

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Matthew J. Fertal	From:	William E. Murray
Dept:	City Manager	Dept:	Public Works
Subject:	AGREEMENT WITH THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY FOR PARTICIPATION IN THE WEATHER BASED IRRIGATION TIMER REBATE PROGRAM	Date:	June 28, 2011

OBJECTIVE

To request that City Council approve the agreement with the Municipal Water District of Orange County (MWDOC) for the City's continued participation in the Weather Based Irrigation Timer Rebate Program.

BACKGROUND

As a signatory to the California Urban Water Conservation Council (CUWCC), the installations of the weather based irrigation timers were reported on the CUWCC Best Management Practices (BMP's) Reporting Database. The CUWCC BMP's Database assists the Water Services Division in monitoring the implementation of water conservation goals and complying with State Department of Water Resources requirements, such as the Model Water Efficient Landscape Ordinance. Under this ordinance, landscape design, installation and maintenance must be water efficient.

DISCUSSION

In September 2009, the City entered into a two-year agreement with MWDOC to continue administering the Weather Based Irrigation Timer Rebate Program. Under this program, residential and commercial property owners qualify for rebates. The City covers inspection costs for both commercial and residential. Rebate applicants are required to make reservations prior to the purchase and installation of weather based irrigation controllers due to the anticipated high demand. By participating in this program, the City will be on track with meeting state policy and the implementation of CUWCC BMP's.

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 \$6,000.

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BASED IRRIGATION TIMER REBATE PROGRAM

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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 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 \$6,000.



WILLIAM E. MURRAY, P.E.
Public Works Director/City Engineer



By: David E. Entsminger
Water Services Manager

Attachment: Agreement with MWDOC

Recommended for Approval



Matthew Ferial
City Manager

**Agreement Between the 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 ("Participating Agency"), 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.

RECITALS

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

WHEREAS, Program funding is sufficient to provide rebates for up to Three Thousand (3,000) Smart Timers installed by qualified applicants in the Program area. Participating Agency is eligible to participate in the Program and agrees to provide funding at the amount per residential Smart Timer specified in Table 1 below and, if Participating Agency so elects, at the amount per commercial Smart Timer station specified in Table 2 below, up to the "Not to Exceed Funding Limits" set forth in Tables 1 and 2; and

WHEREAS, MWDOC through its contract with both Metropolitan and its installation inspection and verifications consultant will conduct up to 100% installation verification of commercial and residential Smart Timer installations; and

WHEREAS, the 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.

AGREEMENT

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 applicant who wants to participate in the Program must contact the Rebate Contractor at www.socalwatersmart.com to fill out an online rebate application. The Rebate Contractor will notify the prospective applicant with an online application confirmation notice instructing applicant to mail in the Smart Timer purchase receipt indicating brand, model, price, and any installation costs, and a recent water bill for the site where the Smart Timer will be installed within 60 days of application confirmation. The Rebate Contractor will check each returned application for completeness and determine the eligibility of the applicant to participate in the Program.

Through the application process, all residential Smart Timer applicants must agree to on-site installation verification as a condition for participation in the Program. Not all residential Smart Timer applicants will be subject to on-site installation verification. MWDOC will be responsible for determining whether a particular installation will be inspected and the manner of verification

required, if any. MWDOC will work with the Rebate Contractor to facilitate final rebate processing and issuance of the rebate check

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

A prospective commercial applicant who wants to participate in the commercial Smart Timer Rebate Program must contact the Rebate Contractor at www.mwdsaveabuck.com to request a rebate reservation number prior to the purchase and installation of a Program eligible Smart Timer. If approved through the online reservation process, applicant will receive, via email, a reservation confirmation notice. Note that securing a reservation is a threshold requirement, and any attempt by a prospective commercial applicant to purchase a Smart Timer first and then secure a reservation will be rejected by the Rebate Contractor. Within five business days of the reservation confirmation notice, Applicant will receive a hard copy of the rebate application packet. Applicant then has 60 days to return, via regular mail, the signed application form, reservation letter, a current water bill, and the purchase receipt for the installed commercial Smart Timer.

Through the application process, all commercial Smart Timer applicants must agree to on-site installation verification as a condition for participation in the Program. Not all commercial Smart Timer applicants will be subject to on-site installation verification. MWDOC will be responsible for determining whether a particular installation will be inspected and the manner of verification required, if any. MWDOC will work with the Rebate Contractor to facilitate final rebate processing and issuance of the rebate check.

3. **MWDOC's Obligations:** MWDOC will be responsible for designing the Program, setting the rebate level paid to a qualified applicant, providing all necessary staffing, materials, and administration to manage and implement the Program, and preparing reports on the 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 applicants;
- Providing a website, a toll-free telephone number, and printed informational materials for prospective applicants to learn about the Program and the steps to participate;
- Informing applicants 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 applicants 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 of Smart Timers, and collection of data;
- Using Metropolitan's minimum per residential Smart Timer funding, MWDOC's acquired Grant Funds, and Participating Agencies required per residential Smart Timer funding as stated in Table 1 below, setting the residential per Smart Timer enhanced rebate levels paid to applicants.
- If the Participating Agency wishes to add additional funds for commercial Smart Timers, as stated in Table 2 herein, above the minimum amount funded by Metropolitan to increase

the commercial rebate level, MWDOC will facilitate the Participating Agency's additional funding with the Program's Rebate Contractor;

- Facilitating payment, through the Rebate Contractor, to both residential and commercial rebate participants who have completed the participation requirements as provided herein to the satisfaction of MWDOC;
- 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;
- Invoicing Participating Agency for the specified amount per residential Smart Timer as stated in Table 1, up to the "Not to Exceed" amount set forth in this Agreement;
- If Participating Agency elects to increase the commercial Smart timer rebate at the levels shown in Table 2, MWDOC will invoice Participating Agency for those associated costs up to the "Not to Exceed" amount set forth in this Agreement;
- When on-site Smart Timer installation verification inspection is conducted by MWDOC's verification consultant, MWDOC will direct the verification consultant to facilitate the issuance of inspection notifications and on-site verifications for residential and commercial Smart Timers within Participating Agency's service area;
- MWDOC will work with the Rebate Contractor to track rebates paid to qualified residential and commercial applicants in order to limit the total number of rebates issued within Participating Agency's service area and assure that the total of the residential "per Smart Timer" and commercial "per station" rebate contributions are within the "Not to Exceed" amounts shown in Table 1 and 2, below;
- Residential or commercial rebates will be offered on a first come-first served basis while Program funding lasts. Therefore, if residential applications received from Program applicants throughout MWDOC's implementation area exhaust the number of rebates available under the Program, rebates may not be available 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 applicants gathered in connection with the Program, and will not cause or permit the disclosure of such information except as necessary to carry out the requirements of 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 contractors to maintain the confidentiality of said customer information.

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

- Participating Agency will use reasonable efforts to assist MWDOC with the marketing of the Program within the Participating Agency's service area. Participating Agency will distribute MWDOC-produced marketing material through its direct communication with customers within its service territory. This can be accomplished through the use of bill inserts, by placing marketing material at Participating Agency customer service counters, and by various means of directly advocating the Program to the public. The fact that

Participating Agency elects to provide marketing shall not offset or otherwise reduce the Participating Agency's funding obligation;

- Participating Agency agrees to provide funding for the Program in the amount specified in Table 1 below per residential Smart Timer. Funding will be provided on a per Smart Timer basis up to the "Not to Exceed" funding limit:

Table 1

<u>Category</u>	No. Smart Timers	Funding Amount	Not to Exceed Funding Limit; For Fiscal Years 2011-13
Residential	80	\$75 per Smart Timer	\$6,000.00

- If Participating Agency elects to provide additional funding for commercial Smart Timers, Table 2 below shall list the Participating Agency's funding amount per commercial Smart Timer station. Commercial Smart Timer rebates are calculated on the commercial Smart Timer's station capacity, and Participating Agency's funding amounts shall be in addition to the per station amount provided by the Program.

Table 2

<u>Category</u>	No. of Stations	Funding Amount	Not to Exceed Funding Limit; For Fiscal Years 2011-13
Commercial Smart Timer	0	\$0 per Station	\$0

- 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 Limits 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 follow the form in Tables 1 – 2, and written notice of an increase must be received prior to the exhaustion of available funding.
 - By participating in this Program, the Participating Agency acknowledges and agrees that MWDOC is permitted to use historical water consumption data for purposes of satisfying any grant water use and water quality evaluation requirements of the Program. A similar agreement will be required of every applicant.
5. **Indemnification:** MWDOC has designed the Program as a rebate program in which the applicant is solely responsible for selecting, purchasing, and installing the Smart Timer. The applicant 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, and Metropolitan, 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, or Metropolitan's, negligence or liability without fault.

6. **Term:** The Program commenced on or about September 1, 2004, and until June 30, 2011 was covered under separate, previous agreements. Effective July 1, 2011, this agreement supersedes all previous agreements between MWDOC and Participating Agency regarding Smart Timer rebate programs and will continue until June 30, 2013 or until the targeted number of rebates has been exhausted, whichever occurs first ("Program Expiration"). Prior to reaching the "Not to Exceed" funding levels shown in Table 1, MWDOC will notify Participating Agency of the depleted funding levels, and request Participating Agency to increase the funding levels by written notice as provided herein. If Participating Agency declines the request to increase its funding levels in Table 1, MWDOC will direct the Rebate Contractor to discontinue offering the enhanced residential rebate levels in Participating Agency's service area. Rebate levels for residential Smart Timers would revert to Metropolitan's rebate level for the Program.
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 applicants 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 applicant 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 _____, 2011.

**MUNICIPAL WATER DISTRICT OF
ORANGE COUNTY**

Kevin P. Hunt, General Manager

Approved as to Form

Kidman, Behrens & Tague, LLP
Russell G. Behrens
Daniel J. Payne
Legal Counsel

CITY OF GARDEN GROVE

William J. Dalton, Mayor

Approved as to Form

James H. Eggen for
City Attorney
6-2-2011

Date

Attest

City Clerk

Date