

July 9, 2020

Prepared by: N. Hastings / A. McNulty

Submitted by: F. Sanchez / P. Weghorst

Approved by: Paul A. Cook *P. A. Cook*

## WATER RESOURCES POLICY AND COMMUNICATIONS COMMITTEE

### WATER EFFICIENCY TACTICAL INCENTIVE FUNDING AUTHORIZATION

#### SUMMARY:

IRWD's Water Use Efficiency Program includes tactical incentives to encourage customers to install water conservation devices that are cost-effective to the District. In 2015, IRWD executed a multi-year Water Conservation Participation Agreement with the Municipal Water District of Orange County (MWDOC) to administer District incentives for regional rebate programs. Staff recommends the Board authorize the General Manager to allocate \$325,000 from over-allocation revenues in the current Operating Budget to FY 2020-21 rebate programs that are administered through the Water Conservation Participation Agreement with MWDOC, and execute addenda to the agreement as may be necessary to reallocate the funds among the individual rebate programs and to modify incentive levels based on customer participation rates and changes in regional program funding levels.

#### BACKGROUND:

Tactical incentives are a key element to IRWD's Water Use Efficiency Program. The financial incentives provided by IRWD are used to supplement existing regional rebate programs that are administered by MWDOC. IRWD's incentives are provided taking into consideration avoided costs to the District as a result of the installation of various water conservation devices.

In July 2015, the Board approved the multi-year Water Conservation Participation Agreement with MWDOC, provided as Exhibit "A". Each fiscal year, addenda to the agreement are executed to allocate funding and to specify device rebate funding levels for the Residential, Commercial, Water Savings Incentive and Turf Removal programs.

#### Device Funding Levels:

The proposed allocation of the IRWD tactical incentive funding and the specific device funding levels for FY 2020-21 are shown in Exhibit "B". The allocation is based on prior customer participation rates and regional funding.

Total incentive program funding in the amount of \$325,000 is included in the FY 2020-21 Operating Budget. Authorization from the Board is required to allocate funds to the Water Conservation Participation Agreement with MWDOC in order to continue providing program incentives through June 2021.

#### FISCAL IMPACTS:

Funding from over-allocation revenues for tactical incentives in the amount of \$325,000 is included in the FY 2020-21 Operating Budget.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

That the Board authorize the General Manager to allocate \$325,000 in funding to the FY 2020-21 rebate programs administered through the Water Conservation Participation Agreement Between Municipal Water District of Orange County and IRWD, and execute addenda to the agreement as may be necessary to allocate funds to specific programs and modify device incentive levels based on customer participation rates and regional program funding levels.

LIST OF EXHIBITS:

Exhibit “A” – Water Conservation Participation Agreement with MWDOC  
Exhibit “B” – Device Funding Levels FY 2020-21

# Exhibit "A"

## **Water Conservation Participation Agreement between the Municipal Water District of Orange County and Irvine Ranch Water District**

This Water Conservation Participation Agreement ("Agreement") is made between the Municipal Water District of Orange County ("MWDOC") and Irvine Ranch Water District ("Participant Agency"). MWDOC and Participant Agency may be collectively referred to as "Parties" and individually as "Party."

### Recitals

- A. The Metropolitan Water District of Southern California ("Metropolitan") provides incentive funding to residential, commercial, and industrial water users in its service area for a variety of water conservation activities, including, but not limited to, rebates for the purchase and installation of water-saving devices ("Metropolitan Base Incentives").
- B. MWDOC is a member agency of Metropolitan and has agreements with Metropolitan that enable residential, commercial, and industrial water users in MWDOC's service area, and for the benefit of MWDOC's member agencies, to participate in and take advantage of Metropolitan's Base Incentives.
- C. Participant Agency, as a MWDOC member agency or a direct Metropolitan member agency, may elect to participate in Metropolitan's program to replace non-conserving items within its service area.
- D. The Metropolitan Base Incentives amounts for each eligible device or program available to MWDOC and Metropolitan member agencies are listed in the attached Addendums 1A and 1B. It is expected that Metropolitan will establish funding for additional water conservation items and to change some or all of the existing funding rates throughout the term of this Agreement. Any such changes will be incorporated herein by amendment to Addendums 1A and 1B.
- E. Metropolitan and MWDOC each have fiscal responsibility to manage their individual budgets, and hence may have a need to limit availability of funds.
- F. MWDOC and Metropolitan member agencies may also choose to provide additional supplemental funding of their own to augment the Metropolitan Base Incentives. Based on the terms and conditions of this Agreement, MWDOC will facilitate supplemental funding for Participant Agency through the Metropolitan rebate contractor ("Rebate Contractor") or MWDOC directly. Metropolitan member agencies will coordinate any supplemental funding directly with Metropolitan.
- G. In addition to the Metropolitan Base Incentives, MWDOC has developed and arranged additional local, state, and federal grant funding ("Grant Funding") for eligible devices in a number of water conservation programs ("MWDOC Administered Programs") that MWDOC offers to Participant Agency and Metropolitan member agencies. This grant funding may be used to enhance the Metropolitan Base Incentives. Granting agencies

include, but are not limited to, the Department of Water Resources and the United States Bureau of Reclamation.

- H. Participant Agency may also operate customized, local water conservation incentive programs in their respective service areas (“Participant Agency Administered Programs”) and may have access to the Metropolitan Base Incentives and Grant Funding for such, subject to MWDOC and Metropolitan approval and the terms and conditions of this Agreement and any MWDOC and/or Metropolitan agreements.
- I. The purpose of this Agreement is to create a master water conservation participation agreement between MWDOC and Participant Agency that combines all of the conservation programs and incentives (“Programs”) into one agreement. Addendums to this Agreement will be issued for changes involving Metropolitan approved items, MWDOC Board approved items, Grant Funding, adding and subtracting MWDOC Administered Programs and Participant Agency Administered Programs as identified in Section 2, and changes to incentive programs, including funding and incentive levels.

NOW THEREFORE, in consideration of the promises and covenants hereinafter set forth, the Parties do agree as follows:

#### Section 1: Agreement Term and Administration

- 1.1 This Agreement will be effective on July 1, 2015 or upon execution of this Agreement by all Parties, whichever is later, and shall terminate on June 30, 2025 (“Term”). Continuance of this Agreement will be subject to annual budget approval by MWDOC’s Board of Directors.
- 1.2 This Agreement may be amended at any time by written mutual agreement of the Parties, or by Addendums issued by MWDOC as set forth in Recital I.
- 1.3 This Agreement may be terminated by either Party for any reason upon thirty (30) days written notice to the other Party.
- 1.4 All Addendums are enforced for the duration of this Agreement unless the Addendums are amended or terminated by either Party.
- 1.5 In the event the Agreement is terminated early, Participant Agency is responsible for payment of any funding contributions required by this Agreement that that were initiated prior to the effective date of the termination. For purposes of this Agreement, an application is deemed initiated when an application has been received by Metropolitan’s rebate vendor, EGIA, by MWDOC, or a reservation has been made within any of MWDOC’s online application portals that is pursuant to any of the programs described within this Agreement and the attached Addendums.
- 1.6 Notwithstanding any other provision in this Agreement, funds for all of the programs described within this Agreement and the attached Addendums are conditioned upon the

availability of funds and MWDOC is under no obligation to provide funding for any of the programs if MWDOC determines, in its own discretion, that such funding is exhausted, reduced, eliminated, or unavailable from any funding source, for any reason.

## Section 2: Program Funding

### **2.1 Supplemental Funding**

2.1.1 In addition to the Metropolitan Base Incentives, Participant Agency may provide additional funding to augment the Metropolitan Base Incentives amounts for those programs and devices that Participant Agency identifies, and in the amounts indicated, in the appropriate locations in Addendums 2A, 2B, and 2C (“Supplemental Funding”). The Supplemental Funding listed in Addendums 2A through 2C shall specify the amount of Supplemental Funding Participant Agency will provide per device or program, as well as the total maximum Supplemental Funding amount committed to each category of device or program. If the Participant Agency does not complete, sign, and return Addendums 2A through 2C to MWDOC, notwithstanding any other provision of this Agreement, the Participant Agency will not be bound by this Section or the provisions in Addendums 2A through 2C. In general, Supplemental Funding Addendums submitted by the 15<sup>th</sup> of a month will become effective the first of the following month.

2.1.2 If Participant Agency elects to provide Supplemental Funding or enhanced incentives under this Agreement for any device or program, Participant Agency is responsible for tracking the use of and the remaining availability of those funds. MWDOC will assist, in every way possible, but the ultimate responsibility for tracking all Participant Agency funding is the responsibility of Participant Agency. Participant Agency will ultimately be responsible for any overuse of Participant Agency Supplemental Funding.

2.1.3 Any requests for changes or revisions to Participant Agency’s Supplemental Funding, including funding transfers between Programs, must be submitted by Participant Agency to MWDOC in the form of revised Addendum 2s listing the new funding amounts/limits.

2.1.4 The Participant Agency may elect to participate in the Supplemental Funding Program and be bound by the provisions of this Section 2.1, Sections 3, 5, 6, 7, and 8 of this Agreement, and Addendum 2A through 2C by having its authorized representative complete and sign Addendum 2A through 2C in the spaces provided.

### **2.2 MWDOC Administered Programs**

2.2.2 Participant Agency may elect to take advantage of the MWDOC Administered Programs by having its authorized representative complete and sign Addendums 3A through 3C in the spaces provided. If Participant Agency completes and signs Addendums 3A through 3C, Participant Agency agrees to be bound by the provisions of this Section 2.2, Sections 3, 5, 6, 7, and 8 of this Agreement, and Addendums 3A through

3C. If the Participant Agency does not complete, sign, and return Addendums 3A through 3C, notwithstanding any other provision of this Agreement, the Participant Agency will not be bound by this Section or the provisions in Addendums 3A through 3C.

## **2.3 Participant Agency Administered Programs**

2.3.1 From time to time, funding may be made available for Participant Agency to operate a customized member agency administered local water conservation incentive program or programs (“Participant Agency Administered” “PA” or “MAA Program”) in its service area and access the Metropolitan Base Incentives for such, subject to MWDOC approval of the program and the terms and conditions of this Agreement and Addendum 4. The Participant Agency Administered Program(s) and requirements in connection with it are described in more detail in Addendum 4.

2.3.2 Upon receipt of approval of a Participant Agency Administered Program by MWDOC, Participant Agency is bound by the provisions of Sections 3, 5, 6, 7, and 8 of this Agreement and Addendum 4.

## **2.4 Exhaustion of Funding**

2.4.1 In the event Participant Agency provided funding for any Program or device is exhausted, and Participant Agency does not elect to add additional funding or transfer available funding from another Program or device, MWDOC will discontinue offering the additional rebate funding for that Program or device in Participant Agency’s service area. Notwithstanding any other provision in this Agreement, MWDOC may terminate this Agreement as it relates to Section 2 at any time without prior notice in the event that MWDOC determines that funding for any device or program on Addendums 2 through 4 or MWDOC Grant Funding is exhausted, reduced, eliminated, or unavailable from any funding source, for any reason.

## **Section 3: Participant Agency Responsibility and Ownership**

- 3.1 Participant Agency, at its sole discretion, may independently contract with its own agents under separate agreements for program administration and management for any Participant Agency Administered Program provided that doing so does not compromise program performance, create or present a conflict of interest, or violate the terms of this Agreement.
- 3.2 Participant Agency and/or its agent shall provide all necessary services and materials for such Participant Agency Administered Programs including, but not limited to the following: program administration, promotion, marketing materials, data collection, and analysis, installation verification, and reporting.
- 3.3 All materials and supplies necessary to implement a Participant Agency Administered Program shall be the exclusive property of Participant Agency. MWDOC shall have no

ownership, right, title, security interest, or other interest in any Participant Agency Administered Program materials or supplies, nor any rights duties, or responsibilities, therefor.

- 3.4 Participant Agency is responsible for assuring that any Participant Agency Administered Program complies with all federal, state, and local requirements.
- 3.5 Participant Agency agrees to cooperate with MWDOC's data management activities related to assessing device saturation and program success.
- 3.6 As part of any Participant Agency Administered Program, Participant Agency shall use, maintain, and submit to MWDOC within the designated timeframe an electronic database, to be approved by MWDOC prior to use, for any conservation items installed, distributed, or rebated by Participant Agency or its agents to avoid duplicate distributions and to determine the saturation rate of items by the appropriate geographic delineation.
- 3.7 Participant Agency is solely responsible for the performance of its staff or representatives in complying with the terms of this Agreement and for the proper allocation and appropriate use of funds provided by Metropolitan and/or MWDOC for the purpose of achieving water conservation savings under this Agreement.

#### Section 4: MWDOC's Obligations

- 4.1 MWDOC will be response to Participant Agency for ensuring that timely reports on the Programs' results are prepared by MWDOC's staff.
- 4.2 MWDOC will develop a database of information regarding participation in the Programs and provide monthly electronic and/or written reports of activity to Participant Agency.
- 4.3 MWDOC will invoice Participant Agency for any Participant Agency funding obligations on a monthly basis for rebates issued in the previous month.
- 4.4 MWDOC does not guarantee any minimum number of rebates will be available for Participant Agency's service area.

#### Section 5 Marketing.

- 5.1 Participant Agency agrees to assist in the marketing of programs it participates in under this Agreement. With regard to Participant Agency Administered Programs, Participant Agency will be solely responsible for marketing its Participant Agency Administered Program to customers in its service area.

#### Section 6: Installation Verification

- 6.1 Participant Agency shall be responsible for conducting installation verifications of items installed, distributed, and/or rebated by Participant Agency under Participant Agency

Administered Programs, and/or for paying all costs associated with this verification. Installation verification measures for program devices must be designed to ensure that materials, installation verifications of eligible program devices, and services meet requirements established by Metropolitan, which requirements will be provided to Participant Agency by MWDOC.

- 6.2 Participant Agency may be responsible for conducting installation verifications of items installed, distributed, and/or rebated by Participant Agency or MWDOC under MWDOC Administered Programs, and/or for paying all costs associated with this verification. Installation verification measures for program devices must be designed to ensure that materials, installation verifications of eligible program devices, and services meet requirements established by Metropolitan, which requirements will be provided to Participant Agency by MWDOC.
- 6.3 MWDOC reserves the right to conduct installation verification of items within Participant Agency's service area.
- 6.4 Participant Agency acknowledges that any device receiving funding from Metropolitan may be subject to an installation verification to be performed by Metropolitan, or its agent(s), at Metropolitan's discretion.
- 6.5 Participant Agency shall promptly refund to MWDOC any amounts paid under any Participant Agency Administered Program or MWDOC Administered Program for installed or distributed devices in the event MWDOC or Metropolitan establishes via installation verification that the program devices were not installed.

#### Section 7: Reporting and Invoicing

- 7.1 For any and all Supplemental Funding provided by Participant Agency and/or Participant Agency provided funding or inspection costs under the MWDOC Administered Programs pursuant to Section 2 of this Agreement, and as more particularly described in Addendums 2 and 3, MWDOC will invoice Participant Agency on a monthly basis for the cost of such funding, and Participant Agency must pay the full amount of such invoice within thirty (30) days of receipt of any such invoice.
- 7.2 For any and all Participant Agency Administered Program(s), Participant Agency will invoice MWDOC on a monthly basis, by the 10<sup>th</sup> of each month, for any approved funding and costs associated with the Participant Agency Administered Program(s) as indicated in and subject to the provisions of Addendum 4. MWDOC is under no responsibility to reimburse Participant Agency for any costs incurred by Participant Agency that are not approved by MWDOC consistent with the terms and conditions of this Agreement and Addendum 4. The invoice package shall include a fully completed, to the satisfaction of MWDOC, Excel customer/applicant spreadsheet showing program activity, and an invoice, signed by the General Manager or designee of Participant Agency, certifying the information provided as accurate. Participant Agency shall use the Excel customer/applicant spreadsheet and Invoice forms approved by MWDOC.



- 7.3 Participant Agency shall maintain all Participant Agency Administered Program information, including Participant Agency applications, water bills, and purchase receipts, for a period of seven years from the end date of this Agreement.
- 7.4 Payment of Participant Agency invoices shall be in the form of either a credit on MWDOC's water bill to Participant Agency or a check made payable to Participant Agency. Method of payment shall be at MWDOC's discretion.

#### Section 8: Confidentiality

- 8.1 MWDOC agrees to maintain the confidentiality of Participant Agency's customer names, addresses, and other information gathered in connection with this Agreement. MWDOC will not cause or permit the disclosure of such information except as necessary to carry out any of the MWDOC Administered or Participant Agency Administered Programs, or as required by law. To the extent that MWDOC contracts with third party contractors to carry out all or any portion of any of the Programs, MWDOC will require such contractors to maintain the confidentiality of such customer information.
- 8.2 Notwithstanding anything to the contrary in this Agreement, Participant Agency acknowledges and agrees that MWDOC may request and use historical water consumption data for purposes of satisfying any grant water use and water quality evaluation requirements of any of the Programs. Participant Agency also acknowledges and agrees that MWDOC may also request to use Program applicant information, such as name, mailing address, site photos, and email address to market other water use efficiency programs to past applicants. A similar provision will be required of every individual applicant.

#### Section 9. Indemnification.

- 9.1 The parties agree that each Party shall be responsible for its own actions, and the actions of its officers, employees, and agents, in performing services under this Agreement. Except as provided in this Agreement and its Addendums, each Party agrees to indemnify and hold the other Party and its officers and agents harmless and agrees to defend the other Party against any claim or asserted liability arising out of its actions, either willful or negligent, or the actions of its officers, employees, and agents, in performing services pursuant to this Agreement. Such indemnity will include any losses relating to any claim made, whether or not a court action is filed, and will include attorney fees and administrative and overhead costs related to or arising out of such claim or asserted liability.
- 9.2 Participant Agency shall include the following language in its agreement with any consultant or contractor retained by Participant Agency to work on any of the Program" "(Consultant) agrees at is sole cost and expense to protect, indemnify, defend, and hold harmless Metropolitan, MWDOC, and their associated Boards of Directors, officers, representatives, agents and employees from and against any and all claims and liability

of any kind (including, but not limited to, any claims or liability for injury or death to any person, damage to property, natural resources or to the environment, or water quality problems) that arise out of or related to Participant Agency's approval, construction, operation, repair, or ownership of any Program. Such indemnity shall include all damages and losses related to any claim made, whether or not a court action is filed, and shall include attorneys' fees, administrative and overhead costs, engineering and consulting fees, and all other costs related to our arising out of such claim or asserted liability."

#### Section 10. Certification re Lobbying (43 CFR 18)

- 10.1 The undersigned hereby certifies on behalf of Participant Agency that no Federal appropriated funds have been paid or will be paid, by or on behalf of the Participant Agency, to any person for influencing or attempting to influence an officer or employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with a Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying" in accordance with its instructions. To the extent federal funds are involved, the Participant Agency shall require that the language of this certification be included in the awards documents for any sub-awards by the Participant Agency at all tiers (including sub-contracts, sub-grants, and contracts under grants, loans and cooperative agreements) and that sub-recipients, if any, shall certify accordingly.

#### Section 11. Other Terms

- 11.1 Any alteration or variation of the terms of this Agreement will not be valid unless made in writing and signed by both Parties.
- 11.2 This Agreement will inure to the benefit of and be binding upon the Parties and their respective successors.
- 11.3 The partial or total invalidity of one or more parts of this Agreement will not affect the intent or validity of this Agreement.
- 11.4 This agreement shall be deemed a contract made under the laws of the State of California, and for all purposes will be interpreted in accordance with such laws. The Parties hereby agree and consent to the exclusive jurisdiction of the courts of the State of California, and that the venue of any action brought hereunder will be in Orange County, California.

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11.5 This Agreement constitutes the entire agreement between the Parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

MUNICIPAL WATER DISTRICT  
OF ORANGE COUNTY

IRVINE RANCH WATER DISTRICT

By:



Robert J. Hunter  
General Manager

Date:

7-14-15

By:



Paul Cook  
General Manager

Date:

7-9-15

**Approved as to Form:**

Bowie, Arneson, Wiles & Giannone



Joan C. Arneson  
Legal Counsel

Date:

6/25/15

## **FIRST AMENDMENT TO WATER CONSERVATION PARTICIPATION AGREEMENT**

This First Amendment to Water Conservation Participation Agreement ("First Amendment") is effective on July 1, 2016 ("Effective Date"), by and between the Municipal Water District of Orange County ("MWDOC") and Irvine Ranch Water District ("Participant Agency") MWDOC and Participant Agency may be collectively referred to as "Parties" and individually as "Party."

### **RECITALS**

- A. MWDOC and Participating Agency entered into a Water Conservation Participation Agreement regarding the Participating Agency's participation in certain water conservation programs ("Agreement").
- B. The Parties now desire to amend the Agreement to make certain changes to provisions regarding verification of the installation of items and devices installed as part of certain water conservation incentive programs.

### **TERMS**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the Agreement as follows:

1. Amendment. Section J is added to the Recitals to read as follows:

"J. The purpose of this Agreement is also to acknowledge that Participating Agency is participating in MWDOC's Choice Water Use Efficiency Program ("WUE Program") and in doing so is agreeing to pay for its proportionate share of MWDOC's administrative and direct program costs of the WUE Program."
2. Amendment. Section 1.7 is added to the Agreement to read as follows:

"1.7 Participating Agency understands that by entering into this Agreement it is participating in MWDOC's Choice Water Use Efficiency Program ("WUE Program") and agrees to pay MWDOC for its proportionate share of MWDOC's costs for administering the WUE Program based on Participating Agency's level of participation in the WUE Program. MWDOC will annually invoice Participating Agency."

3. Amendment. Section 6 is amended in its entirety to read as follows:

“Section 6: Installation Verification/Inspection

- 6.1 Participant Agency shall be responsible for conducting installation verifications/inspections of items and devices installed, distributed, and/or rebated by Participant Agency under Participant Agency Administered Programs to ensure compliance with program requirements, and/or for paying all costs associated with this verification/inspection. Installation verification/inspection measures must be designed to ensure that materials, installation verifications/inspections of eligible program items and devices, and services meet requirements established by Metropolitan and MWDOC, which requirements will be provided to Participant Agency by MWDOC as Attachment A.
- 6.2 Participant Agency shall be responsible for conducting installation verifications/inspections of items or devices installed, distributed, and/or rebated by Participant Agency or MWDOC under MWDOC Administered Programs to ensure compliance with program requirements, and/or for paying all costs associated with this verification/inspection. Installation verification/inspection measures for program items and devices must be designed to ensure that materials, installation verifications/inspections of eligible program items and devices, and services meet requirements established by Metropolitan and MWDOC, which requirements will be provided to Participant Agency by MWDOC as Attachment A.
- 6.3 Participant Agency may elect to (1) conduct its own installation verifications/inspections by either utilizing its in-house staff or contracting with a third party vendor of its choice; or (2) utilize MWDOC’s installation verification/inspection contractor to conduct the installation verification/inspections. If Participant Agency elects to utilize MWDOC’s verification/inspection vendor, Participant Agency may elect to contract directly with MWDOC’s verification/inspection vendor. If Participant Agency elects not to enter into such contract, MWDOC, in MWDOC’s sole discretion, may require that Participant Agency contract directly with MWDOC’s verification/inspection vendor.
- 6.3.1 Notwithstanding any other provision in this Agreement, Participant Agency understands and agrees that if Participant Agency utilizes MWDOC’s verification/inspection vendor, Participant Agency must still comply with all of the requirements of this Agreement, including the refund requirements in Section 6.6, and MWDOC is in no way liable or responsible for the acts or omissions of such vendor and makes no

representations or warranties regarding the quality of such vendor's work. Participant's sole recourse as to any action, claims or damages arising out of the acts or omissions of MWDOC's verification/inspection vendor is with the vendor and not with MWDOC.

- 6.4 MWDOC reserves the right to conduct installation verification/inspection of items and devices within Participant Agency's service area.
- 6.5 Participant Agency acknowledges that any item or device receiving funding from Metropolitan may be subject to an installation verification/inspection to be performed by Metropolitan, or its agent(s), at Metropolitan's discretion.
- 6.6 Participant Agency shall promptly refund to MWDOC any amounts paid under any Participant Agency Administered Program or MWDOC Administered Program for installed or distributed items or devices, including any grant funds, in the event MWDOC or Metropolitan establishes via installation verification/inspection and/or audit that the program items or devices were not installed in compliance with the requirements established by Metropolitan and MWDOC pursuant to this Agreement. If such a refund is not provided to MWDOC within thirty (30) days of request, the requested amount may be debited by MWDOC on Participating Agency's next water service invoice.
- 6.7 "Items" and "devices" includes, but is not limited to, plumbing fixtures, irrigation devices, turf (removal and replacement), and any other items, devices or materials that are installed in connection with a program covered by this Agreement.

4. Authority to enter into First Amendment. Each Party represents to the other that the person executing this First Amendment has the requisite power and authority to execute the First Amendment and to bind each respective Party.


5. Continuing Effect of Agreement. Except as amended by this First Amendment, all other provisions of the Agreement remain in full force and effect. From and after the date of this First Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by this First Amendment.

6. Execution in Counterparts. This First Amendment may be executed in duplicate counterparts, each of which shall be deemed an original.

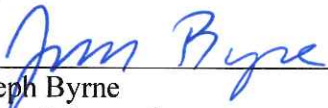
MWDOC and Participating Agency have each caused this First Amendment to be executed by its duly authorized representative as of the date set forth below the authorized signature.

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment.

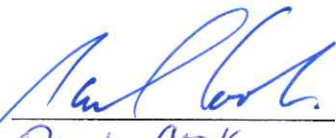
MUNICIPAL WATER DISTRICT  
OF ORANGE COUNTY

By:   
Robert Hunter  
General Manager  
Date: 10-31-16

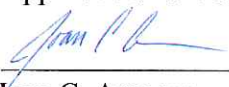
Approved as to Form:

  
Joseph Byrne  
General Counsel  
Date: 10/28/16

PARTICIPANT AGENCY

By:   
Name Paul Cook  
Title General Manager  
Date: 18 OCTOBER 2016

Approved as to Form:

  
Joan C. Arneson  
General Counsel  
Date: September 8, 2016

# MUNICIPAL WATER DISTRICT OF ORANGE COUNTY INSPECTION AND VERIFICATION PROCEDURES

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## Table of Contents

I.	Purpose of this document.....	2
II.	Program Implementation Process .....	2
	Application Package .....	2
	Invoice Submission.....	3
	Labor Costs.....	3
	Federal, State, and Local Laws and Ordinances.....	3
	Supplemental Inspections.....	4
	Inspection Confirmation Quality Control.....	4
III.	Device-Based Inspection Procedures.....	4
	Residential Devices .....	4
	Commercial Devices.....	5
	Spray to Drip - Residential .....	9
IV.	Area-Based Programs .....	11
	Turf Removal Participation Procedure.....	11
	General Inspection Procedures.....	12
	Pre-Inspection Procedures – Turf Removal .....	12
	On-Site Inspections for Area-Based Rebates .....	13
	Measuring Large Sites by GIS.....	13
	Condition of Turf at Pre-Inspection .....	13
	Multiple Applications under same Site .....	14
	Modifications to Initial Project Area .....	14
	Post-Inspection Procedures – Turf Removal.....	14
	Project Extensions.....	15
	Spray to Drip - Commercial.....	15
V.	Measurement Techniques .....	17
	Non-Uniform Rectangular .....	18
	Irregular Rhombus or Widening Rectangular .....	18
	Non-Uniform Round .....	19
	Non-Uniform Ellipses.....	20
	Non-Uniform Ellipses Alternate.....	21

## I. Purpose of this document

It is the practice of the Municipal Water District of Orange County (MWDOC) to ensure that public funds used to administer Rebate Programs are utilized for its intended purposes. Therefore, the purpose of this Inspection and Verification Procedures document (Inspection Procedures) is to establish a clear set of inspection procedures to be followed by MWDOC and/or its member agencies (hereafter “Participant Agency”) and inspection contractors when conducting pre- and/or post-installation verification inspections for all MWDOC-Administered and or Participant Agency-Administered Rebate Programs. These procedures are required regardless of the funding source (Grant funded, Metropolitan Water District of Southern California funded (Metropolitan), or fully funded by Participant Agency, etc.) and/or regardless of program administrator (MWDOC or Participant Agency). This Inspection Procedures document will be updated as needed to reflect new or modified inspection requirements, techniques, or procedures as they arise.

## II. Program Implementation Process

For ease of explanation, this document categorizes the MWDOC Rebate Programs into the following rebate program types:

- Device-Based Rebate Programs
  - Residential
  - Commercial
  - Spray to Drip - Residential
- Area-Based Rebate Programs
  - Turf Removal
  - Spray to Drip - Commercial

The inspection procedures contained in this document have been developed in coordination with requirements from Metropolitan pursuant to its Residential and Commercial Water Conservation Funding Agreements and Addendums thereto, MWDOC, and/or supplemental grant funding agreements.

The following general rules apply for all programs types.

### Application Package

When receiving an application package, **all** components should be examined before requesting an inspection. The application package currently requires, at a minimum, a fully completed application signed by the property owner and containing the following:

- Current water bill to determine
  - Participant Agency is participating in the program
  - Project site is located within Orange County
  - Payee name matches the application name
- Device eligibility, if a device-based program
- Site plan for area-based rebates
  - Indicate the project area, location, and project intent
- Pictures of the site for area-based and spray-to-drip rebates. Pictures to show

- Current site condition
- Complete area to be removed
- Area complies with eligibility criteria

It is recommended that the application, terms and conditions, and program guidelines each contain language stating that on-site inspections will be performed and are required for participation in any rebate programs.

### Invoice Submission

Rebates may not exceed the total project/equipment costs nor the reserved rebate amount. For a receipt/invoice to be considered eligible it must include the following:

- Dated within the project period
- Scope of work performed
- Signed by the customer/applicant/property owner and references site location (if applicable)
- Itemized to include make, model, sku, quantity, price per item, total price
- If labor is to be considered, it must be listed on a separate line item and must be accompanied by the California State Contractor License Board (CSCLB) contractor license number

Once projects are completed, invoices and receipts are submitted to the program administrator and MWDOC, all invoices and receipts are to be carefully tabulated by program administrator and MWDOC to prevent payment for materials/costs not associated with the program; specific program eligible material/costs are based on program type.

### Labor Costs

Due to California state law, all sites that are invoiced at \$500.00 or more require that work be performed by a contractor licensed by the California State Contractor License Board (CSCLB). If labor costs are invoiced by someone who is not licensed, those costs are not eligible. This labor cost provision is consistent with state law but, most importantly, protects Orange County consumers from unlicensed contractors. Materials utilized by the unlicensed contractor may be considered eligible costs. Additionally, there have been some instances where costs for landscape architectural drawings were submitted, but the drawings were not performed by a California State Licensed Landscape Architect. Those costs are also not rebate-eligible.

### Federal, State, and Local Laws and Ordinances

All projects, including projects at historic sites, are subject to the terms of their local agency's ordinances and must comply with all applicable federal, state, and local laws, as well as applicable Covenants, Conditions & Restrictions (CC&R) and/or Homeowners Association (HOA) restrictions. Applicants should obtain any necessary approvals for their projects from their city's/county's code enforcement and/or HOA/CC&R board. It is the responsibility of the each applicant to ensure their project is in compliance. Customers must agree to adhere to their local rules and provisions in order to accept funding. Questions from program participants regarding compliance with any of

the above laws, ordinances, and/or restrictions will be directed to Participant Agency for guidance.

### Supplemental Inspections

Some sites may need to be re-inspected by MWDOC and/or Metropolitan when unique circumstances arise. At these times, communication with the customer is vital in order to remain in adherence with the program intent while ensuring that projects are successfully completed. All inspection and verification procedures and invoice criteria described in this document must be adhered to.

### Inspection Confirmation Quality Control

Each Participant Agency performing their own inspections/verifications will be required to adopt these Inspection Procedures as their own or, alternatively, to develop and submit for approval by Metropolitan and/or MWDOC Participant Agency's own inspection and verification procedures document in line with the requirements and procedures contained in this document. All projects that require inspection must be inspected prior to Participant Agency invoicing MWDOC. MWDOC/Metropolitan may request inspection reports from Participant Agency at any time. Installation vendors hired for project implementation cannot inspect their own installations.

Metropolitan and/or MWDOC reserve the right to verify and perform onsite inspections of any projects at any time. This can be before, during, and/or after project installation, and/or after the rebate payment, and results of these inspections may affect payment made to Participant Agency or require a refund to be paid by Participant Agency to MWDOC. If installation cannot be verified, Participant Agency must reimburse MWDOC and/or Metropolitan depending on the source of funds.

## III. Device-Based Inspection Procedures

For residential and commercial devices rebated through Metropolitan's regional rebate program, device-based inspections will be conducted solely by Metropolitan, at its discretion. For devices rebated through a MWDOC and/or a Participant Agency-Administered Program (MAA Program), the inspection procedures are set forth below.

### Residential Devices

Residential device inspections must satisfy both the Metropolitan and MWDOC inspection procedures in place at the time of the post-inspection or issuance of the rebate check. Currently, those inspection procedures are as follows:

In order for Participant Agency to be reimbursed for incentives from MWDOC/Metropolitan, Participant Agency must certify on each invoice that the terms and conditions within each project have been met, all devices have been installed, and all work has been performed. The party signing each invoice must have signing authority to certify the invoice.

For residential device-based MAA Programs, Participant Agency will utilize the sample size calculator provided by MWDOC to assist in determining the appropriate number of devices to

inspect to ensure a 98% installation rate given the overall quantity of devices. Participant Agency must report verification/inspection method employed on each invoice submitted.

Participant Agency must:

- a. Validate quantity of devices installed.
- b. Verify new device type, make, and model with Project information.
- c. Verify Installation address or specific locations within the address with Project documentation.
- d. With permission from the customer, take photographs relating to the devices installed to be included in Inspection report.
  - i. Indoor Inspection: Indoor inspection includes detailed fixture count of toilets and clothes washer(s). Access to fixture locations (such as bathrooms and laundry facilities) are required to perform the inspection, and property owner/applicant person should be made aware of this through the application.
  - ii. Outdoor Inspection: Outdoor inspection includes detailed fixture counts of installed and operating landscape devices such as rain barrels, cisterns, irrigation controllers, residential drip, and nozzles. For irrigation controllers, inspect the model to ensure it matches the rebate application, verify that it is operating as a “smart device” and is communicating with the onsite weather station or is receiving offsite/remote weather data and, if possible, have the contact person show the inspector how the controller has been programmed, and confirm quantity of stations of timer model.

## Commercial Devices

Commercial MAA Program device inspections must satisfy both the Metropolitan and MWDOC inspection procedures in place at the time of the post-inspection or issuance of the rebate check. Metropolitan may require Participant Agency to submit inspection reports for specific projects, and Metropolitan/MWDOC reserves the right to perform onsite inspections of projects/sites prior to payment.

**To determine the amount of inspections required for commercial devices, Participant Agency must apply the following criteria (a-e below) to the project(s):**

- a. Automatic Inspection: Regardless of the 5% rule listed in Section d below, Participant Agency must first determine if any site within the MAA Program Project requires an Automatic Inspection. Automatic Inspections are triggered when any site within an MAA Program Project has been approved for Metropolitan’s funding in excess of \$10,000. All sites receiving \$10,000 or more in funding must be automatically inspected by Participant Agency. Participant Agency must also notify MWDOC/Metropolitan within 3 to 5 business days of upcoming inspection by Participant Agency for site(s) exceeding \$10,000. MWDOC, Metropolitan or a designated representative may attend inspection. Notification of upcoming inspection to be sent to [bfahl@mwdoc.com](mailto:bfahl@mwdoc.com) and [maconservation@mwdh2o.com](mailto:maconservation@mwdh2o.com)

To determine how many devices need to be inspected at a \$10,000+ site, follow the next two points.

- i. If the site triggering an Automatic Inspection also meets the criteria for a Large Project, as described below, then Participant Agency must inspect a minimum of 10% of the devices installed.
  - ii. If the site triggering an Automatic Inspection does not meet the criteria for a Large Project, then the Participant Agency must inspect 100% of devices at the site.
- b. Large Project/Sites: Participant Agency must next determine if any of the sites meet the definition of a Large Project/Site. Regardless of the 5% rule listed in Section d below, any site with less than \$10,000 in funding but that receives the designation of Large Project/Site **must** be inspected. The total number of devices to be inspected for Large Projects/Sites will be a minimum of 10% of the total devices installed at each site. If any site within your overall MAA Program Project installs any combination of the following number of devices, you must conduct an inspection of a minimum 10% of any combination of the devices installed.

Large Projects/Sites are defined as:

- i. For plumbing devices – 50 device units or more at one installation address.
  - ii. For irrigation controllers – 20 controllers or more at one installation address. Note that irrigation controllers may be installed in different landscape areas inside a single complex.
  - iii. For sprinkler nozzles – 100 nozzles or more at one installation address.
- c. Regular Projects/Sites: For sites not meeting: (a) \$10,000+ in funding per site or (b) the Large Project/Site criteria above, Participant Agency must inspect 100% of devices at the site.
- d. For each MAA Program Project that Participant Agency submits a Request for, Participant Agency must physically inspect a minimum of 5% of the value of each device-based MAA Program Project approved by MWDOC/Metropolitan before invoicing. For example if the MAA Program Project is approved for \$100,000, then a minimum of \$5,000 worth of devices must be inspected per MAA Program Project.
- e. Inspections for Regular Projects/Sites, sites defined as Automatic Inspections (mandatory), as well as those defined as Large Projects/Sites (mandatory) count towards the 5% (section d above) minimum of the value of each device-based MAA Program Project to be inspected. Participant Agency will report progress toward the 5% inspection requirement on each invoice for all inspections required by MWDOC/Metropolitan. The party signing each invoice must have signing authority to certify the invoice.

#### Inspection Requirements

Participant Agency inspection at a minimum will:

- a. Validate quantity of devices installed.

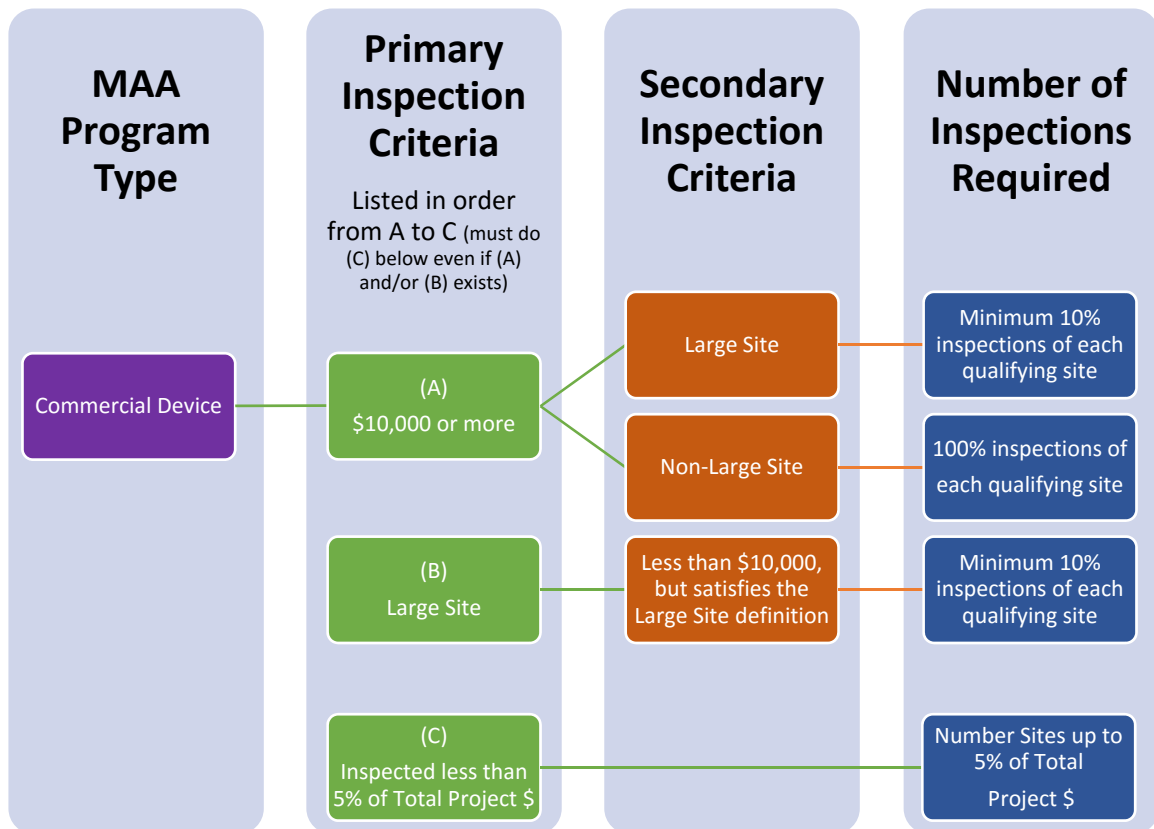
- b. Verify new device type, make, and model with Project information.
- c. Verify Installation address or specific locations within the address with Project documentation.
- d. With permission from the customer, take photographs relating to the devices installed to be included in Inspection report.
  - i. Indoor Inspection: Indoor inspection includes detailed fixture count of toilets, urinals, dry vacuum pumps, food steamers, ice machines. Access to bathrooms, kitchens, eating facilities, and medical facilities are required to perform the inspection and property owner/applicant should be made aware of this at the application stage.
  - ii. Outdoor Inspection: Outdoor inspection includes count of installed and operating landscape devices such as irrigation controllers and nozzles; and cooling tower controllers. Access to either landscape area or rooftop is required to perform the inspection. For irrigation controllers, inspect the model to ensure it matches the rebate application, verify that it is operating as a “smart device” and is communicating with the onsite weather station or is receiving offsite/remote weather data and, if possible, have the contact person show the inspector how the controller has been programmed, and confirm quantity of stations of timer model.

#### Potential Inspection Results

- a. Partial fail: Inspection completed with discrepancies between Project information and inspection process. Participant Agency to only bill MWDOC for verified quantity.
- b. Device(s) installed at a different location: the installation must be inspected prior to billing MWDOC. A substitute device cannot be included. If installation is verified at the different location, Project information must be revised to reflect new information.
- c. Device count is different from the application:
  - i. If the count is more, only the amount approved in the Project will be reimbursed.
  - ii. If the inspection count is less, only the verified count will be billed to MWDOC. For Large Projects where the inspection count is less, the Participant Agency inspector will increase the inspection from 10% to 20% of total installations. The percentage found to be installed for Large Projects will be applied against the total and the total quantity will be reduced by that percentage. For example, after inspecting 20% of the total installations of 100 toilets, 15 out of 20 toilets were verified installed (75% installed); then the final approved count would be 75 toilets (75% of the 100 = 75), rather than 100. If inspection reveals a discrepancy as described in the example, Participant Agency may choose to inspect 100% of the project, otherwise the extrapolation as shown on the example must be taken and the amount revised prior to billing MWDOC.

- d. The make/model is different from the application: verify that different make/model is a Metropolitan approved device. If so, inspect as usual and revise information on Project documentation prior to billing MWDOC.
- e. Failed inspections will not be billed to MWDOC. Reasons for failure:
- Device(s) not installed
  - Device(s) installed, but no working properly
  - For “smart” irrigation controllers, device(s) not operating as a “smart” device
  - Installed device(s) has been removed
  - Access to property not allowed
  - Device(s) installed at a different site.

MWDOC/Metropolitan reserves the right to verify and inspect any approved projects at any time. If installation cannot be verified, Participant Agency must reimburse MWDOC.





## Spray to Drip - Residential

The residential portion of the Spray-to-Drip Rebate Program is a device-based program with different inspection requirements and criteria than other device-based inspections. The inspection requirements for residential Spray-to Drip Rebate projects are described below:

### Pre-Inspection Procedure

Once an application is received, a project cannot be accepted and no funding is reserved until a “pre-inspection” is conducted, as follows:

MWDOC reviews the application to confirm:

- Program application is completed in full
- A copy of a current water bill is attached and confirms that
  - Participant agency is participating in the program
  - Project site is located within Orange County
  - Payee name matches the application name
- Applicant has attached 3 to 5 photos of the project area taken with the existing sprinkler system turned on. Photos must clearly show the sprinkler system in use and that the spray heads are functional. Photos must also contain identifying features (house in background, unique landscape/decorating features, etc.) to confirm that photos submitted are for the property/site listed in the application.
- The number of drip “kits” the applicant is applying/eligible for.
- A simple site plan has been attached indicating the proposed spray-to-drip conversion areas
- Any supplemental documents included have been reviewed.

Once MWDOC confirms that the application is complete and satisfies the above requirements, MWDOC forwards the application to the Participant Agency to conduct its own review and approval utilizing the steps listed above.

If the application has satisfied all of the above requirements, a Project Approval Notice is generated by MWDOC/Participant Agency and emailed to the applicant. The funding is reserved at this point and cannot increase. However, the funding amount may decrease if the applicant installs less drip equipment than was specified on the application or if the costs of the equipment are less than anticipated. Should the application fail the pre-inspection process, the application will be denied. MWDOC reserves the right to conduct, or to require Participant Agency to conduct, an on-site pre-inspection of any Spray-to Drip application should MWDOC, in its best judgment, deem it necessary to do so.

### Post-Inspection Procedure

Once the Spray-to-Drip Project is complete, applicant completes the Spray to Drip Completion form to request an on-site post-inspection. Prior to scheduling the post-inspection, the Completion Form will be reviewed by MWDOC to confirm the following:

- Completion Form is completed in full.
- Payee Name and Mailing Address for Rebate Check is provided.
- Applicant has attached at least 3 completed conversion area pictures showing:

- Wide angle view of completed project area(s)
- Close-up(s) of installed pressure regulation/filtration component(s)
- Close-up(s) of installed drip tubing
- Applicant has attached copies of any project related receipts or invoices. For a receipt/invoice to be considered eligible it must include the following:
  - Dated within the project period.
  - Signed by the customer/applicant/property owner and includes the site location, scope of work, and costs.
  - Itemized to include make, model, sku, quantity, price per item, total price.
  - The actual quantity of drip “kits” purchased and the quantity of kits eligible for rebate.
  - Labor is not reimbursable and must be listed as a separate line item.

If the Completion Form is missing or does not comply with the requirements of any of the above, MWDOC/Participant Agency shall work with the applicant to obtain the information and or appropriate photos/documents prior to scheduling the post-inspection. If applicant is unable to provide receipts/invoices that meet the requirements set forth above, the post-inspection will be considered a fail, the application will be denied, no rebate will be issued, and no on-site post-inspection should be scheduled.

If the Completion Form has satisfied all of the above requirements, MWDOC/Participant Agency and/or its inspector will work with Applicant to schedule the mandatory on-site post-inspection. The purpose of the on-site post-inspection is to serve as an independent verification of the information contained in the Completion Form. As part of the on-site post-inspection, Participant Agency/inspector must verify the following:

- That drip irrigation equipment has been installed. For residential on-site post-inspection, if microspray, point-source emitters, or any other type of drip irrigation other than embedded emitter tubing has been installed, this must be noted and photographed. Only embedded emitter tubing installations are eligible for rebates in residential settings.
- That pressure regulation/filtration components have been installed as part of the drip conversion. Manufacturer/make, model, model number/sku, and quantity should be documented, and the equipment should be photographed.
- That drip tubing has been installed. The drip tubing should be photographed. If covered, a minimum of a 10-foot section must be uncovered for the photograph.
- That spray irrigation is no longer functional in the drip conversion area(s). Any remaining spray heads in the conversion area must be capped (no exceptions).

Once the on-site post inspection is complete, Participant Agency will complete the Rebate Check Authorization form, in full, and upload all photos and documentation. Once the Check Authorization form has been submitted, it will be reviewed by MWDOC, along with copies of all

receipts and invoices, and if the spray-to-drip project has satisfied all the terms, conditions, guidelines, and requirements of the program, the application will be processed for rebate. If all the terms, conditions, guidelines, and requirements of the program have not been satisfied, the post-inspection will be considered a fail, and the application will be denied and no rebate funds will be issued.

MWDOC reserves the right to conduct or attend any on-site post-inspection of any Spray-to Drip application should MWDOC, in its best judgment, deem it necessary to do so.

## IV. Area-Based Programs

Area-based programs include any program where the rebate amount is determined by an area measurement. Such programs currently include, but are not limited to, residential and commercial Turf Removal and commercial Spray to Drip.

### Turf Removal Participation Procedure

The Turf Removal Rebate Process, as it currently exists, is depicted in the following chart. The process flow is broken down into 11 distinct steps starting with the Customer Application Submittal and ending with Metropolitan and Participant Agency Invoicing. The 11 steps are as follows:

*Step 1: On-line Application and Document Submittal Process*

*Performed by the Customer*

*Step 2: Application Review Process and Pre Inspection Distribution*

*Performed by MWDOC*

*Step 4: Pre-Installation Inspection Process*

*Performed by Participant Agency or Inspection Vendor and sent to MWDOC for review*

*Step 5: Notice to Proceed or Denial Letter to Customer Process*

*Performed by MWDOC*

*Step 6: Participant Project Installation and Project Completion Notification*

*Performed by Customer*

*Step 7: Initial Project review, Post-Work Order Generation and Distribution*

*Performed by MWDOC*

*Step 8: Post-Installation Inspection Process*

*Performed by Participant Agency, MWDOC, or Inspection Vendor and sent to MWDOC for review*

*Step 9: Application Approval or Denial and Invoice Review Process*

*Performed by MWDOC*

*Step 10: The Rebate Check Run and W-9 Request Process*

*Performed by MWDOC*

*Step 11: Metropolitan Water District and Participant Agency Invoicing Process*

*Performed by MWDOC*

## General Inspection Procedures

For all customer types, all sites will be measured by the Participant Agency and or its inspector for 100% of the sites for 100% of the project areas during both the pre- and post-inspections. Required minimum techniques for area measurements are described in Section V - Measurement Techniques. All inspection procedures/verifications must adhere to the following additional inspection and certification requirements:

- Residential Area-Based Inspections: For residential area-based customers with an approved Metropolitan rebate amount exceeding \$5,000, Participant Agency or inspection vendor must notify MWDOC/Metropolitan within 3 to 5 business days of upcoming post-inspection(s) by Agency. MWDOC, Metropolitan or a designated representative may attend inspection. Notification of upcoming inspection to be sent to [turfremoval@mwdoc.com](mailto:turfremoval@mwdoc.com).
- Commercial Area-Based Inspections: For commercial area-based customers with an approved Metropolitan rebate amount exceeding \$10,000, Participant Agency must notify MWDOC/Metropolitan 3 to 5 business days prior to upcoming post-inspection(s) by Agency. MWDOC, Metropolitan or a designated representative may attend inspection. Notification of upcoming inspection to be sent to [turfremoval@mwdoc.com](mailto:turfremoval@mwdoc.com).
- Participant Agency will only bill MWDOC/Metropolitan for the square footage measured.
- Participant Agency must adopt these Inspection Procedures as their own or, alternatively, to develop and submit for approval by Metropolitan and/or MWDOC Participant Agency's own inspection and verification procedures document in line with the requirements and procedures contained in this document. MWDOC/Metropolitan will require Participant Agency to submit them. MWDOC/Metropolitan may perform onsite inspections of projects prior to payment. Result of the inspection may affect payment made to Participant Agency
- All projects that require inspection must be inspected prior to Participant Agency invoicing MWDOC. MWDOC may request inspection reports from Participant Agency at any time.

## Pre-Inspection Procedures – Turf Removal

After an application is received and the information has been verified, a project cannot be accepted and funding is not reserved until a "pre-inspection" is conducted by the Participant

Agency or by a vendor inspector. The pre-inspection on-site visit is a means to determine confirmation of eligibility. The pre-inspection process verifies that the project area contains live turf or sufficient evidence that live turf recently existed and that the requested square footage to be removed seems reasonable and consistent with the physical inspection. This requirement applies to both residential and commercial turf removal areas unless otherwise noted.

When establishing that areas are eligible, careful inspection with accurate, and precise measurements, as described in Section V, are always required. For Turf Removal, during the pre-inspection the total project area square footage is measured. Any non-eligible square footage is removed, such as non-turf areas including bare soil, trees, shrubs, mulch, paving, and utility box footprint, etc. Refer to specific program terms and conditions for eligibility criteria.

The square footage listed on the application is to be used as a reference, the initial project area is to be based on the square footage as measured during the pre-inspection. Once the initial project area square footage has been determined, that number is used to reserve funding, and a letter to proceed is generated and sent to the customer.

#### On-Site Inspections for Area-Based Rebates

Unless the program guidelines specifically state otherwise, on-site eligibility verification and area measurement for the pre-inspection is the method to be utilized by the inspection vendor as well as any Participant agency conducting its own inspection.

#### Measuring Large Sites by GIS

With extremely large sites (in excess of 50,000 sf) where physical measurements are difficult, aerial imagery is often employed to measure the site. In these circumstances a GIS measurement may only be used to measure the project area and a pre-inspection site visit is still required to ensure that the site meets all program conditions and requirements and is eligible to participate. This method is often referred to as a “spot-check” since the sites are checked for existing turf during the inspection, but measured separately using GIS.

If a site is measured by GIS, rather than through an on-site measurement technique, it must explicitly be noted on a work order or through an equivalent form for written communication from the Participant Agency/vendor inspector to MWDOC. Digital imagery must be saved and sent to MWDOC. There must still be confirmation that the site/area to be rebated contains live turf and that the requested footage to be removed seems reasonable and consistent with the aerial inspection

#### Condition of Turf at Pre-Inspection

If bare areas were included by the customer, the inspector must subtract those areas. In many cases, due to the drought or season, dormant or dead brown grass is present. Dormant or dead brown grass that appears to have been maintained in the recent past is still eligible. However sites where there is bare soil that appears compact and no turf was present in the recent past, are not eligible. In addition, moss areas where there is no turf or areas that have grown or mowed weeds would be ineligible. A lawn with weeds would still remain eligible. Photo documentation of the turf is required in order to approve the site. Photos of the entire area and detailed photos should

be taken showing turf and bare soil conditions. For large sites with multiple separated areas (or sub-areas), a map must be submitted identifying the area measured for each separate sub-area.

#### Multiple Applications under same Site

Residential sites have a lifetime maximum. Commercial sites have an annual maximum.

#### Modifications to Initial Project Area

In some instances a customer may want to swap turf removal areas/locations after a letter to proceed has already been sent and construction has begun. This is common in HOAs, Golf Courses, Parks, and other large sites, but occasionally occur with residential projects. There are many reasons for changes such as: HOA board decisions, public outcry, irrigation system delineation restrictions, or even finding out that some part of the property belongs to another entity (as is common in parkways along sidewalks, and around common area parks). When these changes occur, if the customer is simply removing an area to be renovated, no action is required. However, if a decision is made to swap an area with another, additional documentation and a second pre-inspection must occur and is required to ensure that the site is eligible and matches the area measurements. This documentation must include a new site plan and photos of the intended areas. At this point, because a letter to proceed has already been sent and construction has begun, the site eligible for a rebate may not increase in size. If construction has not begun, and the customer would like to increase the area of turf to be removed within program maximum square footage guidelines, a second pre-inspection must occur and is required to ensure that the site is eligible and matches the area measurements. If the swapping of one area for another occurs during the construction phase of the project and is not previously approved by MWDOC, the swapped area will not be eligible for rebate as it was not subject to the mandatory pre-inspection.

#### Post-Inspection Procedures – Turf Removal

For both residential and commercial projects, unless otherwise noted, once the letter to proceed has been issued, the initial project area square footage may not increase; however, it may decrease if the customer decides to remove less turf than what was measured.

After the customer has completed their project, a second on-site inspection (post-inspection) occurs to ensure that the renovated areas are in compliance with the program. Entire (100%) project re-measurement should occur during the post-inspection, utilizing the same techniques as employed during the pre-inspection measurement, with the exception of GIS. Negative deviations between the pre- and post-inspections area measurements, as well as swapped areas occurring without a proper pre-inspection and approval from MWDOC, will result in a reduction of the rebate eligible area (meaning the lesser area measurement will be the basis for the rebate). All projects must be inspected prior to Participant Agency invoicing MWDOC.

When establishing that areas are eligible, careful inspection with accurate, and precise measurements, as described in Section V, are always required. For Turf Removal, during the post-inspection the total converted area square footage must be measured. Any non-eligible square footage is removed, such as remaining-turf areas, bare soil, or non-permeable area including hardscape and pools. Refer to specific program terms and conditions for eligibility criteria.

The initial project area square footage established during the pre-inspection is to be used as a reference, the final project area is to be based on the square footage as measured during the post-inspection. Once the final project area square footage has been determined, that number is used to determine the actual potential rebate amount, so long as it does not exceed the total eligible project costs. Only that final project square footage measured by the Participant Agency/inspection vendor may be included in the payment request to MWDOC.

#### Project Extensions

In some instances, projects may experience delays. As all projects either have a 60 day deadline or 90 day deadline to complete their project, an extension may be requested. In all cases, extensions may only be granted to sites who are making progress to complete their project. Documentation or a site visit is often required for the purposes of verifying that progress is being made at a site. Examples of documentation are signed contracts with a landscape contractor, photos of the site with turf removed and work under way, or canceled checks to a contractor. This is an important step; if a site is not showing progress and there is no motivation to complete, it may be cancelled to allow the funding of other, more motivated, rebate customers.

#### Spray to Drip - Commercial

The commercial portion of the Spray-to-Drip Rebate Program is administered in a similar way to the residential portion, with the exception of the post-inspection requirements which are area-based. The inspection requirements for commercial Spray-to Drip Rebate projects are described below:

##### Pre-Inspection Procedure

Once an application is received, a project cannot be accepted and no funding is reserved until a “pre-inspection” is conducted, as follows:

MWDOC reviews the application to confirm:

- Program application is completed in full.
- A copy of a current water bill is attached and confirms that
  - Participant agency is participating in the program
  - Project site is located within Orange County
  - Payee name matches the application name
- Applicant has attached 5 to 10 photos of the project area taken with the existing sprinkler system turned on. Photos must clearly show the sprinkler system in use and that the spray heads are functional. Photos must also contain identifying features (buildings in the background, unique landscape/decorating features, etc.) to confirm that photos submitted are for the property/site listed in the application.
- Applicant has provided the square footage of the proposed spray-to-drip conversion area.
- A simple site plan has been attached indicating the proposed spray-to-drip conversion areas.
- Any supplemental documents included have been reviewed.

Once MWDOC confirms that the application is complete and satisfies the above requirements, MWDOC forwards the application to the Participant Agency to conduct its own review and approval utilizing the steps listed above.

If the application has satisfied all of the above requirements, a Project Approval Notice is generated by MWDOC/Participant Agency and emailed to the applicant. The funding is reserved at this point and cannot increase. However, the funding amount may decrease if the applicant installs less drip equipment than was specified on the application or if the costs of the equipment are less than anticipated. Should the application fail the pre-inspection process, the application will be denied. MWDOC reserves the right to conduct, or to require Participant Agency to conduct, an on-site pre-inspection of any Spray-to Drip application should MWDOC, in its best judgment, deem it necessary to do so.

#### Post-Inspection Procedure

Once the Spray-to-Drip Project is complete, applicant completes the Spray to Drip Completion form to request an on-site post-inspection. Prior to scheduling the post-inspection, the Completion Form will be reviewed by MWDOC to confirm the following:

- Completion Form is completed in full.
- Payee Name and Mailing Address for Rebate Check is provided.
- Applicant has attached at least 5 completed conversion area pictures showing:
  - Wide angle view of completed project area(s)
  - Close-up(s) of installed pressure regulation/filtration component(s)
  - Close-up(s) of installed drip tubing
- Applicant has attached copies of any project related receipts or invoices. For a receipt/invoice to be considered eligible it must include the following:
  - Dated within the project period
  - Signed by the customer/applicant/property owner and includes the site location, scope of work, and costs.
  - Itemized to include make, model, sku, quantity, price per item, total price. If microspray or point source emitters have been installed, the flow rate for each must be 2.5 gallons per hour or less, or per the terms and conditions of the Program.
  - Labor is not reimbursable and must be listed as a separate line item.

If the Completion Form is missing or does not comply with the requirements of any of the above, MWDOC/Participant Agency shall work with the applicant to obtain the information and or appropriate photos/documents/invoices prior to scheduling the post-inspection. If applicant is unable to provide photos/documents/invoices that meet the requirements set forth above, the post-inspection will be considered a fail, the application will be denied, no rebate will be issued, and no on-site post-inspection should be scheduled.

If the Completion Form has satisfied all of the above requirements, Participant Agency and/or its inspector will work with Applicant to schedule the mandatory on-site post-inspection. The purpose of the on-site post-inspection is to serve as an independent verification of the



information contained in the Completion Form. As part of the on-site post-inspection, Participant Agency/inspector must verify the following:

- The actual square footage of the conversion area. All commercial spray-to-drip sites will be measured by the Participant Agency and or its inspector for 100% of the sites for 100% of the spray-to-drip conversion areas during the post-inspections. The required minimum techniques for area measurements are described in Section V -Measurement Techniques.
- That drip irrigation equipment has been installed. The type of drip equipment (embedded emitter tubing/microspray/point source emitters must be noted and photographed.
- That pressure regulation/filtration components have been installed as part of the drip conversion. Manufacturer/make, model, model number/sku, and quantity should be documented, and the equipment should be photographed.
- That drip tubing has been installed. The drip tubing should be photographed. If covered, a minimum of a 20-foot section must be uncovered for the photograph.
- That spray irrigation is no longer functional in the drip conversion area(s). Any remaining spray heads in the conversion area must be capped (no exceptions).

Once the on-site post inspection is complete, Participant Agency will complete the Rebate Check Authorization form, in full, and upload all photos and documentation. Once the Check Authorization form has been submitted, it will be reviewed by MWDOC, along with copies of all receipts and invoices, and if the spray-to-drip project has satisfied all the terms, conditions, guidelines, and requirements of the program, the application will be processed for rebate. If all the terms, conditions, guidelines, and requirements of the program have not been satisfied, the post-inspection will be considered a fail, and the application will be denied and no rebate funds will be issued.

MWDOC reserves the right to conduct or attend any on-site post-inspection of any Spray-to Drip application should MWDOC, in its best judgment, deem it necessary to do so.

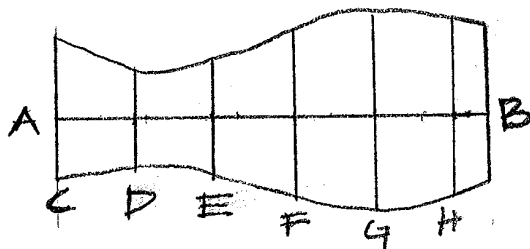
## V. Measurement Techniques

When measuring sites, tape measurers remain the most accurate method of measurement. Measuring wheels are nearly as accurate when rolling on a flat surface such as concrete or asphalt. Measuring wheels on turf or shrub areas run the risk of being inaccurate. Tape measurers are recommended whenever uneven surfaces are encountered. For large sites, a map should be provided indicating all the turf areas intended for removal and all project areas should be measured and noted with square footage.

Odd shapes are often hard to measure accurately. A series of methods of measuring odd shapes have been reviewed and below are a listing of acceptable measurement techniques of odd shapes. Alternative measuring techniques must be submitted to MWDOC for review and approval prior to implementation and must be at least as accurate as the techniques listed here.

## Non-Uniform Rectangular

First measure the length of the longest axis of the area (line AB). This is called the *length line*. Next, divide the length line into equal sections, for example 13 ft. At each of these points, measure the distance across the area in a line perpendicular to the length line at each point (lines C through G). These lines are called *offset lines*. Finally, average the lengths of all offset lines and multiply the result times line AB (65 ft. in this example). This is most notably different from the Non-Uniform Ellipse method in that exactly one of the left or right edges is measured, in this case line "C."



### Example: Non-Uniform Rectangular

Length line (AB) = 65 ft

Distance between offset lines is 13 ft apart

Length of each offset line:

C = 20 ft      F = 20 ft

D = 10 ft      G = 25 ft

E = 15 ft      H = 20 ft

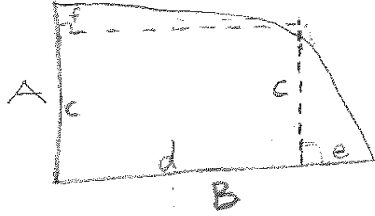
Average length of offset lines =  $\frac{(C + D + E + F + G + H)}{(\text{Number of offset lines})}$

$$= (20 + 10 + 15 + 20 + 25 + 20) / 6$$
$$= 18.3 \text{ ft}$$

Total Area = (Length line)  
x (Average length of offset lines)  
= 65 ft x 18.3 ft  
= 1192 ft<sup>2</sup>

## Irregular Rhombus or Widening Rectangular

A fast way to measure irregular rhombi is shown in the example below. Stake one end of the measuring tape at point (A, B); measure line d and then line B. Without removing the stake measure line c and then line A. Using those four measurements you will be able to find line a and line b. The areas of triangle (ad), triangle (cb), and rectangle cd) can now be calculated.



### Example: Irregular Rhombus or Widening Rectangular

Length of each line:

$$\begin{aligned} A &= 20 \text{ ft} & c &= 18 \text{ ft} \\ B &= 25 \text{ ft} & d &= 21 \text{ ft} \end{aligned}$$

$$\begin{aligned} \text{Line (f)} &= A - c & \text{Line (e)} &= B - d \\ &= 20 \text{ ft} - 18 \text{ ft} & &= 25 \text{ ft} - 21 \text{ ft} \\ &= 2 \text{ ft} & &= 4 \text{ ft} \end{aligned}$$

$$\begin{aligned} \text{Area (cd)} &= c \times d \\ &= 18 \text{ ft} \times 21 \text{ ft} \\ &= 378 \text{ ft}^2 \end{aligned}$$

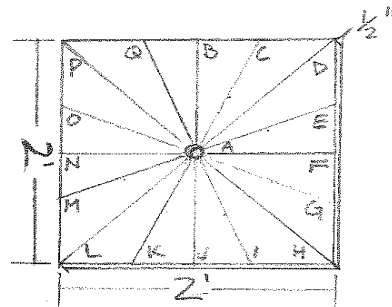
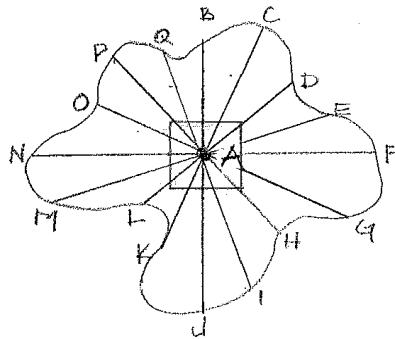
$$\begin{aligned} \text{Area (cb)} &= (c \times e) / 2 \\ &= (18 \text{ ft} \times 4 \text{ ft}) / 2 \\ &= 36 \text{ ft}^2 \end{aligned}$$

$$\begin{aligned} \text{Area (fd)} &= (f \times d) / 2 \\ &= (2 \text{ ft} \times 21 \text{ ft}) / 2 = 21 \text{ ft}^2 \end{aligned}$$

$$\begin{aligned} \text{Total Area} &= \text{Area (cd)} + \text{Area (ce)} + \text{Area (fd)} \\ &= 378 \text{ ft}^2 + 36 \text{ ft}^2 + 21 \text{ ft}^2 \\ &= 435 \text{ ft}^2 \end{aligned}$$

### Non-Uniform Round

First measure 16 evenly spaced radii from the same center point (point A). This is called the *center point*. Next take the average of all the radii  $(B + C + D + E + F + G + H + I + J + K + L + M + N + O + P + Q) / 16$ . Use the average radii to calculate the area of a circle. (12.25 ft. in this example).

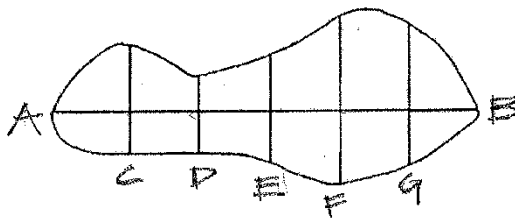


Board used for measuring

Example: Non-Uniform Round							
Length of each offset line:							
B = 10 ft	E = 12 ft	H = 10 ft	K = 9 ft	N = 16 ft	Q = 9 ft	C = 15 ft	F = 15 ft
I = 15 ft	L = 8 ft	O = 10 ft					
D = 10 ft	G = 13 ft	J = 17 ft	M = 15 ft	P = 12 ft			
Number of radii = 16							
Average length of offset lines							
= (B + C + D + E + F + G + H + I + J + K + L + M + N + O + P + Q)							
/ (Number of radii)							
= (10 + 15 + 10 + 12 + 15 + 13 + 10 + 15 + 17 + 9 + 8 + 15 + 16 + 10 + 12 + 9)							
/ 16							
= 12.25 ft							
Total Area = $\pi \times 12.25^2$ ft							
= 3.14 x 12.25 ft x 12.25 ft							
= 471 ft <sup>2</sup>							

## Non-Uniform Ellipses

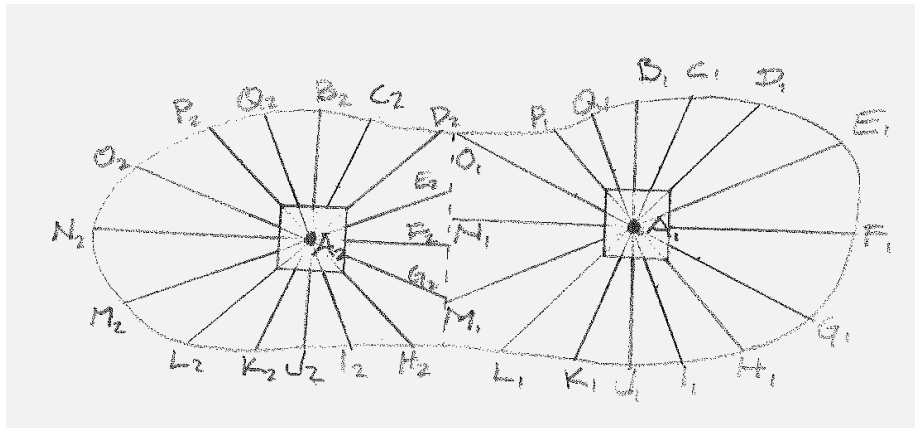
The method used for irregular shaped areas is called the "offset method". First measure the length of the longest axis of the area (line AB). This is called the *length line*. Next, divide the length line into equal sections, for example 10 ft. At each of these points, measure the distance across the area in a line perpendicular to the length line at each point (lines C through G). These lines are called *offset lines*. Finally, add the lengths of all offset lines and multiply the result times the distance that separates these lines (10 ft. in this example). This is most notably different from Non-Uniform Rectangular in that neither the left or right edges of the shape are measured in the ellipse.



Example: Non-Uniform Ellipse	
Length line (AB) = 60 ft	
Distance between offset lines is 10 ft apart	
Length of each offset line	
C = 15 ft	F = 25 ft
D = 10 ft	G = 20 ft
E = 15 ft	
Total length	
of offset lines = C + D + E + F + G	
= 15 + 10 + 15 + 25 + 20	
= 85 ft	
Total Area = (Distance between offset lines)	
x (sum of the length of offset lines)	
= 10 ft x 85 ft	
= 850 ft <sup>2</sup>	

## Non-Uniform Ellipses Alternate

An alternate method of measuring non-uniform ellipses is by dividing the ellipses in uniform parts and utilizing the non-uniform round method as described above. An example is shown below.



# Exhibit "B"

## Rebate Program Funding Allocation FY 2020-21

Program	Maximum Funding	Devices	IRWD Rebate Funding Level per Device
SoCal Water\$mart Residential Program	\$ 145,000.00	Residential Smart Timer	Up to \$150
		Rotating Nozzle	\$2 per nozzle

Program	Maximum Funding	Devices	IRWD Rebate Funding Level per Device
SoCal Water\$mart Commercial Program	\$ 40,000.00	Connectionless Food Steamer	\$485 per compartment
		Commercial Ice Making Machine (Tier III)	\$250
		Cooling Tower Conductivity Controller	\$700
		Cooling Tower pH Controller	\$400
		Rotating Nozzle	\$2 per nozzle
Water Savings Incentive Program	\$ 50,000.00	Performance Based	\$3 per 1,000 gallons/one year
Turf Removal Program	\$ 50,000.00	Turf Removal	Not to exceed \$2/SF
Spray to Drip Program	\$ 40,000.00	Spray to Drip Conversion	Not to exceed \$0.20/SF
<b>Total Funding for all Rebate Programs</b>	<b>\$ 325,000.00</b>		