

September 29, 2026

ONE CENTURY TOWER
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NEW HAVEN, CONNECTICUT 06510
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VIA FEDERAL EXPRESS

Erick M. Sandler
Day Pitney LLP
Goodwin Square
225 Asylum Street
Hartford, Connecticut 06103

RE: Sewage Collection and Treatment

Dear Erick:

This firm represents the Town of Watertown (the “Town”) in the Town’s efforts to collect sewage collection and treatment fees from the Watertown Fire District (the “Fire District”). I understand you represent the Fire District in this matter.

As you may know, the Town and the Fire District entered into a contract on November 18, 1976 (attached as Exhibit A) in which the Fire District Agreed “to pay the Town an agreed rate per million gallons for accepting, handling, and disposing of [the Fire District’s] sewage . . .” The parties further agreed that “[t]he cost per million gallons shall be *the amount charged the Town by the City of Waterbury for sewage treatment . . .*” *Id.* (emphasis added).

The City of Waterbury (“Waterbury”) charged the Town a rate of \$3.304/1000 gallons for sewage treatment from July 2018 through May 2022 and a rate of \$5.285/1000 gallons from June 2022 to the present (the “Waterbury Rates”). The Town objected to the Waterbury Rates. Believing in good faith that the applicable rate was instead \$1.176/1000 gallons (the “Town Rate”), the Town paid Waterbury the Town Rates from July 2018 through July 2025 (the “Applicable Time Period”). There was a lawsuit between the Town and Waterbury, during which the Court found that Waterbury was justified in charging the Waterbury Rates, entered judgment in Waterbury’s favor, and ordered the Town to pay Waterbury \$18,800,445.37 to make up for delta between the Waterbury Rates and the Town Rate during the Applicable Time Period. As of October 2025, the Town has fully paid Waterbury the amount of that judgment.

During the course of the Town’s dispute and subsequent litigation with Waterbury—the cost of which was fully borne by the Town for the benefit of both the Town and the Fire District—the Town billed the Fire District at the Town Rate. The Fire District benefitted from paying these lower rates for seven years. Now that the Waterbury Rates have been established as “the amount charged the Town by the City of Waterbury for sewage treatment” for Applicable Time Period, rather than the lower Town Rate initially billed to the Fire District, the Fire District is responsible for paying for its sewage collection and treatment fees for Applicable Time Period at the Waterbury Rates.

The Town does not take this matter lightly, nor does it seek a prolonged and costly disagreement with the Fire District, which would inevitably pit neighbor against neighbor. Nevertheless, the status quo results in Town residents subsidizing the sewer usage of Fire District ratepayers, creating a burden that is both unfair and unsustainable. The Fire District is responsible for paying for the sewer charges it incurred over this seven-year period and should not leave it to the Town and its residents to cover the Fire District's bill.

While the Town remains committed to reaching an efficient and amicable resolution that serves the interests of the entire community, it cannot ignore its obligation to protect Town residents from absorbing the costs properly allocable to Fire District ratepayers. Given this, the Town demands that the Fire District make payment of \$8,536,436.71 for the additional amounts due for sewage fees under the Waterbury Rates from July 2018 to July 2025. I have attached a worksheet that explains and breaks down the fees comprising this amount. Please remit payment in full in 30 days to avoid additional interest charges.

Please let me know if you have any questions or if you would like to discuss.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'JL Morgan', with a long horizontal flourish extending to the right.

Jennifer L. Morgan

JLM:ewn

EXHIBIT A

AGREEMENT BETWEEN THE TOWN OF WATERTOWN
AND THE WATERTOWN FIRE DISTRICT, FOR
SEWAGE COLLECTION AND TREATMENT

THIS AGREEMENT, between the Town of Watertown acting herein by Paul F. Smith, its Town Manager, duly authorized, hereinafter referred to as the "TOWN" and the Watertown Fire District acting herein by Patrick R. Mazzamaro, Chairman, duly authorized, hereinafter referred to as the "DISTRICT".

WITNESSETH:

WHEREAS, the District for and in behalf of the residents of the District is desirous of connecting with the Town's proposed lower Steele Brook interceptor sewer and having the Town handle, accept, and convey its sewage to the City of Waterbury for treatment and the Town is willing to accept the same on the conditions hereinafter specified.

NOW, THEREFORE, the Parties hereto intending to be legally bound hereby, agree as follows:

1. The Town agrees to handle, accept, and convey the sewage of the District from a meter chamber to be located near the District's Water Pollution Control Plant on Steele Brook to the City of Waterbury for treatment. The said meter chamber shall be located and constructed as substantially shown on the plan of lower Steele Brook Interceptor on file with the Town and the District.
2. The District agrees to bear any and all expenses to construct the proposed meter chamber and appurtenances that may not be recoverable through the State or Federal Funding process. The District also agrees to pay the Town an agreed rate per million gallons for accepting, handling, and disposing of its sewage as hereinafter set forth.
3. The said meter chamber shall be installed by the Town at no cost to the Town and shall remain the property of the Town and under its operation, maintenance and control at all times.
4. It is agreed that the District shall pay the Town for all sewage it discharges into the sewerage collection system of the Town, as follows:
 - a. The cost per million gallons shall be the amount charged the Town by the City of Waterbury for sewage treatment plus a reasonable amount for operation and maintenance of that portion of the Interceptor used to convey the District's sewage.
 - b. The cost of operation and maintenance of the Town's collection facilities shall be subject to review once a year and the cost of the District's sewage discharge rate per million gallons shall be revised accordingly.
5. The Town agrees to convey, handle and accept from the District a maximum flow limitation of 1.2 million gallons per day which shall come from areas presently contiguous to the existing Watertown Fire District boundary that naturally drains by gravity to the existing Watertown Fire District sewerage system as of the date of this agreement.
6. The Town and/or the District shall consider any request to connect any area of the Town that drains across the District's line that may be seweraged through the District's sewer collection system or those areas of the District that may be seweraged through the Town's new Lower Steele Brook and Hamilton Area Interceptor and lateral sewers. The proposed connections subject to approval by the Department of Environmental Protection (D.E.P.) and require

a separate agreement between the Town and the District.

7. The Town shall bill the District quarterly for all sewer charges, taking into account at said billing date all credit due the District for any connection that the Town may have made with the District's sewer, thereby allowing offsetting credits by each entity for services connected to each sewerage system.

8. It is also agreed that the Town may discontinue the handling, accepting and conveying of the sewage from the District, if wastes or substances that are in violation of the sewerage ordinance of the City of Waterbury are present in the sewage accepted from the District, but such sewage shall be accepted again when such violations shall have been corrected.

9. It is understood and agreed that the District shall indemnify and save harmless the Town from all damages that might be caused or attributed to the discontinuance of the handling, and conveying of the sewage from the District as a result of the violation of the rules and regulations and ordinances hereinbefore referred to.

IN WITNESS WHEREOF, the parties hereto have hereunto caused their names and seals to be affixed by the hands of their duly authorized representatives this 18th day of November 1976.

Signed and Sealed in
the presence of:

[Signature]

Elizabeth H. Kelly

Ronald E. Fazio

Harry G. [Signature]

TOWN OF WATERTOWN

by [Signature]
Paul F. Smith, Town Manager

WATERTOWN FIRE DISTRICT

by [Signature]
Patrick R. Mazzanaro
Chairman

EXHIBIT B

UNICO FIELD - SEWER_FIRE DISTRICT

*85 months since July 2018 shorted payment

org 07-08-2025

rev 09-04-2025

															85	84	83	82	81	80																															
															2018 - July Forward																																				
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total																																					
Principal (Short Pay)	\$	-	\$	-	\$	-	\$	-	\$	33,154.24	\$	46,901.12	\$	41,538.56	\$	50,752.80	\$	68,862.08	\$	66,244.64	\$	307,453.44																													
Interest on Principal	18%	\$	-	\$	-	\$	-	\$	-	\$	497.31	\$	703.52	\$	623.08	\$	761.29	\$	1,032.93	\$	993.67	\$	4,611.80																												
Interest on Interest	8%	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-																												
Total Owed as of 6/30/2025																\$	75,425.90	\$	105,996.53	\$	93,254.07	\$	113,178.74	\$	152,529.51	\$	145,738.21	\$	686,122.95																						
															79	78	77	76	75	74	73	72	71	70	69	68																									
															2019																																				
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total																																					
Principal (Short Pay)	\$	66,648.96	\$	48,007.68	\$	51,212.50	\$	63,303.75	\$	61,093.75	\$	36,932.50	\$	29,346.25	\$	26,966.25	\$	25,287.50	\$	29,112.50	\$	36,337.50	\$	58,161.25	\$	532,410.39																									
Interest on Principal	18%	\$	999.73	\$	720.12	\$	768.19	\$	949.56	\$	916.41	\$	553.99	\$	440.19	\$	404.49	\$	379.31	\$	436.69	\$	545.06	\$	872.42	\$	7,986.16																								
Interest on Interest	8%																																																		
Total Owed as of 6/30/2025																\$	145,627.98	\$	104,176.67	\$	110,362.94	\$	135,470.03	\$	129,824.22	\$	77,927.58	\$	61,480.39	\$	56,089.80	\$	52,218.69	\$	59,680.63	\$	73,946.81	\$	117,485.73	\$	1,124,291.44										
															67	66	65	64	63	62	61	60	59	58	57	56																									
															2020																																				
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total																																					
Principal (Short Pay)	\$	52,147.50	\$	49,108.75	\$	48,790.00	\$	58,033.75	\$	47,812.50	\$	31,450.00	\$	30,175.00	\$	26,775.00	\$	26,562.50	\$	31,875.00	\$	41,543.75	\$	67,405.00	\$	511,678.75																									
Interest on Principal	18%	\$	782.21	\$	736.63	\$	731.85	\$	870.51	\$	717.19	\$	471.75	\$	452.63	\$	401.63	\$	398.44	\$	478.13	\$	623.16	\$	1,011.08	\$	7,675.18																								
Interest on Interest	8%																																																		
Total Owed as of 6/30/2025																\$	104,555.74	\$	97,726.41	\$	96,360.25	\$	113,746.15	\$	92,995.31	\$	60,698.50	\$	57,785.13	\$	50,872.50	\$	50,070.31	\$	59,606.25	\$	77,063.66	\$	124,025.20	\$	985,505.41										
															55	54	53	52	51	50	49	48	47	46	45	44																									
															2021																																				
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total																																					
Principal (Short Pay)	\$	50,405.00	\$	36,783.75	\$	50,599.57	\$	46,456.37	\$	42,596.18	\$	33,696.88	\$	54,747.06	\$	43,117.54	\$	62,761.11	\$	49,131.27	\$	49,167.44	\$	41,502.38	\$	560,964.56																									
Interest on Principal	18%	\$	756.08	\$	551.76	\$	758.99	\$	696.85	\$	638.94	\$	505.45	\$	821.21	\$	646.76	\$	941.42	\$	736.97	\$	737.51	\$	622.54	\$	8,414.47																								
Interest on Interest	8%																																																		
Total Owed as of 6/30/2025																\$	91,989.13	\$	66,578.59	\$	90,826.23	\$	82,692.35	\$	75,182.25	\$	58,969.54	\$	94,986.15	\$	74,162.17	\$	107,007.70	\$	83,031.85	\$	82,355.46	\$	68,893.95	\$	976,675.36										
															43	42	41	40	39	38	37	36	35	34	33	32																									
															2022																																				
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total																																					
Principal (Short Pay)	\$	43,217.56	\$	47,173.50	\$	55,147.12	\$	60,382.00	\$	41,798.18	\$	64,400.36	\$	59,173.71	\$	50,433.87	\$	61,565.15	\$	65,813.86	\$	69,306.51	\$	95,230.18	\$	713,641.97																									
Interest on Principal	18%	\$	648.26	\$	707.60	\$	827.21	\$	905.73	\$	626.97	\$	966.01	\$	887.61	\$	756.51	\$	923.48	\$	987.21	\$	1,039.60	\$	1,428.45	\$	10,704.63																								
Interest on Interest	8%																																																		
Total Owed as of 6/30/2025																\$	71,092.88	\$	76,892.81	\$	89,062.60	\$	96,611.20	\$	66,250.11	\$	101,108.56	\$	92,015.11	\$	77,668.16	\$	93,886.85	\$	99,378.92	\$	103,613.22	\$	140,940.67	\$	1,108,521.09										

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
Principal (Short Pay)	\$ 43,217.56	\$ 47,174.07	\$ 55,147.12	\$ 60,382.00	\$ 41,798.18	\$ 64,384.69	\$ 59,159.30	\$ 50,421.60	\$ 61,550.17	\$ 65,797.84	\$ 69,289.64	\$ 95,207.00	\$ 713,529.17
Interest on Principal	18% \$ 648.26	\$ 707.61	\$ 827.21	\$ 905.73	\$ 626.97	\$ 965.77	\$ 887.39	\$ 756.32	\$ 923.25	\$ 986.97	\$ 1,039.34	\$ 1,428.11	\$ 10,702.94
Interest on Interest	8%												
Total Owed as of 6/30/2025	\$ 70,444.62	\$ 76,186.12	\$ 88,235.39	\$ 95,705.47	\$ 65,623.14	\$ 100,118.19	\$ 91,105.32	\$ 76,892.94	\$ 92,940.76	\$ 98,367.77	\$ 102,548.67	\$ 139,478.26	\$ 1,097,646.66

UNICO FIELD - SEWER_FIRE DISTRICT

*84 months since July 2018 shorted payment

org 07-08-2025

rev 07-23-2026

		30	29	28	27	26	25	24	23	22	21	20	19	
		2023												
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Principal (Short Pay)		\$ 122,085.66	\$ 84,431.72	\$ 107,448.84	\$ 90,528.00	\$ 104,441.80	\$ 61,804.86	\$ 87,607.20	\$ 82,381.84	\$ 106,286.28	\$ 123,190.71	\$ 84,920.58	\$ 143,681.41	\$ 1,198,808.90
Interest on Principal	18%	\$ 1,831.28	\$ 1,266.48	\$ 1,611.73	\$ 1,357.92	\$ 1,566.63	\$ 927.07	\$ 1,314.11	\$ 1,235.73	\$ 1,594.29	\$ 1,847.86	\$ 1,273.81	\$ 2,155.22	\$ 17,982.13
Interest on Interest	8%							\$ 8.76	\$ 8.24	\$ 10.63	\$ 12.32	\$ 8.49	\$ 14.37	\$ 62.81
Total Owed as of 6/30/2025		\$ 177,024.21	\$ 121,159.52	\$ 152,577.35	\$ 127,191.84	\$ 145,174.10	\$ 84,981.68	\$ 119,356.05	\$ 110,993.05	\$ 141,594.58	\$ 162,254.48	\$ 110,566.60	\$ 184,903.61	\$ 1,637,777.07

		18	17	16	15	14	13	12	11	10	9	8	7	
		2024												
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Principal (Short Pay)		\$ 168,419.78	\$ 104,022.78	\$ 154,871.60	\$ 136,447.22	\$ 89,143.60	\$ 66,763.22	\$ 85,241.00	\$ 113,216.48	\$ 70,086.58	\$ 59,615.30	\$ 55,889.30	\$ 69,905.84	\$ 1,173,622.70
Interest on Principal	18%	\$ 2,526.30	\$ 1,560.34	\$ 2,323.07	\$ 2,046.71	\$ 1,337.15	\$ 1,001.45	\$ 1,278.62	\$ 1,698.25	\$ 1,051.30	\$ 894.23	\$ 838.34	\$ 1,048.59	\$ 17,604.34
Interest on Interest	8%	\$ 16.84	\$ 10.40	\$ 15.49	\$ 13.64	\$ 8.91	\$ 6.68	\$ 8.52	\$ 11.32	\$ 7.01	\$ 5.96	\$ 5.59	\$ 6.99	\$ 117.36
Total Owed as of 6/30/2025		\$ 214,196.28	\$ 130,725.43	\$ 192,288.58	\$ 167,352.52	\$ 107,988.56	\$ 79,868.84	\$ 100,686.67	\$ 132,021.74	\$ 80,669.65	\$ 67,717.02	\$ 62,640.73	\$ 77,294.89	\$ 1,413,450.89

		6	5	4	3	2	1								
		2025													
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
Principal (Short Pay)		\$ 73,968.70	\$ 65,243.26	\$ 95,490.46	\$ 93,555.60	\$ 126,000.58	\$ 78,524.42							\$ 532,783.02	
Interest on Principal	18%	\$ 1,109.53	\$ 978.65	\$ 1,432.36	\$ 1,403.33	\$ 1,890.01	\$ 1,177.87	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,991.75	
Interest on Interest	8%	\$ 7.40	\$ 6.52	\$ 9.55	\$ 9.36	\$ 12.60	\$ 7.85	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53.28	
Total Owed as of 6/30/2025		\$ 80,670.26	\$ 70,169.13	\$ 101,258.08	\$ 97,793.67	\$ 129,805.80	\$ 79,710.14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 559,407.08	

Grand Total To Date
\$ 8,452,189.27