FIFTEEN ROPE FERRY ROAD
WATERFORD, CT 06385-2886

Town of Waterford

PHONE 860-442-0553
www.waterfordct.org

Public Works, Planning & Development Committee **Meeting Minutes—July 20, 2026**

Members Present: Jim Bartelli, Guy Calkins, Ted Olynciw
Members Absent: Kyrah Augmon-Bossa, David Sugrue
Also Present: Utility Commission Director Jill Stevens and Commission members, RTM Moderator Susan Driscoll

1. Call to order: Chair Calkins called the meeting to order at 6:05 p.m.
2. Public comment: None.
3. Previous Minutes: Motion by Olynciw, second by Bartelli, to approve the March 27, 2024, minutes as presented. Members expressed concerns about voting when none attended the meeting. Moderator Driscoll noted that the Town Attorney reassured others in this situation that it is an acceptance more than an attestation, and in this case the previous members had not mentioned errors during the years the minutes were publicly posted.
   Voice vote: Unanimous   Motion passed.
4. Consideration of/possible action on items referred to committee:
   - Review findings of sewer rate study: Dave Fox of Raftelis presented the sewer rate study and fielded questions from PWPD Committee members. Full study attached; overview follows here:

   Purpose of the Rate Study:
     - Explore options to ensure long-term financial and operational sustainability and viability for Waterford's sewer system
     - Analyze impacts to revenue and customers due to any rate increases
     - Enable the Enterprise Fund to be self-sufficient (i.e., fully cover capital costs) instead of current reliance on Town funds. This will improve financial and operational sustainability, as well as equity among residents

   Current Industry Trends and Challenges:
     - Sewer bills across the country are increasing by 6% per year, on average; yet Waterford has not reviewed or revised rates since 2009.
     - Rising inflation and declining consumption are two of the four biggest challenges impacting utilities throughout the country

   Brief discussion followed to clarify next steps. Committee will resume deliberations after the Utility Commission holds a public hearing on their proposed rate increases; tentatively scheduled for August 25, 2026.
   - Fair Rent Commission: Brief discussion on creating new ordinance, with public hearing and Town Attorney oversight; sample ordinances from other towns will be provided to members for future deliberations.
   - Short-Term Rentals: No discussion.
5. Consensus to tentatively schedule next meeting for September 14, 2026, 6 p.m.
   Adjournment: Motion by Bartelli; second by Olynciw to adjourn at 6:55 p.m. Voice vote: Unanimous.

Submitted by
Guy Calkins, PWPD Chair

encl: Sewer Rate Study Presentation

Town of Waterford, CT

FY 2026 Sewer Rate Study

Recommended Rate Presentation

July 20, 2026

RAFTELIS

Who is Raftelis?

The most experienced utility financial and management consulting practice in the nation.

Raftelis has provided financial/ organizational assistance for

1,700+

public agencies and utilities

that serve more than

25%

of the U.S. population

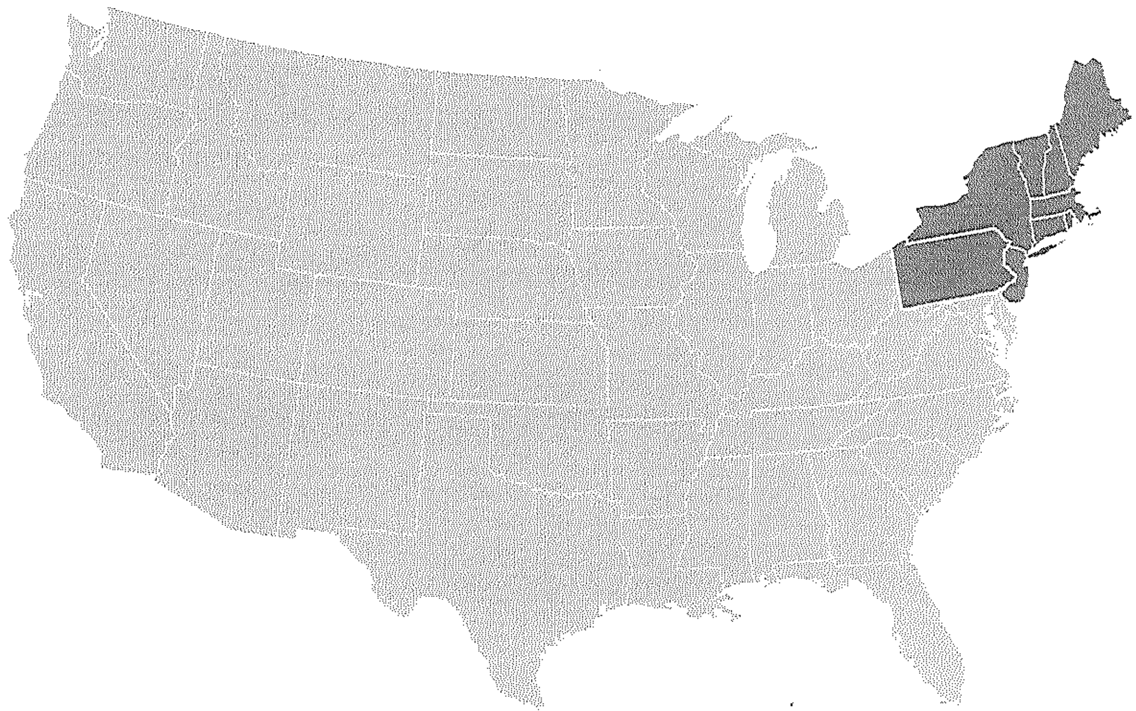
including the agencies serving

41

of the nation's 50 largest cities

Regional Experience

We have personally worked with 75+ utilities across New England and the Northeast, ranging from small village districts to large cities such as Boston

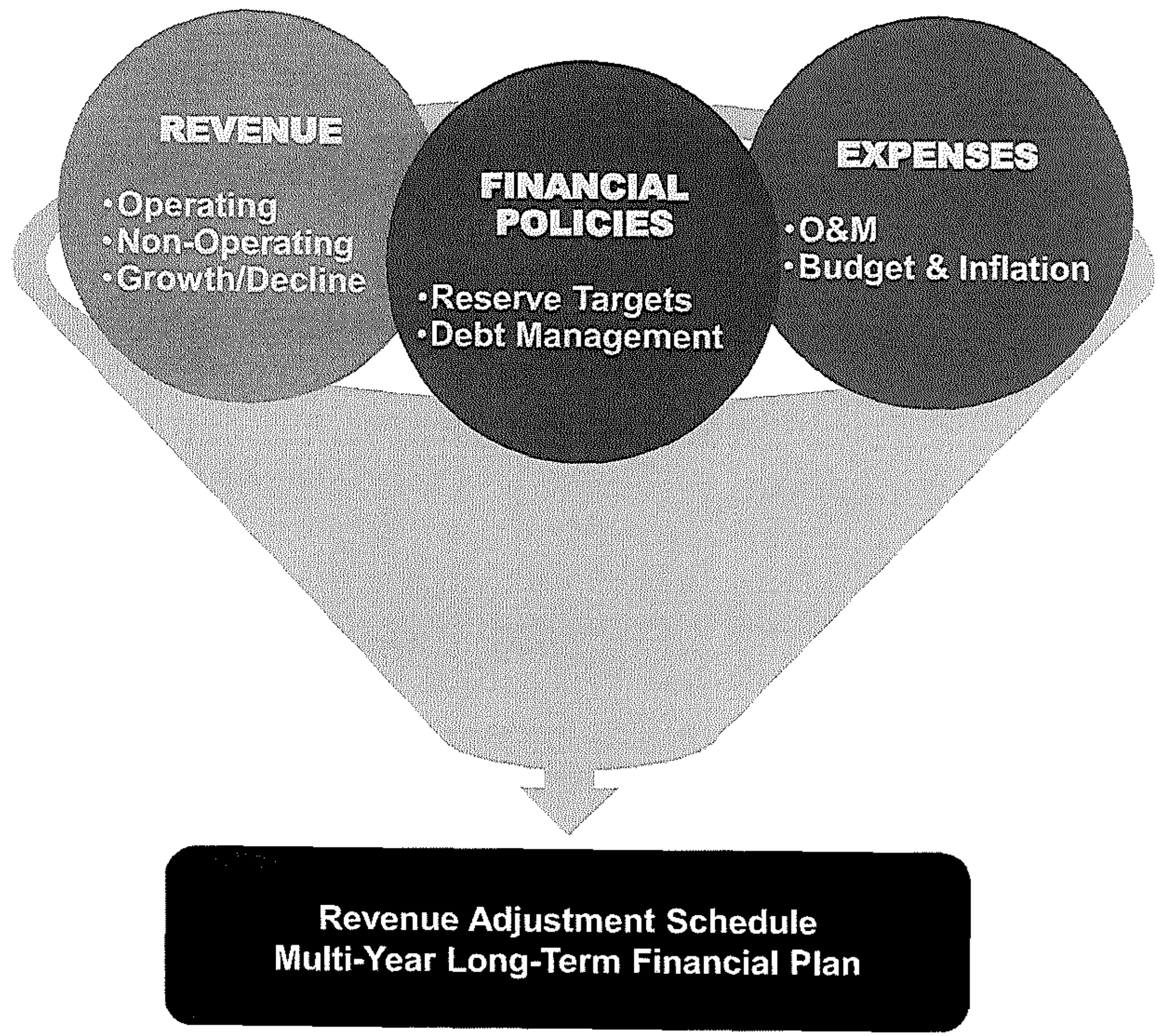


Overview of the Rate Study

- Purpose of the Rate Study:
  - Explore options to ensure long term financial sustainability and viability for the Waterford Sewer Utility
  - Analyze impacts to revenue and customers due to any rate increases
  - Enable Enterprise Fund to be self-sufficient (i.e., fully cover capital costs) instead of current reliance on Town Funds
    - This will improve financial and operational sustainability, as well as equity amongst residents
- Current Industry Trends and Challenges:
  - Sewer bills across the country are increasing by 6% per year, on average, according to the American Water Works Association
  - Inflationary impacts and declining consumption are two of the biggest challenges impacting utilities throughout the country

Financial Plan

Financial Plan models yearly cash flow and reserve balances



Enterprise Fund Reserves Key Points

- Reserves help the utility move toward financial self-sufficiency and sustainability
- Reserves can help prevent the need for rate hikes in response to emergency expenses or revenue shortfalls, providing customers with rate stability, and the Commission with resources to meet emerging system requirements
- Industry best practices recommend sewer reserve funds maintains a higher relative cash balance than municipal general funds due to the volatility of sewer revenues
- **The Enterprise Fund balance is currently healthy, and the study's goal is to maintain the Fund in good financial standing**

Financial Plan Assumptions

Revenue Requirement Assumptions for Rate Study

- Financial model uses the FY 2026 Budget ($4.4 million) as the basis for future O&M projections
- Operating expenses are projected to increase by an average of 3.0% each year during the forecast period
  - Due to current understaffing two new Utility Commission personnel are included to begin in FY 2028
- Capital costs are projected to be approximately $11 million over the next five years, funded mainly through proposed bonding/borrowing
  - Historically capital costs have been funded through the General Fund, this study is built upon a fundamental change in the approach to funding capital which would have the Enterprise Fund become fully self-sufficient

Enterprise Fund Overview

Revenue Requirements	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Salaries	$1,670,581	$1,720,698	$1,947,319	$2,005,739	$2,065,911	$2,127,888
Services	$2,198,350	$2,264,301	$2,332,230	$2,402,196	$2,474,262	$2,548,490
Supplies	$221,230	$227,867	$234,703	$241,744	$248,996	$256,466
Equipment	$265,000	$272,950	$281,139	$333,282	$343,280	$353,579
Capital - Cash	$106,000	$407,880	$232,467	$162,554	$185,709	$0
Capital - Bonding/Borrowing	$0	$0	$115,950	$267,441	$395,804	$520,848
Total: Revenue Requirements	**$4,461,161**	**$4,893,696**	**$5,143,807**	**$5,412,956**	**$5,713,963**	**$5,807,271**

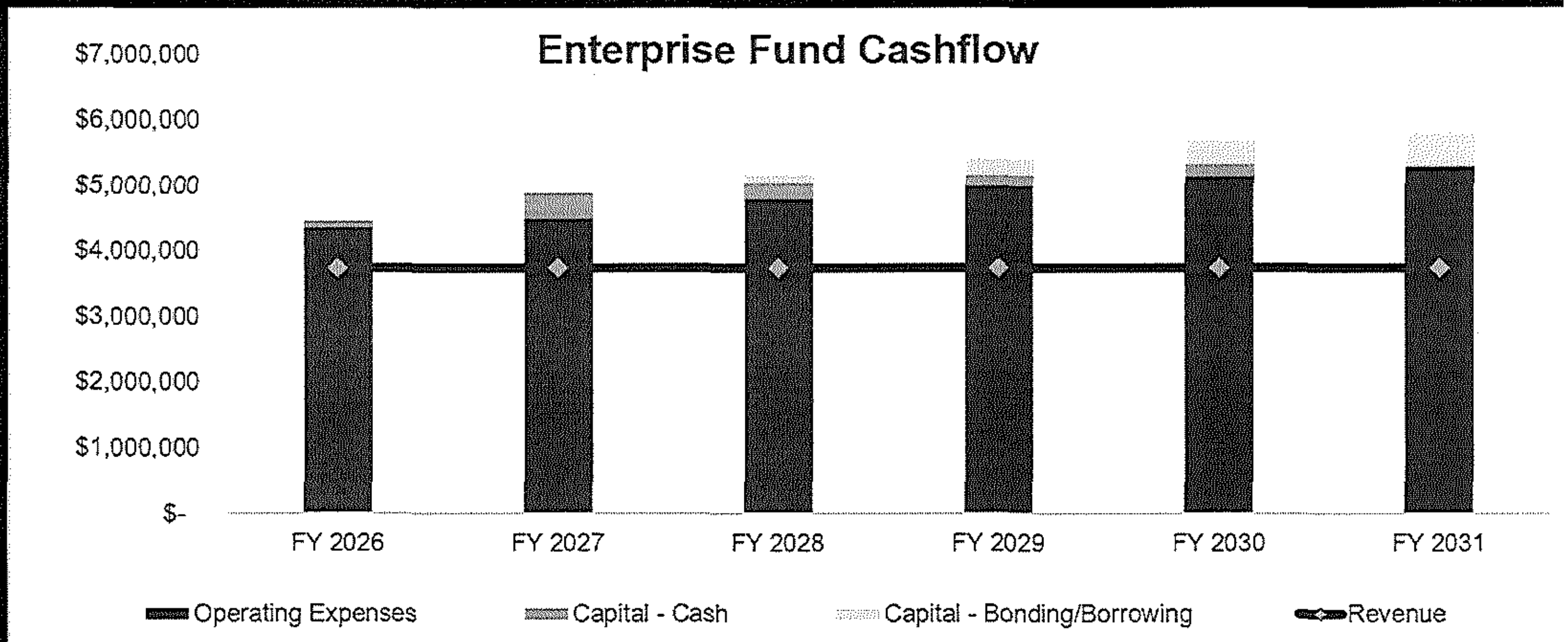
- Total revenue requirements are projected to increase by an average of approximately 5% per year
- Without a rate increase, the Enterprise Fund's reserves are expected to become negative in FY 2029

Revenue Assumptions for Rate Study

- Sewer EDUs will remain flat throughout the forecast period
  - Residential Accounts: 7,027
  - Non-Residential: 2,711
- Sewer generation will remain flat throughout the forecast period
  - Residential: 391,370 CCF per year
  - Non-Residential: 142,684 CCF per year

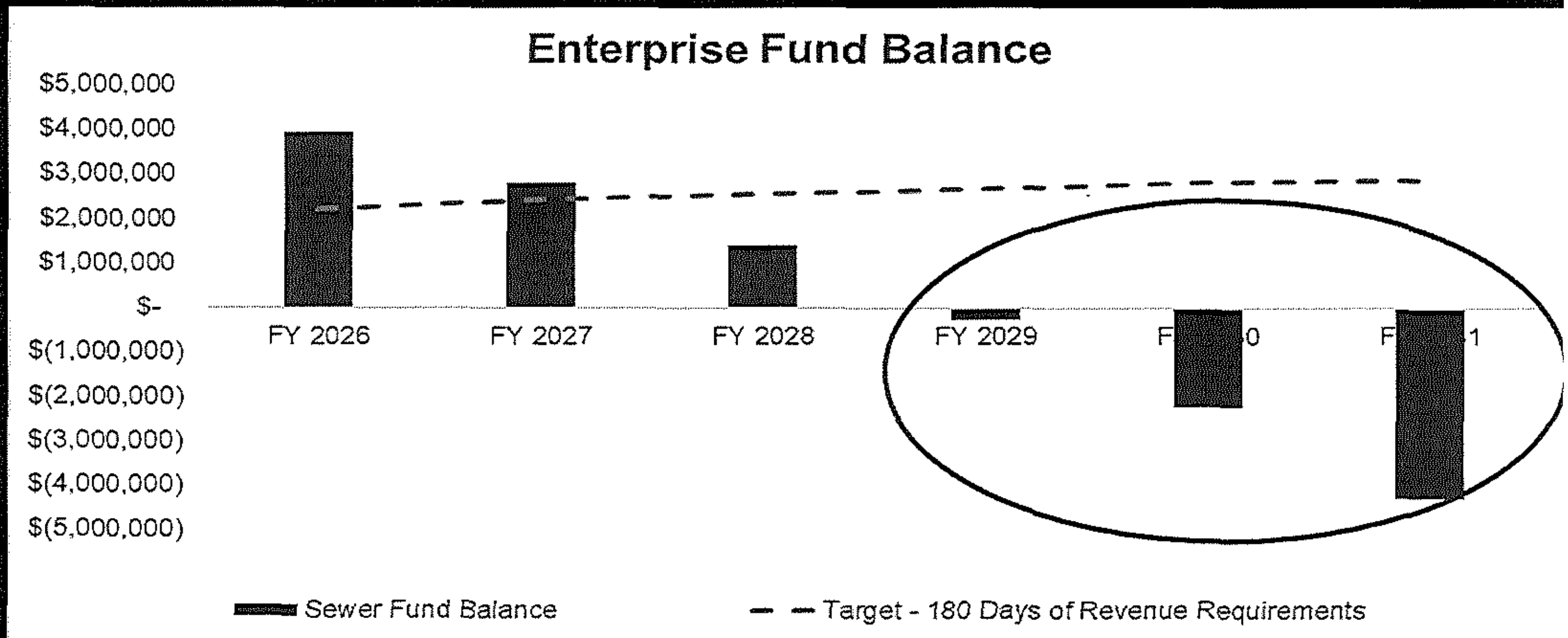
Financial Plan

Projected Enterprise Fund Cash Flow with No Rate Increases



Projected Enterprise Fund Reserves Balance with No Rate Increases

*We recognize that negative fund balances are not realistic, however this graphic demonstrates the need for rate increases



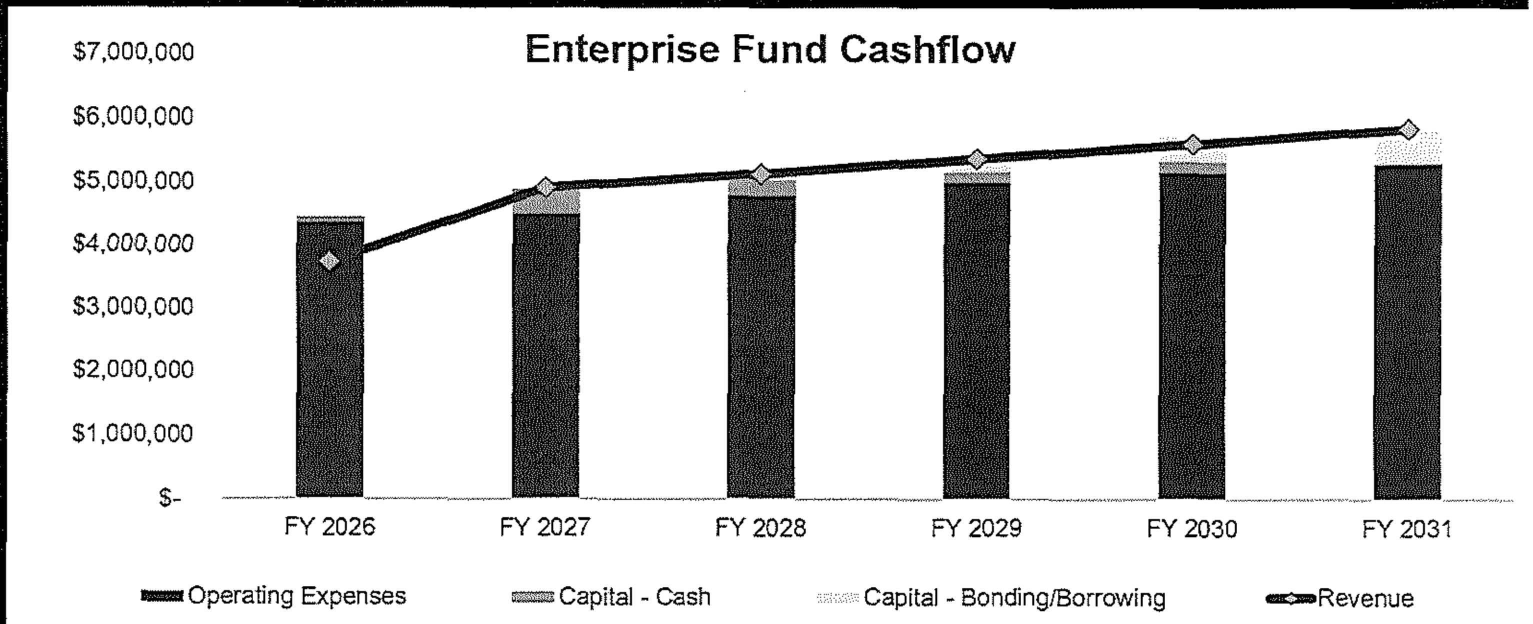
Recommended Rate Increases

- In order to ensure financial independence and sufficiency, the Enterprise Fund requires rate increases
- Rates were last increased in 2009
- The following rate increases are recommended:

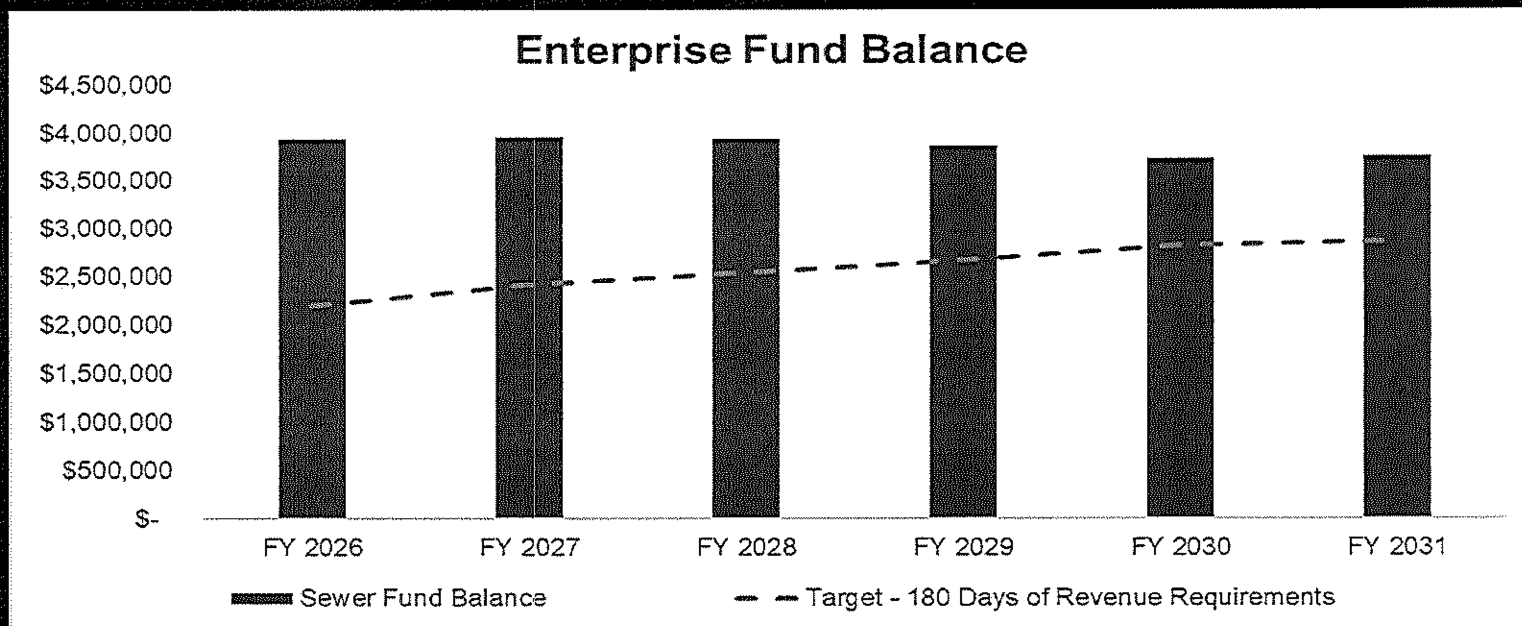
	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
35% Fixed / 65% Volumetric					
Volumetric	66%	4.5%	4.5%	4.5%	4.5%
Fixed Charge	-4%	4.5%	4.5%	4.5%	4.5%

- If revenues are not increased, the General Fund will need to subsidize the Enterprise Fund in the amount of approximately $1.7 million annually

Proposed Enterprise Fund Cash Flow with Rate Increases



Proposed Enterprise Fund Reserves Balance with Rate Increases



Rates

Recommended Rate Schedule

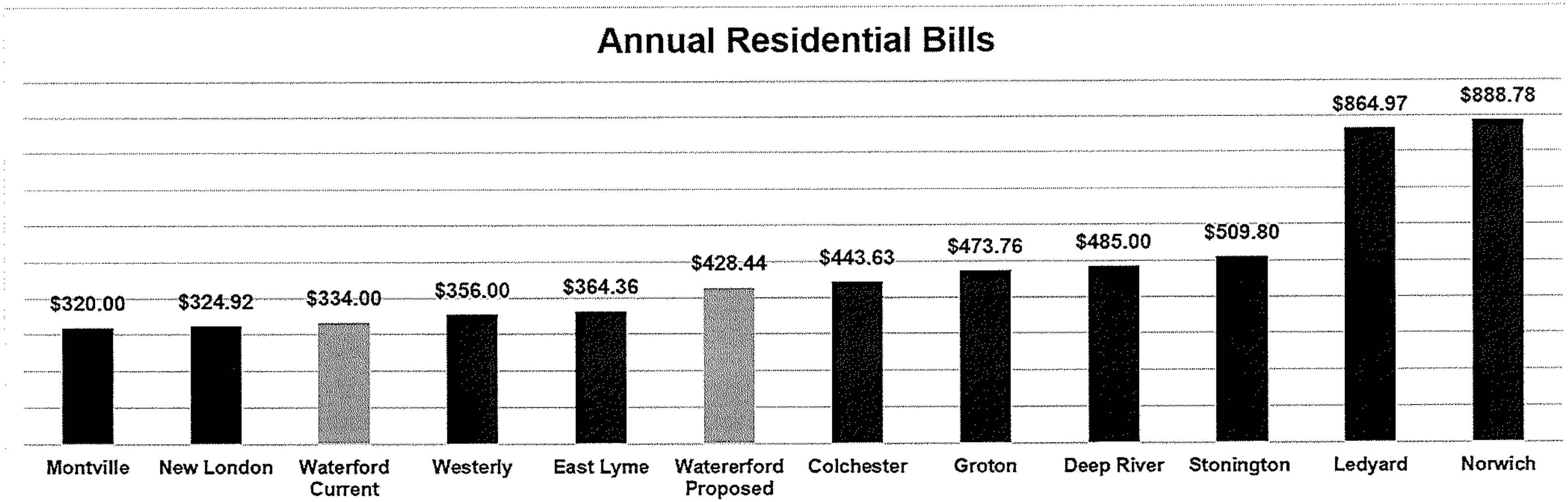
- In order to ensure financial sufficiency, the Enterprise Fund requires the following rate schedule:

Quarterly Sewer Rates		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Volumetric Rate (per CCF)		Current Rates					
All Customer Usage		$3.50	$5.81	$6.07	$6.34	$6.63	$6.93
Residential Base Charge	EDUs						
All Meters	1	$45.00	$43.20	$45.14	$47.18	$49.30	$51.52
Non-Residential Base Charge	EDUs						
5/8"	2	$90.00	$86.40	$90.29	$94.35	$98.60	$103.03
3/4"	2	$90.00	$86.40	$90.29	$94.35	$98.60	$103.03
1"	2.6	$117.00	$112.32	$117.37	$122.66	$128.18	$133.94
1 1/2"	5.8	$261.00	$250.56	$261.84	$273.62	$285.93	$298.80
2"	10.24	$460.80	$442.37	$462.27	$483.08	$504.82	$527.53
3"	23.04	$1,036.80	$995.33	$1,040.12	$1,086.92	$1,135.83	$1,186.95
4"	40.96	$1,843.20	$1,769.47	$1,849.10	$1,932.31	$2,019.26	$2,110.13
6"	92.16	$4,147.20	$3,981.31	$4,160.47	$4,347.69	$4,543.34	$4,747.79
8"	163.84	$7,372.80	$7,077.89	$7,396.39	$7,729.23	$8,077.05	$8,440.51
10"	256	$11,520.00	$11,059.20	$11,556.86	$12,076.92	$12,620.38	$13,188.30
12"	368.64	$16,588.80	$15,925.25	$16,641.88	$17,390.77	$18,173.35	$18,991.15

Community Bill Comparison

Community Bill Comparison

- Residential Customer using 11 CCF per Quarter (typical)

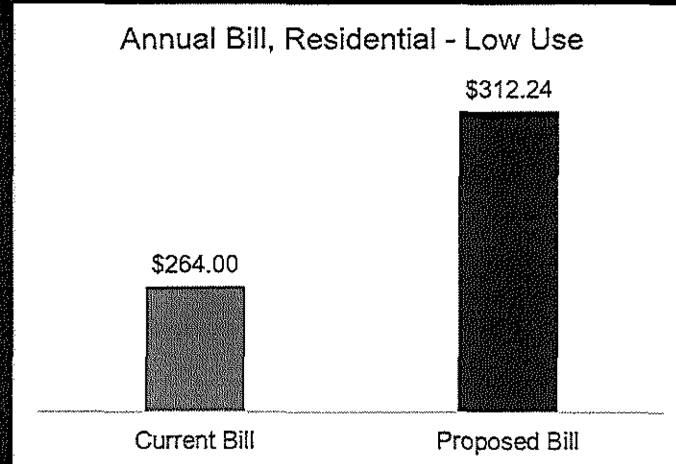


Customer Financial Impacts

Residential Low Volume Annual Bill

– 6 CCF/quarter
(24 CCF/year)

– Approximately 28% of residential bills are projected to be at or below 6 CCF/quarter



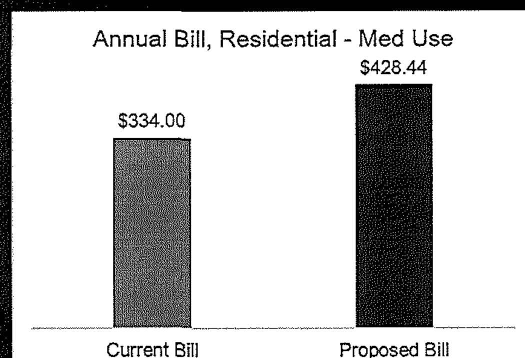
	Proposed Bill
Annual ($)	$48.24
Quarterly ($)	$12.06
Monthly ($)	$4.02
Daily ($)	$0.13
% Change	18.3%

Residential Typical Volume Annual Bill

– 11 CCF/quarter
(44 CCF/year)

– Approximately 52% of residential bills are projected to be at or below 11 CCF/quarter

– Industry affordability measures consider a total annual sewer bill for a typical customer exceeding 2.0% of Median Household Income to be unaffordable. Even with the rate increases, Waterford's measure is 0.6%.

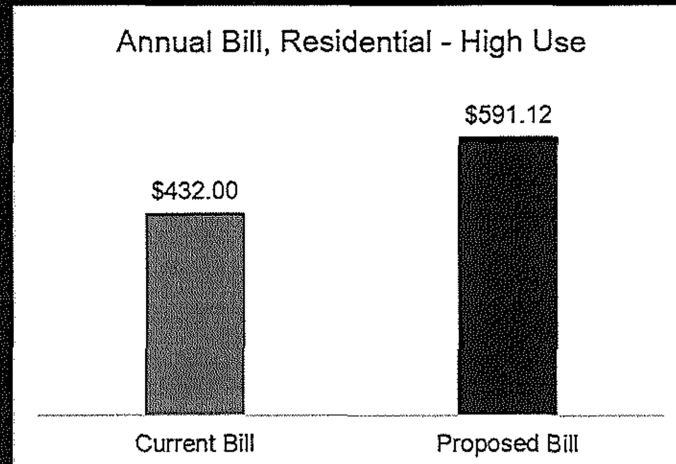


	Proposed Bill
Annual ($)	$94.44
Quarterly ($)	$23.61
Monthly ($)	$7.87
Daily ($)	$0.26
% Change	28.3%

Residential High Volume Annual Bill

– 18 CCF/quarter
(72 CCF/year)

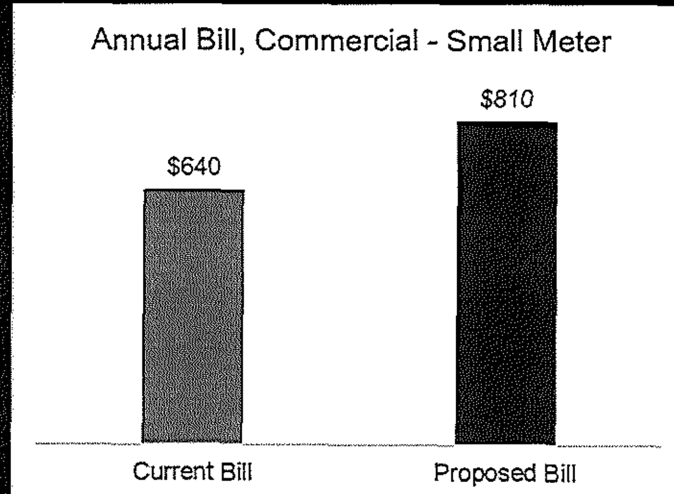
– Approximately 76% of residential bills are projected to be at or below 18 CCF/quarter



	Proposed Bill
Annual ($)	$159.12
Quarterly ($)	$39.78
Monthly ($)	$13.26
Daily ($)	$0.44
% Change	36.8%

Commercial Small Meter Avg Volume Annual Bill

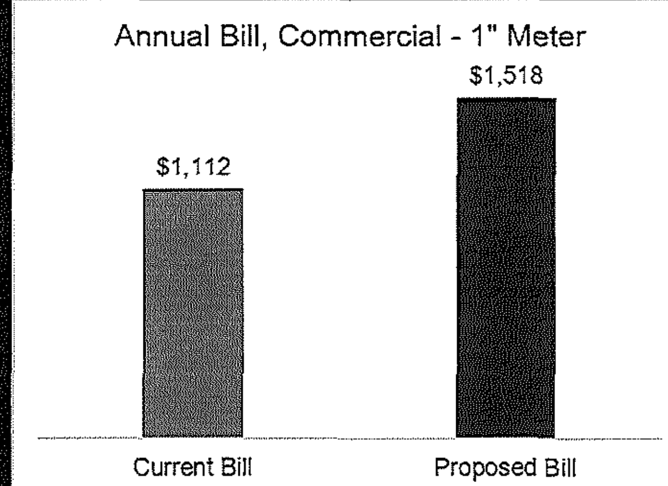
– 20 CCF/quarter (80 CCF/year)
– 2 EDUs



	Proposed Bill
Annual ($)	$170.40
Quarterly ($)	$42.60
Monthly ($)	$14.20
Daily ($)	$0.47
% Change	26.6%

Commercial 1" Meter Avg Volume Annual Bill

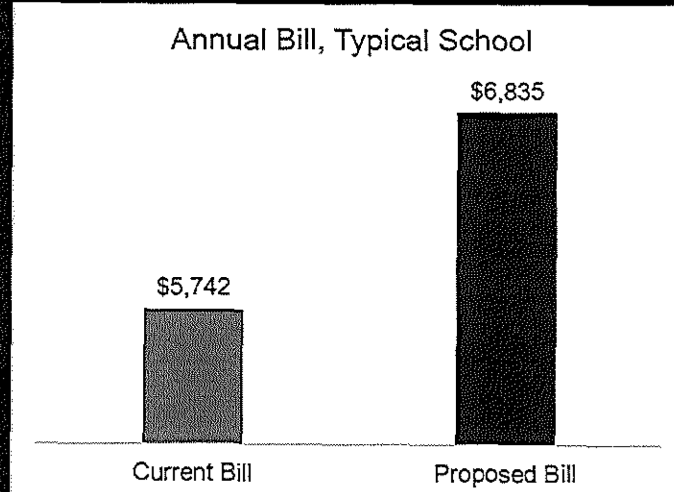
– 46 CCF/quarter
(184 CCF/year)
– 2.6 EDUs



	Proposed Bill
Annual ($)	$406.32
Quarterly ($)	$101.58
Monthly ($)	$33.86
Daily ($)	$1.11
% Change	36.5%

Typical School Annual Bill

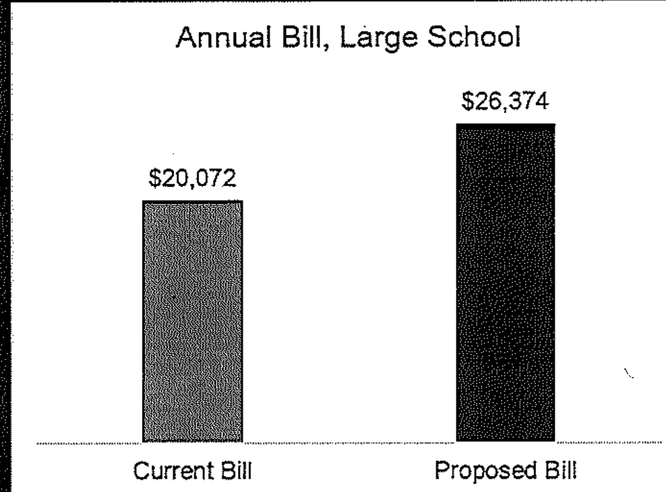
– 135 CCF/quarter (540 CCF/year)
-21.4 EDUs



	Proposed Bill
Annual ($)	$1,093.32
Quarterly ($)	$273.33
Monthly ($)	$91.11
Daily ($)	$3.00
% Change	19.0%

Large School Annual Bill

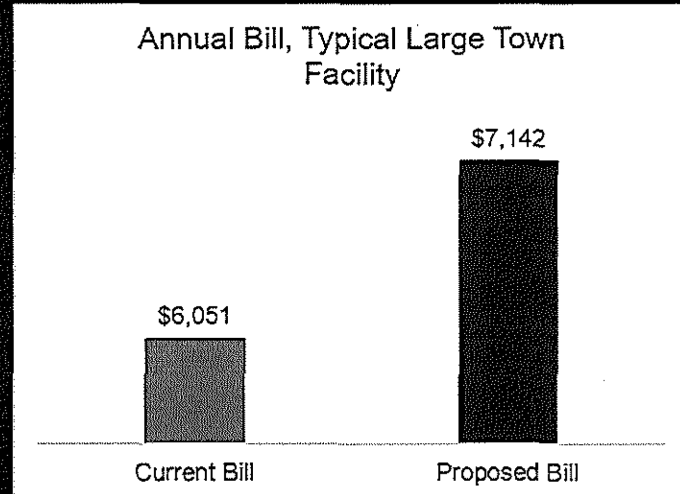
– 725 CCF/quarter (2,900 CCF/year)
- 55.12 EDUs



	Proposed Bill
Annual ($)	$6,302.14
Quarterly ($)	$1,575.53
Monthly ($)	$525.18
Daily ($)	$17.27
% Change	31.4%

Typical Large Town Facility Annual Bill

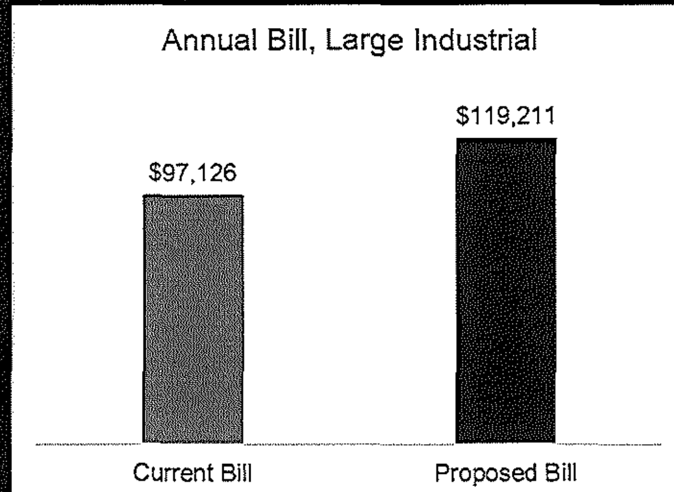
– 136 CCF/quarter
(544 CCF/year)
- 23.04 EDUs



	Proposed Bill
Annual ($)	$1,090.75
Quarterly ($)	$272.69
Monthly ($)	$90.90
Daily ($)	$2.99
% Change	18.0%

Large Industrial Annual Bill

– 2,650 CCF/quarter (10,600 CCF/year)
- 333.48 EDUs



	Proposed Bill
Annual ($)	$22,084.94
Quarterly ($)	$5,521.24
Monthly ($)	$1,840.41
Daily ($)	$60.51
% Change	22.7%

RAFTELIS

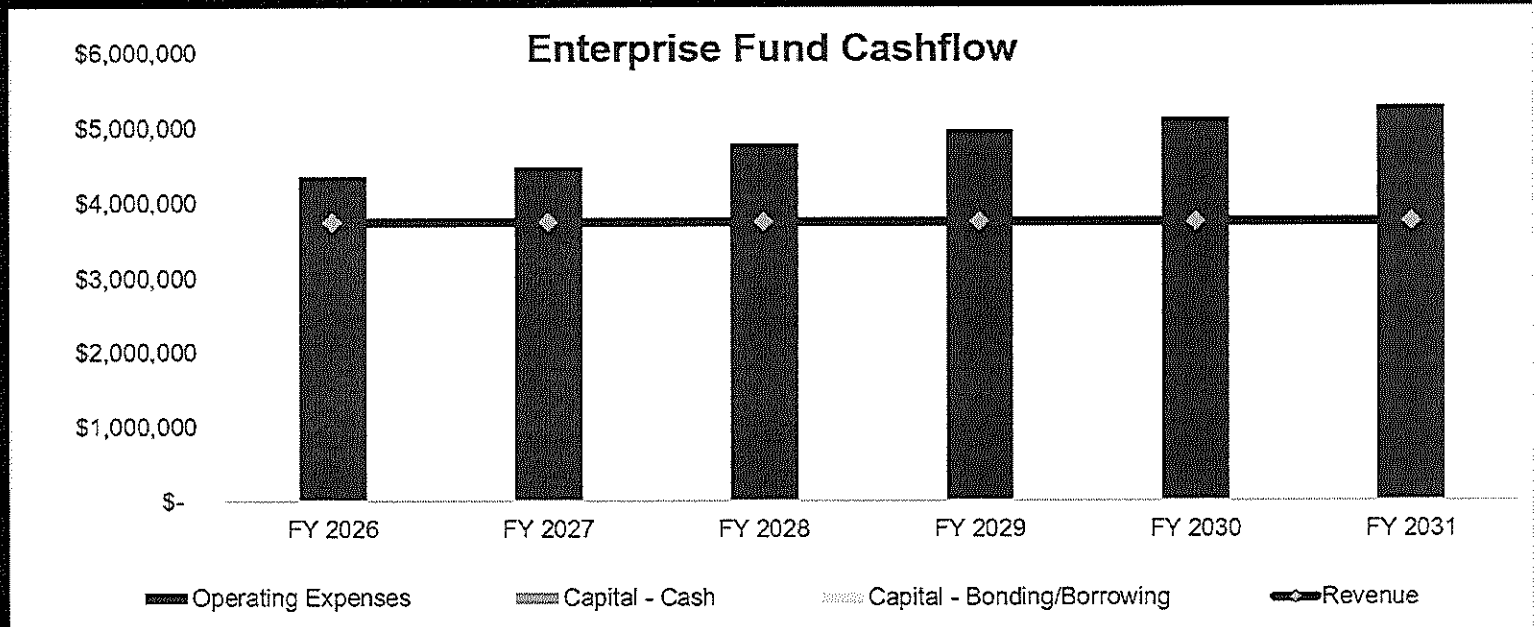
Thank you!

Contact: Cameron Okie
203 856 4182 cokie@raftelis.com

Dave Fox
774 243 0619 / dfox@raftelis.com

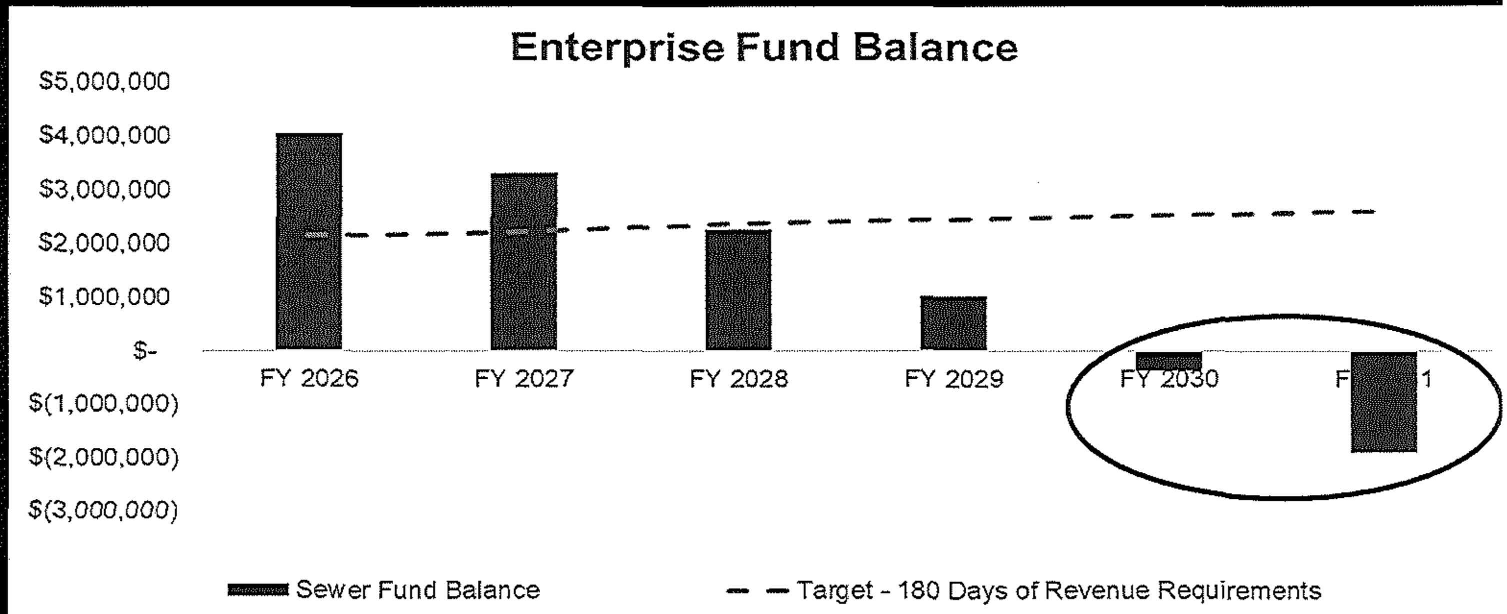
Projected Enterprise Fund Cash Flow with No Rate Increases

General Fund Paying for Capital Expenses



Projected Enterprise Reserves Balance with No Rate Increases

General Fund Paying for Capital Expenses



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