



MEMORANDUM OF AGREEMENT

THIS AGREEMENT is entered into this day by and between **PIERCE COUNTY**, a political subdivision of the State of Washington (herein referred to as "COUNTY") and the Puget Sound Clean Air Agency, the Tacoma-Pierce County Health Department, Puget Sound Energy, and City of Tacoma, Department of Public Utilities, Light Division (Tacoma Power) and the Tacoma Office of Sustainability (herein referred to as "PARTNERSHIP ORGANIZATIONS").

WHEREAS, Pierce County has received Energy Efficiency Block Grant funds to address Neighborhood Energy Efficiency and Woodstove Reduction; and,

WHEREAS, portions of Pierce County are not in compliance with federal 2006 24-hour fine particle (PM_{2.5}) national ambient air quality standards and as such have been designated by the U.S. Environmental Protection Agency as the "Tacoma, WA; Pierce County (part) Nonattainment area" ; and,

WHEREAS, the Puget Sound Clean Air Agency has completed research and air quality monitoring reports that indicate a large contributor to particulate matter is wood smoke; and,

WHEREAS, many of the homes within the non-attainment area were constructed prior to 1988 and are not currently energy efficient; and,

WHEREAS, a targeted area of neighborhoods composed of ZIP codes 98373, 98408, 98444, 98445, 98446 have been selected to address nonattainment of the federal daily fine particle (PM_{2.5}) air quality standard, as evidenced by measurements at the 7802 South L Street Tacoma monitoring station during 2006 through 2008; and,

WHEREAS, partnerships between the County, the City of Tacoma, the regional air authority and the local utility companies allows a leveraging of funds in order to achieve greater reduction in fine particulates and greater energy savings by providing incentives to qualifying households to install energy efficient clean heating systems, insulation, and other efficiency upgrades; and,

WHEREAS, Puget Sound Energy, Tacoma Power, and the Puget Sound Clean Air Agency have not received any funds under the American Recovery and Reinvestment Act of 2009 ("ARRA"), no ARRA funds will be provided to Puget Sound Energy, Tacoma Power, and the Puget Sound Clean Air Agency through this agreement, and Puget Sound Energy, Tacoma Power, and the Puget Sound Clean Air Agency shall not, through partnership activities under this agreement, be treated as a recipient, sub-recipient, contractor, or sub-contractor for purposes of ARRA or ARRA-implementing policies and regulations; and

WHEREAS, the efficiency upgrades will result in energy savings and reduction of greenhouse gas emissions; and,

WHEREAS, the efficiency upgrades have numerous health benefits for Pierce County communities and citizens; and,

NOW, THEREFORE, in consideration of the terms and conditions contained herein, it is mutually agreed by and between the COUNTY and the PARTNERSHIP ORGANIZATIONS as follows:

SECTION 1. PURPOSE. Purpose of this agreement is to provide for a cooperative partnership between the County and the PARTNERSHIP ORGANIZATIONS to facilitate removal of uncertified woodstoves within specified zip codes located in the non-attainment area of Pierce County and to leverage funds and programs to provide incentives to homeowners to install energy efficient clean heating systems, insulation, and other measures and to memorialize the agreement between the parties relating to roles and responsibilities in order to carry out the goals of the Agreement. This Agreement does not involve the exchange of funds among the parties.

SECTION 2. COUNTY OBLIGATIONS.

A. Program Administration. The County will administer the Energy Efficiency Block Grant (EEBG) funds for the Neighborhood Energy Efficiency and Wood Smoke Reduction activities and will work with PARTNERSHIP ORGANIZATIONS to outline program parameters, acceptable incentives, and a process for reimbursements to homeowners. Parameters of the Neighborhood Energy Efficiency and Wood Smoke Reduction Program are listed in Exhibit A. A summary of the complete package of incentives including matching funds from PARTNERSHIP ORGANIZATIONS is listed in Exhibit B.

B. Funding. Pierce County will reimburse homeowners through the EEBG funds for qualifying activities after other leveraged funds from the Puget Sound Clean Air Agency (PSCAA) and Tacoma Power or Puget Sound Energy incentive monies listed in Exhibit B have been paid to households. Reimbursements will not exceed \$4,000 per home and will only be disbursed to homeowners who meet all qualifying parameters of the program as described in Exhibit A and using the incentives listed in Exhibit B. The Puget Sound Clean Air Agency determines: (1) which households qualify for wood stove and wood-burning fireplace insert replacements and (2) which households are classified as low income through the Tacoma Home Rehabilitation Loan Program review; Tacoma Power and Puget Sound Energy determine which households qualify for utility heating, water heating, insulation and window incentives; and Pierce County and Tacoma Office of Sustainability determine which households qualify for Neighborhood Energy Efficiency and Wood Smoke Reduction rebates. Pierce County and Tacoma Office of Sustainability will be responsible for monitoring fund availability. For qualifying low income households, \$5,000 will be available per household while funds last.

C. Grant Reporting. Pierce County and the Tacoma Office of Sustainability will report to the U.S. Department of Energy (DOE) and Office Management and Budget (OMB) the items specified on Activity Worksheet #4 for the Neighborhood Energy Efficiency and Wood Smoke Reduction program. No other parties are required to report to the U.S. DOE or OMB however parties are

required to report information as listed in Exhibit C.

SECTION 3. PARTNERSHIP ORGANIZATION OBLIGATIONS

All duties of the individual Partnership Organizations are listed in 'Scope of Work' as follows:

- Exhibit C1: Puget Sound Clean Air Agency;
- Exhibit C2: Tacoma-Pierce County Health Department;
- Exhibit C3: Tacoma Power;
- Exhibit C4: Puget Sound Energy;
- Exhibit C5: Tacoma Office of Sustainability.

SECTION 4. PARTNERSHIP ORGANIZATION CONTACT INFORMATION

ORGANIZATION	CONTACT	PHONE	E-MAIL
Pierce County	Kimberly Freeman	253.798.2784	kfreema@co.pierce.wa.us
Puget Sound Clean Air Agency	John Anderson	206.689.4051	johna@pscleanair.org
Tacoma-Pierce County Health Dept	Kathy Ross	253.798.7369	kross@tpchd.org
Tacoma Power	Mark Percy	253.502.8414	mpercy@ci.tacoma.wa.us
Puget Sound Energy	Liz Norton	425.456.2477	liz.norton@pse.com
Tacoma Office of Sustainability	Kristi Lynett	253.591.5571	kristin.lynett@ci.tacoma.wa.us

SECTION 5. TERM OF THE AGREEMENT. This Agreement shall have a term commencing on the date of execution of this Agreement and terminating 18 months following the commencement date in accordance with the Energy Efficiency Block Grant ARRA funds or as long as funds from EEBG, utility incentives, and PSCAA incentives are available.

SECTION 6. DAVIS BACON ACT. The County is simply reimbursing County residents for improvements made to their home heating systems and as such the Davis Bacon Act does not apply to the Neighborhood Energy Efficiency and Wood Smoke Reduction Program. Qualifying households make their own decision on who will do the work, and the choice of vendors is not influenced by County, nor does the County restrict the list of vendors that the resident may choose from; the above results in full and open competition.

SECTION 7. NON-DISCRIMINATION. The COUNTY and the PARTNERSHIP ORGANIZATIONS certify that they are Equal Opportunity Employers.

SECTION 8. ASSIGNMENT. Neither the COUNTY nor the PARTNERSHIP ORGANIZATIONS shall have the right to transfer or assign, in whole or in part, any or all of its obligations and rights hereunder without the prior consent of the other parties.

SECTION 9. PARTIES ARE INDEPENDENT CONTRACTOR. All parties to this agreement are and shall at all times be deemed to be, an independent contractors. Nothing herein contained shall be construed as creating the relationship of employer and employee, or principal and agent, between any of the parties or any of their s agents or employees. Each party shall retain all authority for rendition of services, standards of performance, control of personnel, and other matters incident to the performance of services outlined pursuant to this Agreement.

Nothing in this Agreement shall make any employee of the any individual party to this agreement an employee of another party to this agreement for any purpose, including, but not limited to, for withholding of taxes, payment of benefits, worker's compensation pursuant to Title 51 RCW, or any other rights or privileges accorded employees of any party by virtue of their employment with that party.

IN WITNESS WHERE OF, the parties have caused this Agreement to be executed on this ____ day of _____, 20__.

Approved as to Form:

PIERCE COUNTY

DEPARTMENT DIRECTOR



PUGET SOUND CLEAN AIR AGENCY

TACOMA-PIERCE COUNTY HEALTH
DEPARTMENT

TACOMA POWER

PUGET SOUND ENERGY

TACOMA OFFICE OF SUSTAINABILITY
MANAGER

Exhibit A: Neighborhood Energy Efficiency and Wood Smoke Reduction Program Parameters

- Program available to households located within unincorporated Pierce County and in zip codes: 98444; 98445; 98446; 98373. (The Pierce County program is mirrored in the City of Tacoma which includes 98408 and portions of 98444 and 98445 that are within the city limits of Tacoma)
- Homeowner must meet all the following criteria:
 - dispose of their current uncertified wood stove (through PSCAA Wood Stove Replacement Program);
 - install (or have) complete weatherization measures (attic, floor, wall and ducts) for home constructed prior to 1988; and where feasible;
 - have a gas or electric heat pump heating solution installed (through the PSCAA Wood Stove Replacement Program);
 - all installations must meet Tacoma Power or Puget Sound Energy requirements for high efficiency equipment (with the exception of gas stoves or fireplace inserts);
 - be a Tacoma Power or Puget Sound Energy customer.
- Maximum block grant funding not to exceed \$4000 per home to pay the difference between the total equipment/installation costs and the utility/PSCAA incentives. Note: rebate does not pay taxes.
- Program will cover up to \$5,000 for low-income qualifying households, as determined by the PSCAA, through the Tacoma Home Rehabilitation Program review. \$50,000 of the EEBG funds will be set aside from the total \$850,000 available to cover this provision.
- Puget Sound Clean Air Agency incentive, utility incentive and EEBG funds will not reimburse sales tax on the covered household expenses related to this program.
- Households may choose to assign funds directly to contractor performing the services related to heating equipment replacement, insulation and window installation.
- Households must select and install from the Participating Contractor Lists, located and maintained by the Puget Sound Clean Air Agency and the Tacoma Power and Puget Sound Energy utilities.
- Only one Tacoma-Pierce County rebate up to \$4,000 will be provided per qualifying household under this program. Reimbursement is obtained by submitting a completed “Tacoma-Pierce County Rebate Certificate” with required receipts and documentation to Pierce County or the Tacoma Office of Sustainability. Households should allow 4 to 6 weeks to receive a final rebate check.

Exhibit B:

Summary of Available Incentives

Heating and Water Heating Choices	ENERGY STAR Natural Gas Furnace	High Efficiency Central Air Source Heat Pump	High Efficiency Ductless Heat Pump	Natural Gas Fireplace Inserts or Stove	ENERGY STAR Natural Gas Water Heater	ENERGY STAR Tankless Natural Gas Water Heating
Clean Air Agency Rebate*	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500		
Tacoma Power Electric Customer*	\$ 350**	\$ 400			\$ 50**	\$ 150**
Puget Sound Energy Customer**	\$ 250	\$ 250	\$ 800		\$ 50	\$ 150

Must meet all utility program requirements to qualify for rebates.

*The removal and replacement of the uncertified wood stove/fireplace insert will qualify you for the \$1,500 rebate.

**Rebates for gas furnaces and gas water heaters are provided by PSE.

***PSE electric customers that are converting to natural gas may qualify for additional Fuel Conversion Incentives. Contact PSE Energy Advisors at 1-800-562-1482.

Note: Additional funding may be available for Income Qualified households

Insulation Incentive Table

	Attic Insulation	Floor Insulation	Wall Insulation	Duct Insulation
Tacoma Power Electric Customer*	Up to \$1,000	Up to \$1,000	Up to \$1,000	0% Interest Loan
Puget Sound Energy Customer**	Up to \$400	Up to \$400	Up to \$400	Up to \$200

Must meet all utility program requirements to qualify for rebates.

*Rebates & Loans apply to customers who heat their homes with electricity provided by Tacoma Power.

Rebates are calculated based on \$0.50 per square foot of areas being insulated.

**Rebates apply to customers who heat their homes with natural gas or electricity provided by PSE. Rebates are for 50% of the total cost up to \$400/\$200 per insulation measure.

Window Incentive Table

	ENERGY STAR Windows
Tacoma Power Electric Customer*	Up to \$1,000
Puget Sound Energy Customer**	Up to \$800

Must meet all utility program requirements to qualify for rebates.

*Rebates apply to customers who have fully insulated homes that are heated with electricity provided by Tacoma Power. Receive \$4 per square foot when replacing single glazed and \$2 per square foot replacing double glazed aluminum framed windows. Home will need to be fully insulated to upgrade with energy-efficient windows having a U-factor of .30 or lower.

**Rebates apply to customers who have fully insulated homes that are heated with natural gas or electricity provided by PSE. Receive \$6 per square foot, up to \$1,000 per fully insulated home, when upgrading your windows to energy-efficient windows with a U-factor of .30 or lower.

Neighborhood Energy Efficiency and Wood Smoke Reduction Program Rebate

	Remove Wood Stove or Fireplace Insert	Install Qualifying Heating Device	Have or Required Install Insulation	Option: Install Windows / Water Heater
Neighborhood Energy Efficiency and Wood Smoke Reduction Rebate*	Up to \$4,000 rebate per home for qualifying energy efficiency measures			

*Rebate amount will be the total remaining balance of the total of all energy efficiency invoices less the utility rebates and Clean Air incentives.

**Neighborhood Energy Efficiency and Wood Smoke Reduction Program
Incentives Table**

Heating and Water Heating Incentive Table

Heating and Water Heating Choices	ENERGY STAR Natural Gas Furnace	High Efficiency Central Air Source Heat Pump	High Efficiency Ductless Heat Pump	Natural Gas Fireplace Insert or Stove	ENERGY STAR Natural Gas Water Heater	ENERGY STAR Tankless Natural Gas Water Heating
Clean Air Agency Rebate*	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000		
Tacoma Power Electric Customer	\$ 350**	\$ 400			\$ 50**	\$ 150**
Puget Sound Energy Customer**	\$ 250	\$ 250	\$ 800		\$ 50	\$ 150

Must meet all utility program requirements to qualify for rebates.

*The removal of the uncertified wood stove/fireplace insert will qualify you for the \$1,500 rebate.

**Rebates for gas furnaces and gas water heaters are provided by PSE.

***PSE electric customers that are converting to natural gas may qualify for additional Fuel Conversion Incentives. Contact PSE Energy Advisors at 1-800-562-1482.

Note: Additional funding may be available for Income Qualified candidates

Window Incentive Table

	ENERGY STAR Windows
Tacoma Power Electric Customer*	Up to \$1,000
Puget Sound Energy Customer**	Up to \$800

Must meet all utility program requirements to qualify for rebates.

*Rebates apply to customers who have fully insulated homes that are heated with electricity provided by Tacoma Power. Receive \$4 per square foot when replacing single glazed and \$2 per square foot replacing double glazed aluminum framed windows. Home will need to be fully insulated to upgrade with energy efficient windows having a U-factor of .30 or lower.

**Rebates apply to customers who have fully insulated homes that are heated with natural gas or electricity provided by PSE. Receive \$6 per square foot, up to \$1,000 per fully insulated home, when upgrading your windows to energy efficient windows with a U-factor of .30 or lower.

Neighborhood Energy Efficiency and Wood Smoke Reduction Program Rebate

	Remove Wood Stove or Fireplace Insert	Install Qualifying Heating Device	Have or Install Required Insulation	Option: Install Windows / Water Heater
Neighborhood Energy Efficiency and Wood Smoke Reduction Rebate*	Up to \$5,000 rebate per home for qualifying energy efficiency measures			

*Rebate amount will be the total remaining balance of the total of all energy efficiency invoices less the utility rebates and Clean Air incentives.

Exhibit C1: Puget Sound Clean Air Agency

- Provide online registration form on the PSCAA website for households and for the Tacoma-Pierce County Health Dept, as Neighborhood Energy Efficiency and Wood Smoke Reduction Program coordinating agency;
- Send a weekly list of new potential customers with households in the target ZIP codes 98373, 98408, 98444, 98445 and 98446 who have registered online to Kathy Ross, Tacoma-Pierce County Health Dept at kross@tpchd.org.
- Provide eligible customers (as determined by PSCAA through Tacoma Home Rehabilitation Loan Program review) "instant rebate" coupons worth \$1,500 (or \$3,000 for income-qualified customers).
- Provide a form entitled "Income-Qualified Application" to households that appear from their on-line registration data to meet the "income-qualified" criteria, to verify this status. Households shall send these forms directly to the Tacoma Home Rehabilitation Program for review and verification.
- Coordinate with the participating retailer and household, the removal, destruction and recycling of the old uncertified wood stove or uncertified wood-burning fireplace insert as well as the professional installation of the new high efficiency electric air-source or mini-split ductless heat pump, gas or propane stove or gas or propane fireplace insert, or high efficiency gas furnace.
- Provide weekly updates, typically each Friday, to Kathy Ross as Neighborhood Energy Efficiency and Wood Smoke Reduction Program Coordinator indicating the reservation of funds based on contractor invoices and work orders
- Provide quarterly reports, by the end of the week following the end of the previous calendar quarter, to the County identifying the following: the funds disbursed; the funds available; the number of woodstoves removed, number and type of heating systems replaced, and outreach efforts made
- Communicate with County and PARTNERSHIP ORGANIZATIONS as necessary to meet goals of the program
- Attend coordination meetings with County and PARTNERSHIP ORGANIZATIONS as scheduled throughout the duration of this agreement.

Exhibit C2: Tacoma-Pierce County Health Department

- Register applicants online with the PSCAA program for wood stove replacement;
- Send households packets of information – keeping track of city applications and county applications for follow-up and fund reservation purposes
- Act as a point of contact for homeowners and ensure that the household understands reimbursements and program parameters, and follows up with homeowner if no action is being taken
- Collect and verify invoices for reimbursements
- Send verified invoices to County and City for reimbursement. (County and City will reimburse homeowner.)

- Attend coordination meetings with County and PARTNERSHIP ORGANIZATIONS as scheduled throughout the duration of this agreement
- Communicate with County contact about the Neighborhood Energy Efficiency and Wood Smoke Reduction Program improvement and potential adjustments to administrative procedures
- Provide quarterly reports to the County (to be defined further)
- Create spreadsheets to track household applications for reimbursement
- Other actions as necessary to fully implement the Neighborhood Energy Efficiency and Wood Smoke Reduction Program

Exhibit C3: Tacoma Power

- Identify potential woodstove user in accordance with known irregularities that may indicate another heat source is being used;
- Send letter to household informing of the Neighborhood Energy Efficiency and Wood Smoke Reduction Program and to contact of the TPCHD for further assistance;
- Provide Energy Advisor (the utility person responsible for advising customers on their choices for heating equipment and energy efficiency) assistance to the household in assessing best measures for high efficiency heating and weatherization improvements; Provide rebates as described in Exhibit B;
- Provide quarterly reports to the County and City identifying the leveraged funds for incentives spent, energy saved, greenhouse gas (ghg) reduction (where applicable), and outreach efforts
- Attend County and PARTNERSHIP ORGANIZATIONS coordination meetings as scheduled throughout the duration of this agreement.

Exhibit C4: Puget Sound Energy

- Identify potential woodstove user in accordance with known irregularities that may indicate another heat source is being used;
- Send letter to homeowner informing of the Neighborhood Energy Efficiency and Wood Smoke Reduction Program and to contact of the Tacoma-Pierce County Health Department for further assistance;
- Provide Energy Advisor (the utility person responsible for advising customers on their choices for heating equipment and energy efficiency) assistance to the household in assessing best measures for high efficiency heating and weatherization improvements;
- Provide rebates as described in Exhibit B;
- Provide quarterly reports to county on the leveraged funds spent, energy saved, greenhouse gas (ghg) reduction (where applicable), and outreach efforts Attend County and PARTNERSHIP ORGANIZATIONS coordination meetings as scheduled throughout the duration of this agreement.

Exhibit C5: Tacoma Office of Sustainability Similar to the Pierce County Obligations

A. Program Administration. The City will administer the Energy Efficiency Block Grant (EEBG) funds for the Neighborhood Energy Efficiency and Wood Smoke Reduction Program activities and will work with PARTNERSHIP ORGANIZATIONS to outline program parameters, acceptable incentives, and a process for reimbursements to households. Parameters of the Neighborhood Energy Efficiency and Wood Smoke Reduction Program are listed in Exhibit A. A summary of the complete package of incentives available to households, including matching funds from PARTNERSHIP ORGANIZATIONS, is listed in Exhibit B.

B. Funding. The City will reimburse households through the EEBG funds for qualifying activities after other leveraged funds from the Puget Sound Clean Air Agency (PSCAA) and Tacoma Power or Puget Sound Energy incentive monies listed in Exhibit B have been paid.