

**State of Connecticut – Department of Public Health
Drinking Water State Revolving Fund (DWSRF)**

Green Project Eligibility and Guidance

EPA has provided the following guidance on the “Green” elements. For additional information, please also refer to the EPA document: Planning for Sustainability – A Handbook for Water & Wastewater Utilities and <http://water.epa.gov/infrastructure/greeninfrastructure/>.

DWSRF Eligibility Principles

State SRF programs are responsible for identifying projects contain “green” elements. The following overarching principles, or decision criteria, apply to all projects that contain “green” elements and will help states identify projects.

- 0.1 All “green” projects and activities must otherwise be eligible for DWSRF funding. There is no specific funding for these types of projects.
- 0.2 “Green” projects and activities must meet the definition of one of the four categories. The individual categories do not create new eligibility for the DWSRF.
- 0.3 Projects and activities that utilize the DWSRF set-asides can also be counted as “Green”. Planning and assessment activities, such as conducting water or energy audits, are eligible, as well as green-oriented capacity development, source water protection, and total/integrated water resources management planning activities. Where applicable, the pertinent set-asides that can be used are noted in the next section.

DWSRF Technical Guidance

The following sections outline the technical aspects for the DWSRF “green” projects. It is organized by the four categories of green projects: green infrastructure, water efficiency, energy efficiency, and environmentally innovative activities. Categorically green projects are listed, as well as projects that are ineligible. Design criteria for business cases and example projects that would require a business case are also provided.

1.0 GREEN INFRASTRUCTURE

- 1.1 Definition: Green stormwater infrastructure includes a wide array of practices at multiple scales that manage wet weather and that maintains and restores natural hydrology by infiltrating, evapotranspiring and harvesting and using stormwater. On a regional scale, green infrastructure is the preservation and restoration of natural landscape features, such as forests, floodplains and wetlands, coupled with policies such as infill and redevelopment that reduce overall imperviousness in a watershed. On the local scale, green infrastructure consists of site- and neighborhood-specific practices, such as bioretention, trees, green roofs, permeable pavements and cisterns.
- 1.2 Categorical Projects The following types of projects, done at a utility-owned facility or as part of a water infrastructure project, can be counted as “green” if they are a part of an eligible DWSRF project:
 - 1.2-1 Pervious or porous pavement
 - 1.2-2 Bioretention
 - 1.2-3 Green roofs
 - 1.2-4 Rainwater harvesting/cisterns
 - 1.2-5 Gray water use
 - 1.2-6 Xeriscape
 - 1.2-7 Landscape conversion programs
 - 1.2-8 Retrofitting or replacing existing irrigation systems with moisture and rain sensing equipment

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- 1.3 Projects That Do Not Meet the Definition of Green Infrastructure
 - 1.3-1 Stormwater controls that have impervious or semi-impervious liners and provide no compensatory evapotranspirative or harvesting function for stormwater retention.
 - 1.3-2 Stormwater ponds that serve an extended detention function and/or extended filtration. This includes dirt lined detention basins.
 - 1.3-3 In-line and end-of-pipe treatment systems that only filter or detain stormwater.
 - 1.3-4 Underground stormwater control and treatment devices such as swirl concentrators, hydrodynamic separators, baffle systems for grit, trash removal/floatables, oil and grease, inflatable booms and dams for in-line underground storage and diversion of flows.
 - 1.3-5 Stormwater conveyance systems that are not soil/vegetation based (swales) such as pipes and concrete channels. Green infrastructure projects that include pipes to collect stormwater may be justified as innovative environmental projects pursuant to Section 4.4 of this guidance.

- 1.4 Decision Criteria for Business Cases
 - 1.4-1 Green infrastructure projects are designed to mimic the natural hydrologic conditions of the site or watershed.
 - 1.4-2 Projects capture, treat, infiltrate, or evapotranspire stormwater on the parcels where it falls and does not include inter basin transfers of water.
 - 1.4-3 “Green” project is in lieu of or to supplement municipal hard/gray infrastructure.
 - 1.4-4 Projects considering both landscape and site scale will be most successful at protecting water quality.
 - 1.4-5 More information and design criteria is available at <http://water.epa.gov/infrastructure/greeninfrastructure/index.cfm> and http://water.epa.gov/infrastructure/greeninfrastructure/gi_policy.cfm

2.0 WATER EFFICIENCY

- 2.1 Definition: [EPA's WaterSense program](#) defines water efficiency as the use of improved technologies and practices to deliver equal or better services with less water. Water efficiency encompasses conservation and reuse efforts, as well as water loss reduction and prevention, to protect water resources for the future.

- 2.2 Categorical Projects
 - 2.2-1 Installing or retrofitting water efficient devices such as plumbing fixtures and appliances
 - 2.2-1a For example – showerheads, toilets, urinals, and other plumbing devices
 - 2.2-1b Implementation of incentive programs to conserve water such as rebates
 - 2.2-1c WaterSense labeled products (<http://www.epa.gov/watersense>)
 - 2.2-2 Installing any type of water meter in previously unmetered areas:
 - 2.2-2a If rate structures are based on metered use,
 - 2.2-2b Can include backflow prevention devices if installed in conjunction with water meter.
 - 2.2-3 Replacing existing broken/malfunctioning water meters with:
 - 2.2-3a Automatic meter reading systems (AMR), for example:
 - 2.2-3a(i) Advanced metering infrastructure (AMI).
 - 2.2-3a(ii) Smart meters.
 - 2.2-3b Meters with built in leak detection,
 - 2.2-3c Can include backflow prevention devices if installed in conjunction with water meter replacement.

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- 2.2-4 Retrofitting/adding AMR capabilities or leak equipment to existing meters (not replacing the meter itself).
 - 2.2-5 Conducting water utility audits, leak detection studies, and water use efficiency baseline studies, which are reasonably expected to result in a capital project or in a reduction in demand to alleviate the need for additional capital investment.
 - 2.2-5a Funded through set-asides: Small Systems Technical Assistance, State Program Management – Capacity Development, or Local Assistance & Other State Programs – Capacity Development; where consistent with the state capacity development strategy
 - 2.2-5b For standard practices, see AWWA M36 *Water Audits and Loss Control Programs*.
 - 2.2-6 Developing conservation plans/programs reasonably expected to result in a water conserving capital project or in a reduction in demand to alleviate the need for additional capital investment.
 - 2.2-6a Funded through set-asides: Small Systems Technical Assistance, State Program Management – Capacity Development, or Local Assistance & Other State Programs – Capacity Development; where consistent with the state capacity development strategy
 - 2.2-6b For standard practices, see AWWA M52 *Water Conservation Programs – A Planning Manual*
 - 2.2-7 Recycling and water reuse projects that replace potable sources with non-potable sources,
 - 2.2-7a Gray water, condensate, and wastewater effluent reuse systems (where local codes allow the practice).
 - 2.2-7b Extra treatment costs and distribution pipes associated with water reuse.
 - 2.2-8 Retrofit or replacement of existing landscape irrigation systems to more efficient landscape irrigation systems, including moisture and rain sensing controllers.
 - 2.2-9 Projects that result from a water efficiency related assessments (such as water audits, leak detection studies, conservation plans, etc.) as long as the assessments adhered to the standard industry practices referenced above.
 - 2.2-10 Distribution system leak detection equipment, portable or permanent.
 - 2.2-11 Automatic flushing systems (portable or permanent).
 - 2.2-12 Pressure reducing valves (PRVs).
 - 2.2-13 Internal plant water reuse (such as backwash water recycling).
- 2.3 Projects That Do Not Meet the Definition of Water Efficiency
- 2.3-1 Covering open finished water reservoirs – Federally mandated, so not considered “above and beyond.”
- 2.4 Decision Criteria For Business Cases
- 2.4-1 Water efficiency can be accomplished through water saving elements or reducing water consumption. This will reduce the amount of water taken out of rivers, lakes, streams, groundwater, or from other sources.
 - 2.4-2 Water efficiency projects should deliver equal or better services with less net water use as compared to traditional or standard technologies and practices.
 - 2.4-3 Efficient water use often has the added benefit of reducing the amount of energy required by a drinking water system, since less water would need to be treated and transported; therefore, there are also energy and financial savings.
 - 2.4-4 Proper water infrastructure management should address where water losses could be occurring in the system and fix or avert them. This could be achieved, for example, by making operational changes or replacing aging infrastructure.

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- 2.5 Example Projects Requiring a Business Case
 - 2.5-1 Water meter replacement with traditional water meters (see AWWA M6 *Water Meters – Selection, Installation, Testing, and Maintenance*).
 - 2.5-2 Distribution pipe replacement or rehabilitation to reduce water loss and prevent water main breaks (see AWWA M28 *Rehabilitation of Water Mains*).
 - 2.5-3 Storage tank replacement/rehabilitation to reduce water loss.
 - 2.5-4 New water efficient landscape irrigation system (where there currently is not one).

3.0 ENERGY EFFICIENCY

- 3.1 Definition: Energy efficiency is the use of improved technologies and practices to reduce the energy consumption of water projects, use energy in a more efficient way, and/or produce/utilize renewable energy.
- 3.2 Categorical Projects¹
 - 3.2-1 Renewable energy projects, which are part of a public health project, such as wind, solar, geothermal, and micro-hydroelectric that provide power to a utility (<http://www.epa.gov/cleanenergy>). Micro-hydroelectric projects involve capturing the energy from pipe flow.
 - 3.2-1a Utility-owned renewable energy projects can be located on-site or off-site.
 - 3.2-1b Includes the portion of a publicly owned renewable energy project that serves the utility's energy needs.
 - 3.2-1c Must feed into the grid that the utility draws from and/or there is a direct connection.
 - 3.2-2 Utility energy management planning, including energy assessments, energy audits, optimization studies, and sub-metering of individual processes to determine high energy use areas, which are reasonably expected to result in energy efficiency capital projects or in a reduction in demand to alleviate the need for additional capital investment.
 - 3.2-2a Funded through set-asides: Small Systems Technical Assistance, State Program Management – Capacity Development, or Local Assistance & Other State Programs – Capacity Development; where consistent with the state capacity development strategy
 - 3.2-2b For standard energy management practices, see *Ensuring a Sustainable Future: An Energy Management Guidebook for Wastewater and Water Utilities*, located at http://www.epa.gov/waterinfrastructure/pdfs/guidebook_si_energymanagement.pdf
 - 3.2-2c Energy Efficiency Step-By-Step Guide: <http://www.epa.gov/region09/waterinfrastructure/howto.html>
 - 3.2-3 National Electric Manufacturers Association (NEMA) Premium energy efficiency motors (<http://www.nema.org/Policy/Energy/Efficiency/Pages/NEMA-Premium-Motors.aspx>)

¹ EPA has concluded that existing literature does not support a 20% energy efficiency improvement threshold for drinking water systems; therefore, there is no categorical 20% threshold for pumping/treatment systems for the DWSRF. A business case is required.

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- 3.3 Projects That Do Not Meet the Definition of Energy Efficiency
 - 3.3-1 Simply replacing a pump, or other piece of equipment, because it is at the end of its useful life, with something of average efficiency. (Note: replacing it with higher efficiency equipment requires a business case)
 - 3.3-2 Hydroelectric facilities, except micro-hydroelectric projects. Micro-hydroelectric projects involve capturing the energy from pipe flow.

- 3.4 Decision Criteria for Business Cases
 - 3.4-1 Projects should include products and practices which will decrease environmental impacts, such as reducing greenhouse gas emissions, and provide financial savings.
 - 3.4-2 Projects should include approaches to integrate energy efficient practices into daily management and long-term planning (<http://water.epa.gov/infrastructure/sustain/energyefficiency.cfm>).
 - 3.4-3 Operator training in conjunction with any energy savings project is strongly encouraged in order to maximize the energy savings potential.
 - 3.4-4 Using existing tools such as Energy Star's Portfolio Manager (http://www.energystar.gov/index.cfm?c=evaluate_performance.bus_portfoliomanager) or Check Up Program for Small Systems (CUPSS) (<http://www.epa.gov/cupss/>) to document current energy usage and track anticipated savings.

- 3.5 Example Projects Requiring a Business Case
 - 3.5-1 Energy efficient retrofits, upgrades, or new pumping systems and treatment processes (including variable frequency drives (VFDs)).
 - 3.5-2 Pump refurbishment to optimize pump efficiency (such as replacing or trimming impellers if pumps have too much capacity, replacing damaged or worn wearing rings/seals/bearings, etc.).
 - 3.5-3 Projects that result from an energy efficiency related assessments (such as energy audits, energy assessment studies, etc.), that are not otherwise designated as categorical.
 - 3.5-4 Projects that cost effectively eliminate pumps or pumping stations.
 - 3.5-5 Projects that achieve the remaining increments of energy efficiency in a system that is already very efficient.
 - 3.5-6 Upgrade of lighting to energy efficient sources (such as metal halide pulse start technologies, compact fluorescent, light emitting diode, etc.).
 - 3.5-7 Automated and remote control systems (SCADA) that achieve substantial energy savings (see AWWA M2 *Instrumentation and Control*).

4.0 ENVIRONMENTALLY INNOVATIVE

- 4.1 Definition: Environmentally innovative projects include those that demonstrate new and/or innovative approaches to delivering services or managing water resources in a more sustainable way.

- 4.2 Categorical Projects
 - 4.2-1 Total/integrated water resources management planning, or other planning framework where project life cycle costs (including infrastructure, energy consumption, and other operational costs) are minimized, which enables communities to adopt more efficient and cost-effective infrastructure solutions.
 - 4.2-1a Funded through set-asides: Small Systems Technical Assistance, State Program Management, or Local Assistance & Other State Programs.
 - 4.2-1b Plans to improve water quantity and quality associated with water system technical, financial, and managerial capacity.

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- 4.2-1c Eligible source water protection planning.
 - 4.2-1c(i) Periodic, updated, or more detailed source water delineation or assessment as part of a more comprehensive source water protection program.
 - 4.2-1c(ii) Source water monitoring (not compliance monitoring) and modeling as part of a more comprehensive source water protection program.
 - 4.2-1c(iii) <http://www.epa.gov/safewater/dwsrf/pdfs/source.pdf>
- 4.2-1d Planning activities by a utility to prepare for adaptation to the long-term effects of climate change and/or extreme weather.
 - 4.2-1d(i) Office of Water – Climate Change and Water website: <http://water.epa.gov/scitech/climatechange/>
- 4.2-2 Utility Sustainability Plan consistent with EPA’s SRF sustainability policy.
- 4.2-3 Greenhouse gas (GHG) inventory or mitigation plan and submission of a GHG inventory to a registry (such as Climate Leaders or Climate Registry), as long as it is being done for a facility which is eligible for DWSRF assistance.
 - 4.2-3a EPA Climate Leaders: <http://www.epa.gov/climateleaders/basic/index.html>
 - 4.2-3b Climate Registry – <http://www.theclimateregistry.org/>
- 4.2-4 Source Water Protection Implementation Projects
 - 4.2-4a Voluntary, incentive based source water protection measures pursuant to Section 1452(k)(1)(A)(ii), where the state primacy agency has determined that the use of such measures will reduce or preclude the need for treatment. Under the FY 2010 appropriation, additional subsidization for these measures may be provided in the form of principal forgiveness or negative interest rate loans.
- 4.2-5 Construction of US Green Building Council LEED certified buildings, or renovation of an existing building, owned by the utility, which is part of an eligible DWSRF project.
 - 4.2-5a Any level of certification (Platinum, Gold, Silver, Certified).
 - 4.2-5b All building costs are eligible, not just stormwater, water efficiency and energy efficiency related costs. Costs are not limited to the incremental additional costs associated with LEED certified buildings.
 - 4.2-5c US Green Building Council LEED webpage: <http://www.usgbc.org/LEED>
- 4.3 Projects That Do Not Meet the Definition of Environmentally Innovative
 - 4.3-1 Higher sea walls to protect water infrastructure facilities from sea level rise.
 - 4.3-2 Reflective roofs at water infrastructure facilities to combat heat island effect.
- 4.4 Decision Criteria for Business Cases
 - 4.4-1 State programs are allowed flexibility in determining what projects qualify as innovative in their state based on unique geographical and climatological conditions.
 - 4.4-1a Technology or approach whose performance is expected to address water quality but the actual performance has not been demonstrated in the state; or
 - 4.4-1b Technology or approach that is not widely used in the state, but does perform as well or better than conventional technology/approaches at lower cost; or
 - 4.4-1c Conventional technology or approaches that are used in a new application in the state.

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- 4.5 Example Projects Requiring A Business Case
 - 4.5-1 Projects, or components of projects, that result from total/integrated water resources management planning (including climate change) consistent with the Decision Criteria for environmentally innovative projects and that are DWSRF eligible.
 - 4.5-2 Application of innovative treatment technologies or systems that improve environmental conditions and are consistent with the Decision Criteria for environmentally innovative projects, such as:
 - 4.5-2a Projects that significantly reduce or eliminate the use of chemicals in water treatment.
 - 4.5-2b Treatment technologies or approaches that significantly reduce the volume of residuals, minimize the generation of residuals, or lower the amount of chemicals in the residuals (Cornwell, 2009; *Water Treatment Residuals Engineering*; Water Research Foundation).
 - 4.5-2c Trenchless or low impact construction technology.
 - 4.5-2d Using recycled materials or re-using materials on-site.
 - 4.5-3 Educational activities and demonstration projects for water or energy efficiency (such as rain gardens).
 - 4.5-4 Projects that achieve the goals/objectives of utility asset management plans (http://www.epa.gov/safewater/smallsystems/pdfs/guide_smallsystems_assetmanagement_bestpractices.pdf; http://water.epa.gov/infrastructure/sustain/asset_management.cfm).

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DWSRF Business Case Development

This guidance is intended to be comprehensive; however, EPA understands our examples projects requiring a business case may not be all inclusive. A business case is a due diligence document. For those projects, or portions of projects, which are not included in the categorical projects lists provided above, a business case will be required to demonstrate that an assistance recipient has thoroughly researched anticipated ‘green’ benefits of a project. Business cases will be reviewed by the State. An approved business case must be included in the State’s project files and contain clear documentation that the project achieves identifiable and substantial benefits. The following sections provide guidelines for business case development.

5.0 Length of a Business Case

5.0-1 Business cases should be adequate but not exhaustive.

5.0-1a There are many formats and approaches. EPA does not require any specific one.

5.0-1b Some projects will require detailed analysis and calculations, while others may not require more than one page.

5.0-1c Limit the information contained in the business case to only the pertinent ‘green’ information needed to justify the project.

5.0-2 A business case can simply summarize results from, and then cite, existing documentation – such as engineering reports, water or energy audits, results of water system tests, etc.

5.1 Content of a Business Case

5.1-1 Business cases must address the decision criteria for the category of project.

5.1-2 Quantifiable water and/or energy savings or water loss reduction for water and energy efficiency projects should be included.

5.1-3 The cost and financial benefit of the project should be included, along with the payback time period, where applicable.

5.2 Items Which Strengthen Business Case, but Are Not Required

5.2-1 Showing that the project was designed to enable equipment to operate most efficiently.

5.2-2 Demonstrating that equipment will meet or exceed standards set by professional associations.

5.2-3 Including operator training or committing to utilizing existing tools such as Energy Star’s Portfolio Manager or CUPSS for energy efficiency projects.