

US STORMWATER

City of Salinas set to innovate as stormwater P3s gain momentum across the US

The Californian city is the latest US municipality to explore a performance-based approach to stormwater management. A long-term outsourced arrangement with the private sector will be supported by a cloud-based asset management platform.

The City of Salinas in California's Monterey County is preparing to issue an RFQ by the end of this year for a long-term DBFO-type arrangement to manage the installation and maintenance of green stormwater infrastructure (GSI).

The project will serve to accelerate the reduction of stormwater run-off and associated pollution as the City strives to meet impending total maximum daily load (TMDL) requirements in 2023 and 2024, as well as the requirements of a new federal MS4 discharge permit agreed this month.

"We have a great opportunity to incorporate green infrastructure in the City as a cost-effective means of achieving the attainment goals of our TMDLs and pollutant load reduction plan," explained Heidi

Niggemeyer, the City's stormwater programme manager.

The City is currently considering an estimated \$50 million investment over an initial three-year implementation phase, involving the installation of GSI or stormwater capture infrastructure across at least 600 impervious acres, which the contractor would be expected to design, build and maintain over a 30-year term.

With 47% of the city's 160,000 population considered economically disadvantaged, the community-based P3 (CBP3) model under consideration would also encompass other community benefits such as trash reduction and park greening.

Key to the initiative has been the development of performance-based targets for

metrics such as the reduction of stormwater run-off and particulate loading, underpinned by a cloud-based asset management platform developed by 2nd Nature Software that can quantify and track the performance of stormwater infrastructure.

"With this P3 initiative we'll have a partner that is not only implementing the GSI, but developing a system for overall O&M over the long term," Niggemeyer explained. "The partner doesn't get paid until they reach the performance metrics as agreed, so it's a great way of setting goals for a stormwater programme, but paying someone else to get you there."

"It is on the private partner to figure out how to deliver the clean water and community outcomes as efficiently and effectively as possible, and sustain them over time," added Nicole Beck, CEO of 2nd Nature Software.

For instance, the private entity may opt to retrofit existing GSI installations in the City that have been poorly maintained, thereby taking advantage of low-hanging fruit to improve performance. With many of these existing installations located on private property, a private sector contractor will be better placed to engage with private landowners on matters such as purchasing the assets, which can be restrictive for a municipal utility.

The benefits of private sector outsourcing for stormwater management mean that such arrangements are increasingly being adopted across the US, building on the first CBP3 adopted in Prince George's County, MD, in 2015 (see table, left). Earlier this month, for example, Milwaukee Metropolitan Sewerage District awarded a GSI contract to private developer Corvias Solutions.

While Salinas has yet to determine the financing approach it will take for its project – including whether to create a stormwater utility to help fund the initiative going forward – the City is open to a fully privately financed arrangement, or blending private capital with low-cost public debt.

David Jacobs, the City's public works director, indicated to GWI that the RFQ will serve to gather private sector input on possible financing arrangements. ■

STORMWATER PARTNERS

More than a dozen communities in the US are either planning, or have implemented, some variation of a stormwater P3 arrangement. Interest in the model shows no signs of waning.

Location	Scope
City of Salinas, CA	30-year community-based P3, involving 600 acres of GSI at an initial estimated investment of \$50 million. RFQ under preparation.
City of Milwaukee, WI	GSI programme with long-term O&M and possible "non-traditional" financing. Awarded to Corvias Solutions in October 2019.
York County, PA	RFP issued for long-term DBFOM to reduce stormwater sediment discharge by 4 million pounds within five years. Bids due in December 2019.
New York City, NY	Management of a \$53 million private property GSI incentive programme. Contract award expected in 2019.
City of St Albans, VT	New stormwater treatment facility planned, under a possible P3 arrangement. RFP responses received in September 2019.
Washington state	Feasibility study delivered in March 2019 ahead of possible CBP3 pilots.
Montgomery County, MD	RFP issued in October 2018 for design, build and O&M of \$40 million of GSI. Project understood to be under internal review.
Culver City, CA	\$8 million P3 arrangement with warehouse store Costco for a new stormwater underground storage tank. Due for completion in 2020.
Anne Arundel County, MD	\$15 million of GSI delivered since 2017 under a pay-for-performance programme soliciting delivery of GSI projects by private developers.
City of Youngstown, OH	Partnered with Greenprint Partners to develop a GSI master plan in 2017. A CBP3 feasibility analysis was presented in October 2018.
City of Peoria, IL	\$2m GSI CBP3 pilot initiated with Greenprint Partners in January 2017.
City of Chester, PA	30-year DBFOM for 350 acres of GSI; estimated targeted investment of \$50 million. Under development by Corvias Solutions since 2016.
Prince George's County, MD	30-year DBFOM for 2,000 acres of GSI, at a project cost of \$100 million. Under development by Corvias Solutions since 2015.

Source: GWI