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**VIA FEDERAL EXPRESS and
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Mayor Paul K. Pernerewski, Jr.
City Hall Building
235 Grand Street, 2nd Floor
Waterbury, CT 06702

RE: The Town of Watertown's Demand for Reimbursement of Improperly Assessed
Sewer Charges

Dear Mayor Pernerewski:

We represent the Town of Watertown (the "Town" or "Watertown") in connection with sewer charges assessed by the City of Waterbury (the "City" or "Waterbury") for Watertown's use of Waterbury's sewerage system. This letter serves as a formal demand that Waterbury reimburse Watertown for all amounts paid in excess of the lawful charges applicable to Watertown, as stipulated by the City of Waterbury, Connecticut Code of Ordinances and applicable law. This letter also demands that the City cease and desist billing for sewer use charges in a manner inconsistent with its own Ordinances and the Connecticut Superior Court's July 28, 2023 decision.

As discussed in greater detail below, Waterbury's ordinances require sewer user charges for city users to be calculated based on water consumption. Because the Connecticut Superior Court held that until such time as a new contract for sewer services is executed with the City, Watertown is to be billed the same rates for water and sewer service that Waterbury charges its residents, Waterbury may not lawfully impose sewer charges on Watertown based on sewer meter readings. Such methodology is inconsistent with the water consumption method applicable to city users and inconsistent with the City's Ordinances. Accordingly, pursuant to the City Ordinances, Watertown is entitled to reimbursement and appropriate adjustment for any resulting overcharges.

Sewer Usage Billing Methodology Prescribed Under Waterbury's Ordinances

Pursuant to Section 51.90 of the City of Waterbury, Connecticut Code of Ordinances (the City Ordinances), "out of city users" of the Waterbury sewerage system shall be charged: (1) a sewer user charge, (2) a sewer user surcharge and (3) a capital recovery charge based upon an executed written agreement between the City and the out of city user, "which establishes fair and reasonable charges for the use of the city's sewerage system." Although the City Ordinances do not prescribe a sewer usage billing methodology for "out of city users" in the absence of an executed written agreement with the City, the City has previously represented to the Town that, "in the absence of a negotiated agreement, Waterbury would charge Watertown the same rates for water and sewer service that it charged Waterbury residents, plus a 10 percent municipal system benefit charge on the water rates." See *City of Waterbury v. Town of Watertown*, No. UWY-CV-

19-6045213-S, 2023 WL 4882698, at *1 (Conn. Super. Ct. July 28, 2023), *aff'd*, 233 Conn. App. 104, 339 A.3d 1194 (2025).

The rates imposed on “city users” for use of the sewerage system are likewise comprised of the same three components identified above, as applicable.¹ *See* City Ordinances § 51.89(A). The “sewer user charge” is calculated based upon the volume of sewage discharged by the user into the City’s sewerage system and shall be calculated using the water consumption method. *See* City Ordinances §§ 51.89(B)(1)(a) and (c). Under that methodology, water consumption serves as the measure for determining the volume of sewage discharged into the sewerage system and, by extension, the corresponding sewer user charge. *See* City Ordinances § 51.89(B)(1). More specifically, under the water consumption method, a user’s sewage discharge shall equal that user’s water consumption. *See* City Ordinances § 51.89(B)(1)(b).

The City Ordinances further set forth two distinct methods for computing water consumption. *See* City Ordinances § 51.89(B)(1)(a). For metered properties, water consumption, and therefore sewage discharge, is computed from the property’s metered water consumption readings. For non-metered properties, or properties for which such readings are unavailable, water consumption is to be estimated from records of water consumption of similar properties and uses. Accordingly, as provided in the City Ordinances, sewerage-system charges for metered properties are determined based on annual metered water consumption, whereas charges for non-metered properties are determined based on an estimate of annual water usage.

Waterbury’s Improper Calculation of Watertown’s Sewer Usage Charges

In light of the Court’s ruling in *City of Waterbury v. Town of Watertown*, and as of July 1, 2018, the date on which the 2013 Intermunicipal Sewer Agreement between the City of Waterbury and the Town of Watertown expired, Watertown should have been billed, absent the existence of a new agreement, at the same water and sewer rates imposed upon Waterbury residents, subject to a discretionary 10 percent municipal system benefit charge on the water adder. The City Ordinances clearly state that for city users, which the Connecticut Superior Court has indirectly affirmed includes Watertown until such time as a new contract is executed, a user’s sewage discharge shall equal that user’s water consumption.

Notwithstanding the foregoing, from the expiration of the prior contract to the present, Waterbury has calculated Watertown’s sewer charges by utilizing sewer meter readings rather than the required water consumption method, either through water meter readings or estimates. That methodology is contrary to the water-consumption methodology prescribed by the City

¹ The “sewer user surcharge” is only imposed to users that discharge pollutant strengths in excess of the specified concentrations. *See* City Ordinances § 51.89(B)(2). The “capital recovery charge” is assessed to each user based upon the volume of sewage the user discharged into the City’s sewerage system in the previous fiscal year, computed in accordance with the water consumption method. *See* City Ordinances § 51.89(B)(3).

Ordinances, is legally erroneous, and has resulted in the imposition of charges in excess of those properly assessable to Watertown under the applicable ordinances.

The water consumption method is also the only method that properly accounts for infiltration and inflow ("I&I"). The City does not measure I&I when calculating sewer usage for its city users, instead recovering those costs through its rates. But when it bills the Town based on sewer meter readings, it charges for wastewater after I&I has entered the system while applying the same rate charged to in-city customers, thereby essentially duplicating the charges. As a result, the Town has been subject to substantial overbilling.

Watertown's Demand for Proper Accounting and Reimbursement

The Town has calculated a significant disparity between the amount the City has billed, and the Town has paid, based on sewer rates as compared to the amount the City should have billed, as required by its own Ordinances, pursuant to the water consumption methodology. Based on the actual water meter readings and/or estimates, the Town has been overbilled by approximately \$1,300,000.00 since October 2025.

Accordingly, Watertown hereby demands that Waterbury, within ten (10) days of receipt of this letter, (1) immediately utilize the water consumption method in calculating the Town's bills on a going forward basis, (2) provide a full written accounting of all sewer charges assessed to Watertown for the billing period from July 1, 2018 to the present, identify the methodology used to calculate each charge, (3) issue corrected bills to the Town using the water consumption method and (4) reimburse Watertown for all amounts paid in excess of the charges that would have been assessed under the proper water consumption methodology.

Nothing in this letter shall be deemed a waiver of Watertown's rights, claims, remedies, including recovery of overpayments, interest, costs, attorneys' fees to the extent permitted by law, and any other relief available, all of which are expressly reserved.

Should you have any questions concerning this letter or wish to discuss the matter further, please do not hesitate to contact me.

Very truly yours,



Daniel R. Canavan

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