

# Rebate Assistance for Water Efficient Equipment Retrofits

## Rebate Guidelines and Terms



### Rebate Assistance Overview

The SFPUC Rebate Assistance for Indoor Water Conservation Retrofits (Rebate 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.

Types of activities considered for funding include indoor water using equipment retrofits that conserve water. Applications for the fiscal year 2023-24 increment of Rebate assistance will be accepted through May 1, 2024, unless funding is depleted before the end of SFPUC's fiscal year. The SFPUC anticipates funding will be available for fiscal year 2024-25 projects. Rebate funding is available on a first come, first serve basis.

### Definitions

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

**Applicant** – retail customer seeking Rebate 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 Rebate funds, following the review and evaluation of a completed application project.

**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 Rebate 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.

**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.

**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.

## ***I. Rebate Guidelines***

### **Eligible Applicants**

Rebate 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 Rebate Assistance. Activities that do not meet one or more of the criteria listed below will be deemed ineligible.

### **Eligible Criteria**

#### **Rebate 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
- 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 Rebate 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 12 months of the Rebate application submission date.
- The Applicant must provide a complete Rebate application package, including itemized equipment cost documentation and IRS W-9 form.

### **Rebate Terms and Process**

#### **Step 1 – Rebate 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 contact the site and confirm that funds are being reserved for the next twelve months.
- A fund reservation 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 12 months of the date the Rebate Application is signed, incorporating required individual performance testing as required (see Monitoring and Reporting section, page 4).
- Upon completion of the retrofit, the site will contact SFPUC and send original Proof of Payment for qualifying equipment.

## Step 3 – Project Completion

- SFPUC staff will conduct a post inspection of equipment purchased/installed and confirm final rebate 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, payment will be paid to the Applicant.

## Expiration

A Rebate reservation is valid for twelve months from the Rebate application date. If a reservation expires, a new application must be submitted. Extensions for the expiration of the Rebate reservation may be granted at the discretion of SFPUC staff and must be obtained in writing. 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 application.

## Additional required submittals

The applicant must submit the following items to the SFPUC:

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

This information is required in order for the City of San Francisco's Controller 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 Rebate-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 may not require metering to identify project specific 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 Rebate funded project being metered to verify meter data record keeping practices.

## Rebate 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.
- Rebate 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 twelve (12) months from the application date.
- 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 Rebate 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 of the Rebate application date are not eligible for reimbursement.
- Items that the SFPUC already provides financial incentives for are not eligible to receive Rebate 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 Rebate 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 Rebate funds.
- If project metering is required, the cost associated with the purchase of a meter for the project may also be reimbursable by Rebate funds.

## Tax Considerations

Rebate 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 Rebate. 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 Rebate payment will be made.

## Permits

All activities must comply with applicable local, state, and federal permit requirements. If a building permit is required, a Rebate 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.

## Required Application Questions

- First Name
- Last Name
- Account Role
- Address
- Phone
- Email
- City
- State
- Zip
- Company
- Title
- Project Type
- Property Type
- Installation Address
- Project Lifespan (Years)
- Specific Location of Project
- Project Description
- Total Project Hardware Cost
- Does the project result in potable water savings
- Indicate the annual amount of potable water savings (gallons per year)
- Work Plan and Project Schedule
  - Task Number and Description
  - Responsible Person/Group
  - Estimated Start Date
  - Estimated Completion Date
- Permits / Permission
  - Type of Approval Required
  - Approving Agency / Approval Date
- Hold Harmless and Indemnification Agreement
- Project Costs
  - Equipment Installed
  - Make and Model
  - Quantity
  - Cost
  - Total Item Cost
  - Total Budget
- Project Documentation Upload
  - Project Description
  - Purchase Receipts
  - Work Plan and Schedule
- I have read and accept the terms of the program
  - Date and Time
  - User