Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

Metro

Board Report

File #: 2025-0407, **File Type:** Informational Report **Agenda Number:** 24.

CONSTRUCTION COMMITTEE
JUNE 18, 2025

SUBJECT: UTILITY REIMBURSEMENT AGREEMENTS

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

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

A. EXECUTE Utility Reimbursement Agreements with Level 3 Communications and Centurylink Communications to accommodate Metro's ongoing Projects; and

B. NEGOTIATE and execute similar as-needed Utility Agreements with other communication company owners to accommodate Metro's ongoing Projects.

ISSUE

As Metro's transit projects move forward, the project teams have identified Centurylink Communications and Level 3 Communications within several project footprints that require utility relocations and/or general utility support. This is Metro's first interaction with Centurylink and Level 3 Communications. To move forward with the relocations and general utility support coordination to accommodate several Metro transit projects, Utility Reimbursement Agreements (URAs) between Metro and both Centurylink and Level 3 Communications are needed. Given the complexity of Metro's projects, it is also anticipated that numerous other communication conflicts will arise with other communication company owners for which swift actions will be required in order to maintain the schedule. Therefore. as other communication company owners are identified as having conflicts with Metro's projects, similar Utility Agreements will need to be negotiated and executed swiftly in order to memorialize those roles and responsibilities and proceed with mitigating those conflicts in order to ultimately maintain schedule and budget.

BACKGROUND

A well-planned utility relocation is critical to any transit projects' cost and schedule. Earlier communication and closer coordination with utility companies allow smoother completion of projects. It is critical to set up URAs with Centurylink and Level 3 Communication, as well as with other potential communication company owners, to properly and effectively document delivery commitments, cost-sharing processes, roles and responsibilities and processes to resolve

disagreements so that work can continue unimpeded.

Executing the URAs and future utility agreements with other communication companies are key next steps to ensure successful delivery of the projects and to demonstrate the level of support required by key stakeholders and help mitigate project constraints and risks.

DISCUSSION

Utility Reimbursement Agreements

There are many utilities that conflict with Metro project alignments and require mitigation ranging from removal, replacement, protection, reconstruction and relocation of all or portions of impacted utilities. The success of Metro projects further requires the utility company's participation in meetings, coordination, and collaboration during the engineering as well as construction phases of the projects. Hence, advancing URAs between the parties is a key next step for the successful delivery of Metro projects and to demonstrate the level of support required by key stakeholders. The general intent of the URAs (Attachments A and B) is to cover the current ongoing Projects, starting with the Southeast Gateway Line project (SGL), as well as future Metro Projects for many years to come. As other utility conflicts arise with other communication company owners, the appropriate Utility Agreements will be negotiated and executed to accommodate those projects.

By executing the URAs, each utility owner acknowledges the projects as high-priority public works projects and agrees to assist Metro by providing expedited self-performed designs, engineering, technical and analytical review of design and construction plans, administrative support services, construction and inspection services and other services necessary for the successful delivery and implementation of the projects. The URAs define procedures, identify roles and responsibilities, and identify costs between Metro and each utility owner.

The following are key components of the URAs with Level 3 and Centurylink Communications, which will be components of the future as-needed Utility Agreements with other communication companies as well:

- Reimbursement of costs to the utility owners for project related work
- Duration of the agreement
- Metro and utility owner points of contact
- Basis and agreement on utility scope
- Process and agreement on self-perform designs and review periods
- Process and agreement on necessary construction and inspection needs
- Ability to accommodate other Metro projects

Metro and both Centurylink and Level 3 Communications agree that each will cooperate with the other in all activities covered by the URA's. Work performed by both Centurylink and Level 3 Communications under these URAs shall be per the work orders to be issued by Metro on a yearly basis.

DETERMINATION OF SAFETY IMPACT

The recommended actions will not affect the safety of Metro customers and/or employees because these projects are in the engineering phase and no operational safety impacts result from this Board action.

FINANCIAL IMPACT

Work Orders will be issued to Centurylink Communications, Level 3 Communications and other as needed utility owners on an annual basis. Work orders for these commitments created within the URA parameters will only be issued by funded projects and will be within each of the project's respective Fiscal Year or Life of Project (LOP) budgets. It will be the responsibility of the Cost Center Manager and Project Manager to budget costs incurred while executing these URAs in the future fiscal years and within the cumulative budget limit for the affected fiscal year.

EQUITY PLATFORM

The execution of the URAs with Level 3 and Centurylink Communications, and other as-needed utility agreements with other communication company stakeholders, is essential to the successful and timely completion of SGL and other projects, including the subsequent benefits for project area communities. Metro's projects provide access to a reliable transit system and fill a current gap in high -quality transit services. When the eventual build-out of the projects occurs, communities along these corridors will have access to the Metro regional network providing residents with critical transit service to access greater employment, health, and educational opportunities.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

While this item does not directly encourage taking transit, sharing a ride, or using active transportation, it is a vital part of Metro operations, as it facilitates the progress of critical work with utilities to reduce red tape and improve outcomes in the planning and construction of the Southeast Gateway Line Project, and other projects, which will serve to reduce VMT. Because the Metro Board has adopted an agency-wide VMT Reduction Target, and this item supports the overall function of the agency, this item is consistent with the goals of reducing VMT.

*Based on population estimates from the United States Census and VMT estimates from the highway performance monitoring system data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Metro's transit projects support the following strategic plan goals identified in Vision 2028:

- Goal 1: Provide high-quality mobility options that enable people to spend less time traveling.
- Goal 3: Enhance communities and lives through mobility and access to opportunity and.
- Goal 5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

ALTERNATIVES CONSIDERED

The Board may choose not to allow the negotiation and execution of the URAs. However, not executing the URAs and other Utility Agreements with other communication company owners would not solidify each of the parties' roles and responsibilities and would require Metro to follow standard over-the-counter processes and therefore not benefit from streamlined processes and other administration benefits identified within the URAs. All of these are essential elements for successful projects.

NEXT STEPS

Upon Board approval, the CEO or designee will execute the URAs between Metro and Level 3 and CenturyLink Communications. Staff will also continue to work with other responsible communication company stakeholders to develop other necessary Utility Agreements.

ATTACHMENTS

Attachment A - Utility Reimbursement Agreement between Level 3 Communications and Metro
Attachment B - Utility Reimbursement Agreement between Centurylink Communications and Metro

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