



**SPRINGFIELD WATER AND SEWER COMMISSION**  
**P.O. BOX 995, SPRINGFIELD, MA 01101**

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**FOR IMMEDIATE RELEASE**

**Springfield Water and Sewer Commission Issues Proposed FY 2023 Budget**  
***Virtual Public Hearing Scheduled for Tuesday, May 31, 2022, 6 PM***

The Springfield Water and Sewer Commission (Commission) has issued its proposed FY23 budget and schedule of rates, fees and charges, and revisions to its *Rules and Regulations*. A virtual public hearing on the proposed changes is scheduled for Tuesday, May 31, 2021, at 6 PM.

- The proposed rates for FY23 are lower than previous years' projections, despite spiking inflation and supply chain impacts to all functions of operations.
- Capital investment in the Commission's \$550 million Water and Wastewater Infrastructure Renewal Program is a major factor behind the proposed FY23 rates.
- The average rate increase on residential customers will be \$7/month.
- The Commission has enhanced customer assistance programs for seniors and for customers struggling to pay their bills.

**Strategic Financing to Maintain Stable Rates**

Due to responsible budgeting and efficient project management, the Commission was able to lower last year's projected FY 2023 rate increase from 6.75% to 6.5%. Earlier in the current fiscal year, the Commission secured a \$250 million low-interest loan from EPA's highly competitive Water Infrastructure Finance and Innovation Act (WIFIA) program to help finance a \$550 million portfolio of 27 critical water and wastewater projects, known as the Water and Wastewater Infrastructure Renewal Program. The projects are necessary to address risks associated with aging and end-of-life infrastructure, obsolete technology, and often century-old pipes that undermine service reliability and compliance with modern regulations. The WIFIA loan enables the Commission to advance the \$550 million capital investment over a six-



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year schedule. Rate increases will be reflective of capital investments taking place during this time, and as the WIFIA portfolio nears completion in FY28, more modest increases are projected for FY29 and beyond.

“Relying on aging infrastructure in an era of new regulations and climate change requires significant re-investment that simply can no longer be deferred,” said Executive Director Josh Schimmel. “Fortunately, the Commission has secured highly competitive financing from federal and state agencies that will provide the region with a once-in-a-generation opportunity to upgrade infrastructure more quickly while keeping rate increases stable and predictable.”

Financing from the WIFIA program is expected to save ratepayers \$60 million in borrowing costs over the next 30 years. The Commission is also utilizing low-interest financing from the Clean Water and Drinking Water State Revolving Funds (SRF) as a match for the WIFIA Program, which is expected to save ratepayers an additional \$20 million in borrowing costs over the next 20 years. The Commission has utilized SRF financing extensively since FY 2010 (\$150 million in completed capital projects), resulting in \$28.5 million in loan forgiveness through the SRF environmental justice community affordability program. In addition, the Commission recently secured \$5.6 million in loan forgiveness from the American Rescue Plan Act of 2021 (ARPA), which is administered through the SRF. These savings will be reflected in future budget years upon completion of projects.

Utilities like the Commission that utilize the SRF program are in the best position to receive funding from the recently passed Bipartisan Infrastructure Bill (BIL) and Drinking Water and Wastewater Infrastructure Act (DWWIA), which are also being administered through the SRF. Mr. Schimmel [recently testified before the U.S. Senate](#) to advocate for the expansion of grants, technical assistance, and eligible expenses through the SRF program. The Commission will continue to aggressively seek and advocate for grants and other strategic funding or financing opportunities to support its capital improvement program.

### **Water and Wastewater Infrastructure Renewal Program**

The cornerstone project of the Water and Wastewater Infrastructure Renewal Program is the construction of a new West Parish Filters Water Treatment Plant. The \$238 million, multi-phased project includes a new treatment process, currently in design, that will address recent compliance issues with disinfection byproducts that are due to the plant’s outdated filtration technology. Phase 1 of the project, the [Clearwell and Backwash Pump Station Project](#), is currently under construction. The new treatment plant project is currently on-schedule and is anticipated to be complete in 2027.



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The Commission's [portfolio of WIFIA projects](#) includes 26 other capital improvements ranging from the construction of the York Street Pump Station and Connecticut River Crossing Project (currently at 50% completion), to upgrades to raw water conveyance from the reservoir and replacements of water and sewer mains in the city.

**Proposed FY23 Rates**

The proposed FY23 combined water and sewer rate will raise the average residential bill by \$7/month. The residential water rate will increase from \$4.19 per 100 cubic feet (CCF) to \$4.46 per CCF, a 6.5% increase. The residential sewer rate will increase from \$6.62 per CCF to \$7.05 per CCF (also a 6.5% increase). The proposed rate increases will be applied to water and sewer use beginning July 1, 2022, with increases reflected in bills issued in August 2022.

**Customer Assistance Programs**

The Commission offers several financial assistance programs to help customers struggling to pay their water and sewer bills, including payment plans and programs for low-income customers. For FY23 the Commission is proposing to increase its discount for senior, disabled, and disabled Veteran homeowners from \$75/year to \$81/year, and to double the annual Customer Assistance Program (CAP) credit available to eligible low-income customers from \$125 to \$250. The CAP is available to single-family/owner-occupied homeowners that qualify for the Low-Income Home Energy Assistance Program (LIHEAP) and is one of the few of its kind among water utilities in the nation.

**Public Hearing**

Ratepayers, customers, and members of the public are invited to participate in the following public hearing via telephone or computer:

DATE/TIME: Tuesday, May 31, 2021, 6:00 P.M.

LOCATION: **Telephone:** 413-261-6430, Conference ID: 556 975 461#

**Computer (live video conference):** <https://bit.ly/3vB9rec>

Relevant documents are available on the Commission's web page at <https://waterandsewer.org/updates/public-notices/> and the Commission encourages interested parties to submit questions and comments in advance of the hearing via [info@waterandsewer.org](mailto:info@waterandsewer.org).

**About the Commission**

Established in 1996, the Springfield Water and Sewer Commission is an independent, public regional utility. The Commission serves 250,000 customers in the lower Pioneer Valley with safe and reliable drinking water and wastewater service. The Commission provides retail drinking water service to Springfield and Ludlow; wholesale drinking water service to Agawam, Longmeadow, and East Longmeadow; and emergency/peak service to Westfield, Southwick, West



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Springfield, Chicopee, and Wilbraham. The Commission provides retail wastewater service to Springfield and wholesale wastewater service to West Springfield, Agawam, Longmeadow, East Longmeadow, Wilbraham, and Ludlow.

**END**