WATERFORD UTILITY COMMISSION
Regular Meeting and Public Hearing

DATE: August 25, 2026

PLACE: 15 Rope Ferry Road, Town Hall Auditorium

PRESIDING: Acting Chairman Ray Valentini

MEMBERS PRESENT: Jerry Porter, Beth Sabilia, and Ryan Boyle

MEMBERS ABSENT: Chairman Ken Kirkman

ALSO PRESENT: Attorney Nicholas Kepple, Town Counsel
David Fox, Raftelis Consultant
Cameron Okie, Raftelis Consultant

Staff: Jill Stevens, Director of Utilities
Shawn Matthews, Assistant Director of Utilities
Amy Windle, Office Coordinator/Recording Secretary

CALL TO ORDER
Acting Chairman Valentini called the meeting to order at 6:00 pm

PUBLIC HEARING FOR PROPOSED SEWER RATE INCREASE AS ADVERTISED ON 8/11/26 & 8/14/26
Acting Chairman opened the Public Hearing at 6:00 pm

Director Stevens introduced the proposed sewer rate increase and explained that the Utility Department is funded primarily through sewer charges rather than property taxes. She emphasized the need for financially sustainable rates to maintain reliable wastewater service, protect public health and the environment, and preserve Waterford's waterways and natural resources before introducing the Commission's consultant from Raftelis.

David Fox and Cameron Okie of Raftelis attended the public hearing. Mr. Fox presented the findings of the wastewater rate study and reviewed the proposed sewer rate structure. A copy of the presentation is attached to these minutes.

PUBLIC COMMENT
Andrea Kanfer of Baldwin Drive thanked the department for their hard work.

CLOSING OF PUBLIC HEARING
Acting Chairman Valentini closed the Public Hearing at 6:35 pm

ADJOURNMENT
With no further business before the Commission, the meeting adjourned at 6:35 p.m.

MOTION Made by Ms. Sabilia to adjourn, Mr. Porter seconded.

VOTE The motion passed unanimously.

Respectfully submitted,

Amy Windle
Recording Secretary

Town of Waterford, CT

FY 2026 Sewer Rate Study

Public Hearing

August 25, 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

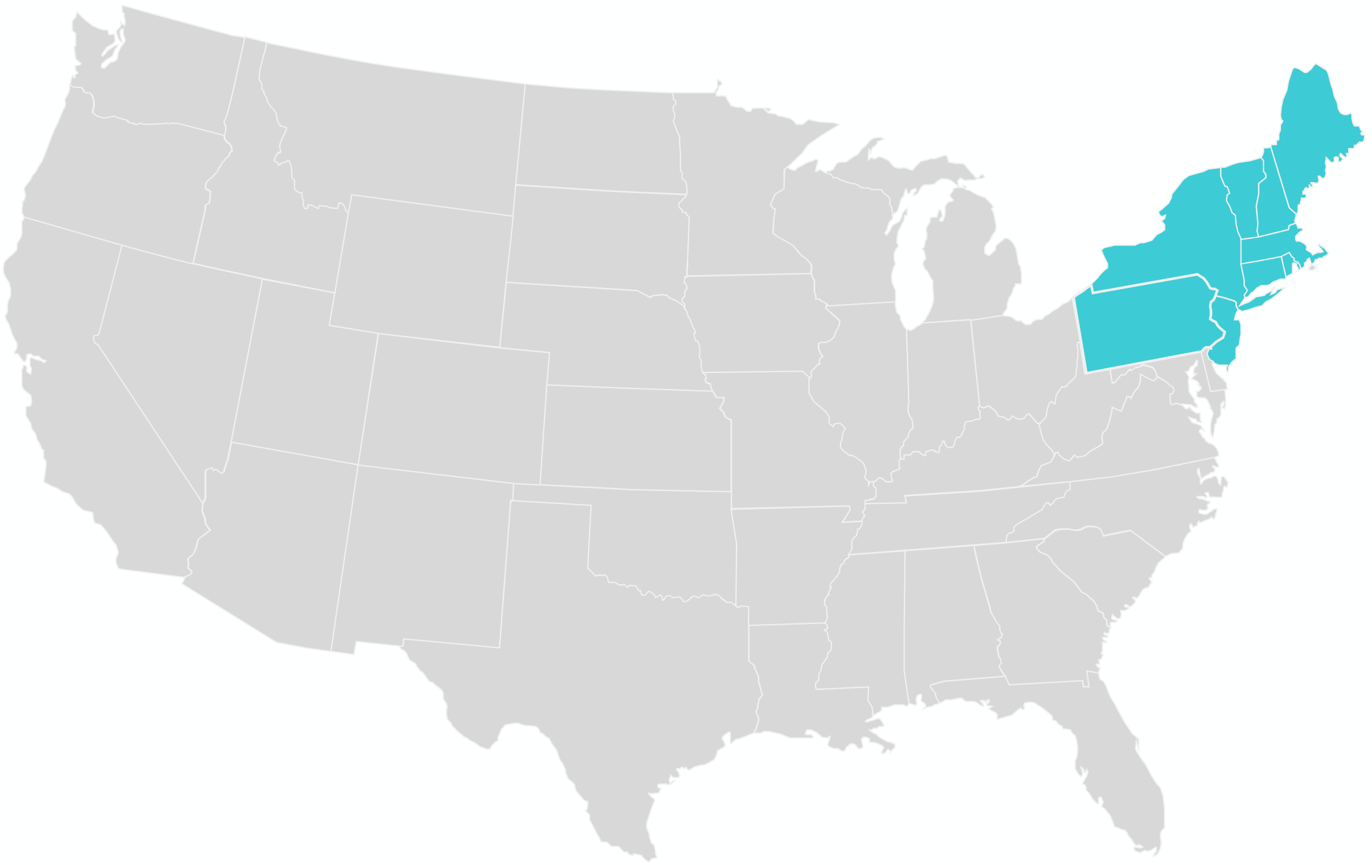
including the agencies serving

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

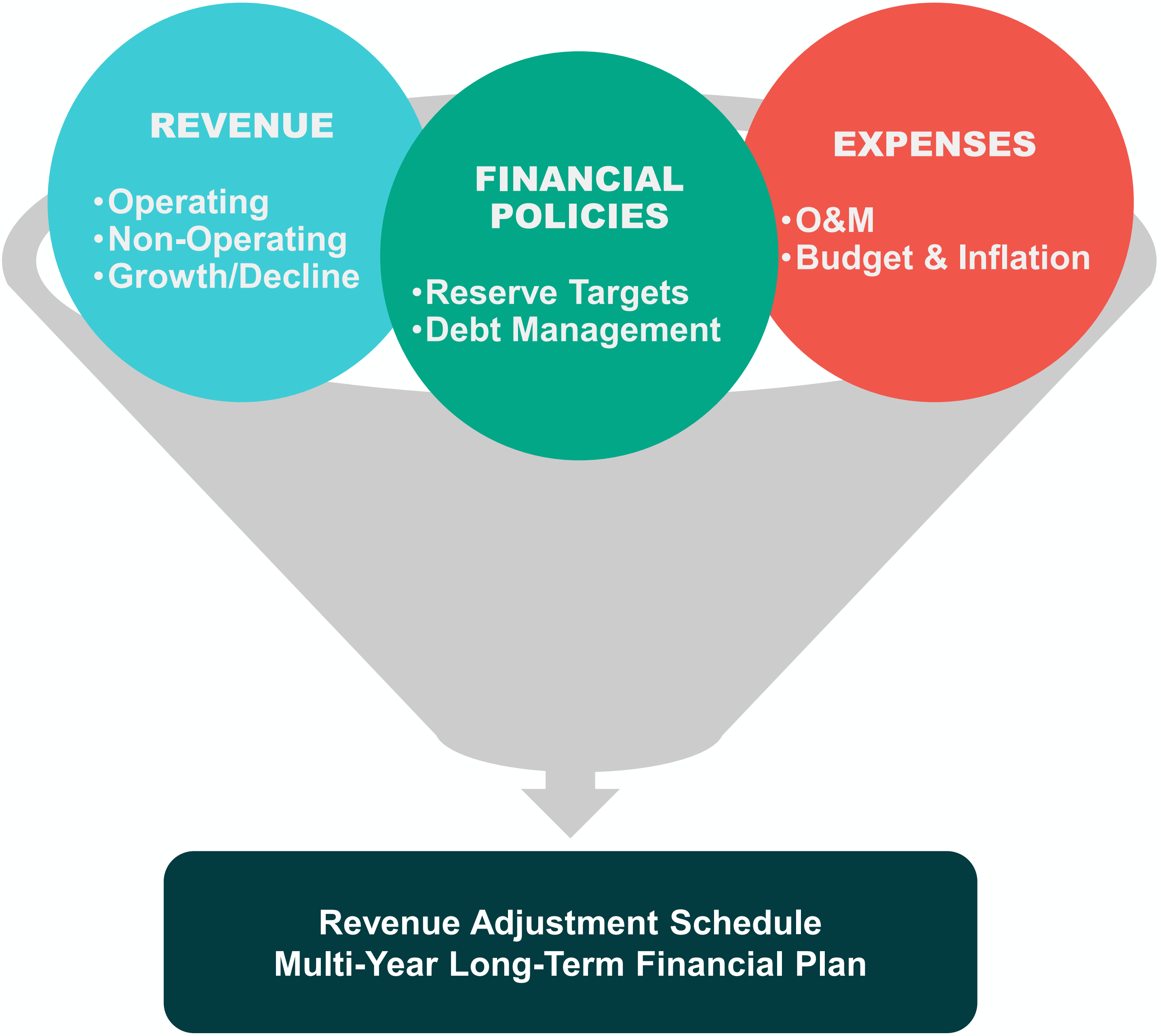


Overview of the Rate Study

- 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

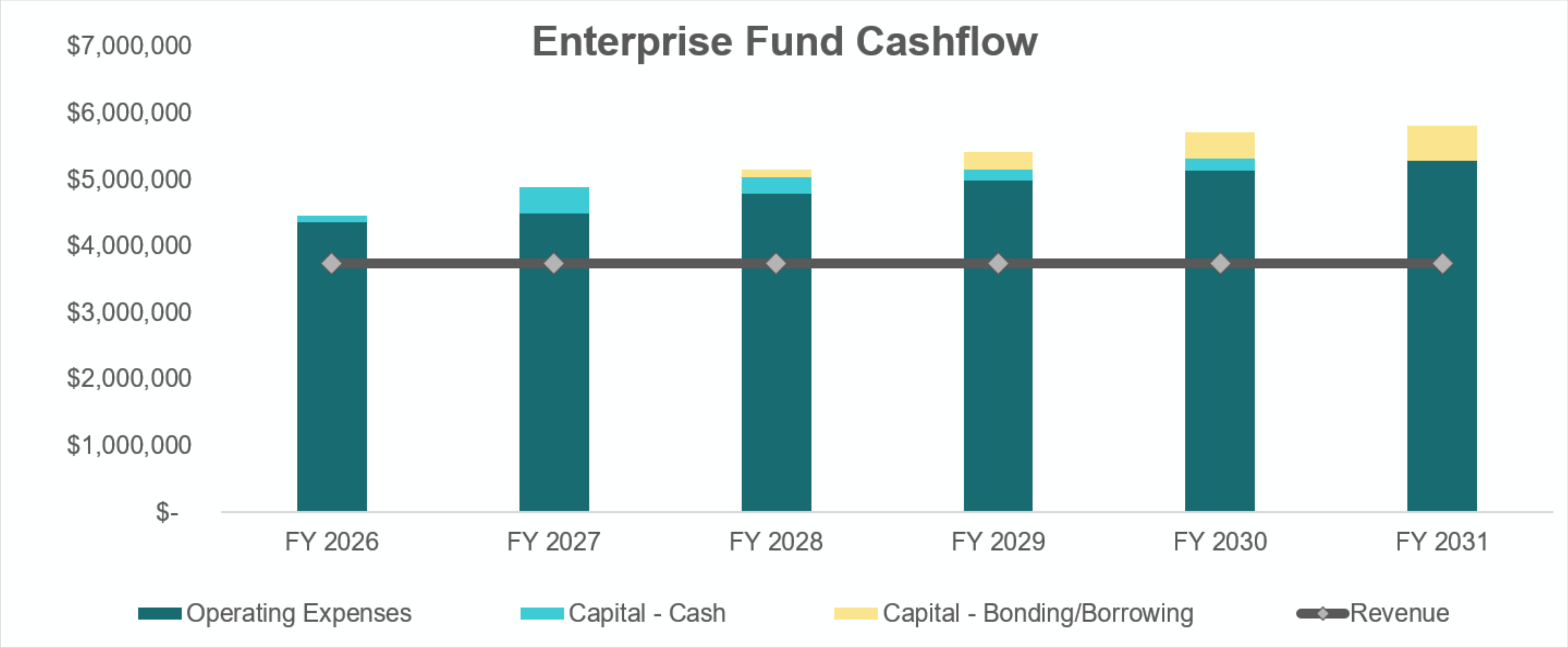
- Reserves help the utility move toward financial self-sufficiency and sustainability
- Reserves can help prevent the need for rate hikes in response to emergency expenses or revenue shortfalls, providing customers with rate stability, and the Commission with resources to meet emerging system requirements
- 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

Revenue Requirement Assumptions for Rate Study

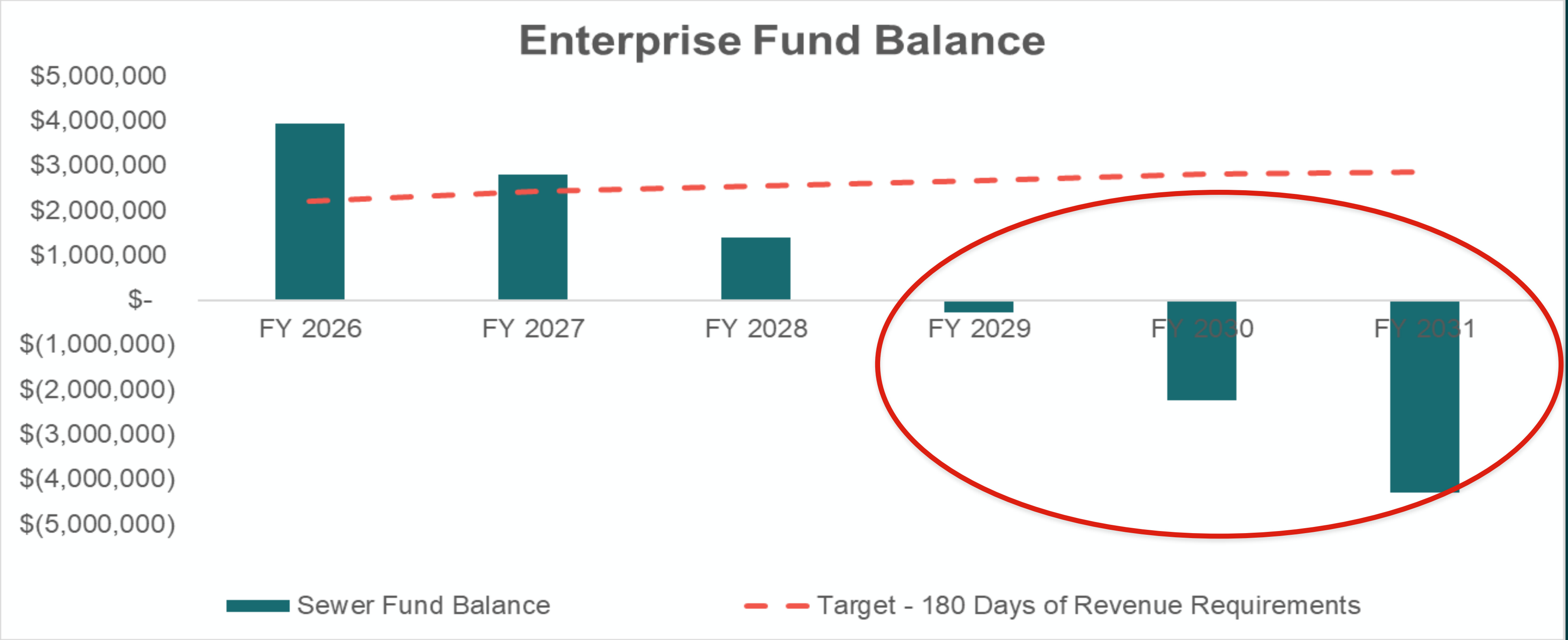
- Financial model uses the FY 2026 Budget ($4.4 million) as the basis for future O&M projections
- Operating expenses are projected to increase by an average of 3.0% each year during the forecast period
  - Due to current understaffing two new Utility Commission personnel are included to begin in FY 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

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



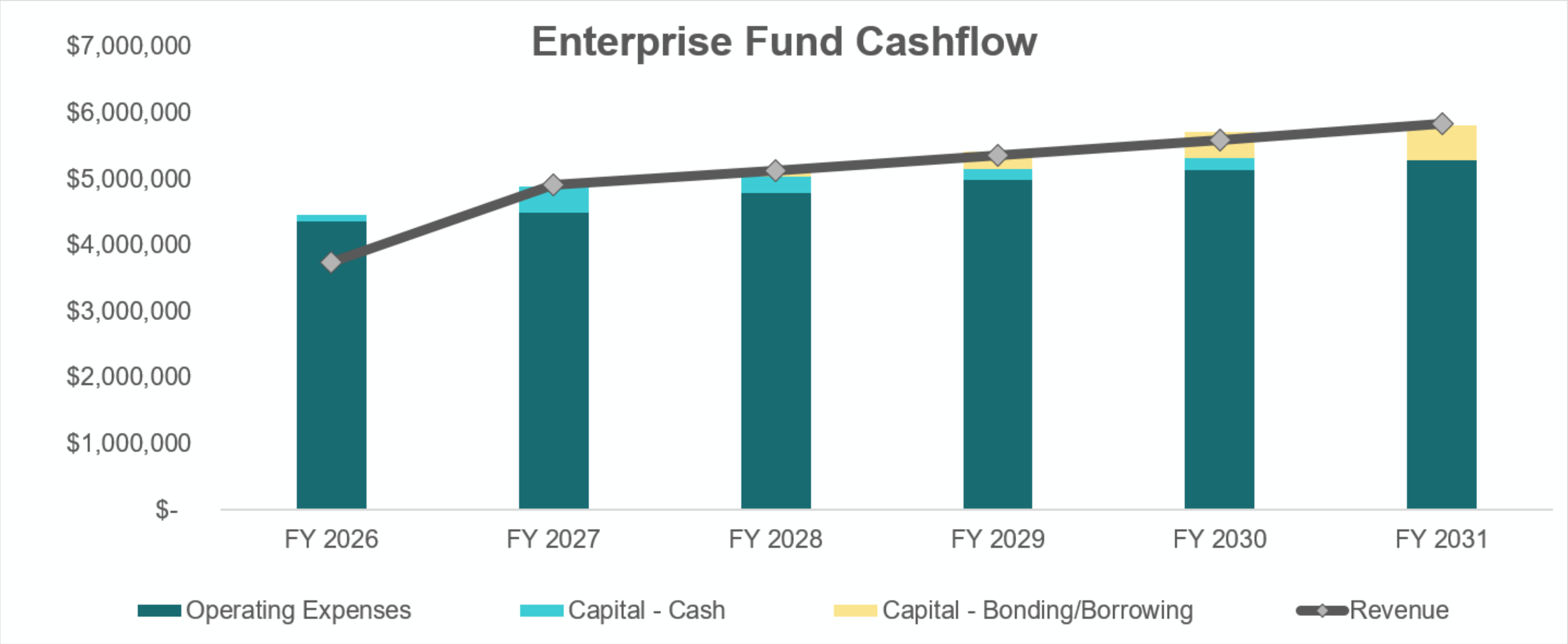
Recommended Rate Increases

- 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:

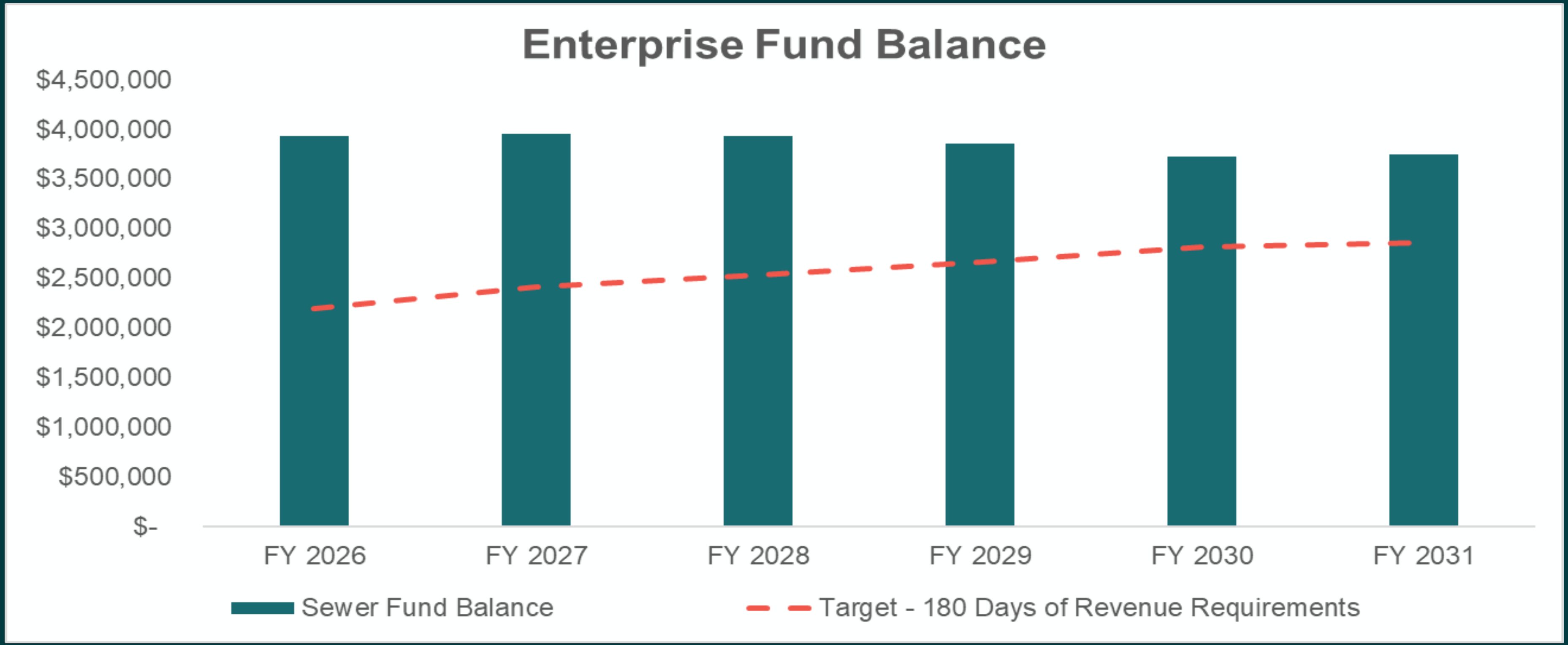
	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
35% Fixed / 65% Volumetric					
Volumetric	66%	4.5%	4.5%	4.5%	4.5%
Fixed Charge	-4%	4.5%	4.5%	4.5%	4.5%

- 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



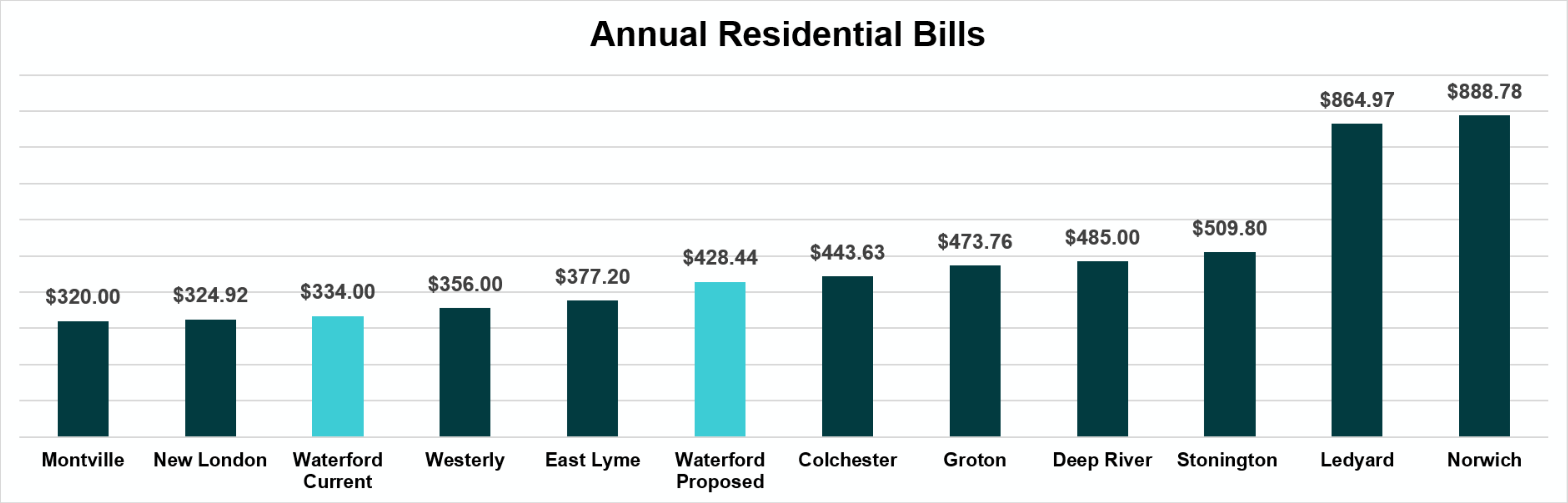
Proposed Enterprise Fund Reserves Balance with Rate Increases



Community Bill Comparison

Community Bill Comparison

- Residential Customer using 11 CCF per Quarter (typical)

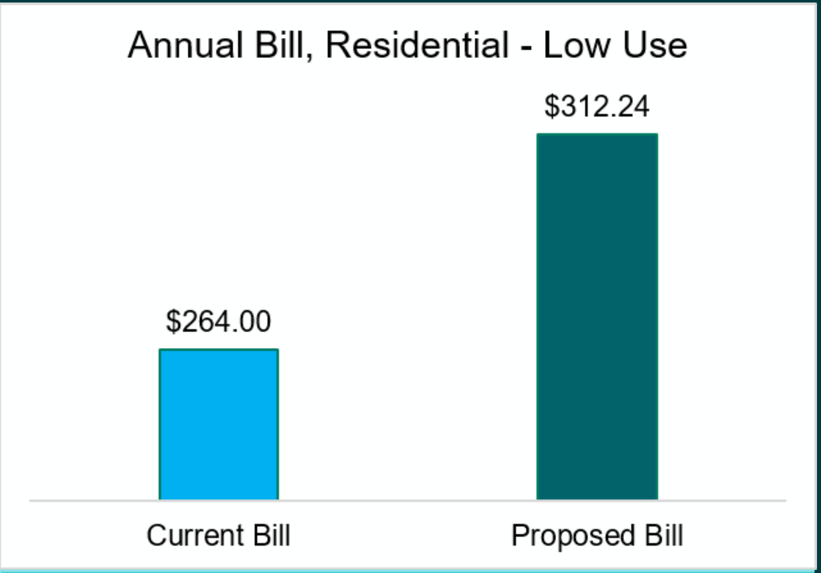


Customer Financial Impacts

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



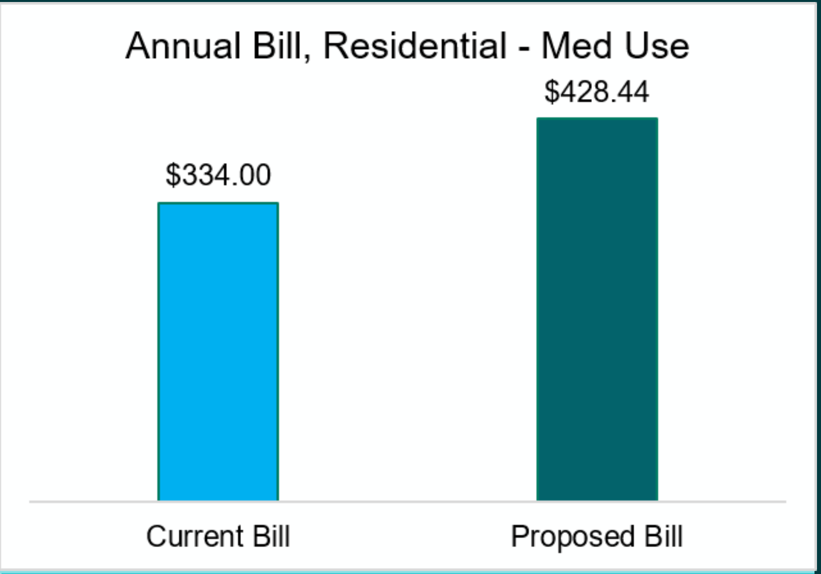
	Proposed Bill
Annual ($)	$48.24
Quarterly ($)	$12.06
Monthly ($)	$4.02
Daily ($)	$0.13
% Change	18.3%

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

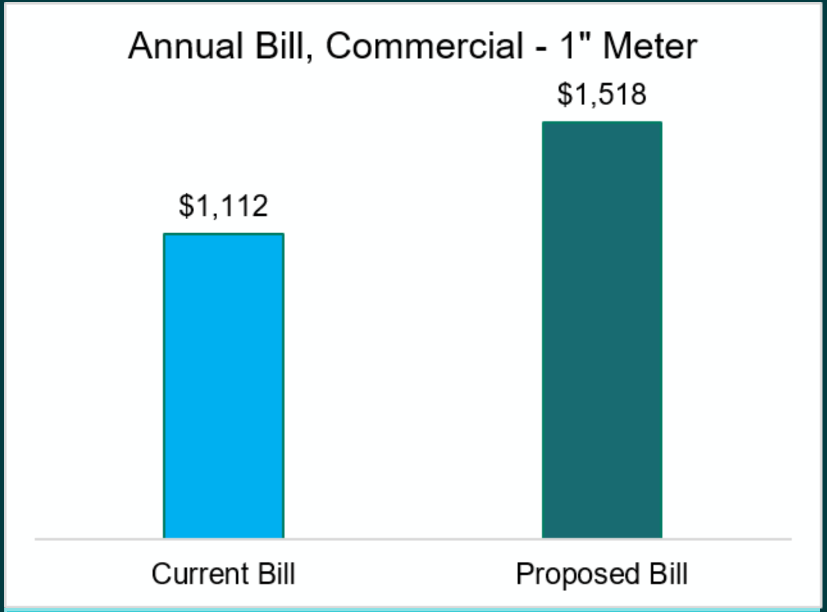
– Industry affordability measures consider a total annual sewer bill for a typical customer exceeding 2.0% of Median Household Income to be unaffordable. Even with the rate increases, Waterford's measure is 0.6%.



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

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%

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Thank you!

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