

# Grant Assistance for Water Efficient Equipment Retrofits Grant Guidelines and Terms



## Grant Assistance Overview

The SFPUC Grant Assistance for Large Indoor Water Conservation Retrofits (Grant Assistance) is a program designed to encourage large water users in San Francisco to implement equipment retrofits to maximize the efficient use of potable water for approved uses.

Types of activities considered for funding include indoor water using equipment retrofits that conserve water. Applications for the fiscal year 2017 increment of grant assistance will be accepted through May 1, 2017, unless funding is depleted before the end of SFPUC's fiscal year. The SFPUC anticipates funding will be available for fiscal year 2018 projects. Grant funding is available on a first come, first serve basis.

## Definitions

Terms used in this grant application package have the meanings described below:

**Applicant** – retail customer seeking grant funds from the SFPUC for a proposed equipment retrofit of existing water using equipment, pursuant to the instructions and guidelines set forth in this application package.

**Award** – the decision by the SFPUC to provide grant funds, following the review and evaluation of a completed application. An award is made through a Grant Agreement.

**Grant Agreement (Agreement)** – a written contract between SFPUC and the recipient of grant funds, which includes the obligations and conditions governing the use of grant funds.

**Pre-Project Inspection** – required inspection to verify project information.

**Post Project Inspection** – required inspection to verify installation of qualifying equipment and meter information.

**Large Indoor Retrofit** – installation of water efficient equipment or fixture(s) in an existing building or facility that results in an increase of the efficient use of indoor water. A project, as defined by this program, cannot include retrofitting of toilets, urinals, clothes washers, showerheads or faucet aerators as the SFPUC already offers separate rebate programs for these fixtures. A project can not include the use of recycled water as this program is targeted at potable water use efficiency. Any retrofitted equipment must meet current local, state, and federal laws and regulations. A project must result in a potable water savings of 200 ccf per year or more to qualify for grant funding.

**One Hundred Cubic Feet (ccf)** – a measure of water expressed as one hundred cubic feet (ccf). One ccf is equivalent to 748 gallons of water.

**Non-potable Water** - water that may be beneficially used but does not meet the federal and state standards for use as drinking water.

**Potable Water** – water that meets state and federal drinking water standards.

**Process Water** - water that is used by industries and businesses to produce a product or affect a process.

**Recycled Water** - water taken from a waste (effluent) stream and treated to a level suitable for further use, in accordance with CADPH and USEPA requirements based on specific uses. Recycled water is sometimes referred to as reclaimed water.

**Reservation Letter** – a written notice of the reservation of grant funds.

**Retail Customer** – any institutional or commercial customer who receives a water bill directly from SFPUC for their own water use, and not for resale.

**Retail Service Area** – all residential and commercial facilities within the City and County of San Francisco, and those facilities outside the City boundaries that are served directly by SFPUC on a retail basis.

**Retail User** – same as Retail Customer.

**Retrofit** – to furnish an existing water using facility with new water efficient equipment not available or considered at the time of construction/development. Retrofit is only applicable to existing water using equipment.

**Title 22** - the California Department of Health Services establishes water and treatment reliability criteria for water recycling under Title 22, Chapter 4, of the California Code of Regulations. Title 22 refers to this section of the Code that pertains to various aspects of drinking water and recycled water standards.

# ***I. Grant Guidelines***

## **Eligible Applicants**

Grant funds are available to any institutional, industrial or commercial user who receives a water bill directly from SFPUC for their own water use, and not for resale (Retail Customer). Applicants may include city departments, hospitals, schools, developers, landlords, and businesses that receive a water bill directly from the SFPUC.

Proposed activities must meet all of the criteria set forth below to qualify for Grant Assistance. Activities that do not meet one or more of the criteria listed below will be deemed ineligible.

## **Eligible Criteria**

### **Grant Application/Documentation**

- Project Applicant must receive a water bill directly from the SFPUC for their own water use.
- Project must be located in an existing building at a site that receives water from a retail service account with the SFPUC.
- Project must be able to reduce onsite water use by a minimum of 200 ccf annually.
- Retrofitted equipment and resulting water savings must be applicable to indoor water use only. Replacement of toilets, urinals, clothes washers, showerheads and faucet aerators are not eligible through this grant program because the SFPUC maintains separate toilet/urinal/device rebates that Applicants can pursue.
- Retrofitted equipment must be permanent and be operated for a minimum of 9 years. If retrofitted equipment is not operated for a minimum of 9 years, the participant may be required to reimburse the SFPUC the entire grant funding amount received.
- Project must meet all applicable local, state, and federal laws, regulations and ordinances, including environmental review as applicable
- Project must be completed within 6 months of the grant agreement signature date.
- The Applicant must provide a complete grant application package, including itemized equipment cost documentation and IRS W-9 form.

## **Grant Terms and Process**

### **Step 1 – Grant Application**

- The Applicant submits a complete application, including any required environmental documentation and permits, and other supporting documentation.
- After reviewing and approving the application, SFPUC staff will conduct a required onsite pre-inspection. Upon successful completion of the inspection, SFPUC staff will send a Reservation Letter confirming that funds are being reserved for the next six months, and identifying for the Applicant any additional documents that must be submitted to receive award and payment.
- A Reservation Letter is a provisional reservation, made on a case-by-case basis and subject to availability of funds, and does not guarantee that award will be made. The application must include a signed W-9 tax form.

### **Step 2 – Project Implementation**

- The Applicant will then purchase and install water use equipment within 6 months of the date the Grant Application and Agreement Form is signed, incorporating required individual performance testing as required (see Monitoring and Reporting section, page 4).
- Upon completion of the retrofit, the Applicant will complete and mail the Project Completion Form, including original Proof of Payment for qualifying equipment.

### Step 3 – Grant Agreement

- SFPUC staff will conduct a post inspection of equipment purchased/installed and confirm final grant amount (based on individual performance testing /identified sufficiently reliable savings amounts and qualifying project costs).
- If the SFPUC deems the documentation provided in Step 3 and the results of the post inspection satisfactory, it will execute the Grant Agreement, indicting the payment to be paid to the Applicant.

### Expiration

A grant reservation for Grant Assistance is valid for six months from the Reservation Letter date. If a reservation expires, a new application must be submitted. Extensions for the expiration of the grant reservation may be granted at the discretion of SFPUC staff and must be obtained in writing. Once a Reservation Letter is issued, the proposed project must be completed within six months to be eligible for potential funding. The Applicant may request an extension of the expiration date in writing prior to the end of the six months from the date of the Reservation Letter.

The purpose of this Grant Assistance is to encourage and support customers who are taking steps to reduce or offset the use of drinking water supplies. The SFPUC reserves the right to evaluate each activity on a case-by-case basis.

### Payment

The Applicant must submit the following to the SFPUC:

- A completed W-9 tax form from the designated payee;
- Proof of purchase/installation documentation, including Invoice and back-up documentation (receipts for purchases, etc.) for the work completed and paid.

This information is required in order for the City of San Francisco’s Controllor office to issue payment to the Applicant. In the February following issuance of an incentive payment, the City will forward a 1099-Misc tax form to the Applicant.

Site inspections will be conducted for any grant-funded activities selected at the discretion of the SFPUC. SFPUC staff will contact the Applicant to arrange visits.

### Monitoring and Reporting

At the discretion of SFPUC, water efficient equipment with standardized, documented water savings is not required to document individual performance testing.

Grants for any of the Fixed Water Savings Equipment listed below do not require metering to identify project water savings:

- Medical Equipment Steam Sterilizers
- Commercial Laundry Retrofits
- Water Efficient Ice Machines
- Connectionless Food Steamers
- Dry Vacuum Pumps
- Cooling Tower pH Controllers

Applicants pursuing Custom Retrofit Projects will be required to provide individual performance testing for any type of equipment not listed above. This would typically include providing the SFPUC with 60 days of

metered pre and post project water use data. SFPUC staff may visit the site as the grant funded project being metered to verify meter data record keeping practices.

## Grant Funding

### Funding Requirements

- Funding will be provided based on 1) the evaluation of each application per the rules noted above, and 2) the availability of funds, as certified by the Controller of the City and County of San Francisco.
- Grant funding amount will be calculated at \$1.00 per ccf of 10 year project lifespan water savings achieved up to 50% of the project's equipment costs (whichever is the lesser amount).
- Activities must be completed within six (6) months from the Reservation Letter.
- Water savings for Custom Retrofit Projects will be determined by individual performance testing (typically metering) of water use reduction demonstrated and will be awarded when the project is deemed complete by SFPUC staff. Individual performance testing is not necessary for the Fixed Water Savings Equipment noted in the previous section. At the SFPUC's discretion, such technologies water saving's may be calculated using the established/published water savings amounts. In all projects, the confirmed grant funding amount will be based on the confirmed water savings amount or 50 percent of the equipment costs (excluding labor), whichever is less.
- Expenses incurred prior to the execution of the Grant Agreement are not eligible for reimbursement.
- Items that the SFPUC already provides financial incentives for are not eligible to receive grant funds. These items include but are not limited to toilets, urinals, landscape materials, aerators and showerheads.
- Projects involving recycled water do not qualify for the grant funding.

### Budget Items Eligible for Funding

- Direct project equipment costs paid in order to implement approved equipment retrofits.
- Invoices from suppliers must be sufficiently itemized to identify project equipment cost from other labor or miscellaneous costs.
- Costs associated with labor, shipping, tax, and maintenance are not eligible for grant funds.
- If project metering is required, the cost associated with metering the project may also be reimbursable by grant funds.

## Tax Considerations

Grant funds count as income and therefore may be taxable. It is the responsibility of the Applicant to determine whether a tax liability exists.

The designated Applicant will receive a 1099-Misc tax form from the City in the February after award of the grant. By issuing a 1099-Misc, the City is fulfilling its legal obligation for tax-reporting. In order to issue a 1099-Misc, The SFPUC will request relevant tax information from a designated Applicant through a W-9 form, which must be completed and returned before a grant payment will be made.

## Permits

All activities must comply with applicable local, state, and federal permit requirements. If a building permit is required, a grant will not be issued until a building permit is issued and the activity has completed environmental review certification (e.g. categorical exemption, negative declaration, mitigated negative declaration or EIR) if applicable. An inspection by a SFPUC staff person of installed equipment does not

constitute a building inspection by the San Francisco Department of Building Inspection or the local authority with jurisdiction to issue a building permit.

## ***II. Grant Evaluation***

Applications must meet all of the eligibility criteria listed under Grant Application and the Project Documentation steps listed under Section I. Grant Guidelines:

- Grant applications will be reviewed on a pass/fail basis against these eligibility criteria. Applications that meet all of the eligibility criteria are further subject to the availability of funds, which is based on certification by the Controller of the City and County of San Francisco.

## ***III. Grant Application***

The Grant Assistance will be a two-step solicitation process. The first step is to submit the attached application/agreement, which must include an estimated budget and schedule. Applications will be evaluated based on the eligibility criteria described in Section I, and funds may be reserved, subject to availability. Successful Applicants will then be asked to enter into a Grant Agreement and submit a signed W-9 tax form. This second step of the grant process will be completed when the project has been successfully post inspected.

The Fiscal Year 2017 deadline for submitting an application for Grant Assistance is **May 1, 2017**. Completed applications should be emailed to [waterconservation@sfwater.org](mailto:waterconservation@sfwater.org) or delivered to:

San Francisco Public Utilities Commission  
Water Resources Division  
**Attn: Water Efficient Equipment Retrofit Grant Program**  
525 Golden Gate Ave  
San Francisco, CA 94102

All applications will be initially reviewed for completeness, and reviewed for potential approval upon receipt of a complete application by SFPUC staff. Funding decisions will be made based on eligibility and availability of funds, as described in this application package.

For questions about the grant assistance program or if you require assistance in completing a grant application, please email the SFPUC grant team at [waterconservation@sfwater.org](mailto:waterconservation@sfwater.org) or contact the SFPUC Water Conservation Section at (415) 551-4730.

**Grant Assistance for Water Efficient Equipment  
Retrofits  
Grant Application**



Activity Information
<b>Project Type:</b>
<b>Installation Address:</b>
<b>Project Lifespan:</b>
<b>Location of Proposed Activity:</b>
<b>Brief Description:</b>

Applicant Information			
<b>Applicant:</b>	<b>Account Number:</b>		
<b>Contact Person:</b>			
<b>Mailing Address:</b>	<b>Zip Code:</b>		
<b>Day/Work Phone:</b>		<b>E-Mail Address</b>	

Project Cost	
<b>Total Project Hardware Cost:</b>	\$

Water Use	
Does the proposed activity result in a direct offset of potable water use?	<input type="checkbox"/> YES <input type="checkbox"/> NO
Please indicate the current annual average consumption of potable water (in hundred cubic feet, ccf)?	
If yes, what is the estimated potable use offset (in hundred cubic feet, ccf)?	

Hold Harmless and Indemnification Agreement
<p>I certify I have read, understand and agree to the terms and conditions of this grant program. The undersigned expressly agrees that the SFPUC may inspect all qualifying equipment installations; that installation of equipment may not result in lower water bills; and that the SFPUC does not warrant any equipment or installation to be free of defects, the quality of workmanship, or the suitability of the premises for equipment installation. The undersigned further agrees to defend, indemnify and hold harmless the SFPUC, their directors, officers, and employees, against all loss, damage, expense, claims, suits and liability, including attorney's fees resulting from the loss, destruction or damage to property arising out of or in any way connected with the equipment or installation.</p>
<p><b>Name (print):</b> _____ <b>Signature:</b> _____ <b>Date:</b> _____</p>

**Required Supplemental Information**

Please attach a detailed description of the proposed activity, including the following:

- ❑ **Project Description.** The description of the proposed activity should indicate the type of equipment retrofit(s) proposed, amount of potable water offset that is being proposed, and the calculations that were used to determine that amount. The description should also include a monitoring / measuring plan that describes how water savings will be monitored following the implementation of the proposed activity.
  
- ❑ **Work Plan and Project Schedule.** List specific tasks you will undertake to complete the proposed activity. Provide as much description of each task as possible. You may use additional sheets as necessary. Next to each activity, identify who will be responsible for carrying out the activity. Estimate the date the activity will be completed (month and year). Feel free to attach additional information as needed.

<b>Project Work Plan and Schedule</b>			
<b>Task Number and Description</b>	<b>Responsible Person/Group</b> <i>(Note if work will be performed by in-house staff or through a contractor)</i>	<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>



- ❑ **Project Budget.** If you have more line items than the grid below provides for, use another sheet of paper (or add rows if you are using MS Word). Please note that the total budget you include in this grant application is final.

Project Budget				
Equipment Installed	Make and Model	Quantity	Cost	Total Item Cost
<b>Total Amount Requested:</b>	<b>\$</b>		<b>Total Budget:</b>	<b>\$</b>

- ❑ **Permits/Permission.** List the permits (i.e. building, plumbing, CEQA compliance, etc.) that must be secured (along with the approving entity) for the proposed activity. Attach proof of project approval or permission.

Type of Approval Required	Approving Agency / Approval Date