

1 [Grant Agreement Amendment - 181 Fremont Street, LLC. - SFPUC Onsite Water Reuse
2 System Grant Program - Term Extension]

3 **Resolution authorizing the General Manager of the San Francisco Public Utilities**
4 **Commission (SFPUC) to execute Amendment No. 1 to the existing grant agreement**
5 **with 181 Fremont Street, LLC. for an Onsite Water Reuse System at 181 Fremont Street,**
6 **extending the term of the agreement by seven years to January 5, 2032, for a total**
7 **duration of seventeen years.**

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9 WHEREAS, The San Francisco Public Utilities Commission (SFPUC) is targeting
10 onsite water reuse in large new developments to help meet the goal of developing an
11 additional 10 million gallons per day of local water resources; and

12 WHEREAS, In 2012, by Resolution No. 12-0103, the SFPUC approved a grant
13 program for retail water customers to make the best use of non-potable supplies for onsite
14 water reuse in buildings and authorized the General Manager to execute grant agreements
15 with applicants for onsite non-potable water systems that offset the use of SFPUC Regional
16 Water System potable water supplies, subject to availability of funding; and

17 WHEREAS, The SFPUC's Onsite Water Reuse Grant Program (formerly known as the
18 Non-potable Grant Program) provides grant funding to encourage retail water users to reduce
19 SFPUC water supply usage by collecting, treating, and using alternate water sources
20 including rainwater, stormwater, graywater, foundation drainage, air conditioning condensate,
21 and blackwater for non-potable uses such as toilet flushing, irrigation, and cooling tower
22 makeup; and

23 WHEREAS, Funds are available in the Retrofit Grant Program Project 10025211; and

24 WHEREAS, Grant applications are accepted based on meeting eligibility requirements,
25 availability of funds and on a first come, first served basis; and

1 WHEREAS, Grant applicants cannot obtain grant funds for the mandatory installation
2 of an onsite non-potable water system to comply with the requirements of the City's Non-
3 potable Water Ordinance (NPO), S.F. Health Code, Article 12; and

4 WHEREAS, In 2015, the SFPUC executed a grant agreement with a term of 10-years,
5 as a part of the Onsite Water Reuse Grant Program, providing \$250,000 to 181 Fremont
6 Street, LLC. to voluntarily install an onsite water reuse system at the 181 Fremont Street that
7 would achieve a cumulative potable water offset of 10 million gallons per year (GPY) over ten
8 years; and

9 WHEREAS, The executed grant agreement provides \$250,000 in funding to 181
10 Fremont Street, LLC. for the voluntary installation of an onsite water reuse system at 181
11 Fremont Street, for 10 years, from 2015 to 2025; and

12 WHEREAS, If the General Manager determines that a longer operation and
13 maintenance obligation is warranted for a particular grant project, the General Manager may
14 seek Board of Supervisors approval to amend a grant agreement term to a duration in excess
15 of ten years pursuant to Charter, Section 9.118; and

16 WHEREAS, Amendment No. 1 would extend the agreement term by 7 years,
17 terminating the agreement on January 5, 2032, allowing the onsite water reuse system at 181
18 Fremont Street to achieve the cumulative potable offset outlined in the executed agreement;
19 and

20 WHEREAS, Construction of the onsite water reuse system at 181 Fremont Street was
21 completed in February 2020; and

22 WHEREAS, The onsite water reuse system at 181 Fremont Street was delayed in
23 starting operation due to the global COVID-19 pandemic causing the building to have minimal
24 occupancy since March 2020 which impacts the ability of the onsite water reuse system to be
25 operated, and continuing uncertainty about future occupancy; now, therefore, be it

1 RESOLVED, That this Board of Supervisors hereby approves and authorizes the
2 General Manager of the SFPUC to execute Amendment No. 1 to existing Onsite Water Reuse
3 Grant Agreement with 181 Fremont Street, LLC., at 181 Fremont Street, extending the term of
4 the agreement by seven years, terminating the agreement on January 5, 2032; and, be it

5 FURTHER RESOLVED, That within thirty (30) days of Amendment No. 1 being fully
6 executed by all parties the SFPUC shall provide the final contract to the Clerk of the Board for
7 inclusion into the official file.

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