**Key Questions**

Why is there a referendum on the approval of additional water project costs coming up on Saturday, January 7, 2023?

An original borrowing authority of $6.2 million was granted to Winsted Water Works (WWW) in early 2021 to cover water line replacements and water storage tank replacements. Since that time, inflation has been rampant, and the estimated costs to complete all projects have increased by $2.3 million. The Water & Sewer Commission is holding this referendum to ask the public if they will approve additional expenditures of $2.3 million to allow for all the improvements to be made to the water system that were originally approved in 2021. If the increased borrowing is not approved, the Water & Sewer Commission will have to cut back on the projects and not replace the Crystal Lake storage tank at this time.

For which projects is an additional borrowing authorization needed?

Addition of a 690,000-gallon water storage tank to the Crystal Lake Water Treatment plant on Route 263. The existing 25-year-old 1,000,000 gallon storage tank requires rehabilitation. While this tank is being repaired, the new tank will allow the treatment system to continue to operate undisturbed. It will serve as additional storage for the water system when it has been repaired. See Crystal Lake Water Tank at [https://www.townofwinchester.org/entities/water-sewer-commission-6](https://www.townofwinchester.org/entities/water-sewer-commission-6) for more information.

What is the condition of the Crystal Lake storage tank?

The exterior of the tank needs some minor surface coating work, the interior has some damage and needs, at the very least, to have new coating installed. A photograph of the interior of this tank is shown on the right.

How will these projects preserve or improve water quality?

The second tank at Crystal Lake will provide a redundant tank that allows the existing tank to be taken off-line and repaired; it brings storage capacity to the 2 to 3 days that is recommended by industry standards when both tanks are on-line. The Wallens Hill tank provides water to maintain a pressure in the high elevations including Florence St and Regional 7 School.

How much will water rates increase because of the debt service on the loans?

The water rates in place on January 1, 2021 were adequate to fund debt service for $6.2 million of DWSRF loans/subsidy package to pay for these three projects. The rate will also be able to pay for the increased $2.3 million borrowed, which is to be voted on at referendum. Consequently, no rate increase is required specifically to cover costs associated with these capital improvement projects.
Why should a town resident who obtains water from a well be concerned about this referendum?
The full faith and credit of the Town will be used to secure repayment of the DWSRF loans used to finance these projects. The improved water quality supplied to all public facilities and businesses in town will be preserved by these improvements. Developers always evaluate community water and sewer resources before making any investment decisions. A vibrant downtown, industrial park, and outlying commercial area is important to maintaining Winchester’s economy. The more commercial and industrial development that comes to town, the lower the tax burden will be on residential inhabitants of the town.

How do I learn more about these projects?
You can attend our informational meeting at 5:30 PM on Tuesday, January 3, 2023, in the Hicks Room at Town Hall to hear more in-person, or you can go online to https://www.townofwinchester.org/entities/water-sewer-commission-6 for more information.

How do I have my say on this proposal?
ALL individuals eligible to be registered voters in Winchester and property owners who own more than $1,000 in assessed value are able to vote in the referendum on Saturday, January 7, 2023. Polls are open from 8:00 AM to 8:00 PM at Pearson School at 2 Wetmore Ave, Winsted, CT 06098.

Additional Questions
What is the current condition of the Wallens Hill storage tank?
This tank has always had some elevation valve problems and is oversized for its location in the system. The exterior paint has failed and the tank is currently out of service and scheduled for demolition.

What projects did the original borrowing authority cover?
The original borrowing authority covered three projects:
1. Water line replacement on Case, Center, Greenwoods, Thibault, and Holabird.
2. Wallens Hill Storage Tank Replacement.

What projects is the additional borrowing needed to cover?
Addition of a 690,000 gallon water storage tank to the Crystal Lake Water Treatment plant on Route 263. The existing 25 year old 1,000,000 gallon storage tank requires rehabilitation. While this tank is being repaired, the new tank will allow the treatment system to continue to operate undisturbed. It will serve as additional storage for the water system when it has been repaired. See Crystal Lake Water Tank at https://www.townofwinchester.org/water-sewer-commission for more information.

How much work has been completed off the original borrowing so far?
The Water Line Replacement is complete. The Wallens Hill Storage Tank is ready to sign contracts to begin construction.

How are Winsted Water Works operations financed?
The Commission has the authority to set and collect water rents, or scales of prices or terms upon which water shall be furnished. Water rents are billed to WWW customers quarterly based on usages and meter size. The Commission approves an annual budget and the finance department of Town collects water rents and pays authorized expenses including payroll from these rents. No property taxes are used to fund the Winsted Water Works. The annual operations and net assets are audited each year by the Town’s
Why does the Winsted Water Works need to borrow money?
Historically the WWW has used borrowed funds to finance large infrastructure projects such as the water filtration plant on Route 263. The most recent borrowing occurred in January 2004 and comprised $3,900,000 to be repaid over 15 years. This debt was retired in August 2018. The WWW currently has no outstanding debt. Borrowing allows the Commission to take advantage of a subsidy/forgiveness available from the DWSRF Program; and allows the remaining costs to be spread over time to limit the impact on rates.

What is the source of the borrowed funds?
The State of Connecticut has appropriated monies to its Drinking Water State Revolving Fund which issues low interest loans with a subsidy to water systems to preserve drinking water resources. The DWSRF has qualified the three projects for funding via 20-year loans at a 2% interest rate. The interest rate is subject to change.

What are the expected terms of the DWSRF loans?
The loans are 20-year terms with principal and interest being paid annually to retire the debt.

How will these loans be repaid?
Based on the population served by the Winsted Water Works, these loans qualify for 25% subsidy upon completion of the project. Under certain circumstances, a 50% subsidy may apply. A 46.4% subsidy rate was applied to the Water Main Project. The balance of the loans not forgiven will be paid out of water rents collected from system customers as part of the annual WWW operating budget.

What is the Winsted Water Works?
Winsted Water Works (WWW) is a division authorized by Article XIV of the Town Charter and is overseen by the Water and Sewer Commission. WWW owns, operates and manages all water pipes, aqueducts, reservoirs, dams, hydrants, water tanks, fountains and related system infrastructure including the Crystal Lake Water Treatment plant on CT Route 263.

What is the Water and Sewer Commission and who are its members?
The Water and Sewer Commission consists of 5 members, each serving for a term of 5 years. Members are appointed by the Board of Selectmen. Currently the members are: John Massicotte, chairman, George Closson, Joe Lemelin, William Hester and Mike Farrell.

How large is the Winsted Water Works system?
The system comprises 12.8 square miles of watershed, Crystal Lake and Rugg Brook Lake reservoirs, each with its own dam, one aqueduct connecting the two reservoirs, a 6 million gallons per day water treatment and filtration plant including a 1-million-gallon storage tank, a decommissioned 1.5-million-gallon storage tank on Wallens Hill, 40.5 miles of water mains, 3 pumping stations, 190 hydrants, 952 gate valves and 12 auto flushers.

How many customers does Winsted Water Works serve?
Currently the system serves 2,573 customers located in the greater Winsted area.
What is the history of the Winsted Water Works?
The Borough of Winsted was authorized to construct water works in 1860, and built a gravity system that began service on November 10, 1862. The town of Winchester took over the Winsted Water Works in 1915 when it merged with the Borough of Winsted.

How is water quality measured and assured?
Daily water samples are tested at the Crystal Lake Water Treatment plant. Weekly water samples are sent to independent labs and all results are submitted to the CT Department of Public Health (DPH). The Crystal Lake Water Treatment plant has continuous (24 hours per day every day) sensor monitoring. 16 distribution locations are sampled and tested every month. Random samples are routinely done throughout the system to make operational adjustments and flush water as needed.

How are water quality issues investigated and resolved?
Calls to WWW result in a conversation with a Utilityman first, and if needed or requested, a site visit and water sampling is conducted. Test results determine the exact course of resolution.

What other long-term projects for Winsted Water Works is the Water and Sewer Commission contemplating authorizing?
Replace or reline all remaining unlined cast iron water mains in the system which comprise approximately 5 linear miles (12% of the system). Repairs to dams, dikes, and canals. Rehabilitation of Existing Crystal Lake Storage Tank.