



**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 2021 Budget**

*Virtual Public Hearing Scheduled for Tuesday, June 2, 2020, 6 PM*

The Springfield Water and Sewer Commission (Commission) has issued its proposed FY21 budget, capital improvement program, 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, June 2, 2020 at 6 PM.

The Commission is committed to fiscal responsibility and maintaining our ability to deliver our core services. Considerable resources are invested to maintain and replace our aging water and wastewater systems. Rate increases are typically driven by needed improvements to the Commission's infrastructure in order to continue to provide safe drinking water and collect and treat wastewater to protect public health and the environment, for unfunded federal and state regulatory mandates, and increases in operational costs. The proposed FY21 program and budget responds to a challenging year for the Commission in terms of required investment in infrastructure and the significant financial effects of the global COVID 19 pandemic.

**Necessary Infrastructure Renewal**

The Commission's Capital Investment Program (CIP) planning processes are predicated on sound financial policies and practices that establish budget discipline, provide controlled flexibility for the unexpected, and establish and maintain strong financial ratings that lead to reduced borrowing costs. In 2019 and 2020 the Commission began implementation of a strategic plan for much-needed investment in our water and wastewater infrastructure. That plan projected a 3 year CIP of approximately \$87.2 million, in addition to ongoing CIP expenditures of more than \$114.5 million. In FY20, the plan had to be increased by \$15 million due to the unexpected mechanical failure of a critical valve and pipeline connecting Cobble Mountain Reservoir to the West Parish Filters Water Treatment Plant. As this was being factored into the CIP, the



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Commission began experiencing a significant decrease in consumption of 15-20% due to the many businesses, industries, and schools and universities that shuttered because of the COVID 19 pandemic.

In response, the Commission reduced, shifted, and cut the proposed budget as much as possible without jeopardizing short term reliability, long-term stability, and financial viability. The Commission has also leveraged every available state and federal funding program to assist in financing our programs and operations. This includes existing low-interest State Revolving Fund (SRF) loans. As always, the Commission continues to be sensitive to rates and what is affordable to our customers, but with the need for continued investment compounded by financial impacts of the COVID 19 pandemic, the Commission is proposing a combined rate increase of 16.9% for FY21.

“In recent years we have seen the effects of under-investment and short-sighted cost-saving in the water sector, most notably leading to lead crises in various cities across the United States,” said Executive Director Joshua Schimmel. “As the Commission continues to monitor and respond to the financial impacts of our current situation, we know that the one thing none of us can afford is to have our water and wastewater systems be at risk for failure. The Commission continues to call on state and federal elected officials and agencies to not only provide regular support for the financing of these critically important capital investments, but to aid in the recovery from the economic impacts being experienced due to COVID-19.”

**Rate Impact**

If approved, the proposed FY21 combined water and sewer rate for residential customers will increase 16.9%. The residential water rate will increase from \$3.62 per 100 cubic feet (CCF) to \$4.23 per CCF. The residential sewer rate will increase from \$5.71 to \$6.67 per CCF. The typical household water and sewer bill is estimated to increase an average of \$140.88 annually, or approximately \$11.74 per month. The proposed rate increases will be applied to water and sewer use beginning July 1, 2020, with the increases reflected in bills issued in August 2020. Even with this increase, the Commission’s rate structure continues to be in the lower half of water and sewer rates across our region and the country.

**Customer Assistance Programs**

The Commission recognizes the need to provide assistance for customers that need financial assistance. Due to the COVID 19 pandemic the Commission has temporarily suspended water shut-offs for failure to pay and has also temporarily suspended late fees. Although this will not be a permanent adjustment, it will help alleviate some of the financial hardships being experienced during the COVID 19 pandemic. As has always been the case, the Commission will provide payment plans to allow customers to pay down past-due bills over a negotiated term. Additionally, the Commission is developing a formal Customer Assistance Program that would be available to eligible customers on a first-



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come, first-serve basis. The program is specifically designed to provide relief to households who may struggle to pay the water and sewer rates.

**Public Hearing**

Due to potential restrictions on social gatherings, ratepayers, customers, and members of the public are invited to participate in the public hearing via telephone or computer:

DATE/TIME: Tuesday, June 2, 2020, 6:00 P.M.

LOCATION: **Telephone:** 413-261-6430, Conference ID: 566 881 166#

**Computer (live video streaming available):** <https://bit.ly/2YfiUnK>

Relevant documents will be available on the Commission's web page at [www.waterandsewer.org](http://www.waterandsewer.org) and the Commission encourages interested parties to submit questions and comments in advance of the hearing.

The public hearing will include a review of significant projects and initiatives that are planned or currently underway, with a focus on projects that are drivers of proposed rate changes, as well as a review of the operations and capital budgets for FY21. Following the presentation, ratepayers, customers, and members of the general public may present questions and comments to Commission staff and the three-member Board of Commissioners.

Some of the projects to be highlighted include:

- The Connecticut River Crossing and York Street Pump Station project
- West Parish Filters Water Treatment Plant upgrades
- Sewer and water infrastructure improvement projects within Springfield and Ludlow
- Information technology and security upgrades

The Commission welcomes and encourages customers, ratepayers, and members of the public to participate to learn more about Springfield Water and Sewer Commission operations and capital projects, and to comment on the proposed fiscal year 2021 budget.

**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**