

AGREEMENT FOR PARTICIPATION IN THE WEATHER
BASED IRRIGATION TIMER REBATE PROGRAM

July 14, 2009

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FINANCIAL IMPACT

The Water Services Division will fund the program from the Water Enterprise Fund. There is no impact to the General Fund. Garden Grove's contribution for the program will not exceed \$10,104.

COMMUNITY VISION IMPLEMENTATION

This project will assist with maintaining and enhancing the District's assets, maximizing their value, longevity, and usefulness to the health and safety to the community.

RECOMMENDATION

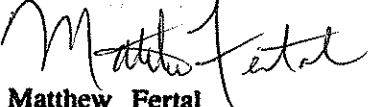
It is recommended that City Council:

- Approve the attached agreement with the Municipal Water District of Orange County (MWDOC) for the City's participation in the Weather Based Irrigation Timer Rebate Program, and authorize the Mayor and City Clerk to execute the agreement on behalf of the City.
- Authorize the Finance Director to approve payment to participate in the Weather Based Irrigation Timer Rebate Program to MWDOC over a two-year period, not to exceed \$10,104.

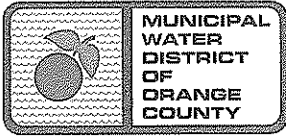

KEITH G. JONES
Public Works Director


By: David E. Entsminger
Water Services Manager

Recommended for Approval


Matthew Feral
City Manager

Attachment: Agreement with MWDOC



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- Joan C. Finnegan
Vice President
- Ergun Bakall
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- Brett R. Barbre
Director
- Larry D. Dick
Director
- Susan Hinman
Director
- Ed Royce, Sr.
Director
- Kevin P. Hunt, P.E.
General Manager

MEMBER AGENCIES

- City of Brea
- City of Buena Park
- East Orange County Water District
- El Toro Water District
- Emerald Bay Service District
- City of Fountain Valley
- City of Garden Grove
- Golden State Water Co.
- City of Huntington Beach
- Irvine Ranch Water District
- Laguna Beach County Water District
- City of La Habra
- City of La Palma
- Mesa Consolidated Water District
- Moulton Niguel Water District
- City of Newport Beach
- City of Orange
- Orange County Water District
- City of San Clemente
- City of San Juan Capistrano
- Santa Margarita Water District
- City of Seal Beach
- Serrano Water District
- South Coast Water District
- Trabuco Canyon Water District
- City of Tustin
- City of Westminster
- Yorba Linda Water District

**Agreement between City of Garden Grove and
The Municipal Water District of Orange County
For Participation in the
Weather Based Irrigation Timer (Smart Timer) Rebate Program
For Single-Family Residential and Commercial Properties**

This Agreement is made by and between the Municipal Water District of Orange County ("MWDOC"), and the City of Garden Grove for participation and co-funding of a Smart Timer Rebate Program for Single Family Residential and Commercial Properties ("Program") to be offered in Participating Agency's service area.

WHEREAS, MWDOC has developed and arranged funding through Metropolitan Water District of Southern California ("Metropolitan") and other sources for a Regional Program to provide rebates to owners of single family residences and commercial properties to encourage them to retrofit existing operable irrigation timers with devices to control the amount of water used based upon weather conditions ("Smart Timers"); and

The Regional Program is scheduled to provide rebates for up to Five Thousand (5,000) Smart Timers installed by qualified participants in the Program area. Participating Agency is eligible to participate in the Regional Program and agrees to provide funding at the amount specified, as stated in Table 1, below, per Residential Smart Timer valve installed within its service area, and at the amount specified, as stated in Table 1, below, per irrigated acre for commercial sites for which a rebate is issued pursuant to the Program, up to "Not to Exceed" maximum amounts as set forth in this Agreement; and

Participating Agency also agrees to provide funding for verification of Smart Timer installations by an outside consultant engaged by MWDOC as part of the Regional Program; and

The Regional Program's objectives are to achieve savings in water consumption, reduce water runoff to storm drains and natural water bodies, and promote the goals of the Best Management Practices.

NOW, AND THEREFORE, it is agreed by MWDOC and Participating Agency as follows:

1. **Residential Properties:** MWDOC will contract for rebate services with Metropolitan ("Rebate Contractor") to access their "SoCal Water Smart" residential rebate program for Smart Timers.

A prospective residential participant who wants to participate in the Smart Timer Rebate Program must contact the Rebate Contractor at www.socalwatersmart.com or by calling-1-888-376-3314 to request a rebate reservation number prior to the purchase and installation of a Program eligible Smart Timer. If the prospective residential participant purchases a Smart Timer and then solicits the Rebate Contractor's reservation system, participation in the Program will be denied. The Smart Timer

purchase receipt must be dated later than the reservation date. Once the prospective residential participant obtains a reservation number, he/she may proceed with the purchase and installation of the Program eligible Smart Timer. The Rebate Contractor will request a recent water bill and the original receipt for the purchase and installation of the chosen Smart Timer technology. The Rebate Contractor will check each returned application for completeness and determine the eligibility of the applicant to participate in the Program. If the participant is determined to be eligible for the Program, the Rebate Contractor will forward to MWDOC application data sufficient enough for MWDOC to issue a Work Order to the Program's installation verification consultant. In order for a residential participant to receive a rebate, the participant must first submit to a site installation verification of the installed Smart Timer technology performed by the Program's installation verification consultant, or the Participating Agency if it so elects as provided herein. Upon completion of the site installation verification, the installation verification consultant (or Participating Agency, if applicable) will forward the inspection results to MWDOC who will review the inspection results and forward them onto the Program's Rebate Contractor for final processing and issuance of the rebate check. The final rebate calculated will be based on these inspection results.

2. **Commercial Properties:** MWDOC will contract for rebate services with Rebate Contractor to access their "Save a Buck" commercial rebate program for Smart Timers.

A prospective commercial participant who wants to participate in the Smart Timer Rebate Program must contact the Rebate Contractor at www.mwdsaveabuck.com or by calling-1-877-728-2282 to request a rebate reservation number prior to the purchase and installation of a Program eligible Smart Timer. If the prospective commercial participant purchases a Smart Timer and then solicits the Rebate Contractor's reservation system, participation in the Program will be denied. The Smart Timer purchase receipt must be dated later than the reservation date. Once the prospective commercial participant obtains a reservation number, he/she may proceed with the purchase and installation of the Program eligible Smart Timer(s). Commercial participants may not obtain rebates by submitting an application to the residential rebate program as described above.

A prospective commercial participant who wants to participate in the Smart Timer Rebate Program must complete an application and return it to the commercial Rebate Contractor. The commercial Rebate Contractor will require a recent water bill and the original purchase receipt for the purchase and installation of the chosen Smart Timer technology. The Rebate Contractor will check each returned application for completeness and determine the eligibility of the applicant to participate in the Program. If the participant is determined to be eligible for the Program, the Rebate Contractor will forward to MWDOC application data sufficient enough for MWDOC to issue a Work Order to the Program's installation verification consultant. In order for a commercial participant to receive a rebate, the participant must first submit to a site installation verification of the installed Smart Timer technology performed by the Program's installation verification consultant, or the Participating Agency if it so elects as provided herein. Upon completion of the site installation verification, the installation verification consultant (or Participating Agency, if applicable) will forward the inspection results to MWDOC who will review the inspection results and forward them onto the Program's Rebate Contractor for final processing and issuance of the rebate check. The final rebate calculated will be based on these inspection results.

3. **MWDOC's Obligations:** MWDOC will be responsible for designing the Regional Program, setting the rebate level paid to a qualified participant, providing all necessary staffing, materials, and administration to manage and implement the Regional Program, and preparing reports on the Regional Program's results through contractors and its own staff. These services will include:
- Providing marketing and informational material for the Program, except as noted in the Participating Agency Obligations section of this Agreement;
 - Working with Metropolitan and its Rebate Contractor to establish eligibility requirements for prospective Program participants;
 - Mailing marketing materials to prospective participants using lists of property owners provided by the Participating Agencies;
 - Providing a website, a toll-free telephone number, and printed informational materials for prospective participants to learn about the Program and the steps to participate;
 - Informing participants about the eligible Smart Timer technologies and where they may purchase an appropriate Smart Timer. (Purchase, installation and functioning of Smart Timers will be the responsibility of the property owner, and participants will be required to waive and release any claims against MWDOC, Metropolitan, and the Participating Agency in order to receive a rebate);
 - Facilitating quality control, verification of installation, and collection of data;
 - Setting the rebate levels paid to participants. If the Participating Agency wishes to add additional funds above the required \$9 per active valve in order to increase the rebate level, MWDOC will facilitate this additional funding with the Rebate Contractor;
 - Paying, through Metropolitan's Rebate Contractor facilitating the rebate payment, participants who have completed the participation requirements to the satisfaction of MWDOC on a per attached and operating valve basis for residential customers and on a per acre basis for commercial customers, including HOA's;
 - Developing a database of information regarding Program participation, including the types of Smart Timers for which rebates are given;
 - Providing monthly electronic and written reports of Program activity to Participating Agency, and invoicing Participating Agency for its funding obligation;
 - Invoicing Participating Agency for the specified amount per active valve and for the specified amount per acre for those valves and acres installed within Participating Agency's service area up to the "Not to Exceed" amount set forth in this Agreement;
 - Invoicing Participating Agency for any necessary pass-through inspection costs for commercial Smart Timers provided within Participating Agency's service area by

installation verification consultant pursuant to consultant's agreement with MWDOC up to the "Not to Exceed" amount set forth in this Agreement.

- Invoicing Participating Agency for any necessary pass-through inspection costs for residential Smart Timers installed within Participating Agency's service area and inspected by installation verification consultant pursuant to consultant's agreement with MWDOC up to the "Not to Exceed" amount set forth in this Agreement. MWDOC shall not incur or pass through inspection costs for Smart Timers inspected by Participating Agency.
- Facilitate providing Participating Agency with inspection notifications and work orders for residential and commercial Smart Timers within Participating Agency's service area.
- As part of its administrative responsibility, MWDOC will work with Metropolitan's two Rebate Contractors to track rebates paid to qualified residential and commercial participants in order to limit the total number of rebates issued within Participating Agency's service area so that the aggregate amounts of Participating Agency's per-valve and per-acre funding contributions to rebates issued and pass-through inspection costs are within Participating Agency's designated "Not to Exceed" total liability amounts as listed in Table 1, below.
- MWDOC shall provide Participating Agency with monthly electronic and/or written reports. Residential rebates will be offered on a first come-first served basis while program funding lasts. Therefore, if residential applications received from Program participants throughout MWDOC's implementation area exhaust the number of rebates available under the Program, it may not be possible to offer rebates within Participating Agency's service territory up to the maximum "Not to Exceed" number provided herein. MWDOC does not guarantee any minimum number of rebates will be available for Participating Agency's service area.
- MWDOC agrees to maintain the confidentiality of Participating Agency's customer names, addresses and other information about the Program participants gathered in connection with the Program, and will not cause or permit the disclosure of such information except as necessary to carry out the Program. To the extent MWDOC contracts with third party contractors to carry out all or any portion of the Program, MWDOC will require the Contractor to maintain the confidentiality of said customer information.

4. **Participating Agency Obligations:** Participating Agency agrees to the following:

- Participating Agency will provide MWDOC with customer name and address information for those residential and commercial water service accounts to which Participating Agency would like to market the Program;
- If Participating Agency does not wish to provide addressing information, Participating Agency will be responsible for marketing the Program to potential participants, or some combination of either of the two marketing plans. The fact that Participating Agency elects to assume responsibility for marketing shall not reduce the Participating Agency's funding obligation; and

- Participating Agency agrees to provide funding for the Program in the amount specified in Table 1 below per Smart Controller residential active valve, in the amount specified in Table 1 below per commercial acre installed at a qualified property within Participating Agency's service territory for which a rebate is given and costs for installation verification inspection (cost varies between residential and commercial, see Exhibit 1), up to the maximum "Not to Exceed" numbers set forth in Table 1 below. As part of its administrative responsibility, MWDOC will work with Metropolitan's two Rebate Contractors to track rebate distribution in order to limit the number of residential and commercial rebates issued within Participating Agency's service area so that the aggregate amounts of Participating Agency's per-valve and per-acre funding contributions to rebates issued and pass-through inspection costs do not go over the Participating Agency's designated "Not to Exceed" fiscal year totals:

Table 1

<u>Category</u>	Participating Agency No. of Valves or Acres	Funding Amount	Not to Exceed Funding Limit Fiscal year 2009-211
Residential	34 valves	\$9 per Valve	\$3,060
Commercial	14 irrigated acres	\$120 per Irrigated Acre	\$1,848
Inspection Verification		Varies	\$5,196
Total			\$10,104

- MWDOC will invoice Participating Agency on a monthly basis for rebates issued in the previous month period, and payment will be due within thirty (30) days of the date of the invoice.
- Participating Agency may increase its "Not to Exceed" Funding Limit under this Letter Agreement by written notice to MWDOC's General Manager made by the undersigned representative of the Participating Agency or his or her successor. Any increase must be made prior to the exhaustion of available funding.
- In addition to the per valve and per acre funding shown in Table 1, Participating Agency may be responsible for all residential and commercial Smart Timer installation inspection costs incurred within its service area as required to verify installations for which rebates were submitted as provided herein, up to the maximum "Not to Exceed" numbers set forth in Table 1. Currently MWDOC has additional Grant funding to cover verification of both residential and commercial Smart Timer installation costs. Should this grant funding expire during the term of this Agreement, MWDOC, upon notifying Participating Agency, reserves the right to begin invoicing Participating Agency for Smart Timer installation inspection costs up to the "Not to Exceed" amount set forth in Table 1 above.

Such costs shall be invoiced by MWDOC as a pass-through cost on a monthly basis and shall be based on costs invoiced to MWDOC by the installation verification consultant. MWDOC shall begin invoicing Participating Agency upon receipt of invoices submitted by the installation verification consultant for inspection services provided on or after July 1, 2009. Invoicing of the Participating Agency shall continue as long as both commercial and residential installation verifications continue. Exhibit 1, a current copy of MWDOC's installation verification consultant's invoice to MWDOC, shows the current billing rates that will be used as the pass-through

amounts. Any future changes to the billing rates will also be passed-through based on cost incurred in Participating Agency's service area.

- Participating Agency can elect to conduct its own inspections for the residential installations and submit reporting of the inspection results to MWDOC. If Participating Agency elects to conduct its own inspections, the minimum reporting requirements are as follows:
 - Inspection results verifying that the Smart Timer was installed and the number of active irrigation valves hooked up to the Smart Timer
 - Site measurements of the irrigated area, which can be derived from the Participating Agency's billing system;
 - Verification of the proper programming of the installed Smart Timer;
 - The number of valves connected to the installed Smart Timer;
 - The distribution uniformity of one turf valve;
 - Contact information for the participant; and
 - Complete and return to Rebate Contractor the inspection work order supplied to Participating Agency in a timely manner.
 - By participating in this Program, both the Participating Agency and the participant acknowledge and agree that MWDOC is permitted to use historical water consumption data for purposes of satisfying any grant requirements of the Program.
5. **Indemnification:** MWDOC has designed the Program as a rebate program in which the property owner is solely responsible for selecting, purchasing, and installing the Smart Timer. Property owner will be required to sign a release and waiver of any claims against MWDOC, the Participating Agency, and any other funding agency as a condition of participating in the Program. To the extent MWDOC or the Participating Agency or their staff performs any activities in connection with the Program, each agrees to indemnify and hold the other harmless from any and all liability, claims, obligations, damages and suits arising out of its negligence or liability without fault in the performance of such activities, except to the extent such liability, claims, obligations, damages or suits arise from the other's negligence or liability without fault.
6. **Term:** The Program commenced on or about September 1, 2004, and until June 30, 2009 was covered under separate, previous agreements. Effective July 1, 2009, this agreement supersedes the previous agreement and will continue until June 30, 2011 or until the targeted number of rebates has been exhausted, whichever occurs first ("Program Expiration"). If the maximum number of rebates for Participating Agency's service area has been issued prior to Program Expiration, MWDOC will direct its Rebate Contractor to discontinue offering the Program in Participating Agency's service area; however, final reporting of Program results will not be completed until after the Program Expiration date. The per-valve, per-acre and maximum funding amounts in Table 1 shall apply to Fiscal Year 2009-2010 and, unless changed as provided in the following sentence, shall also apply for any subsequent fiscal years during the term of this Agreement. If MWDOC and Participating Agency agree to change any of the Table 1 funding amounts for fiscal years after 2009-10, they shall amend this agreement to replace Table 1 with a revised Table 1 showing the changed amounts and specifying the effective date thereof.
7. **Early Termination:** Participating Agency may terminate this Agreement prior to the Program Expiration date, or prior to distribution of the maximum number of rebates for Participating Agency's service area, upon thirty (30) days' written notice to MWDOC.

MWDOC may terminate this Agreement prior to the Expiration Date, or prior to distribution of the maximum number of rebates for Participating Agency's service area, without prior notice in the event funding for this Program is exhausted, reduced, or eliminated from any funding source. Otherwise, MWDOC may terminate this Agreement for any reason upon thirty (30) days' written notice to Participating Agency. Participating Agency will be responsible for payment of its funding contribution for all rebates made before and after the effective date of the termination for all applications initiated by Program participants within Participating Agency's service area prior to the effective date of the termination. For purposes of this paragraph, an application is deemed initiated when the Program participant obtains an application and his participation is logged-in by the Rebate Contractor. Whether the Agreement is terminated by Participating Agency or MWDOC, MWDOC will nevertheless provide Participating Agency with reports of rebate activities in Participating Agency's service area.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by and through the authorized officers on _____, 2009.

Dated: _____

MUNICIPAL WATER DISTRICT OF
ORANGE COUNTY

By: _____
Kevin P. Hunt
General Manager

APPROVED AS TO FORM:

By: _____

Dated: _____

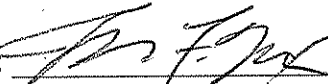
Dated: _____

Participating Agency

By: _____
Mayor of the City of Garden Grove

APPROVED AS TO FORM:

ATTEST:

By:  _____

City Clerk

Date: 7/3/09

Date: _____