



Board Report

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Agenda Number: 33.

**EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 20, 2022**

SUBJECT: FUNDING AGREEMENTS FOR THE SAFE, CLEAN WATER PROGRAM (MEASURE W) GRANT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) or her designee to:

- A. EXECUTE the terms and conditions of the \$34,515,458.00 Safe, Clean Water (SCW) Program grant awarded to Metro for the Metro G Line (Orange) Water Infiltration and Quality Project by the Los Angeles County SCW Regional Infrastructure Program; and
- B. NEGOTIATE and EXECUTE the terms and conditions of a cost sharing agreement with the Los Angeles Department of Water and Power (LADWP) to contribute \$11,088,000.00 towards the project.

ISSUE

Metro is on its way to achieve operational water management goals identified in the 2020 10-Year Sustainability Strategic Plan. The agency is in partnership with other agencies and utilities in this effort including a specific commitment to increase stormwater capture capacity and infiltration by 15% from 2020 baseline levels.

In October 2020, Metro submitted a grant application and feasibility study to the Los Angeles County Safe, Clean Water Regional Infrastructure Program (established through Measure W) requesting funding for the Metro G Line (Orange) Water Infiltration and Quality Project (Project). This project would implement stormwater Best Management Practices (BMPs) along the G Line (Orange) right-of-way and Metro-owned parcels to capture, treat, and infiltrate stormwater from over 2,300 acres of drainage area in the San Fernando Valley. The Project would be integrated into the planned Metro G Line (Orange) Bus Rapid Transit Improvement Project and provide a variety of co-benefits to both the local community and region, including stormwater management, groundwater recharge, and flood risk reduction.

On September 15, 2021, the Los Angeles County Board of Supervisors approved funding for the Project as one of the recipients of the Safe Clean Water (SCW) Program's Regional Program funding, beginning in FY 2021-22 (Attachment A). The SCW Program grant will provide \$34,515,458 of the \$45.6M total project cost, which includes design, construction, and 30 years of operations and maintenance costs. Recognizing the groundwater supply and water quality improvements that would result from this project, the LADWP has agreed to enter a cost sharing agreement with Metro to contribute the remaining \$11,088,000 in funding required for the Project (Attachment B).

Metro Board approval of Metro's intent to receive the SCW Program grant funding and enter into a cost sharing agreement with LADWP is requested prior to the commencement of any negotiations and the execution of an agreement between Metro, the SCW Program, and LADWP.

BACKGROUND

As a major landowner in Los Angeles County, the stormwater management practices implemented on Metro's properties have a significant impact on regional water quality and supply. Metro's extensive land holdings and fortuitous siting within the highest value groundwater recharge areas in the region create opportunities for large-scale infiltration and aquifer recharge. Additionally, Metro's extensive capital program provides cost effective opportunities to install green infrastructure and stormwater BMPs as part of current and planned projects. Properly maintained, such installations improve the handling of stormwater and reduce pollution runoff from Metro's facilities and right of ways.

The 18-mile-long Metro G Line (Orange) directly overlays the San Fernando Valley Groundwater Basin, which is one of the highest value groundwater recharge areas within Los Angeles County. Recognizing the significant groundwater infiltration and stormwater quality potential in this area, Metro initiated a feasibility evaluation for the Metro G Line (Orange) Water Infiltration and Quality Project in March 2020. The results of the feasibility assessment identified the Project as a strong candidate for a SCW Program grant.

Los Angeles voters approved Measure W in November 2018, establishing the SCW Program and its funding source via a special parcel tax. The Program provides local, dedicated funding to increase Los Angeles County's local water supply, improve water quality, and enhance communities. The Program generates up to \$285 million each year to fund multi-benefit stormwater and urban runoff capture projects, which is distributed across nine different Watershed Areas. The Program issued its first round of grant disbursements in FY 2020-21.

DISCUSSION

The G Line (Orange) Water Infiltration and Quality Project proposes to divert stormwater runoff from the surface and existing regional storm drains to a network of infiltration drywells across seven locations within Metro properties and along the G Line (Orange) right-of-way. The infrastructure would include pretreatment facilities to capture, treat, and infiltrate stormwater runoff from over 2,300 acres of drainage area, recharging the San Fernando Valley Groundwater Basin in the Upper Los

Angeles River watershed. The project would also reduce surface water pollution, improve surface water quality at downstream receiving water (Los Angeles River), and reduce the risk of localized flooding by mitigating peak flow rates.

This project will allow Metro to meet and exceed the stormwater capture and infiltration goals set in Metro's 10-Year Sustainability Strategic Plan, *Moving Beyond Sustainability*. The Project is projected to recharge the San Fernando Valley Groundwater Basin at a rate of 890 acre-feet per year (over 290 million gallons) and remove 65% of the zinc and bacteria pollutant load on an annual average basis. Metro's total water consumption in 2020 was 673 acre-feet, meaning this effort alone has the potential to capture enough stormwater to allow Metro to become *Net Water Positive, contributing more water to regional groundwater recharge efforts on an annual basis than it uses to support operations*.

The use of existing Metro property for this project avoids potential complications associated with land acquisition, adding a largely subsurface beneficial use without disrupting primary transportation functions. Additionally, the Project takes advantage of highly fortuitous siting as it is located in the highest value groundwater recharge areas in the region, intersects primary drainages, and can utilize existing Los Angeles County Flood Control District (LACFCD) storm drain infrastructure to intercept, treat, and infiltrate stormwater prior to discharge to the Los Angeles River. The Project catchment areas do not overlap with those from other existing or proposed infiltration projects.

By integrating these infrastructure improvements into the G Line (Orange) Bus Rapid Transit (BRT) Improvements Project, Metro will also be able to deliver additional community benefits, save on construction costs, and expedite the project implementation process. If approved, construction is anticipated to be completed by 2026, in line with the BRT Improvements Project schedule.

Metro has engaged several key stakeholders in the development of the Project, including targeted discussions with agencies such as LA County, LADWP, LA Sanitation & Environment, and StreetsLA, as well as community organizations such as Climate Resolve, Council for Watershed Health, and the National Resources Defense Council. To date, the Project has received three letters of support from external stakeholders. Additionally, the SCW Program's Regional Oversight Committee held over 80 public meetings to select the projects, project concepts, and scientific studies approved for funding. This process involved scoring by a committee and independent third-party analyses to determine the benefits of each project. Projects were prioritized for funding based on their investment in disadvantaged communities, utilization of Nature-Based Solutions, and advancement of compliance with existing water quality regulations.

The SCW Program grant for the G Line (Orange) Project was approved in the Upper Los Angeles River Stormwater Investment Plan for the 2021-22 fiscal year. The first allocation of \$1.6M will be dispersed in FY 2021-22, with the remainder of the \$34,515,458.00 to be dispersed over subsequent fiscal years in alignment with the project implementation timeline.

Stormwater management projects like the G Line (Orange) Water Infiltration and Quality Project provide direct benefits to Metro by supporting environmental compliance obligations and helping fulfill the agency's sustainability goals. Metro's Sustainability Strategic Plan includes a commitment to "Increase runoff infiltration and capture capacity for stormwater by 15% from 2020 baseline levels" by

2030. This strategy reflects Metro's full life-cycle approach to water management and the potential for Metro to become Net Water Positive.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an adverse impact on safety standards for Metro.

FINANCIAL IMPACT

Adoption of the resolution and authorization of the CEO to execute the required documents to claim the Safe, Clean Water Program and LADWP cost-share funds would positively impact the agency's budget by making \$45,603,458 available to Metro.

The SCW Program grant will fund \$34,515,458 and the remaining \$11,088,000 in funding will be provided through a cost-sharing agreement with LADWP. *The ongoing operations and maintenance costs for the planned stormwater infrastructure **are included** the SCW Program funding award for a term of 30 years.*

EQUITY PLATFORM

Fifty-eight percent (58%) of the Project's direct benefit (drainage area) area is located within equity-focused communities (EFCs) and 90% is within disadvantaged communities (DAC) or severely DACs, as defined by the California Utilities Commission Water Code Section 79505.5. The Project provides a local and more affordable supply of clean water, reduces environmental hazards to the community by reducing water pollution, both at the surface and in regional water sources, and increases the wellbeing of the community by mitigating localized nuisance flooding.

Metro Community Relations will develop a Stakeholder and Community Outreach/Engagement Plan for the Metro G Line (Orange) BRT Improvements Project to commence during the Project's design phase. All outreach and engagement activities for the water infiltration project component will be conducted as part of the outreach and engagement activities for the larger Metro G Line (Orange) BRT Improvements Project. The Plan will ensure those living, working, visiting and passing by the Project, as well as local community and government organizations, are informed about project developments, progress, and ways to provide input. All stakeholders engaged in the initial development of the stormwater infiltration project will continue to be engaged throughout this process.

The outreach and engagement efforts will be implemented through a variety of ways, including briefings, presentations, community meetings, digital media, media relations, paid media buys consisting of print and radio media, and the dissemination of a notice via door-to-door distribution to government, organizations and local stakeholders in the project corridor. Information and signage will be developed to educate the public on the infiltration system, water supply and quality benefits provided to the surrounding communities.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Metro G Line (Orange) Water Infiltration and Quality Project supports the implementation of Metro's Strategic Plan Goals, with specific alignment to Initiative 5.2 - Exercise good public policy judgement and sound fiscal stewardship. The implementation of this project will support these strategic goals by: 1) Supporting compliance with State and local water regulations; 2) Delivering water supply benefits through water capture and infiltration, with the potential to make Metro Net Water Positive; 3) Improving surface water quality downstream of the project area, and; 4) Increasing community wellbeing by mitigating localized nuisance flooding.

The project will also support achievement of Metro's Sustainability Strategic Plan Water Target #2 - Increase runoff infiltration and capture capacity for stormwater by 15% from 2020 baseline levels.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the recommendation to allow the CEO or her designee to negotiate and execute the SCW Program grant and LADWP cost-share agreements. Staff does not recommend this alternative because it would risk the loss of \$45,603,458 in funding and would significantly decrease Metro's achievement of its water quality and conservation goals.

NEXT STEPS

After Board approval of this action, staff will engage with the SCW Program to enter into a Transfer Agreement authorizing receipt of the approved funding amount. Metro will use the standard template Transfer Agreement developed by the SCW Program and establish the terms and conditions for the transfer of the SCW Program funds to grant recipients. Upon execution of a Transfer Agreement, Metro will receive the approved funding amount for implementation of the approved activities.

Metro staff will also engage with LADWP to negotiate and execute the terms of the cost sharing agreement to fund the remainder of the project, in the amount of \$11,088,000. A Memorandum of Agreement will be developed, including details on the fund transfer schedule and timeline.

ATTACHMENTS

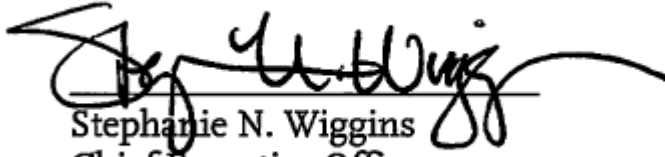
Attachment A. Adopted FY 2021-22 SIP BL

Attachment B. DWP MOL Measure W Project Letter of Support

Prepared by: Melissa Levitt, Senior Environmental Specialist, (213) 418-3478
Heather Repenning, Executive Officer, (213) 922-4932
Craig Reiter, Senior Director, (213) 418-3476
Annalisa Murphy, Director, (213) 922-2143
Brad Owen, Executive Officer, (213) 418-3143
Cris B. Liban, Deputy Chief Sustainability Officer, (213) 922-2471

Reviewed by:

Nicole Englund, Chief of Staff, (213) 922-7950



Stephanie N. Wiggins
Chief Executive Officer