

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

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FOR IMMEDIATE RELEASE

Springfield Water and Sewer Commission Adopts FY23 Rates Updated Rates in Effect as of July 1, 2022

The Board of the Springfield Water and Sewer Commission adopted FY23 rates at its regular monthly meeting on June 14, 2022, following a public hearing held on May 31, 2022. The revised proposed rates for combined water and sewer represent an increase of 6.5% for residential customers. The new rates take effect July 1, 2022.

The Commission is committed to fiscal responsibility and maintaining its ability to deliver core water and wastewater services. Rate increases are driven by needed improvements to the Commission's infrastructure, which is occurring on an accelerated basis due to the Commission's recent finalization of a competitive EPA Water Infrastructure Finance and Innovation Act (WIFIA) loan. The average rate increase on residential customers will be \$7/month. The Commission is also increasing its customer assistance program credit and senior/disabled/disabled Veteran customer discount in the coming fiscal year in order to support customers that may struggle paying their water/sewer bill.

Water and Wastewater Infrastructure Renewal

In fall of 2021, the Commission kicked off its \$550 million Water and Wastewater Infrastructure Renewal Program, which includes over 20 critically needed infrastructure upgrade projects. The portfolio of projects is supported by a \$250 million low-interest WIFIA loan, along with low-interest Clean Water and Drinking Water State Revolving Fund (SRF) loans that are being leveraged as matching funds. WIFIA financing is expected to save ratepayers \$60 million in borrowing costs over the next 30 years, while SRF financing is expected to save \$20 million. Participation in WIFIA and the SRF programs also strategically position the Commission for potential receipt of new federal funding from the recently passed Bipartisan Infrastructure Law (BIL).

The FY23 rate is largely driven by the need to support the implementation of the Water and Wastewater Infrastructure Renewal Program. One cornerstone project includes the design and construction of the new West Parish Filters Water



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Treatment Plant to address recent water quality issues associated with disinfection byproducts, which are due to the plant's outdated filtration technology. Rate increases are expected to become more modest once implementation of the program is completed over the next six years.

"The scale of upgrades taking place over the next six years is a generational re-investment," said Commission Chairwoman Vanessa Otero. "The Commission is dedicated to its mission of delivering reliable drinking water and wastewater services of the highest quality to its customers for decades to come, while maintaining affordability of this essential public good."

Rate Impact

The FY23 combined water and sewer rate for residential customers will increase 6.5%. The residential water rate will increase from \$4.19 per 100 cubic feet (CCF) to \$4.46 per CCF. The residential sewer rate will increase from \$6.62 to \$7.05 per CCF. The typical household water and sewer bill is estimated to increase an average of \$84 annually, or \$7 per month. The proposed rate increases will be applied to water and sewer use beginning July 1, 2022, with the increases reflected in bills issued in August 2022.

Customer Assistance Programs

In order to support customers that may struggle paying their water/sewer bill, the Commission's Customer Assistance Program (CAP) provides eligible customers that qualify for the Low Income Home Energy Assistance Program (LIHEAP) an annual credit. As of July 1, 2022, the annual credit will increase from \$125 to \$250. In addition, the Commission is increasing the discount for eligible senior, disabled, and disabled Veteran customers from \$6.25/month to \$6.75/month (\$81 annually). Payment plans are also available to assist customers in paying their bills.

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 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.

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