



TOWN OF WATERTOWN
WATER AND SEWER BIPARTISAN COMMITTEE
MONDAY, JANUARY 26, 2026, 5:30 PM

THE MEETING WAS RESCHEDULED DUE TO WEATHER RELATED ISSUES
TUESDAY, JANUARY 27, 2026, 5:30 PM

SPECIAL MEETING
MINUTES

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

1. Call meeting to order.

Meeting called to order at 5:30 p.m.

2. Roll Call.

Present: Michele McHugh

Dan Cocchiola

Joseph Chabot

Jeffrey Cheney

Absent: Adam Simonsen

3. Public Participation.

Catherine Dinsmore spoke about the taping of meetings.

Richard Rozanski spoke about the conduct of executive sessions.

4. New Business.

Interviews

No attendees for interviews.

- Bill Hedberg wrote responses to the eighteen questions and the Chair read them at the meeting.

Attached

5. Analysis of existing information and possible action.

- a. Areas of existing information and possible action
- b. Outstanding questions
- c. Additional information needed

Discussion amongst the committee regarding information received and needed information to look at.

Next meeting is February 2, 2026, next Monday at 5:30 p.m.

6. Adjournment.

Motion was made by Joseph Chabot and seconded by Dan Cocchiola to adjourn the meeting at 6:38 p.m.

Motion passed unanimously

Respectfully,

Michele McHugh, Chair



**WATERTOWN TOWN COUNCIL
PUBLIC PARTICIPATION FORM**

Date of Meeting: 1-27-26

(Please complete this form and submit it to the clerk of the Town Council if you wish to speak at this meeting)

Please Note: Three Minute Time Limit

1. I agree to a three-minute time limit;
2. I agree not to raise my voice;
3. I agree not to use lewd, obscene, profane, slanderous or libelous language or speak or act in a manner that would tend to incite a breach of the peace;
4. I agree not to speak about Town personnel matters. Personnel matters include comments about the job performance of named Town employees, other than elected officials;
5. After three minutes I agree to leave the microphone and yield the floor;
6. I agree that if I cause a disruption and am asked to leave, I will leave the Chambers.

Name: Catherine Dinsmore
(please print)

Address: 35 Reynolds Ln

Signature: _____

Written materials may be submitted to the Clerk of the Town Council. Personnel matters should be directed to the relevant Department Head and/or Supervisor or in the case of a Department Head to the Town Manager except for the Town Manager which should be directed to the Chair of the Town Council.



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Name: RICHARD ROZANSKI
(please print)

Address: 35 REYNOLDS ST.
WATERTOWN, CT 06795

Signature: Richard Rozanski

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B. Hedberg

1. Walk us through the annual budget process and how budgets are prepared and approved by finance/town manager, WSA and TC.

The proposed budget is prepared by the WSA superintendent and staff and presented to the WSA for review and comment usually in January each year. After any updates/revisions to the initial budget draft, the Superintendent submits it to the Town Manager and the Finance Director. It is not approved by the WSA per se. It is simply a recommended budget. The Town goes through a similar process of reviews for each departmental budget proposal to come up with its recommended budget for the budget referendum. Ultimately it is the voters that approve it or not.

2. Does the WSA have a formal risk management process

When I was on WSA I do not believe there was a separate WSA risk management process. Generally, the WSA would have been required to follow the Town's risk management process. I left the WSA by December 2020 and do not know whether a departmental level (augmentation of a town-wide process) has been established.

3. Looking back, where you were involved in the process, would you have done anything differently?

Differently? Yes, of course. I cannot start to address this question without first providing background and context regarding the town's interactions and negotiations with Waterbury from about 2005 or 2006 when I began serving on the WSA board until I was not reappointed (by request) after 2021. This is a complex history and cannot be easily understood from terse answers to simple questions. I can work on providing some of that background but would beg your patience.

4. Who did Waterbury communicate the change in rates to in Watertown in 2018 and who acknowledged it. How and when did that filter through WSA, through Town Council, Finance Director?

Discussions with Waterbury on the original contract, periodic updates thereto, and restructuring of the original format were ongoing from about 2010. There is a lot more to say about this but the question itself reflects a lack of understanding the history. The short answer is Waterbury communicated its intent to change the rates long before the actual new rates started to be billed in 2018. Waterbury OFFICIALLY informed Watertown of the new rates they would be billing, presumably in writing to the Town Manager, in 2017. As I recall, Waterbury went through a statutory rate setting process around that time and subsequently approved new rates for all Waterbury customers. It was no secret Waterbury was insisting Watertown pay the same quantity charges being imposed on their own customers. Therein is the heart of the entire dispute because of improper rate-setting that failed to result in fair and reasonable rates as required by statute.

Looking through some of my files just now I find a letter dated June 28th 2018 from Linda Wihbey, the Waterbury lawyer, sent to Paul Jessel. In that letter, Ms Wihbey claims written notification was previously sent in Feb 2018 and by confirming letter of June 8, 2018. The June 28 letter states "Your acceptance of water/sewer services from Waterbury on and after July 1st will reflect your acceptance of these rates.

Attorney Jessell responded to the June 28, 2018 letter by his letter dated June 29, 2018. I will attach a copy of that letter to my e-mail forwarding these written answers to the bipartisan committee.

As to the filtering, all involved were aware of developments as they occurred during that time to include the WSA Board, WSA staff, Town Manager, Town Attorney, Finance Director, and the Town Council. No one was surprised.

5. What decision makers authorized continuation of the old rates? What was the reasoning?

There was really one decision making body here making decisions on these matters at that time and it was the Town Council. The WSA, Town Manager, Town Attorney, etc. were participating in discussions to arrive at actions and strategies deemed to be in the Town's and rate-payers best interest but the ultimate final decision was made by the duly elected representatives of the voters.

During all these deliberations, the strategy of paying against the billing what all involved collectively believed would be "fair, equitable, and reasonable rates", surfaced. At the time it seemed an attractive strategy that might get us to fairer rates than the "out of left field" Waterbury demands. All hoped Waterbury might finally come around and temper their viewpoint that would make some version of updated rates more palatable. On the merits, Watertown should have prevailed in the court case due to Waterbury's rate-setting failures resulting in indefensible unfair and inequitable rates.

6. Who received legal advice/warnings about the liability

This is not a very good question. The Town Attorney dispensed "legal advice" to all involved town employees and members of boards and commissions. As to "warnings about the liability", the matter was a dispute which would need to be resolved. It was no secret if the matter went to court Watertown might lose.

7. Who did this advice come from and how and when was it communicated to WSA, TC, the community

As stated above, the Town Attorney was the primary giver of legal advice. These communications were provided to TC and WSA regularly and periodically throughout. Because of the lawsuit, the community at large was not directly given legal advice and/or liability warnings of which I am aware. The community's elected representatives represent the community at large in such matters, imho.

8. Were there any oversight mechanisms and if so, did they fail?

Question is too vague to elicit a reasoned response.

9. What communication was relayed and documented for the people who came into position after this time (2018 and on)?

Continuing WSA board members worked with new members to "bring them up to speed" by making them aware of the situation to include the basic history, status, process being pursued and fully integrating new members in the matters going forward. There would be scant documentation of the communication because it was done during executive sessions because of the lawsuit.

10. In the 2018-2019 budget year, what was the communication and who was involved in the conversation around following the legal advice.

See answer to questions 4 and 5.

11. In 2012, there was a long term contract that expired, and then a 5 year contract was signed. Why did the 5 year contract look so different, who signed it and authorized it?

This might be a long answer so fasten your seat belts.

The so called "long term contract" had been in place for many years. If I remember correctly, that long term contract had to be renewed every 5 years. It didn't really expire in 2012 but was replaced by a new contract that was negotiated and agreed to in 2012 that specified the new rates under the new contract which began being charged in 2013. The only reason the long term contract was replaced was because Waterbury REFUSED to agree to extending it again.

Why did it look different? First, consider how the original contract operated. The basics of it were that Watertown agreed to help pay for upgrading the water plant on Wigwam reservoir and wanted to reserve up to 3 million gallons of treated water which would be sufficient to account for growth needs. That much water is around 8 to 9 percent of the plant capacity. Watertown bonded to pay for its share of the upgrade for a good number of years. The bond payments for that contribution were around \$400,000 annually if I remember correctly but that varied like a variable interest loan with a reducing outstanding balance. For the water Watertown actually received, Watertown would pay its proportion of plant production (Watertowns meter usage/plant production) times total Plant production costs taken from Waterbury's accounting system and billed quarterly. In addition, Watertown paid for its pro rata share of the operation and maintenance costs of Waterbury's Water Main from Wigwam reservoir to our Fern Hill pump station and further to the Carvel meter pit on Straits Turnpike. The items described above are the only costs that Waterbury incurs from which Watertown derives any benefit. Said another way, If Watertown was not getting water from Waterbury and hence paying nothing, then Waterbury would be monetarily in the same place as it is when providing water to Watertown under the terms of the old contract. Except the old contract also included an additional 10% cost to the cost reimbursement to Waterbury so that Waterbury was able to enjoy profit to that extent, just because, by selling its water to Watertown.

The contract that was agreed to in 2012 looked so different because it changed the structure to the new format. As a result, Waterbury no longer had to submit information from its financial system for review by Watertown quarterly as part of the invoicing process. Instead of the quantity charge (per 1000 gals, or whatever) what Waterbury was charging its customers, Waterbury agreed to reduce that charge for the first 5 years under the new contract. That agreed rate was a huge increase over the costs Waterbury was experiencing due to serving Watertown. It was a huge increase over what WSA was paying under the old contract. It was still well below what Waterbury's quantity rate (per 1000 gals, or whatever) was charging its own customers.

The Town Council had to give the Town Manager, Chuck Frigon, the authority to sign the contract. At least that is what should have happened if it did not.

12. What contract negotiations happened at this time in 2018 around this issue?

I have no details of negotiations at that time but I do know there were sit down sessions with Waterbury several times a year starting around 2014 or so until the lawsuit in 2018 in addition to written correspondence and occasional telephonic contact.

13. Who actually sets the rates, WSA? Finance? Town Council? Who has the final say?

The Statutes designate the local utility as responsible for setting rates which are fair and equitable. There are also strict procedural requirements. While I was on WSA, it would have been unthinkable for WSA to make a rate decision against the desires of the Town Council. We would always work hard to come to a consensus among WSA, Town Council, Finance Director, Town Attorney, and Town Manager.

14. What is the current billing practice to the Watertown residents?

Read the meter, prepare the bill consistent with the approved rates and fees, and send the bill by mail. There is nothing particularly unique or interesting.

15. In 2023, the legal strategy to appeal, what went into it? Who decided it? And who was made aware?

I was not involved but it likely was the same or similar procedure that was followed in arriving at the 2018 decision used to not make full invoiced payments and explained in the reasoning discussed in Answer 5.

16. How was the legal strategy decided that shifted us from an \$18M hold to a \$34M hold?

I am unaware of these details. I do know the so called accrued interest at 18% on perceived debts of losers in civil cases, particularly for large amounts owed that take a long time to judgment quickly adds up.

17. Financially, why was a reserve not created to offset the liability in 2023 or even before, when it was disclosed as a liability in the audited financials? Why was this not disclosed in the prior financials?

In 2008 Waterbury had already informed Watertown that they would not extend the original contract after 2012 and would be imposing the waterbury quantity rate to Watertown. The WSA hired a consultant to do a rate study in the 2009-2010 time frame in anticipation of having to pay more to Waterbury. The study recommended increasing rates to WSA customers. The WSA approved rate increases totaling 25% at 5% per year over 5 years starting in 2010 give or take a year. You could consider that conceptually the beginning of a reserve. The thought was to avoid the need for a big rate increase in the future would be better and more acceptable to the WSA customers. As it turned out that reserve did delay the need for additional increases because the additional revenue from the 2010-2015 5 year 5% increases retained a decent fund balance for awhile after the new Waterbury rates went into effect as explained toward the end of answer 11.

Due to stagnation in the discussions to have fair and equitable rates in 2018, the WSA again began another round of annual rate increases to WSA customers beginning in 2015 because of the uncertainty where the Waterbury costs might finally land. Those increases certainly helped by providing some millions of dollars the absence of which would have made a bad outcome even worse. I might add the WSA can only create a reserve and fund it by raising rates.

I am not sure what triggers certain disclosures in the financial reports and

whether there is any distinction between a financial liability and a potential financial liability. I cannot believe there was any intent in the preparation of any of those annual reports to omit a required disclosure.

18. What is the relationship with the Fire District, WSA, and the town and what conversations have been had regarding their involvement and the disputes? What is the contract? How do they operate together

There are contractual agreements between WSA and the Fire District. I am not familiar with the details.