State of Oregon Department of Environmental Quality

Fiscal Sustainability Planning

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Clean Water State Revolving Fund loans require that a Fiscal Sustainability Plan for treatment works projects be in place by project completion.

What is a fiscal sustainability plan?

A living document that is regularly reviewed, revised, expanded and implemented as an integral part of the operation and management of the system. This plan, at a minimum, includes the following:

- An inventory of critical assets that are a part of the treatment works
- An evaluation of the condition and performance of inventoried assets or asset groupings
- A certification that the recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan
- A plan for maintaining, repairing, and, as necessary, replacing the treatment works and a plan for funding such activities

When is a fiscal sustainability plan required?

Any public entity applying for a Clean Water State Revolving Fund construction loan for repair, replacement, or expansion of a treatment works project must certify that they are implementing a fiscal sustainability plan. Some loan applicants, such as large utilities, may already be using a written plan for sustaining operational and financial viability. Applicants that have not developed a plan prior to loan award will be required to develop one that covers the funded project and closely associated components before the last disbursement is made.

Treatment works includes any devices and systems used in the storage, treatment, recycling, and reclamation of municipal sewage or industrial wastes of a liquid nature, or necessary to recycle or reuse water at the most economical cost over the estimated life of the works. For example:

- Intercepting sewers, outfall sewers, sewage collection systems, pumping, power, and other equipment, and their appurtenances
- Extensions, improvements, remodeling, additions and alternations of treatment and collection infrastructure
- Elements essential to provide a reliable recycled supply such as standby treatment units and clear well facilities

Stormwater collection systems and the infrastructure that treats the pollutants that are, or may be, discharged from them.

Asset management

Asset management is the practice of managing infrastructure capital assets to minimize operating costs while delivering optimum service levels. A high-performing asset management program incorporates

detailed asset inventories, operation and maintenance tasks, and long-range financial planning to build system capacity and longevity. This is the foundation of Effective Utility Management.

Collecting data as part of asset management can reduce the cost of a preliminary engineering report for a future equipment replacement. DEQ recommends utilities implement asset management prior to facility planning.

Asset Management resources

EPA's website is a resource for asset management whether you are just getting started or looking to enhance your existing plan.

The Check-up Program for Small Systems is a free, easy-to-use, asset management tool for small drinking water and wastewater utilities. You'll find resources online such as an Excel spreadsheet for information on your newly financed equipment. This is a quick way to populate the asset inventory module, Check-up Program application.

See the U.S. Environmental Protection Agency's Simple Tools for Effective Performance Guide series at 2003 Asset Management Handbook.

Energy conservation

Investments focusing on energy conservation can reduce labor, maintenance and disposal costs, as well as reduce chemical use. Cost savings create a financial reserve for planned improvements and eliminate or minimize rate increases to ratepayers.

Identify and implement energy conservation efforts appropriate for your utility based on this Plan-Do-Check-Act Approach.

1. Benchmark and track monthly annual energy use
2. Identify and prioritize energy efficiency opportunities
3. Identify efficiency goals, objectives, and targets
4. Identify performance indicators to measure progress in energy conservation
5. Develop an action plan to meet goals
6. Document success and communicate to stakeholders
7. Periodically review and adjust energy conservation measures

Energy conservation resources

Guidance to implement the Plan-Do-Check-Act approach is presented in EPA's An Energy Management Guidebook for Wastewater and Water Utilities.

Energy Trust of Oregon and Energy Smart Industrial are two service providers established to help customers of Portland General Electric, Pacific Power and Bonneville Power Administration implement energy conservation measures.

Bonneville Power Administration's Energy Smart Industrial program serves utilities purchasing electricity from people's utility districts, electric cooperatives, and municipality-owned electric utilities. Energy Smart Industrial offers energy audits to help you get started and a website for energy efficient utility resources.

Energy Trust of Oregon serves utilities purchasing electricity from PGE and Pacific Power. Energy Trust of Oregon offers energy audits to help you get started, including a Wastewater Energy Savings Guide.

The Oregon Association of Clean Water Agencies promotes energy efficiency to its members and periodically offers training to wastewater utilities integrating the Plan-Do-Check-Act Approach noted above. A summary of this training is presented in the association's Focused Approach on Energy Yields Savings for Wastewater Treatment Plants.

Energy efficiency program administrators from the United States and Canada formed a consortium to accelerate the uptake of increasingly efficient goods and services. The Consortium for Energy Efficiency National Municipal Water and Wastewater Facility Initiative has information that can support energy efficiency measures in your fiscal sustainability plan.

Energy conservation tools

EPA's free Energy Use Assessment Tool is designed for small and medium sized wastewater and water utilities. The Excel-based tool is available online and enables utilities to analyze current energy bills and energy consumption for major pieces of equipment. The utility can develop a printable summary report outlining current energy consumption and costs, generate graphs, and highlight areas of potential improvement in energy efficiency.

Studies estimate potential savings of 15 to 30 percent that are readily achievable in water and wastewater plants, with substantial financial returns in the thousands of dollars and within payback periods of only a few months to a few years.

Water conservation

Water Conservation is a strategy or combination of strategies for reducing the consumption of water, reducing water loss, improving or maintaining the efficiency in the use of water, or increasing recycling and reuse of water.

Wastewater utilities can reduce operating costs through water conservation measures. These measures include, but are not limited, to:

- Green stormwater infrastructure and low impact development practices that minimize the volume of stormwater that requires treatment at the wastewater plant
- Reuse of treated wastewater for landscape irrigation will reduce the potable water drawn for those purposes
- When planning for facility upgrades wastewater utilities can replace faucets and toilets with water conserving products

- Collaborate with the drinking water utility in your community to influence the amount of wastewater sent to your facility for treatment and disposal

Water conservation resources

EPA's WaterSense Program has resources to promote water efficiency. States, local governments, and utilities can partner with WaterSense to get access to additional free tools and resources to help design and implement water efficiency and conservation programs.

Tools and information about water recycling and sustainable water infrastructure are available online.

The Oregon Department of Environmental Quality implements a statewide program that encourages the use of recycled water in a manner that protects public health and the environment.

Water & Energy Efficiency in Water & Wastewater Facilities is an EPA overview of the benefits of reuse, efficiency measures to generate less wastewater and how to use treated wastewater from centralized and decentralized systems.

DEQ's Clean Water State Revolving Fund website features water conservation projects.

EPA's WaterSense Water-saving Products webpage has information to help you select water conserving products when making facility upgrades.

Water conservation tools

EPA's Water Conservation Plan Guidelines offers helpful recommendations to utilities for creating and implementing a Water Conservation Plan.

The American Water Works Association offers free software specifically designed to help utilities perform water audits, to help quantify and track water losses and determine areas for improved efficiency.

Correcting infiltration and inflow issues with your wastewater or stormwater collection systems offer opportunities to conserve water and energy. EPA has an infiltration and inflow tool box which has a helpful section on estimating capacity.

Facts about wastewater reuse in Oregon can be found in the Oregon Smart Guide published by the Building Codes Division.

Wastewater fiscal planning

Fiscal sustainability is the ability of the public wastewater utility to sustain its current spending, rates, service and stewardship policies in the long run without threatening government solvency or defaulting on its responsibilities, agreements, or promised expenditures.

Fiscal planning resources

The Clean Water State Revolving Fund loan program provides low-cost loans for the planning, design and construction of various water pollution control activities. Any public agency in Oregon is eligible for a CWSRF loan. Eligible public agencies include tribal nations, cities, counties, sanitary districts, soil and water conservation districts, irrigation districts and various special districts and certain intergovernmental entities.

USDA Rural Development's Community Programs staff administers a variety of Federal loan guarantee, direct loan, and grant programs designed to provide needed infrastructure (water and waste) and community facilities for Oregon's rural communities.

Business Oregon Infrastructure Finance Authority has a loan program to fund the design and construction of public infrastructure needed to ensure compliance with the Safe Drinking Water Act or the Clean Water Act.

The Oregon Water Resources Department has $750,000 available for funding under the Water Conservation, Reuse and Storage Grant Program. The program provides match funding for project planning studies performed to evaluate the feasibility of developing a water conservation, reuse or storage project.

Fiscal planning tools

Building, renewing and replacing water infrastructure is an ongoing, expensive enterprise. Financing it strategies need to cover the cost of providing affordable services while managing long-term debt. EPA offers several tools online.

An interactive rates and financial benchmarking dashboard is designed to assist utility managers and local officials with analyzing residential and wastewater rates against utility finances, system characteristics, customer base socioeconomic conditions and geography. Dashboards have been funded, in part, by the EPA.

The American Council for an Energy-Efficient Economy, a nonprofit, 501(c)(3) organization, acts as a catalyst to advance energy efficiency policies, programs, technologies, investments and behaviors. Its toolkit provides concise yet detailed reviews of existing financing mechanisms, barriers to their implementation and related resources for stakeholder reference.

Alternative formats

DEQ can provide documents in an alternate format or in a language other than English upon request. Call DEQ at 800-452-4011 or email deqinfo@deq.state.or.us