

Top 5 Financial Questions about Integrated Planning

1. What are the financial benefits of developing an integrated plan to meet CWA requirements?

Municipalities who develop an integrated plan can achieve more cost-effective regulatory compliance because integrated planning optimizes competing resources and prioritizes projects for the best benefits, allowing for ideal sequencing of projects. For example, Boone, Iowa sequenced their infiltration and inflow work first which led to less water flowing to the wastewater treatment facility, thus reducing the size of the disinfection system needed to meet more stringent bacteria limits and saving the city between \$500,000 to \$750,000.

2. How do municipalities prioritize their Water Infrastructure investments to get the biggest bang for the buck?

There are both simple and complex methods for prioritizing your investments so that you can achieve the greatest benefits for the costs. Prioritizing projects is the main goal of Element 4 of the integrated planning process. EPA has developed a simple excel tool to help with prioritizing and weighting projects based on stakeholder feedback. More information can be found here:

<https://www.epa.gov/npdes/integrated-planning-technical-assistance>

A common decision-making approach, called multicriteria decision analysis, involves using multiple criteria to compare potential projects and actions. Stakeholders are typically involved throughout the process to both identify relevant criteria and apply criteria to potential projects. EPA also has developed an augmented alternatives analysis (AAA) which is a method for assigning numeric weighted values to goals identified in the stakeholder engagement process.

3. What is an augmented alternatives analysis?

An augmented alternatives analysis (AAA) is a method of selecting proposed alternatives that can be used within Element 4 of integrated planning. An AAA allows municipalities to incorporate triple bottom line community priorities into the evaluation process. An AAA includes a method for assigning numeric weighted values to goals identified in the stakeholder engagement process. Goals that have higher relative importance to stakeholders are weighted more highly. Each alternative receives a total score based on how well it achieves each of the stakeholder goals. The total score of each alternative is the measurable benefit. The AAA may then incorporate a life cycle cost of the projects into each alternative. The optimal result of an AAA is that a municipality will select the alternative that has triple bottom line benefits at an overall implementation cost that is affordable to the rate payers. Learn more about augmented alternatives analysis in this [video](#).

4. What is the Financial Capability Assessment and why is it important for integrated planning?

An FCA is used to aid in assessing a community's financial capability as a part of negotiating implementation schedules under both permits and enforcement agreements. With the release of EPA's 2012 Integrated Planning Framework, the Agency clarified that the financial capability analysis could include costs of: stormwater and wastewater; ongoing asset management or system rehabilitation programs; existing CWA related capital improvement programs; collection systems and treatment facilities; and other CWA obligations required by state or other regulators. EPA's Financial Capability Assessment (FCA) allows a municipality to identify a more affordable schedule for system improvements—that is, a way to increase fees more gradually than it might need to under a traditional planning approach. Integrated planning allows a municipality to quantify the holistic cost of regulatory compliance and incorporate this cost into an FCA.

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5. How can I pay for development of an integrated plan?

Many municipalities use general funds from tax revenues, enterprise funds generated by utility fees, or municipal bonds to pay for infrastructure planning. However, outside sources may be necessary to fully fund expensive capital projects.

Grant and loan program eligibilities vary, but integrated planning supports many current EPA grant and loan priorities, such as improving water quality, support for underserved communities, and resiliency. For example, the Water Infrastructure Finance and Innovation Act loan program supports projects that protect communities against extreme weather events and prioritize projects that serve underserved communities with water resource challenges.

EPA loans:

- Clean Water State Revolving Fund (CWSRF)

The CWSRF program is a federal-state partnership that provides communities low-cost financing for a wide range of water quality infrastructure projects. Planning activities likely to result in capital projects are eligible for CWSRF funding and the eligibilities guidance specifically lists integrated planning. Municipalities can contact their state CWSRF coordinators for more information or to apply.

- Water Infrastructure Finance and Innovation Act (WIFIA)

The WIFIA program provides long-term, low-cost supplemental loans for regionally and nationally significant projects, including to support planning activities for CWSRF-eligible projects.

EPA grants:

- Sewer Overflow and Stormwater Reuse Municipal Grants Program

This new program will provide funding for critical stormwater infrastructure projects and planning in communities including stormwater, green infrastructure, combined sewer overflows, and sanitary sewer overflows.

Other federal grants and loans:

- U.S. Department of Agriculture: Water and Environmental Programs (WEP)

WEP provides funding for the construction of water and waste disposal systems in rural communities with populations of 10,000 or less. Funding opportunities include predevelopment planning grants and water and waste disposal loans and grants.

See the [EPA Funding the Development of an Integrated Plan](#) and the [EPA Funding Integrated Plan Implementation](#) fact sheets for more funding options.

Have questions not answered here?

Check out the EPA integrated planning for municipal stormwater and wastewater webpage: <https://www.epa.gov/npdes/integrated-planning-municipal-stormwater-and-wastewater>

