



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

Date of Issuance: July 1, 2021

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**FOR IMMEDIATE RELEASE**

**Springfield Water and Sewer Commission Adopts FY22 Rates**

*Updated Rates in Effect as of July 1, 2021*

The Board of the Springfield Water and Sewer Commission adopted FY22 rates at its regular monthly meeting on June 23, 2021, following a public hearing held on June 2, 2021. The revised proposed rates for combined water and sewer represent an increase of 5.9% for residential customers. The new rates take effect July 1, 2021.

The rates for FY22 were adopted with an ongoing commitment to fiscal responsibility and delivering essential drinking water and wastewater services, which requires unavoidable upgrades to century-old infrastructure. Infrastructure reinvestment will be enhanced in FY22 by the finalization of competitive state and federal subsidized loans secured by the Commission. The average rate increase on residential customers will be \$6/month, and the Commission also will maintain and facilitate financial customer assistance programs throughout the fiscal year.

**Water and Sewer Infrastructure Renewal**

In 2019, the Commission initiated much-needed strategic investment in several keystone projects that serve the Springfield region. The FY22 capital budget includes the construction phase of the West Parish Filters upgrades to address recent water quality exceedances associated with haloacetic acids (HAA5), which are due to the plant's outdated filtration technology. It also includes upgrades mandated by new state or federal regulations, as well as smaller-scale but critical projects such as water main replacements.

The FY22 capital budget is unique in that it also incorporates projects previously scheduled for future years in order to qualify for financing by the federal Water Infrastructure Finance and Innovation Act (WIFIA). The Commission was recently selected among a highly competitive national pool of WIFIA applicants to receive \$251 million in low-cost financing for water and sewer infrastructure projects. WIFIA financing is expected to save ratepayers \$60 million in



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borrowing costs over the next 30 years. The FY22 capital budget of \$298 million includes appropriations for all WIFIA-financed projects, which will be implemented on an accelerated five-year schedule. WIFIA financing is expected to be finalized in the beginning months of FY22.

The Commission also secured \$46.7 million in financing from the Clean Water and Drinking Water State Revolving Funds to finance two wastewater projects and one drinking water infrastructure project. The competitive state financing program, which is administered by the Massachusetts Department of Environmental Protection and includes some debt forgiveness, will save ratepayers approximately \$20 million in borrowing costs over the next 20 years. SRF funds are being leveraged as matching funds for WIFIA-financed projects, and will also potentially increase the Commission's eligibility for future federal funding should a new infrastructure bill be adopted. Revenue from rates is currently the primary source of funding for water and sewer service.

“In coordination with the Board, Commission staff worked diligently over the past year to secure high-profile federal and state low-interest loans to support the unprecedented and unavoidable amount of investment needed for our water and wastewater system,” said Executive Director Josh Schimmel. “These financing vehicles were the best option to both advance the necessary work to reduce risks posed by our aging infrastructure, and to support affordability for our customers. We are proud that our work to secure WIFIA and State Revolving Fund financing allowed for a 3.6% reduction in the necessary rate increase, from 9.5% to 5.9%.”

**Proposed FY22 Rates**

The proposed FY22 combined water and sewer rate will raise the average residential bill by \$6/month. The residential water rate will increase from \$3.96 per 100 cubic feet (CCF) to \$4.19 per CCF, a 5.9% increase. The residential sewer rate will increase from \$6.25 per CCF to \$6.62 per CCF (also a 5.9% increase). The proposed rate increases will be applied to water and sewer use beginning July 1, 2021, with increases reflected in bills issued in August 2021.

**Customer Assistance Programs**

The Commission will continue to offer several financial assistance programs to help customers pay their water and sewer bills in FY22. This includes flexible payment plans and monthly discounts for senior, disabled, and disabled Veteran homeowners. In FY21 the Commission launched a new Customer Assistance Program that provides an annual \$125 credit for homeowners that qualify for the state's low-income heating assistance program (LIHEAP). Customers that qualify for LIHEAP in FY22 will again be able to receive the credit. Congress also appropriated \$1.1 billion in the last two Covid-relief bills for emergency water and wastewater assistance for low-income households nationwide. The Commission is



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working with the Massachusetts agencies slated to administer these funds in order to facilitate and expedite the distribution of this additional financial assistance to eligible Commission customers.

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