

# Grant Assistance for Large Non-potable Water Projects Grant Guidelines and Terms



## Grant Assistance Overview

The SFPUC's Grant Assistance for Non-potable Water Projects (Grant Assistance) is a program designed to encourage large retail water users to implement the on-site treatment and use of non-potable water including but not limited to rainwater, graywater, foundation drainage, and blackwater. The goal is to maximize the use of nonpotable water for toilet flushing and irrigation and to decrease flows to the City's sewer system. The SFPUC has approximately \$500,000 in FY 12-13 funding available for multiple projects for large retail customers who demonstrate they will significantly and permanently reduce or offset the use of existing drinking water supplies for non-potable applications and decrease flows to the sewer system.

Types of activities considered for funding include the installation of harvesting or collection systems for on-site sources, treatment systems to improve the water quality of on-site sources for beneficial reuse, and/or storage of the treated water. Provision of grant funding is based on the eligibility of the proposed activity and availability of funds. Each application will be reviewed and evaluated on a case-by-case basis. Grant funding is available on a first come, first serve basis and is limited to \$250,000 per large project.

Grant assistance will support customer efforts to implement sustainable water use practices in San Francisco. In addition to advancing water supply reliability, this grant assistance will support the SFPUC's Phased Water System Improvement Program Variant (WSIP) goals adopted by Resolution No. 08-200 on October 30, 2008. The WSIP included a goal of developing an additional 10 million gallons per day (mgd) of locally available water resources in lieu of importing drinking water from the SFPUC's surface water supplies derived from local and Tuolumne River watersheds.

The Large Non-potable Water Project Assistance Program will be a two-step solicitation, review and selection process for 1) Grant Applications and 2) Water Budget Documentation. Projects that receive final approval from the SFPUC to proceed with their water saving project will enter into a Grant Agreement for grant disbursement and implementation.

The deadline for submitting a complete grant application for Large Non-potable Water Projects is **December 31, 2013**. Applications can be emailed to [nonpotable@sfgwater.org](mailto:nonpotable@sfgwater.org) or delivered to:

**San Francisco Public Utilities Commission  
Water Resources Division  
Attn: Non-potable Water Project Grants  
525 Golden Gate Ave, 10<sup>th</sup> Floor  
San Francisco, CA 94102**

For questions about the grant assistance program or if you require assistance in completing a grant application, please email the SFPUC non-potable team at [nonpotable@sfgwater.org](mailto:nonpotable@sfgwater.org) or contact the SFPUC Water Resources Division at (415) 554-3271.

## Definitions

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

**Alternate Water Source** – non-potable source of water that includes graywater, rainwater, stormwater, foundation drainage, and blackwater. The level of treatment and quality of the alternate water source shall be approved by the City's Department of Public Health and comply with all applicable federal, state, and local regulations.

**Applicant** – retail customer seeking grant funds from the SFPUC for a non-potable water project, 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.

**Blackwater** – wastewater containing bodily or other biological wastes, as from toilets, dishwashers, kitchen sinks and utility sinks.

**Foundation Drainage** – nuisance groundwater that is dewatered to maintain a building's structural integrity and would otherwise be discharged to the City's sewer system. Sump water is not the same as nonpotable groundwater which requires a production well and is already regulated by the SFPUC and SFDPH.

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

**Grantee** – a person, business or institution to whom a grant is awarded.

**Graywater** – wastewater from bathtubs, showers, bathroom lavatories, clothes washing machines, and laundry tubs, but does not include wastewater from kitchen sinks or dishwashers.

**Green Building Ordinance** – a San Francisco ordinance that requires that all new construction or major alteration activities over 25,000 square feet achieve Leadership in Energy and Environmental Design (LEED) Gold certification from the U.S. Green Building Council (USGBC). (San Francisco Building Code, Chapter 13C)

**Irrigation** - water application on land to assist in the growing of landscaping or crops or to maintain vegetation on recreation areas, such as parks and golf courses.

**Large Project** – the construction or alteration of any multi-family residential or non-residential building of 100,000 square feet or more.

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

**Non-potable Water Ordinance** – a San Francisco ordinance detailing the approval and permitting process for on-site use of non-potable water for non-potable applications. (San Francisco Health and Safety Code, Article 12C)

**Potable Offset** –potable water saved through the use of an appropriate alternative water source.

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

**Rainwater** – precipitation collected from roof surfaces or other manmade, aboveground collection surfaces.

**Recycled Water** – non-potable water that meets California Department of Public Health statewide uniform criteria for disinfected tertiary recycled water. Recycled water is also known as "reclaimed water".

**Recycled Water Ordinance** – a San Francisco ordinance that requires new construction or major alteration activities over 40,000 square feet install dual plumbing if the activity is located in the recycled water use areas. (San Francisco Public Works Code, Article 22)

**Recycled Water Use Area** – area identified for recycled water use in the Recycled Water Ordinance.

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

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

**Stormwater** – precipitation collected from at-grade or below grade surfaces.

**Stormwater Management Ordinance** – a San Francisco ordinance that requires all construction activities that disturbs more than 5,000 square feet of ground surface must capture, and possibly treat, a portion of the stormwater generated onsite. (San Francisco Public Works Code, Article 4.2, Sections 147-147.6)

## **Eligible Applicants**

Grant funds are available to any institutional, residential, or commercial retail customer within the City and County of San Francisco who receives 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 of more of the criteria listed below will be deemed ineligible.

## **Grant Application Requirements**

### **Eligibility Criteria**

- The proposed activity must be within the City and County of San Francisco;
- The proposed activity is by a retail water service customer of the SFPUC as part of the construction or alteration of any institutional, residential, or commercial building of 100,000 square feet or more;
- The proposed activity is estimated to replace the project's potable water use for one of the following:
  - All toilet flushing demands or
  - Minimum of 40% of total water use (potable and nonpotable).
- The proposed alternate water source system must be permanent and be operated for a minimum of 10 years. If the system is not operated for a minimum of 10 years, the participant may be required to reimburse the SFPUC the entire grant funding amount received;
- Project must be completed within 4 years of the grant agreement signature date and must offset SFPUC potable water use within 6 months after construction completion;
- The Applicant cannot propose use of grant funds for dual-distribution plumbing (purple pipe) if the project is located within the designated Recycled Water Use Areas;
- The Applicant cannot propose use of grant funds for rainwater harvesting components implemented to comply with the Stormwater Management Ordinance;
- The Applicant must comply with the Non-potable Water Ordinance and all applicable rules and regulations from the Department of Public Health.
- Project must meet all applicable local, state, and federal laws, regulations and ordinance, including environmental review as applicable.
- The Applicant must provide a complete application package, including a project description, water budget, schedule, itemized cost documentation, and IRS W-9 form.

### **Documentation Requirements**

- The Applicant must provide a complete application including a project description, schedule, water use calculations and other supporting documentation to be considered for grant funding.
- The Applicant must calculate the project's estimated water savings using the method provided in the grant application;

## **Grant Terms and Process**

### **Step 1 – Grant Application**

- The Applicant submits a completed application, including any required environmental documentation and permits and other supplemental documentation such as the project's work plan, schedule, budget, and water savings calculations.
  - Water Budget Documentation - The water budget must be calculated using the SFPUC Water Budget Calculator (excel based spreadsheet application) available at [www.sfwater.org/np](http://www.sfwater.org/np).

**Step 2 – Grant Evaluation & Reservation.**

Projects must meet all of the eligibility criteria under the Grant Application and the Project Documentation steps above.

- Grant Application - Projects that meet all of the grant application eligibility criteria will be evaluated based on the estimated water savings and whether the water savings outlined in grant application will be achieved through the water budget documentation developed and submitted to the SFPUC.
- If the Applicant's project is selected for funding, the SFPUC will send a Reservation Letter confirming the amount of funds reserved for the next 6 months, and identifying for the Applicant any additional documentation 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 3 – Non-potable Water Engineering Report**

- The Applicant will then complete a Non-potable Water Engineering Report in compliance with the Non-potable Water Ordinance meeting the following criteria:
  - San Francisco Department of Public Health (SFDPH) Approval of a Non-potable Water Engineering Report within 3 months of the reservation letter signature date.

**Step 4 – Grant Agreement and Payments.**

- Within two (2) months of receiving Non-potable Water Engineering Report Approval as described in Step 3, the Grantee shall execute a Grant Agreement with the SFPUC.
- A valid copy of an insurance policy declaration is required that names the City and County of San Francisco, the Public Utilities Commission, its board members and commissions, and all authorized agents and representatives, and members, directors, officers, trustees, agents and employees as additional insureds;
- Compliance with insurance requirements mandated by the City and County of San Francisco, inclusive of commercial general liability and workers' compensation is required.

**Step 5 – Construction and Operation.**

- The Applicant will then complete final design and construction of the on-site non-potable water system within 4 years of the grant agreement signature date.
- Upon the completion of the project, the Applicant will complete and mail the Project Completion Form, including a final system costs; daily and annual potable water and sewer discharge savings; projected water and sewer savings over the expected life of the system; and a copy of the Final Permit to Operate from SFDPH and a final description of the installed projected.

**Grant Disbursement**

Grant funds will be provided in 3 disbursements:

- Disbursement of 40% of the total grant will be made upon approval of a Non-potable Engineering Report. Approval letter from SFDPH required.
- Disbursement of 50% of the total grant will be made upon completion of construction of the system. Construction certification letter required in accordance with Non-potable Water Ordinance.
- The final disbursement of the remaining 10% of the total grant will be processed after the Final Permit to Operate has been issued by SFDPH and the project achieves the water savings estimated in the grant application and complies with ordinance requirements.

If the documentation does not prove the water savings estimates outlined in the grant application or fails to comply with any local, state or federal laws or ordinance requirements, the grant agreement is subject to termination and all grant funds awarded for the project are subject to reimbursement to the SFPUC.

Any Project Proponent who submits a false claim shall be liable for reimbursement to the SFPUC and any additional damages, penalties, and liabilities.

### **Expiration**

A grant reservation for the Grant Assistance Program is valid for 6 months from the reservation letter date. If a reservation expires or the project changes a new application must be submitted. Extensions of the expiration of the grant reservation may be granted at the discretion of the SFPUC and must be obtained in writing. Once a Reservation Letter is issued, the Non-potable Engineering Report must be approved within 6 months to be eligible for potential funding. The Applicant may request an extension of the expiration date in writing thirty days prior to the expiration date. Once a Grant Agreement is executed, the project must be completed within 3 years. The Grantee may request an extension of the Grant Agreement expiration date in writing prior to the end of the 3 years from the date of execution of the Grant Agreement.

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. Therefore, in the event that 1) the proposed activity or portion of the proposed activity is not completed within 4 years or as otherwise extended by mutual agreement, and 2) the projected water savings are not achieved within 6 months of project installation and subject to SFPUC staff verification, the Grantee will reimburse the SFPUC any funds that the SFPUC has awarded. The SFPUC reserves the right to evaluate each activity on a case-by-case basis.

### **Payment**

Along with the request for the first payment, the Grantee must submit the following to the SFPUC:

- A completed W-9 IRS tax form from the designated payee;
- Insurance documentation described in the Grant Agreement;
- A City of San Francisco Vendor Number. For more information on doing business with the City, please see the San Francisco Office of Contract Administration at [www.sfgsa.org](http://www.sfgsa.org); and
- Invoices and back-up documentation (timesheets, receipts, etc.) for work completed and paid.

Any subsequent payment requests will require relevant invoices and back-up documentation described above. This information is required in order for the Controller's office to issue payment to the Grantee. In the February following issuance of an incentive payment, the City will forward a 1099-Misc tax form to the designated Grantee.

### **Monitoring and Reporting**

Grantees will be required to provide the SFPUC with detailed monthly status reports. Site inspections by SFPUC staff will be conducted for any grant-funded activities, including post installation verification of water savings.

## Grant Funding

### Funding Requirements

- Funding will be awarded based on 1) the evaluation of each application and the water budget documentation, and 2) the availability of funds, as certified by the Controller of the City and County of San Francisco.
- Activities must be completed within 4 years from the execution of a Grant Agreement, unless a written extension has been granted by the SFPUC.
- Fixtures and landscape materials are not eligible for grant funding.
- The Applicant cannot propose use of grant funds for dual-distribution plumbing (purple pipe) if the project is located within the designated Recycled Water Use Areas;
- The Applicant cannot propose use of grant funds for rainwater harvesting components implemented to comply with the Stormwater Management Ordinance;
- Projects that have already been issued a plumbing permit are not eligible for funding.
- The Grantee must reference funding and support from the SFPUC in all public outreach materials and signage related to the project. The SFPUC will work with grantee to procure signage.

## Taxes and Insurance

A grant may be considered income and may be taxable. The Grantee is responsible for determining whether a tax liability exists. The designated Grantee 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, SFPUC will request relevant tax information from a designated Grantee through a W-9 IRS tax form, which must be completed and returned before a grant payment will be made.

The City requires evidence of insurance for all funded activities. Prior to beginning work on an activity, the Grantee must produce a Certificate of General Liability as well as proof of Worker's Compensation. The Grantee's insurance policy shall name the City and County of San Francisco, the Public Utilities Commission, its board members and commissions, and all authorized agents and representatives, and members, directors, officers, trustees, agents and employees as additional insureds.

## Permits

All activities must comply with applicable local, state, and federal permit requirements. 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). An SFPUC inspection of installed systems does not constitute a building inspection by DBI or the local authority with jurisdiction to issue permits.

**Grant Assistance for  
Large Non-potable Water Projects  
Grant Application**



Services of the San Francisco Public Utilities Commission

Project Information	
Project Name:	Date:
Site or Building Permit No. (if filed):	
Project Address:	
Assessor's Black & Lot No./ Parcel APN:	
On-site Alternate Water Sources Used:	
Non-potable End Uses:	
Brief Project Description:	

Applicant Information	
Applicant:	
Contact Person:	
Mailing Address:	Zip Code:
Day/Work Phone:	E-Mail Address:

Funding	
Total Grant Funds Requested:	\$
Is your organization or any other entity other than the SFPUC providing any funds for this project? <input type="checkbox"/> YES <input type="checkbox"/> NO	If yes, how much? \$
<b>Total Project Cost:</b>	<b>\$</b>

<b>Water Use and Savings</b>	
What is the average annual total water use (gallons or CCF) for this project?	
What is the estimated annual potable water use offset (gallons or CCF)?	
Will the offset of potable water use be achieved within 6 months of installation?	<input type="checkbox"/> YES <input type="checkbox"/> NO
Is this project located in the designated recycled water use areas?	<input type="checkbox"/> YES <input type="checkbox"/> NO
Will this site have a dedicated recycled water meter to track recycled water user?	<input type="checkbox"/> YES <input type="checkbox"/> NO
Will this site be served by the combined sewer system?	<input type="checkbox"/> YES <input type="checkbox"/> NO
Will this project obtain a plumbing permit from SFDBI?	<input type="checkbox"/> YES <input type="checkbox"/> NO
Will this project obtain a Permit to Operate from SFDPH?	<input type="checkbox"/> YES <input type="checkbox"/> NO

<b>Required Supplemental Information</b>
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Please attach a detailed description of the proposed activity, including the following:

- Project Description.** The description of the proposed activity must indicate the type collection, treatment, and storage being installed.
- Water Use Calculator.** Complete the SFPUC Water Calculator to determine the buildings annual water use and available on-site alternate water sources.
- Work Plan and Project Schedule.** List specific tasks you will undertake to complete the project. 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). Attach additional information as needed. Make sure to note and describe any required or planned public notification or outreach steps.
- 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). Include a budget corresponding with the work plan tasks and list all staff, vendors, and/or contractors assigned by task. Please attach details for staff named here, including designations of individuals proposed, hourly rates, fringe benefits, and overhead information as documented through their payroll register, paycheck or other means. Copies of individual paychecks do not have to be included; however, they must be auditable.

Attach any estimates from vendors, suppliers or contractors for labor and/or materials. Additionally, include budget items that you are paying for as part of this project.

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- ❑ 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
_____	_____
_____	_____

I am authorized to sign on behalf of the applying group and the information enclosed represents the goals, scope, budget and details of the proposed activity, and assure that any funds received as a result of the application will be used only for purposes set forth herein. I certify I have read, understand and agree to the terms and conditions of this grant program, I will abide by the requirements therein, and all information provided is accurate.

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Name (print):** \_\_\_\_\_

Email completed applications, including water use calculations<sup>1</sup> and project schedule & budget information<sup>2</sup> to [nonpotable@sfgwater.org](mailto:nonpotable@sfgwater.org) or deliver to:

**SFPUC - Water Resources Division**  
**Attn:** Large Non-potable Water Project Assistance Program  
**525 Golden Gate Ave, 10<sup>th</sup> Floor**  
**San Francisco, CA 94102**

For questions about the grant assistance program or if you require assistance in completing a grant application, please email the SFPUC grant team at [nonpotable@sfgwater.org](mailto:nonpotable@sfgwater.org) or contact the SFPUC Water Resources Division at (415) 554-3271.

<sup>1</sup> Applicant must submit calculations generated from the Water Use Calculator available at [www.sfgwater.org/np](http://www.sfgwater.org/np).  
<sup>2</sup> Applicant may use attached worksheets to summarize schedule and budget information or provide their own report/worksheets.

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

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Project Budget				
Task Number and Description	Amount Requested from SFPUC	Amount Provided by Applicant (if any)	Specify Staff or Consultant/Contractor	Total Budget
<b>Total Amount Requested:</b>	<b>\$</b>		<b>Total Budget:</b>	<b>\$</b>