



- **Board of Directors**
One Water and Adaptation Committee

3/10/2026 Board Meeting

8-1

Subject

Authorize the General Manager to develop and enter into an Agreement with the Los Angeles Department of Water and Power and the Los Angeles County Department of Public Works for Multi-Benefit Program Funding Pilot; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

In May 2025, Metropolitan's One Water and Adaptation Committee directed staff to work with the Los Angeles County Department of Public Works (County) to develop a Multi-Benefit Program Funding Pilot (Pilot Program) that would allow the County to fund stormwater capture improvements on private property within Los Angeles County. Metropolitan and County staff developed and evaluated several versions of a pilot program, drawing on research and lessons learned from similar programs in other counties. In November 2025, the County selected the Los Angeles Department of Water and Power's (LADWP) service area for participation in the Pilot Program. The proposed Pilot Program was further refined following subsequent discussions and input from LADWP. The proposed Pilot Program includes (1) an extension of LADWP's Landscape Efficiency Assistance Program, utilizing funding from the County and Metropolitan; (2) development of a new process for Metropolitan to administer and provide funds from an outside entity to a member agency; and (3) an independent third-party cost-benefit analysis of the Pilot Program.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Authorize the General Manager to develop and enter into an agreement with LADWP and the County for the Multi-Benefit Program Funding Pilot consistent with the approved terms, including using U.S. Bureau of Reclamation (USBR) grant funding and \$250,000 of Metropolitan's own funds for the required cost-share purposes.

Fiscal Impact: Total cost to Metropolitan of \$350,000, which includes \$250,000 of Metropolitan's own funds (for cost-sharing towards USBR grant funding) and an additional \$100,000 for the budgeted estimated cost of the final pilot study analysis and report. Metropolitan would also use \$250,000 of Metropolitan's USBR grant funding.

Business Analysis: Opportunity to pilot a funding mechanism that would simplify the process for member and retail agencies to create partnerships that result in multi-benefit programs. This also allows Metropolitan to utilize awarded grant funds while avoiding potential administrative and other issues.

Option #2

Do not authorize the General Manager to enter into an agreement with LADWP and the County for a multi-benefit program funding pilot.

Fiscal Impact: None

Business Analysis: Staff would not move forward with partnering with the County on a multi-benefit pilot.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 4210: Water Conservation

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 52776, dated April 12, 2022, the Board adopted the 2020 Integrated Water Resources Plan Update, as set forth in Agenda Item 7-1 board letter.

By Minute Item 49542, dated September 10, 2013, the Board authorized new conservation program initiatives effective October 1, 2013.

By Minute Item 49068, dated May 8, 2012, the Board authorized changes to Metropolitan's Water Conservation Program effective July 1, 2012.

By Minute Item 48772, dated August 16, 2011, the Board adopted the Long-Term Conservation Plan and revisions to the water conservation policy principles.

Related Board Action(s)/Future Action(s)

Not applicable

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it will not result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines Section 15378(a)).

CEQA determination for Option #2:

None required

Details and Background

Background

It is Metropolitan's policy to undertake and support water conservation programs. The Board has directed staff to "develop and implement such programs and enter into agreements with member public agencies and other organizations to make more efficient use of water resources through water conservation programs so long as such agreements serve a beneficial purpose of Metropolitan." (Metropolitan Water District Administrative Code § 4210.) Conservation and water use efficiency have played a key role in Metropolitan's Integrated Water Resources Plan for decades. Metropolitan invests in regional and local conservation programs that provide needed water savings and demand reduction, including the regional Turf Replacement Program and member and retail agency landscape direct install programs.

Since 2018, Metropolitan has actively promoted the co-benefits of turf removal and replacement with drought-tolerant and environmentally sustainable gardens. Turf replacement, whether through direct installation or the regional rebate program, provides long-term water savings, as well as other benefits such as habitat creation, reduced stormwater runoff, improved water quality, and urban cooling. These co-benefits could meet the goals of

external entities and create a partnership opportunity to leverage additional outreach and funding that benefits multiple agencies.

At this time, there is no mechanism for an outside entity to make financial contributions for funding co-benefits through Metropolitan's conservation program. Outside entities that wish to contribute to the regional program must do so by entering into a direct financial agreement with a member agency. Outside entities that wish to partner on local programs, such as a direct-install landscape program, must do so directly with the local agency. Metropolitan's current billing structure can only receive program funds administered through the conservation program to and from member agencies and their retail agencies. The proposed Pilot Program will test a new process that utilizes the administrative structures of the conservation program to streamline partnerships between outside entities and their preferred member agency partners, and improve access to additional funding for member and retail agencies.

Process and Input

The County has expressed interest in providing \$1.5 million in funding to help achieve the stormwater retention and infiltration goals outlined in their Safe, Clean Water Program. Over the last eight months, Metropolitan staff have met regularly with County staff to discuss options for a pilot program that would incorporate their desired enhanced stormwater requirements into turf replacement projects. Concurrently, staff met regularly with San Diego County and Orange County public works staff, both of which are engaged in similar partnerships with the San Diego County Water Authority and the Municipal Water District of Orange County, respectively. Through this engagement, staff gained significant knowledge about the resources, time, and local expertise required to ensure proper design and installation of the enhanced stormwater features. The general consensus and outcome is that individual property owners would not be able to design and install the type of stormwater features required by the County without extensive technical assistance.

As part of the development process, the County was responsible for identifying its preferred member agency partner and service area within Los Angeles County. In November 2025, the County selected the LADWP and its service area as its selected participant in the Pilot Program. At that time, Metropolitan and County staff were able to begin engagement with LADWP to discuss the concept of a stormwater pilot and to incorporate their needs and goals into the proposed pilot program. The proposed Pilot Program meets the goals of all three agencies and is practicable given each agency's resource and staffing limitations.

Proposed Approach

The proposed approach to the Pilot Program allows a new avenue for interested outside funding agency (County) to utilize Metropolitan's conservation program administrative infrastructure to fund a program or program element with a Metropolitan member agency (LADWP) of their choice. In the case of this Pilot Program, the County will be funding the inclusion of enhanced stormwater features in one of LADWP's direct install programs administered through Metropolitan.

LADWP recently launched the Landscape Efficiency Assistance Program (LEAP), a direct-install landscape program for customers in underserved communities, currently funded by a USBR grant. LADWP's service area was divided into nine regions, and designs were developed for each region that met Metropolitan's Turf Replacement Program standards. Grant funding for LEAP expires on December 31, 2026. However, LADWP's agreements with the landscape contractors currently implementing the program extends through 2028, creating an opportunity to utilize LEAP for this pilot. The County will provide \$1.5 million to Metropolitan, and Metropolitan will then administer and dispense the money to LADWP for LEAP, allowing the program to operate beyond 2026. LADWP will execute change orders with its landscape contractors to include the installation of stormwater features that capture the runoff from an 85th-percentile stormwater event, which provides the stormwater retention and infiltration as required by the County.

Staff proposes piloting a streamlined funding process that could allow outside entities to partner with Metropolitan on programs that benefit all parties. As noted earlier, Metropolitan does not currently have a process in place that allows non-member agencies to contribute funding directly to Metropolitan programs without member agency participation. Similarly, member and retail agencies are only able to partner with outside entities on local conservation programs when agency staff has the capacity to do so. Many agencies are hindered from

developing partnerships by the administrative burden of executing agreements for each program. Under this Pilot Program, Metropolitan will develop an administrative process to provide the County's funding to LADWP for completed projects. Metropolitan will also issue a request for proposals to enter into an agreement with an independent third-party consultant for a final pilot program analysis study and report. This work will include a cost-benefit analysis, quantification of stormwater benefits, and a review of other potential co-benefits of direct install turf replacement. If this Pilot Program is successful, this process could be introduced region-wide for any number of potential partners for local programs and Metropolitan's regional programs.

In December of 2024, Metropolitan was awarded \$250,000 in grant funding from USBR for a Disadvantaged Community Direct Install Landscape Program. Metropolitan staff have been developing a small pilot program to utilize the grant funding awarded for a direct install program in disadvantaged communities. However, direct-install programs create administrative and other challenges and therefore, are best implemented by outside entities. That is why staff recommends contributing the grant funding and Metropolitan's required cost-share to this proposed Pilot Program. Staff proposes using the USBR grant funding and \$250,000 in Metropolitan funds for a cost-share to fund LADWP's LEAP program, along with the County's \$1.5 million in funding. The proposed Pilot Program provides an opportunity for Metropolitan to benefit from the water savings achieved by LADWP's LEAP program as a result of direct-install programs.

Staff is requesting approval to develop and enter into an agreement with the following terms:

1. Metropolitan will administer the funding by the County and Metropolitan for reimbursement of eligible work completed through LEAP.
2. Metropolitan will assist in the development of the revised LEAP scope of work to achieve the goals set forth by LADWP and the County.
3. Metropolitan agrees to accept \$1.5 million in County funding and distribute it to LADWP for reimbursement of work completed through LEAP.
4. Metropolitan will contribute up to \$250,000 of its USBR grant funding awarded for a Disadvantaged Community Direct Install Landscape Program to LADWP for reimbursement of work completed through LEAP.
5. Metropolitan will contribute up to \$250,000 of its own funds to LADWP for LEAP reimbursement, to meet the required match funding for the USBR grant fund expenditures.
6. Metropolitan agrees to lead and fund a third-party independent cost-benefit analysis of the Pilot Program upon program completion.
7. Metropolitan will spend up to \$100,000 for preparation of a final pilot study and report.

Next Steps

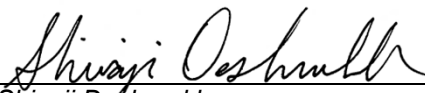
If approved by the Board, the General Manager will be authorized to enter into an agreement consistent with the terms described in this board letter with LADWP and the County for the Pilot Program. Upon execution of the agreement, staff will solicit proposals for a third-party program analysis consultant and report progress and results to the Board.



Brandon J. Goshi
Manager, Water Resources Management

3/4/2026

Date



Shivaji Deshmukh
General Manager

3/4/2026

Date