



Board Report

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Agenda Number: 12.

CONSTRUCTION COMMITTEE SEPTEMBER 17, 2025

SUBJECT: PIPELINE UTILITY COOPERATIVE AGREEMENT

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

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

- A. EXECUTE a Utility Cooperative Agreement with Tesoro SoCal Pipeline Company, LLC to accommodate Metro's ongoing Projects; and
- B. NEGOTIATE and execute similar as-needed pipeline utility agreements with other pipeline company owners to accommodate necessary advance utility relocation design, construction and Metro's reimbursement terms to support Metro's ongoing Projects.

ISSUE

As Metro's transit projects move forward, the project teams have identified Tesoro SoCal Pipeline Company, LLC (Tesoro Pipeline) within several project footprints that require utility relocations and/or general utility support. This is Metro's first interaction with Tesoro Pipeline. To move forward with the relocations and general utility support coordination to accommodate several Metro transit projects, a Utility Cooperative Agreement (UCA) between Metro and Tesoro Pipeline is needed. Given the complexity of Metro's projects, it is also anticipated that numerous other pipeline (oil, chemical, petroleum, water, steam, fuel, natural gas) conflicts will arise with other pipeline company owners for which swift action will be required in order to maintain the schedule. Therefore, as other pipeline company owner conflicts are identified with Metro's projects, similar utility agreements will need to be negotiated and executed swiftly to memorialize those roles and responsibilities and proceed with mitigating any conflicts to maintain schedule and budget.

BACKGROUND

A well-planned utility relocation is critical to any transit project's cost and schedule. Earlier communication and closer coordination with utility companies allows smoother project completion. It is critical to set up a UCA with Tesoro Pipeline, as well as with other potential pipeline company owners, to properly and effectively document delivery commitments, cost-sharing processes, roles and responsibilities and processes to resolve disagreements for work to continue unimpeded.

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

DISCUSSION

Utility Cooperative Agreements

There are many utilities that conflict with Metro project alignments and require mitigations, which can range from removal, replacement, protection, reconstruction to 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 and construction phases of the projects. Advancing utility agreements between the parties is a key next step for the successful delivery of Metro projects and demonstrates the level of support required by key stakeholders. The general intent of the UCA (Attachment A) is to cover the ongoing Projects, starting with the Southeast Gateway Line project (SGL), as well as future Metro Projects. As other utility conflicts arise with other pipeline company owners, the appropriate utility agreements will be negotiated and executed to accommodate those projects.

By executing the UCA, the utility owner acknowledges the project as a high-priority public works project 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 necessary services for the successful delivery and implementation of the project. The UCA defines procedures, identifies roles and responsibilities, and identifies costs between Metro and the utility owner.

The following are key components of the UCA with Tesoro Pipeline, which will be components of the future as-needed utility agreements with other pipeline companies as well:

- Reimbursement of costs to the utility owners for project related work through a work authorization/work order process
- The agreement will have a 15-year duration, renewed for consecutive one-year terms
- Metro and utility owner points of contact authorized to make decisions and bind the parties on related matters
- Basis and agreement on the applicable procedures, interface management, and costs for each party with respect to the planning, design and construction of rearrangements
- Process and agreement on self-perform designs and review periods
- Process and agreement on necessary construction and inspection needs, including provisions for installation of temporary facilities to ensure continuity of transmission for the utility
- Ability to accommodate other Metro projects

Metro and Tesoro Pipeline agree that each will cooperate with the other in all activities covered by the UCA. Work performed by Tesoro Pipeline under the UCA shall be per the work orders to be issued by Metro on an annual basis. It is to be noted that nothing in this agreement creates or confers any new

rights to the utility contractor. Nor does it create any new contractual relationship between the utility and Metro's contractors.

DETERMINATION OF SAFETY IMPACT

The recommended actions will not affect the safety of Metro customers and/or employees as 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 Tesoro Pipeline and other as-needed pipeline utility owners on an annual basis. Work orders for these commitments created within the UCA 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 this UCA and other pipeline utility agreements in the future fiscal years and within the cumulative budget limit for the affected fiscal year.

EQUITY PLATFORM

The execution of the UCA with Tesoro Pipeline, and other as-needed utility agreements with other pipeline 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 high quality 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 conflict 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 Caltrans'

Highway Performance Monitoring System (HPMS) 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 UCA. However, not executing the UCA and other utility agreements with other pipeline 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 UCA. All of these are essential elements to ensure the projects eliminate risk, stay on schedule, stay on budget and ensure success.

NEXT STEPS

Upon Board approval, the CEO or designee will execute the UCA between Metro and Tesoro Pipeline. Staff will also continue to work with other responsible pipeline company stakeholders to develop other necessary utility agreements.

ATTACHMENT

Attachment A - Utility Cooperative Agreement between Tesoro SoCal Pipeline Company, LLC and LACMTA

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