



**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 2025 Budget
Virtual Public Hearing Scheduled for Thursday, May 30, 2024, 6 PM

The Springfield Water and Sewer Commission (Commission) has issued its proposed FY25 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 Thursday, May 30, 2024, at 6 PM.

- In FY25, residential customers that receive a water and sewer bill from the Commission will see an average 6.3% increase in their annual bills, or an average rate increase for residential customers of \$7.99/month.
- The Commission proposes to increase the annual discount for seniors, disabled, and disabled Veteran homeowners.
- The Commission's Water and Wastewater Infrastructure Renewal Program, a portfolio of over 20 critical water infrastructure renewal projects currently underway, and rising costs in chemicals, labor and insurance are the main drivers of this year's rate increase.

Water and Wastewater Infrastructure Renewal Program

The Water and Wastewater Infrastructure Renewal Program (WWIRP) will revitalize the region's water and wastewater systems over the next 6 years through over 20 critical infrastructure upgrades. This includes a new estimated \$325 million West Parish Water Treatment Plant, which will replace infrastructure that has been in continuous use for over 50 years (and in some cases over a century) and resolve regulatory compliance issues with disinfection byproducts. Construction contracts are currently out for bid for the project. Demolition and construction will start later in 2024, with the new plant scheduled to be complete in 2028.

Other areas of reinvestment are already complete. In November 2023 the Commission completed the \$26.5 million Backwash Facility at the existing West Parish Filters Water Treatment Plant, which will enable water treatment to



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continue while the new treatment plant is under construction. That same month, the Commission also completed the \$137 million York Street Pump Station and Connecticut River Crossing Project, which increases system resiliency and reduces combined sewer overflow discharges into the Connecticut River. This year new water and wastewater pipes will also be installed in Birnie Avenue and Locust Street as part of the WWIRP.

“The Commission is proposing a modest rate increase in the context of a generational amount of capital work currently underway,” said Executive Director Josh Schimmel. “We are always mindful of the impact of rate increases on our customers, but also of the even higher costs of not reinvesting in our essential water and wastewater systems. The Commission will continue to steward its capital program in an efficient manner to support predictable and stable rate increases. Ratepayers will benefit from this reinvestment through the elimination of risks associated with century-old or obsolete infrastructure that threaten service reliability and compliance with modern regulations.”

The WWIRP is being financed through a \$250 million low-interest loan from EPA’s highly competitive Water Infrastructure Finance and Innovation Act (WIFIA) program, and through low-interest loans from the Massachusetts Clean Water Trust’s Clean Water and Drinking Water State Revolving Funds (SRF). Federal funding from the Infrastructure Investment and Jobs Act of 2021 (also known as the Bipartisan Infrastructure Law) is administered through the SRF in the form of loan forgiveness programs. In FY25 the Commission is approved for \$6.5 million in SRF loan forgiveness. Loan forgiveness reduces the Commission’s borrowing on completed projects, and will be reflected in future budget years when projects come online. In addition, this year the Commission obtained a \$4.6 million federal earmark in the FY24 Interior and Environment Appropriations bill for the new West Parish Water Treatment Plant, as well as a \$5 million grant currently under negotiation from the Department of Energy (DOE) for the Cobble Mountain Hydropower Station Turbine 3 rehabilitation project. These grants will be reflected in future budgets once they have been received. More modest rate increases are currently projected after the WWIRP portfolio reaches completion.

Proposed FY25 Rates

The proposed FY25 combined water and sewer rate will raise the average residential bill by \$7.99/month. The residential water rate will increase from \$4.75 per 100 cubic feet (CCF) to \$5.15 per CCF. The residential sewer rate will increase from \$7.51 per CCF to \$7.85 per CCF. The monthly meter charge is being increased \$0.57 per month. For the average household customer, this translates into a 6.3% increase, or \$7.99/month. The proposed rate increases will be applied to water and sewer use beginning July 1, 2024, with increases reflected in bills issued in August 2024.



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Customer Assistance Programs

The Commission offers several financial assistance programs to help customers manage their water and sewer bills, including payment plans and programs for low-income customers. In FY25 the Commission is proposing to increase its discount for senior, disabled, and disabled Veteran homeowners from \$99/year to \$108/year. The Customer Assistance Program (CAP) also remains available to single-family/owner-occupied homeowners that qualify for the Low-Income Home Energy Assistance Program (LIHEAP), 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: Thursday, May 30, 2024, 6:00 P.M.
LOCATION: **Telephone:** 413-261-6430, Conference ID: 210 036 547#
Computer (live video conference): <https://tinyurl.com/mryp989n>

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.

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; regional drinking water treatment 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 regional wastewater treatment to West Springfield, Agawam, Longmeadow, East Longmeadow, Wilbraham, and Ludlow.

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