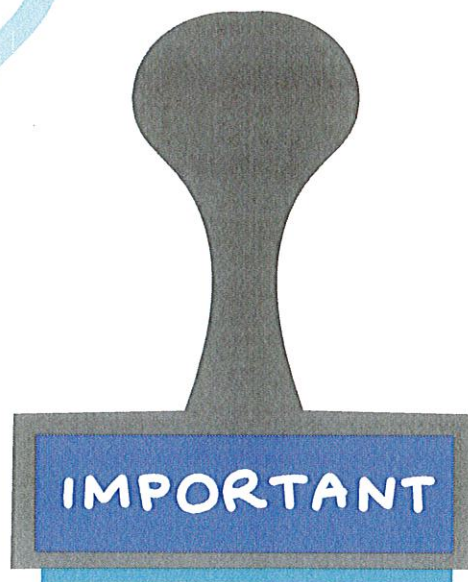
Water and sewer infrastructure lasts for decades but must be maintained and periodically replaced.

The Authority is reviewing:

- **Operating costs and treatment expenses**
- **Infrastructure replacement needs**
- **Long-term financing and debt planning**
- **Capital investment priorities**

The goal is to ensure the system remains:

- ✓ **Reliable**
- ✓ **Financially sustainable**
- ✓ **Responsibly managed for the long term**



Timeline of the Review Process

**March 18,
2026**

PROCESS BEGINS

**WSA financial review
framework Introduced**

**April
2026**

INFORMATION RELEASED

**Website materials and
public updates posted**

**May-June
2026**

PUBLIC DISCUSSION

**Financial analysis and
scenario discussions**

**July
2026**

PUBLIC HEARING

**Residents may provide
testimony before
any decision**

**August
2026**

ADDITIONAL REVIEW

**Extension period if further
analysis is required**

IF NEEDED



Follow the Process Online

Residents can review materials and updates at:
www.watertownct.org



Online materials include:

- Plain-language summaries
- Technical financial exhibits
- Meeting schedules and materials
- Frequently asked questions
- Public hearing information



What Happens Next

Over the coming months:

- **Financial information will be posted publicly**
- **The Water & Sewer Authority will review the materials in meetings**
- **Residents may attend meetings and review documents**
- **A formal public hearing will occur before any rate decision**

Public participation is encouraged throughout the process.

Our Commitment

The Town of Watertown remains committed to:

- **Transparent financial planning**
- **Responsible infrastructure investment**
- **Clear communication with residents**
- **Long-term sustainability of the water and sewer systems**



Additional updates will be shared as the review process continues.





**Town of Watertown
Water & Sewer Authority**

**For Updates Visit:
www.watertownct.org**

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Working for you

TOWN OF WATERTOWN

WATER & SEWER AUTHORITY

MEMORANDUM

To: Members, Watertown Water & Sewer Authority

From: Mark A. Raimo, Town Manager

Date: March 9, 2026

Subject: Conceptual Financial Approaches and Evaluation Framework for Long-Term Debt and Rate Planning

I. Purpose

The purpose of this memorandum is to assist the Authority in beginning policy discussions regarding how to address long-term financial obligations associated with converting the current Bond Anticipation Note (BAN) into long-term financing.

When municipal utilities face significant financial obligations, they typically evaluate several possible approaches. Each reflects a different balance between:

- Rate stability for customers
- Debt management and borrowing costs
- Long-term financial stability of the system
- Risk management and financial flexibility

The approaches described below are **not recommendations**, but conceptual policy models intended to support discussion among Authority members.

II. Conceptual Financial Approaches for Consideration

The following approaches illustrate different ways a municipal utility authority might address long-term debt and potential rate impacts.

1. Rate Stability First (Smoothing Approach)

This approach prioritizes maintaining predictable and gradual rate adjustments over time.

Key characteristics

- Conversion of the existing BAN to long-term bonding at maturity
- One-time financial resources used partly for principal reduction and partly to smooth annual debt service
- Potential recoveries placed in a restricted account to offset future debt service

Underlying value

Emphasizes intergenerational fairness and avoids abrupt or disruptive rate increases.

Tradeoff

Total interest paid over the life of the bond may be higher than under strategies that prioritize immediate debt reduction.

2. Debt Reduction First (Balance-Sheet Approach)

This approach prioritizes minimizing long-term borrowing.

Key characteristics

- One-time financial resources and recoveries applied primarily to principal reduction
- Bonds issued only for the remaining balance
- Rates address operational needs while borrowing costs are reduced

Underlying value

Strengthens the Authority's balance sheet and reduces lifetime borrowing costs.

Tradeoff

If recoveries are delayed or uncertain, temporary financing or other short-term measures may be required.

3. Hybrid Approach (Shared Benefit)

This approach combines elements of rate stabilization and debt reduction.

Key characteristics

- A portion of one-time resources reduces the amount bonded
- A portion is reserved to moderate rate impacts over several years
- Potential recoveries allocated between debt reduction and rate stabilization

Underlying value

Balances fiscal prudence with sensitivity to ratepayer impacts.

Tradeoff

Future boards must clearly understand the rationale behind the allocation of funds.

4. Wait-and-See Approach (Re-BAN for One Year)

Under this scenario, the Authority postpones conversion to long-term bonding.

Key characteristics

- The current BAN is refinanced for an additional year
- One-time resources remain invested
- Additional time is available to better understand potential recoveries

Underlying value

Provides flexibility while uncertainty remains.

Tradeoff

Deferring bonding may expose the Authority to interest-rate fluctuations.

5. Ratepayer-First Approach (Maximum Buydown)

This option prioritizes minimizing future rate increases for current customers.

Key characteristics

- Most one-time resources reduce the amount bonded
- A smaller portion cushions near-term rate impacts
- Potential recoveries directed primarily toward additional debt reduction

Underlying value

Provides visible long-term benefit to ratepayers.

Tradeoff

Fewer resources remain available for future contingencies.

6. Reserve-Building Approach (Most Conservative Posture)

Under this model, one-time resources are treated primarily as long-term financial reserves.

Key characteristics

- The Authority bonds the full or near-full required amount
- One-time resources preserved as reserves or stabilization funds
- Rates fully support ongoing debt service obligations

Underlying value

Prioritizes financial security and institutional stability.

Tradeoff

Customers may experience higher near-term rate impacts.

Exhibit A

(Insert Section Break – Landscape Page)

Conceptual Financial Approaches – Policy Comparison and Discussion Matrix

Approach	Primary Policy Focus	Near-Term Rate Impact	Long-Term Borrowing Cost	Financial Flexibility	Key Consideration	Authority Discussion / Direction
Rate Stability First	Gradual rate adjustments	Lower near-term increases	Potentially higher total interest	Moderate	Stable customer rates	
Debt Reduction First	Reduce borrowing	Higher near-term adjustments	Lower lifetime cost	Moderate	Stronger balance sheet	
Hybrid Approach	Balance stability & debt	Moderate adjustments	Moderate borrowing cost	Moderate-High	Balanced policy approach	
Wait-and-See	Preserve flexibility	Minimal immediate change	Dependent on future rates	High	Additional evaluation time	
Ratepayer-First	Reduce future debt burden	Moderate stability	Lower long-term cost	Low-Moderate	Visible benefit to ratepayers	
Reserve-Building	Financial security	Higher near-term impacts	Moderate borrowing cost	High	Strong financial reserves	

III. Evaluation Framework

When reviewing financial options, municipal utilities typically evaluate each approach using several common policy questions to ensure decisions reflect long-term sustainability.

Key Evaluation Questions

1. How will this affect rates in the near term?

Some strategies emphasize immediate rate stability, while others reduce long-term costs.

2. What are the long-term costs?

Different strategies affect total borrowing and interest paid.

3. Does this strengthen the financial position of the system?

This includes reducing debt levels or building reserves.

4. How flexible is the approach?

Some strategies allow adjustments as conditions change.

5. Is the approach fair to current and future ratepayers?

Infrastructure investments often last decades.

6. What level of financial risk does the option involve?

Each option carries different levels of financial and timing risk.

IV. Questions for Initial Authority Discussion

1. What is the Authority's primary policy priority?

- Rate stability
- Long-term debt reduction
- Reserve building
- Maintaining flexibility
- A balanced combination

2. How should one-time financial resources be used?

- Reduce total debt
- Stabilize rates
- Build reserves
- Combination of uses

3. What level of rate volatility is acceptable?

- Larger increase now to reduce long-term costs
 - Smaller phased increases over time
-

4. How important is timing certainty before issuing long-term debt?

- Bond sooner for predictability
 - Delay bonding for additional information
-

V. Closing

The conceptual approaches outlined in this memorandum are intended to frame policy discussion before detailed financial modeling is developed.

Each option represents a different balance between:

- Ratepayer impacts
- Long-term borrowing costs
- Financial risk management
- Institutional financial stability

As the Authority provides policy direction, staff can prepare detailed financial projections illustrating how each approach may affect:

- Utility rates
- Debt service obligations
- Long-term sustainability of the enterprise funds.