



AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING
Meeting Date: September 3, 2019

Agenda Item 6J
Approvals:
City Manager [Signature]
Dept. Head [Signature]
Attorney [Signature]
Finance [Signature]

Department: Utilities
Prepared By: Niki Beach, Water Conservation Analyst *MB*

Subject: *MEMORANDUM OF UNDERSTANDING WITH MOULTON NIGUEL WATER DISTRICT REGARDING A PILOT NATIVE PLANT MARKETING AND EDUCATION PROGRAM.*

Fiscal Impact: None.

Summary: Staff recommends City Council authorize the City Manager to sign a no-cost Memorandum of Understanding (MOU) with Moulton Niguel Water District (MNWD) in order to participate in their Pilot Program for Native California plant marketing and education. This program is being launched throughout Orange County with the objectives of educating consumers about low-water use landscaping options, increasing native plant sales at local nurseries, and reducing peak summer irrigation water demands.

Background: In early 2019, MNWD water use efficiency program staff approached City staff with an opportunity to participate in a regional effort to increase residents' and small businesses' knowledge about the features and benefits of California native plants in residential landscapes. While drought-tolerant landscaping has become more common in Orange County, local water districts and departments have generally found that knowledge gaps still remain, specifically when it comes to plant species native to California and how to order and maintain a native plant inventory alongside other water-wise plant material. Furthermore, water agencies have an opportunity to decrease peak summer irrigation demands by encouraging the incorporation of native plants, which are adapted to dry summer conditions, into their customers' landscapes.

For that reason, MNWD has partnered with the Metropolitan Water District of Southern California to contract with the California Native Plant Society, and has also contracted with local native plant supplier Tree of Life Nursery, to launch a regional native plant retailer and consumer education and marketing pilot program to target the 2019 fall planting season. The program includes: a native plant maintenance training video series for nurseries and for consumers; the design of point-of-sale marketing materials to share with local nurseries; and enhanced web resources for consumers looking to successfully locate native plants and establish them in their home gardens.

MNWD is encouraging the participation of neighboring retail water agencies at no cost, in order to magnify and share the benefits of this regional program, since customers and their landscapers often shop outside of the boundaries of their water service areas. The purpose of the MOU is for each participating agency or city, including San Clemente, to commit a reasonable amount of existing staff time to ensuring the pilot

program has an opportunity to be successful throughout the Orange County area, as well as to formally establish the geographical reach of the program for future funding opportunities. The City's conservation program, water customers, and nursery businesses also stand to benefit if these local businesses are able to stock and sell a greater variety of native plants as a result of participation in the program.

Recommended

Action: STAFF RECOMMENDS THAT the City Council approve, and authorize the City Manager to execute, Contract _____ by and between the City of San Clemente and Moulton Niguel Water District, providing for participation in the Pilot Native Plant Marketing and Education Program.

Attachments: Memorandum of Understanding, Pilot Native Plant Marketing and Education Program

Notification: None.

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**MEMORANDUM OF UNDERSTANDING
PILOT NATIVE PLANT MARKETING AND EDUCATION PROGRAM**

This Memorandum Of Understanding ("MOU") is made as of _____, 2019, by and between the MOULTON NIGUEL WATER DISTRICT, a public agency ("MNWD") and the _____, a municipal corporation ("City"). MNWD and City are hereinafter sometimes referred to as "Parties" or individually as a "Party."

RECITALS

A. MNWD is planning to contract with Tree of Life Nursery ("TOLN") and partner with the Metropolitan Water District ("MWD") and their contractor, the California Native Plant Society (collectively, "Pilot Partners"), to develop the Native Plant Marketing and Education Pilot Program for Nurseries ("Nursery Pilot"); and

B. The Nursery Pilot is a regional initiative to support the growing demand for California native plants and to increase their availability in retail nurseries. The objectives of the Nursery Pilot are to: (1) encourage nurseries in the pilot area to consistently carry more regionally native plants species; (2) develop free nursery staff training materials on the care and maintenance of California native plants in the nursery setting; (3) make California native plants more easily identifiable with point of sale ("POS") educational and promotional materials; (4) encourage consumer demand and increase sales of California native plants at local nurseries; and (5) connect consumers to local nurseries and a wide variety of California native plants with free web resources; and

C. MNWD's participation in the Nursery Pilot will involve partnering with TOLN to develop a video training series that will provide education on the proper care, maintenance, and watering of native plants in a nursery setting, and on the fundamentals of native plant water requirements, planting techniques, merchandising tips, and how to communicate native plant care to the consumer.

D. MNWD will partner with MWD and utilize the services of their contractor, the California Native Plant Society ("CNPS"), to provide market research and develop a marketing and branding strategy, as well as POS educational and promotional materials. CNPS will also provide web development services toward the addition of a dynamic nursery portal and a web-based learning module to host the nursery training curriculum on calscape.org. The Nursery Pilot Materials consisting of the nursery training, marketing and POS materials, and calscape.org web developments (collectively, "Pilot Materials") are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference; and

D. The Parties desire to enter into this MOU in order to set forth the terms and conditions for City's participation in the Training/POS Materials.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and conditions set forth in this MOU, the Parties agree as follows:

1. Participation By City In The Nursery Pilot

As further described in Exhibit "A," City will participate with MNWD, MWD, CNPS, and TOLN in the development of marketing materials, nursery and video training materials, and the development and testing of an online nursery portal and training module built within Calscape.org. City's participation will also include working with nurseries in City's service area to implement the Pilot Materials once the deliverables have been completed. City will engage its local nurseries, invite them to participate in the pilot program, and provide participating nurseries with materials (e.g. web training, plant lists, point-of-sale signage) produced through the Nursery Pilot. City will cross-promote participating nurseries in the Nursery Pilot and also help market and promote the availability of California native plant stock at participating nurseries from Fall 2019 through Spring 2020. Finally, City will participate in a final meeting at the end of the Nursery Pilot to provide feedback and input on program performance.

2. Effective Date/Term/Termination

This MOU shall be effective on the date of full execution of this MOU by both Parties ("Effective Date"). The term of this MOU shall be from the Effective Date and shall expire on June 30, 2020. Either Party may terminate this MOU at any time, with or without cause, upon 10 days prior written notice to the other Party.

3. Incorporation of Recitals

The Recitals are incorporated herein and made an operative part of this MOU.

4. Indemnification

Each Party ("Indemnitor") hereby agrees to defend, indemnify and hold harmless the other Party ("Indemnitee") from and against any and all liability, expense and claims for damages arising from Indemnitor's activities under this MOU

5. Insurance

The Parties shall provide and maintain insurance coverage in the types and amounts as commonly required for performance of their respective activities under this MOU. For example, and not by way of limitation, the following types of insurance may be required: general liability insurance; automobile liability insurance; and workers compensation insurance.

IN WITNESS WHEREOF, each of the Parties have caused this MOU to be executed by its respective duly authorized officers.

MNWD

By: _____

Title: _____

CITY

By: _____

Title: _____

EXHIBIT "A"

(Attach description of Program and Timeline)

Native Plant Marketing and Education Pilot Program for Nurseries

The Native Plant Marketing and Education Pilot Program for Nurseries (Nursery Pilot) is a regional initiative originating in Orange County with collaboration from Metropolitan Water District. The Nursery Pilot is designed to support the growing demand for California native plants and to increase their availability in retail nurseries across the region.

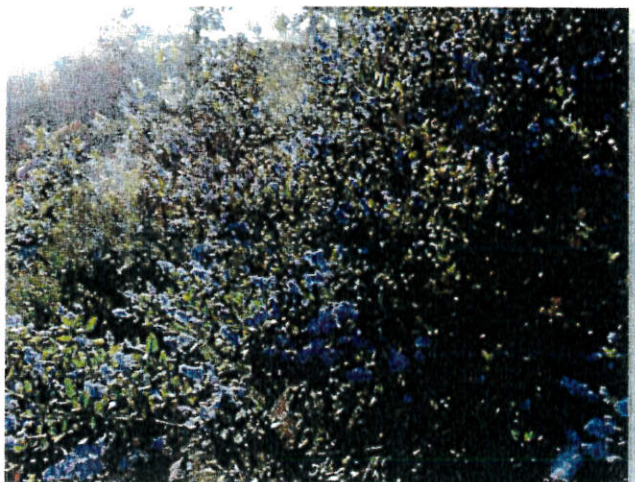


Figure 1: *Ceanothus Ray Hartman*; photo credit: CalScape

The Nursery Pilot went from conceptual to actionable with the assistance of WaterNow Alliance's Project Accelerator Award. The Nursery Pilot's approach was further solidified after a statewide nursery survey, administered in collaboration with WaterNow Alliance and the California Native Plant Society (CNPS), found that nurseries were willing to carry more California native plants, but they needed more resources. The most requested resources were nursery staff training on native plants, plant signage, and point-of-sale promotional materials.

The Nursery Pilot has several objectives: 1) to encourage nurseries in the pilot area to consistently carry more regionally native plants species, 2) to develop free nursery staff training materials on the care and maintenance of California native plants in the nursery setting, 3) to make California native plants more easily identifiable with point of sale educational and promotional materials, 4) to encourage consumer demand and increase sales of California native plants at local nurseries, and 5) to connect consumers to local nurseries and the wide variety of California native plants with free web resources.

To meet Nursery Pilot objectives, and to address key nursery needs, the water agencies identified three core programmatic deliverables and two key partners to carry out the project. Moulton Niguel Water District will partner with Tree of Life Nursery, the largest supplier of California native plants in the state, to develop an 8-part video training series targeted to nursery staff that will provide education on the proper care, maintenance, and watering of native plants in a nursery setting, and on the fundamentals of native plant water requirements, planting techniques, merchandising tips, and how to communicate native plant care maintenance to the consumer.

In partnership with CNPS, the videos will be made available through a custom-built online training module on Calscape.org, the largest online database dedicated to California native plants. The video trainings and their accompanying written training materials will be free; individuals who complete the training program will receive a certificate and their nursery will receive credit toward program compliance for educating their staff members. CNPS will also develop the ability for nurseries to create free customized profiles on Calscape.org, where they can provide a business description, their hours of operation, and upload their most recent list of California native plants to database, where it will be searchable via multiple pathways.

Finally, CNPS will engage in market research with local retail and wholesale nurseries in the pilot area to determine the best approach for developing point-of-sale marketing and educational materials. The Nursery Pilot agencies will work with CNPS to develop branding and marketing materials, which could take the form of stickers, overhead signage, plant inserts, and more. The Nursery Pilot will focus on the training curriculum, as well as market research, branding, and logo development in the spring of 2019. Video trainings and access to Calscape.org profiles will be rolled out in the summer, while education and point-of-sale marketing materials will be delivered in early fall to participating nurseries to take advantage of the fall planting season. In exchange for increasing their native plant stock, the water agencies will advertise the list of compliant nurseries in the pilot area to its residential and commercial customers.

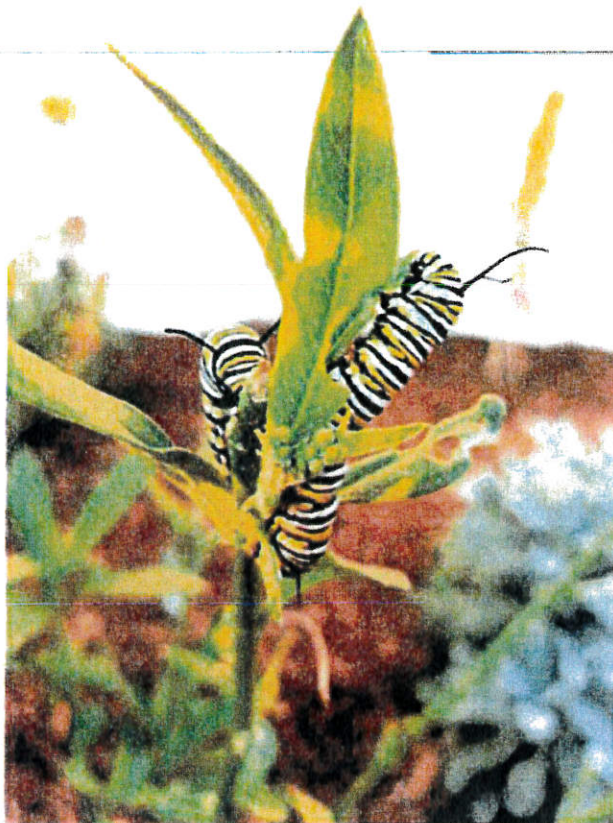


Figure 2: Monarch caterpillars on milkweed

Proposed Timeline

Native Plant Marketing and Education Pilot Program for Nurseries

Late Winter (February/March/April 2019)

- Finalize scope of work for Tree of Life Nursery (TOLN)
 - Video training series for nursery staff (required element)
 - In-person training/seminar for nursery managers (video-recorded preferred)
- Finalize scope of work for California Native Plant Society (CNPS)
 - Marketing & point-of-sale (POS) materials
 - Administration fee to work with wholesalers and retailers
 - Calscape.org upload instructions
 - Calscape.org plant list with easy access
 - Plant list of commercially available native plants
- Determine agency participation requirements
 - Co-fund development of training and POS materials
 - Agree to share names of participating nurseries, monitor compliance of local nurseries, and report compliance issues to pilot group
- Finalize partnership and pilot timeline
- Execute contracts with TOLN and CNPS

Spring-Early Summer (April/May/June/July 2019)

- Determine nursery participation requirements
 - Sign participation agreement
 - Display POS materials
 - Provide required staff training to over 50% staff
 - Upload native nursery stock to Calscape.org
- Agencies develop nursery program participation agreement
 - Includes options for how and when marketing materials should be displayed, training timeline for season video series, upload plant list to Calscape.org, maybe social media posts using a hashtag
- Create video training series with TOLN
- Develop marketing, branding, and POS materials with CNPS
- Develop and test Calscape.org training module & expanded nursery profile with CNPS
- Participating agencies/cities solicit nursery participation in the program
- Develop Key Performance Indicators (KPIs) for managing effectiveness of the program
- Select date and develop format for in-person training for nursery managers

Summer-Early Fall (July/August/Sept/October 2019)

- Host and video record nursery manager training seminar
- Deliver original marketing designs and nursery training videos to participating agencies
- Participating agencies/cities print distribute marketing & POS materials to participating nurseries
- Participating agencies/cities begin marketing campaign to promote fall planting season & availability of California native plants at participating nurseries
- Compliance check-in with participating nurseries (early fall): ensure marketing & POS materials are installed, staff are being trained, and nursery has developed a nursery profile and plant list in Calscape.org.

Fall-Early Winter (October/November/December 2019)

- Participating agencies/cities kickoff fall planting season campaign
- Compliance check-in with participating nurseries (late fall/early winter): ensure marketing & POS materials are installed, nursery staff are trained, and nursery has updated plant list in Calscape.org
- Track KPIs and pilot performance metrics