SPRINGFIELD WATER AND SEWER COMMISSION



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** PRESS RELEASE**

Springfield Water and Sewer Commission Announces Major Water and Wastewater Infrastructure Renewal Program

U.S. EPA Assistant Administrator Radhika Fox and Congressman Richard Neal Attend to Remark on \$500 Million Water Infrastructure Program

FOR IMMEDIATE RELEASE

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Springfield, MA (September 16, 2021) – Today, on Bondi's Island in Agawam, United States Environment Protection Agency (EPA) Assistant Administrator Radhika Fox and Congressman Richard Neal (MA-1) joined the Springfield Water and Sewer Commission and other state and local officials to announce the initiation of a major \$500 million Water and Wastewater Infrastructure Renewal Program with support of EPA's Water Infrastructure Finance and Innovation Act (WIFIA) program. The Commission recently closed on a \$250 million low-interest loan through the highly competitive WIFIA program that will save ratepayers approximately \$60 million in borrowing costs over 30 years.

"EPA is proud to partner on this project that will support a cleaner, safer, and greener Springfield while creating more than 1,700 jobs. With EPA's WIFIA funding, these benefits will be realized years sooner than otherwise possible," said EPA Assistant Administrator for Water Radhika Fox. "These wins for water quality, air quality, public health, and the local economy illustrate how the Bipartisan Infrastructure Deal will accelerate needed upgrades to revitalize communities across the country."

The Commission was selected among a competitive national pool of applicants for the \$250 million WIFIA loan, which is the fifth largest awarded nationally in 2021, and the first ever WIFIA loan awarded in the state of Massachusetts. WIFIA financing will support and accelerate the construction of more than 30 projects in the Commission's capital improvement program (CIP) that will improve drinking water quality, water and sewer service reliability, system modernization, and environmental protection for 250,000 residents across the Lower Pioneer Valley. Significant portions of the Commission's systems have been in continuous service since their original construction, some over a

century ago. The Commission is matching the WIFIA funding with more than \$200 million in state-administered financing from the Massachusetts Drinking Water and Clean Water State Revolving Funds (SRF).

Cornerstone projects of the Commission's Water and Wastewater Infrastructure Renewal Program include:

- New Treatment Facility at West Parish Filters Water Treatment Plant (\$168 million): Construction of new treatment process and other plant upgrades to permanently resolve disinfection byproduct issues and improve drinking water quality. More information: West Parish Filters Facilities Plan.
- York Street Pump Station and Connecticut River Crossing Project, the site of today's announcement (\$137 million): Replacement of a 1930s-era pump station and construction of three new wastewater conveyance pipes across the Connecticut River. More information: York Street Pump Station and Connecticut River Crossing Project.
- Biological Nutrient Removal Upgrades at the Springfield Regional Wastewater Treatment Facility (\$63.2 million): Upgrade of wastewater treatment plant's 1970s-era aeration system, electrical system, and solids removal equipment to improve energy efficiency, safety conditions, and regulatory compliance.
- Drinking Water Distribution and Sewer Pipe Upgrades in the City of Springfield (\$31 million): Rehabilitation and/or replacement of drinking water and sewer pipe prioritized based on age and potential for failure.

In addition to Administrator Fox, MassDEP Commissioner Martin Suuberg and EPA Region 1 Acting Administrator Deborah Szaro and several other officials also provided comments at the event.

"An investment in infrastructure is an investment in our future and today's announcement reinforces that," said Congressman Neal. "I am proud that the Springfield region is the first in the state to benefit from the highly competitive federal Water Infrastructure Finance and Innovation Act, receiving one of the largest awards from the EPA in the nation. This unprecedented investment will help build back our region's drinking water and wastewater systems to be more sustainable and resilient in the face of climate change, protect public health and our environment from the risk of infrastructure failure, and maintain the long-term affordability of these critical services."

Springfield Water and Sewer Commission Chairwoman Vanessa Otero remarked, I am proud of the strategic project and financial planning the Commission has undertaken to secure these competitive financing opportunities. We are now able to advance more than 20 years of capital improvement projects in as little as six years and save customers in Springfield, Ludlow, and surrounding communities approximately \$60 million in borrowing costs, while stabilizing rates in the future.

"We are facing an unprecedented and unavoidable need for reinvestment in our century-old drinking water and wastewater systems," **Commission Executive Director Josh Schimmel** said. "We view the WIFIA program as an innovative means to renew and adapt our utility to 21st century challenges

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in an affordable and sustainable manner. The unique and flexible terms of the WIFIA program offer a once-in-a-generation opportunity to modernize all of our water infrastructure on an accelerated basis in order to reduce risks presented by 21st century challenges such as climate change and regulatory compliance."

Mayor Domenic J. Sarno states, "I want to commend Springfield Water and Sewer Commission Executive Director Josh Schimmel and his team for their continued efforts in identifying and securing this much needed investment. This \$250 million EPA Water Infrastructure Finance and Innovation Act Loan will support the Commission's \$500 million investment to improve vital and essential infrastructure for our residents and business community. I want to also thank Congressman Richard Neal and the EPA for their continued advocacy and initiatives in support of our local infrastructure projects. My Administration will continue to work with all of our local, state and federal partners to assure that our local infrastructure projects receive the investment and funding needed to maintain their reliability for our population well into the future."

Background

About the Water Infrastructure Finance and Innovation Act (WIFIA)

Established by the Water Infrastructure Finance and Innovation Act of 2014, the WIFIA program is a federal loan and guarantee program administered by EPA. WIFIA's aim is to accelerate investment in the nation's water infrastructure by providing long-term, low-cost supplemental credit assistance for regionally and nationally significant projects. More information can be found here: https://www.epa.gov/wifia

About the Drinking Water and Clean Water State Revolving Fund

The Drinking Water and Clean Water State Revolving Funds (DWSRF, CWSRF) are joint federal-state financing programs that provide low-interest loans for water supply and wastewater infrastructure improvement projects. The programs are administered by the Massachusetts Department of Environmental Protection (MassDEP). Financing through the DWSRF and CWSRF programs offer loans at a lower-than-market rate of 2%. More information can be found here: https://www.mass.gov/state-revolving-fund-srf-loan-program.

About the Springfield Water and Sewer Commission

The Springfield Water and Sewer Commission is an independent, regional public utility that provides drinking water and wastewater service to approximately 250,000 people in the lower Pioneer Valley. The Commission provides retail drinking water service to Springfield and Ludlow, and wholesale drinking water to Agawam, Longmeadow, and East Longmeadow, as well as emergency/peak service to Southwick, West Springfield, Westfield, 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. More information can be found here: https://waterandsewer.org/.

More information about the **Water and Wastewater Infrastructure Renewal Program**, including details on key projects, is available on the Commission's website: https://waterandsewer.org/wifia.

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