



Large Landscape Grant Program Program Rules

Valid during Fiscal Year 2022-2023 (July 1, 2022 – June 30, 2023)

Grant Program Overview

The SFPUC's Large Landscape Grant Program (LLGP) provides assistance to retail water service customers with qualifying projects that result in significant and permanent reduction in potable water use for landscape irrigation.

Two types of projects are eligible for funding under the LLGP:

Landscape Water Efficiency Projects, which include irrigation system and landscape retrofits to improve a site's outdoor water efficiency and reduce overall water consumption. Retrofits include but are not limited to the following: replacement of irrigation mainlines, valves, overhead sprinklers & rotors, installation of weather-based irrigation controllers, converting landscape areas from overhead sprinklers to drip-irrigation, removing high-water use plants and installing low-water use plants such as San Francisco and California Native plants and other drought-tolerant species.

Recycled Water Projects, which include conversion of an irrigation system's potable water components to accept SFPUC recycled water supply, pursuant to Title 22 guidelines.

The application period to apply for grants during Fiscal Year 2022-2023 will remain open while funds last or until the SFPUC chooses to close the program. At this time, the SFPUC anticipates continuing the grant program for Fiscal Year 2023-2024. The SFPUC will select projects for grant awards based on how well they meet the eligibility criteria set forth in these Rules and on availability of funds. Each application will be reviewed and evaluated on a case-by-case basis.

The SFPUC's LLGP supports Retail Water Customer efforts to implement sustainable water use practices in San Francisco¹. In addition to advancing water supply reliability, the program supports 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 the Tuolumne River watershed. The 10 mgd increment is comprised of measures to offset existing demand for potable water, including development of groundwater and recycled water in San Francisco.

Definitions

¹ "San Francisco" refers to the San Francisco Retail Service Area, which includes customers in the City and County of San Francisco as well as customers outside of the City and County of San Francisco to whom water service is provided by the SFPUC on a retail basis.

Terms used in these LLGP Rules have the meanings described below:

Acre-Foot – The volume of water that would cover one acre to a depth of one foot; or 43,560 ft³ (1,233.5 m³).

Applicant – Retail Water Customer seeking LLGP grant funds from the SFPUC for proposed Landscape Water Efficiency and/or Recycled Water Projects, pursuant to these Rules.

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

Bidder/Supplier – In order to receive grant funds, Grantees will be required to become a registered bidder and supplier with the City and County of San Francisco. The process to become a bidder/supplier has very specific tax and insurance requirements. Grantees should review these requirements at <https://sfgov.org/oca/qualify-do-business> to ensure they qualify to do business with the City.

Eligible Project Costs –Project costs directly related to irrigation and/or recycled water activities performed by an Applicant within the Project Area that reduce potable water use. Irrigation and recycled water activities can include the installation, retrofit, and replacement of existing irrigation system, high-water-use plant replacements, and conversion of irrigation systems to accept SFPUC recycled water. Specifically, irrigation system retrofits and replacement Eligible Project Costs include but are not limited to irrigation main and lateral pipe replacements, valve replacements, costs associated with the installation of a weather-based irrigation controller, low-water-use plant installations, and recycled water irrigation piping and required signage. **Activities and improvements made within the Project Area that do not directly support reduction of potable water use for irrigation will not be considered Eligible Project Costs. Examples of such non-cost-eligible activities include but are not limited to replacement of benches, lighting, pedestrian paths, and restrooms.**

Grant Agreement (Agreement) – A written contract between the SFPUC and the recipient of LLGP 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.

Grant Reservation Letter – A written notice from the SFPUC to an Applicant of the provisional reservation of LLGP grant funds for the Applicant's proposed project.

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.

Landscape Water Efficiency Projects (LWEP) – Projects implementing irrigation system and landscape retrofits to improve a site's outdoor water efficiency and reduce overall water consumption. Retrofits include but are not limited to the following: replacement of irrigation mainlines, valves, overhead sprinklers & rotors, installation of weather-based irrigation controllers, converting landscape areas from overhead sprinklers to drip-irrigation, removing high-water use plants and installing low-water use plants such as San Francisco and California Native plants and other drought-tolerant species.

Million Gallons per Day (mgd) – A measure of water flow expressed as million gallons per day (mgd); 1 mgd is equivalent to 133,681 cubic feet per day, or 1.55 cubic feet per second, or 3.07 acre-feet per day. A flow of one million gallons per day for one year equals 1,120 acre-feet (365 million gallons).

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 or alternate water supplies include rainwater, graywater, blackwater, and foundation drainage water.

Plant Establishment Period – the point at which plants in the landscape are developing significant root growth into the soil. Typically, most plants are established within 2 years of being planted.

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

Project Area – The total square footage of the existing area(s) on an Applicant’s proposed project site irrigated with or using potable water that will be directly improved and will directly benefit from reduced potable water use for irrigation from the proposed irrigation system retrofits, high-water-use plant replacements, or recycled water conversions. **The Project Area does not include square footage beyond the specific area for which potable water-saving improvements will apply and does not include square footage of non-water-saving improvements such as replacements to pathways, benches, buildings, etc.**

Recycled Water – Water taken from a waste (effluent) stream and treated to a level suitable for further use, in accordance with the California Department of Public Health and the US Environmental Protection Agency requirements based on specific uses. Recycled water is sometimes referred to as reclaimed water.

Recycled Water Projects (RWP) - Projects that include conversion of an irrigation system’s potable water components to accept SFPUC recycled water supply, pursuant to Title 22 guidelines.

Retail Water Customer – 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.

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

Retrofit - Devices, fixtures, or other infrastructure upgrades that meet current local, state, and federal laws and regulations that occur on the Retail Water Customer side of the meter.

Special Landscape Area (SLA) – SLA is considered an area of the landscape that is dedicated solely to edible plants, areas irrigated with non-potable water, water features using only rainwater, and areas dedicated to active play such as parks, sports fields, golf courses and where turf provides a playing surface.

Title 22 - The California Department of Public Health 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 Rules

Eligible Applicants

LLGP funds are available to any institutional, industrial, residential, or commercial user currently watering an existing landscape with an irrigation system who receives a water bill directly from the SFPUC for their own water use, and not for resale (Retail Water Customer) and whose proposed project meets all of the criteria set forth below. Projects that do not meet one or more of the criteria listed below will be deemed ineligible.

Eligibility Criteria and Requirements for Projects Receiving LLGP Grants

Eligibility criteria and requirements for projects receiving LLGP grants that apply to both Landscape Water Efficiency and Recycled Water Projects include the following:

- The proposed project must have a Project Area that is at least 10,000 square feet in size and no more than 375,000 square feet in size;
- The proposed project must be for a Retail Water Customer with an installed irrigation system that is operated to irrigate the project’s landscape area for which the most recent 3-year baseline water consumption data is available;

- The proposed project must be ready for implementation within eighteen (18) months from the application date;
- Project installation must conclude within two (2) years from the date of the initial grant fund disbursement if the Applicant receives an LLGP grant;
- Projects proposing installation of synthetic turf are not eligible pursuant to the City's Biodiversity Resolution No. 107-18;
- If the proposed project requires public or stakeholder review and approval, Applicant must complete project outreach within six (6) months of receiving a Grant Reservation Letter;
- Improvements funded through the LLGP must be permanent and in place for the full duration of the Grant Agreement term, which may be up to ten (10) years;
- If the proposed project includes the use or installation of new technologies or landscape and irrigation methods, Applicant must reference in their application materials verifiable and relevant projects that have achieved water savings;
- The Applicant must provide a complete application including a work plan, schedule, budget, and other supporting documentation to be considered for grant funding;
- The proposed project must meet all applicable local, state, and federal laws, regulations and ordinances, including environmental review as applicable;
- The Grantee must reference funding and support from the SFPUC in project outreach materials and signage, which are to be reviewed and approved by the SFPUC;
- The Grantee must complete the project regardless of whether the costs exceed the SFPUC's grant funding or the SFPUC may demand the immediate repayment of any previously disbursed grant funds that have been claimed or expended by the Grantee;
- The Grantee must be authorized to do business with the City and County of San Francisco and obtain a bidder/supplier number before any funds can be provided; and
- The Grantee must ensure that the Grantee's contractor(s) will pay prevailing wage for construction of the project unless the LLGP grant funds a private residential project or is less than \$1,000.00.

Additional eligibility criteria and requirements for projects receiving LLGP grants that apply to only Landscape Water Efficiency Projects:

- The proposed project must remove at least twenty-five percent (25%) of the site's existing high water use plants such as turf grass and replace the high water use plants with low water use plants, such as California and San Francisco Native species, and other drought-tolerant, non-invasive plant species, or propose a one hundred percent (100%) offset of existing potable water use;
- The Applicant must pay for at least fifty percent (50%) of the proposed project's total Eligible Project Costs, i.e., the amount of any LLGP grant cannot exceed fifty percent (50%) of the proposed project's total Eligible Project Costs;
- The Applicant must calculate and provide the project's estimated water savings and cost per acre-foot in their application materials;
- The Applicant must provide water use calculations that account for plant establishment periods in their application materials;
- The proposed project must reduce the use of potable water for landscape irrigation by a minimum of twenty-five percent (25%), as compared to Applicant's most recent 3-year average baseline consumption of potable water for irrigation, agreed to by SFPUC;
- After an initial plant establishment period, implemented improvements are expected to meet the water reduction targets specified in the Grant Agreement between the Grantee and the SFPUC;

Grant Terms and Process

- Step 1: Applicant submits a complete application, including the following documentation: project's work plan, maps, Project Area measurements, schedule, budget, water savings calculations, and the previous 3-year average baseline consumption of potable water for irrigation.
- Step 2: SFPUC reviews application and confirms if all eligibility criteria are met.
 - If eligibility requirements are met, funding is available, and the grant period is still open, the SFPUC issues Applicant a Grant Reservation Letter, indicating that grant funds will be reserved for the Applicant's proposed project for nine (9) months
 - If eligibility requirements are not met, the SFPUC issues Applicant a Grant Rejection Letter, indicating the project does not meet criteria and will not be awarded a grant
- Step 3: Applicants that receive a Grant Reservation Letter complete the following within nine (9) months from the date of the letter:
 1. **(For Landscape Water Efficiency Projects only):** Complete and submit a landscape documentation package, including irrigation, planting, and grading plans; water use calculations confirming the water savings of the project based on the most recent 3-year average baseline consumption of potable water for irrigation, and a soil management report. Additional landscape documentation package information can be found at: [Grants | SFPUC](#)
 2. Develop and execute a Grant Agreement with the SFPUC, using a Grant Agreement template provided by the SFPUC. Upon execution of the Grant Agreement, Grantees must also:
 - Provide a valid copy of an insurance policy declaration that names the City and County of San Francisco, the San Francisco 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
 - Comply with insurance requirements and mandates by the City and County of San Francisco, inclusive of commercial general liability and workers compensation
 - Obtain a valid Bidder and Supplier member with the City and County of San Francisco for Grantees who are not City of San Francisco departments
 - Ensure Grantee's contractor(s) will pay prevailing wage for construction of the project unless the LLGP grant funds a private residential project or is less than \$1,000.00
- Step 4: Grantees complete installation of project within two years of receiving the first disbursement of grant funds from the SFPUC, pursuant to the terms of their Grant Agreement with the SFPUC and all terms for payment, funding, taxes and insurance noted in these Rules.
- Step 5: Grantee must maintain all new retrofit equipment, components, and/or replace dead plantings paid for through SFPUC grant funds during the full duration of the Grant Agreement term. Any removal or failure to maintain equipment and plantings during the Grant Agreement term is subject to repayment to the SFPUC.

Expiration Dates for Grant Reservations and Disbursements

Grant Reservation Letters will be valid for nine (9) months. If a landscape documentation package (for Landscape Water Efficiency Projects only) and a Grant Agreement with the SFPUC are not completed within this time, the reservation will expire and the Applicant will need to re-apply to the LLGP.

Once the SFPUC issues the Grantee the first disbursement of grant funding, the project must be completed in two (2) years or the Grant Agreement and future disbursements of funding will expire. Grantees may request an extension of time to complete the project in writing prior to the end of the two years if circumstances warrant additional time for project implementation. The SFPUC will consider whether to grant requests for extension on a case-by-case basis.

The purpose of the LLGP is to support customers who are taking steps to reduce or offset the use of potable water for large landscape irrigation. In the event that (1) the proposed project or portion of the proposed project is not completed within two (2) years or as otherwise extended by mutual agreement, and/or (2) the projected water savings are not achieved within two (2) years of project installation or plant establishment (**for Landscape Water Efficiency Projects only**), subject to SFPUC staff verification, the SFPUC may demand the immediate repayment of any previously disbursed grant funds that have been claimed or expended by the Grantee. The SFPUC reserves the right to evaluate each project on a case-by-case basis.

Payment

Payment schedules are determined based on the project budget and timeline that is submitted along with your Grant Program application. 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 Bidder and Supplier Number. For more information on doing business with the City, please review the San Francisco Office of Contract Administration website at <https://sfgov.org/oca/qualify-do-business>; and
- Invoices and back-up documentation (timesheets, receipts, etc.) for work completed and paid – quotes for proposed work will not be accepted as back-up documentation or proof of paid project renovations.

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 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 from the time a Grant Agreement is executed until construction is completed.

Once the project is complete, Grantees will be required to provide the SFPUC an update on its status on a yearly basis for the Grant Agreement term post installation, including information showing whether the project is meeting the water reduction target specified in the Grant Agreement. Grantees are expected to monitor the site's water use on no less than a monthly basis and to include this information in their yearly status reports to the SFPUC.

For Landscape Water Efficiency Projects, after an initial establishment period, implemented improvements are expected to meet the water-reduction targets specified in the Grant Agreement between the Grantee at the SFPUC.

The SFPUC will monitor Grantees' post-project water use for compliance with stated water-reduction targets, and sites that consistently fall significantly short of their stated water-savings targets may be subject to grant repayment to the SFPUC. Site inspections by SFPUC staff will be conducted, including pre-project assessments and post-project verification of water savings.

Grant Funding

Funding Requirements

- Funding will be provided for eligible projects based on (1) the evaluation of each application and (2) the availability of funds, as certified by the Controller of the City and County of San Francisco.

- The maximum amount for any grant award is \$4.00 per square foot of the proposed project's Project Area. As noted above, the maximum Project Area size under the LLGP is 375,000 square feet. For projects with this maximum Project Area size, the maximum grant award amount is \$1.5 million.
- **For Landscape Water Efficiency Projects only:** Grantee must pay for at least fifty percent (50%) of the proposed project's total Eligible Project Costs, i.e., the amount of any LLGP grant award cannot exceed fifty percent (50%) of total Eligible Project Costs.
- Grant funds will be disbursed on a reimbursable basis following submittal of invoices for work performed, unless agreed upon otherwise in writing.
- One-hundred percent (100%) project completion must be reached within two (2) years from the execution of the initial grant fund disbursement, unless a written request for an extension has been granted by the SFPUC, or the SFPUC may demand the immediate return of any previously disbursed grant funds that have been claimed or expended by the Grantee. Only accepted expenses incurred for preparation of the landscape documentation package are eligible for reimbursement prior to executing the Grant Agreement, including development of irrigation, planting, and grading plans.

Budget Items Eligible for Funding

- All work related to the project must be invoiced by a licensed contractor of the State of California.
- **For Landscape Water Efficiency Projects only:** If the project's landscape documentation package supports the water savings estimated in the grant application, the SFPUC will approve the project for grant funding, including reimbursable costs associated with developing the landscape documentation package (landscape documentation costs should be included in the funding request and noted in the project budget).
- Direct project costs paid, including, but not limited to materials, supplies, salaries and fringe benefits, and payments on construction contracts (excluding overhead and profit) may be eligible for funding. Charges on invoices from contractors must be sufficiently detailed to identify overhead and profit or they will not be eligible for funding.
- Unless otherwise agreed to in writing, no other costs are eligible for reimbursement by the SFPUC.

Taxes and Insurance

A grant counts as income and therefore may be taxable. It is the responsibility of the Grantee to determine 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 before a grant payment will be made.

The City requires evidence of insurance for all funded activities. Prior to beginning work on a project, 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 and Environmental Review

All approved projects receiving LLGP grant funding 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). An SFPUC inspection of installed retrofits does not constitute a building inspection by DBI or the local authority with jurisdiction to issue permits.

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II. Grant Application

Grant applications will be processed in the order they are received and are subject to availability of funding. Applications can be emailed to landscape@sfgwater.org or delivered to:

**San Francisco Public Utilities Commission
Water Resources Division
Attn: Large Landscape Grant Program
525 Golden Gate Ave, 10th Floor
San Francisco, CA 94102**

For questions about the grant program, please contact the SFPUC at landscape@sfgwater.org or (415) 551-4745. For information on other landscape assistance programs, visit [Save Water Outdoors | SFPUC](#)