Title 15 Proposed Amendment

<u>Strategic Plan Goal</u>:
4) Enhance El Paso's Quality of Life through Recreational, Cultural, and Educational Environments
6) Set the Standard for Sound Governance and Fiscal Management
7) Enhance and Sustain El Paso's Infrastructure Network

December 9, 2019

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II. PCI Study- Street Maintenance Funds Needed
III. PSB INFRASTRUCTURE FRANCHISE FEE

STREET RELATED FUNDING			
PROGRAM	**AMOUNT**		**YEAR APPROVED**
2012 Street CIP	$	218,000,000	2012
2017 Capital Plan	$	13,300,000	2017
2018 Capital Plan	$	45,961,667	2017
2019 Capital Plan	$	64,258,539	2018
TOTAL APPROVED TO DATE	**$**	**341,520,206**	
Pay As You Go			
$7M Residential Street Resurfacing	$	7,000,000	2019- Annual

- Street Maintenance is a high priority for our community
- The inventory for roads in the City shows 2,500 centerline miles
  - $44 Million is the estimated annual investment in order to keep the street Pavement Condition Index of 70 (out of 100)
- July 2019 – City Council directed staff to:
  - Continue to look for funding opportunities for Street Maintenance
  - Put a program together for a vote and/or options for additional revenue for street maintenance. Direction reinforced on November 25, 2019
- Using annual operating funds for resurfacing is a best practice

PCI

PCI – What is it?

- Pavement Condition Index (PCI) is data used to assess the general condition of pavement
- The data is used as a tool for initial prioritization
- Requires regular evaluation to updating conditions
- Provides forecasting which can assist and plan needed future improvements

El Paso Results

PCI

PCI Range	Condition Description	Percent of Network
86-100	Good	26.75%
71-85	Satisfactory	22.72%
56-70	Fair	17.06%
41-55	Poor	17.59%
26-40	Very Poor	10.46%
11-25	Serious	5.00%
0-10	Very Serious	0.42%
	TOTAL	100%

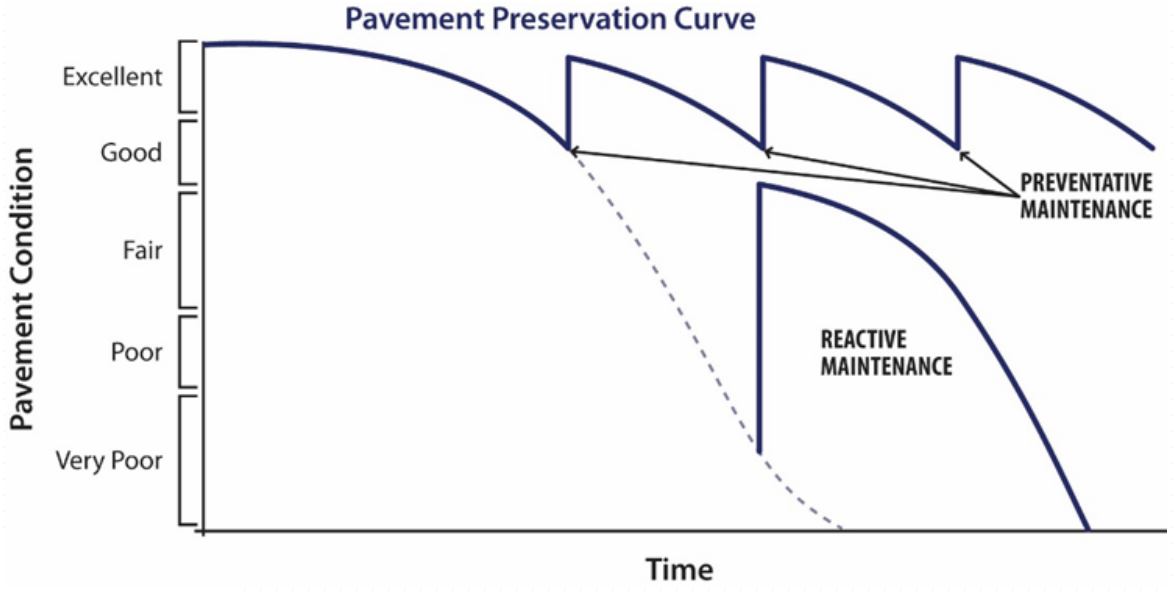
49.5% of the street inventory is Satisfactory or higher;
50.5% of network is Fair or worse

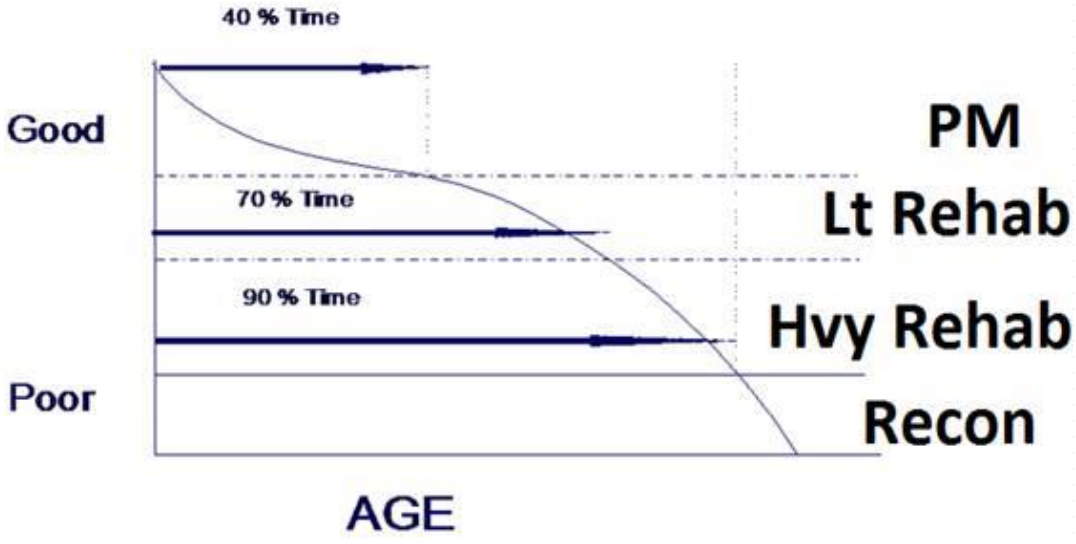
Best Practices

- Useful life of a road is 25 years
- 4% of the street inventory every year
- Average PCI at 70 or above should be our goal
- Spend a portion of the budget to keep good pavement in good condition
- Have a plan to bring poor roads to fair condition and above
- Find cost effective treatments at designated times to provide desired level of service

Best Practices

PCI





PM SEALS/CRACK SEALS

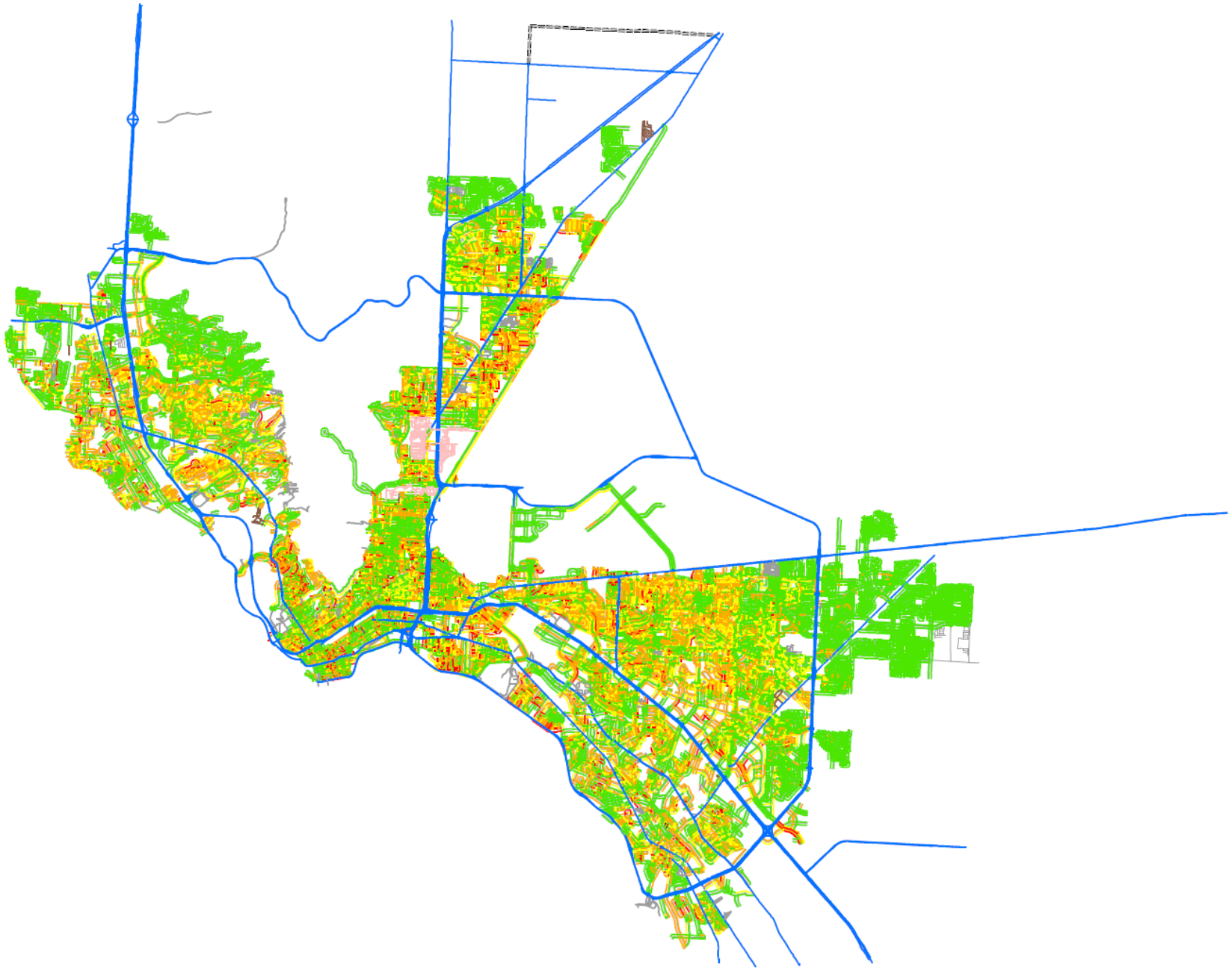
Lt Rehab MILL AND OVERAL

Hvy Rehab SPOT FULL DEPTH REPAIRS AND MILL AND OVERLAY

Recon RECONSTRUCTION

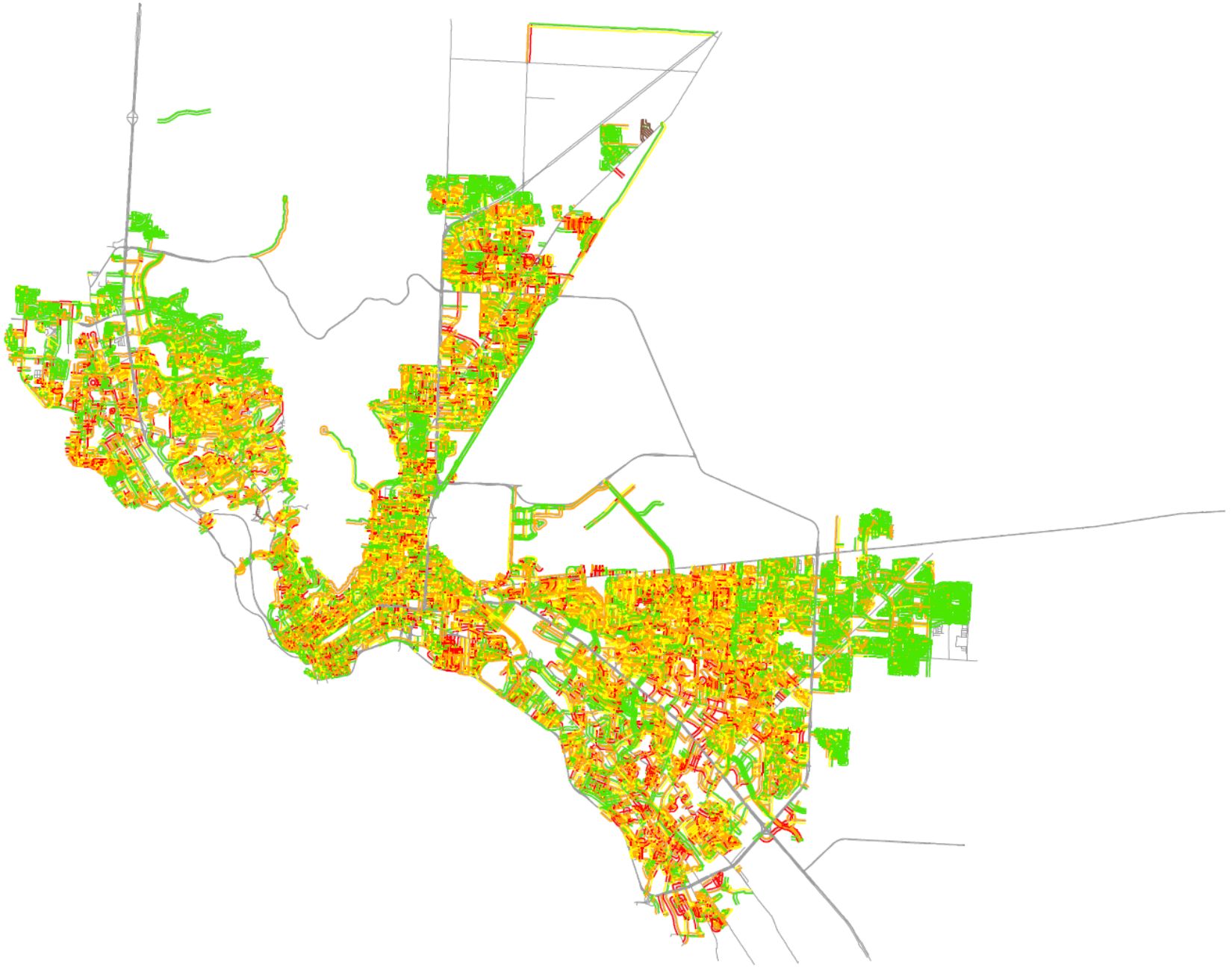
Historical Information

2008 PCI = 75.54 avg.



2018 PCI = 65.42 avg.

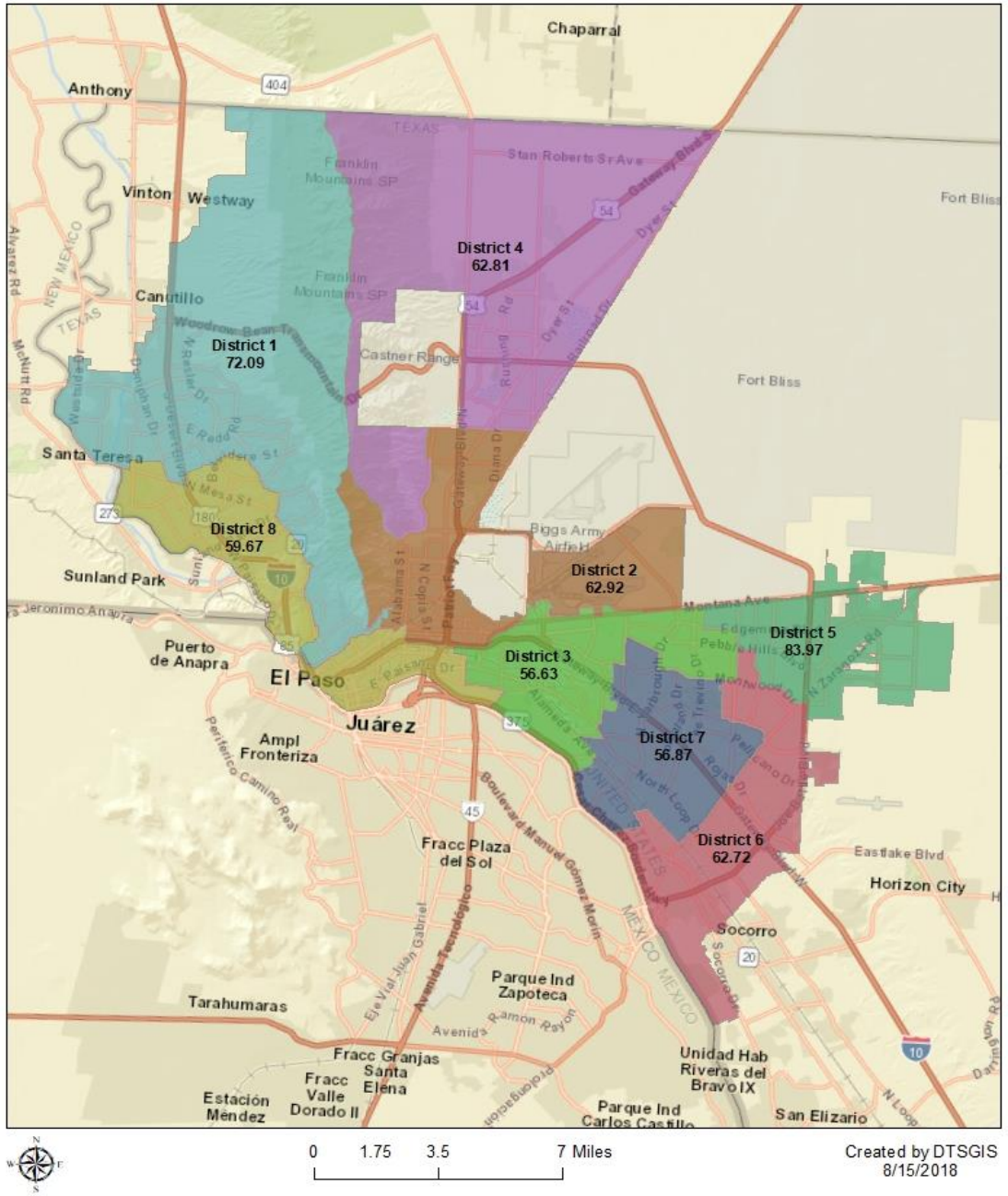
PCI



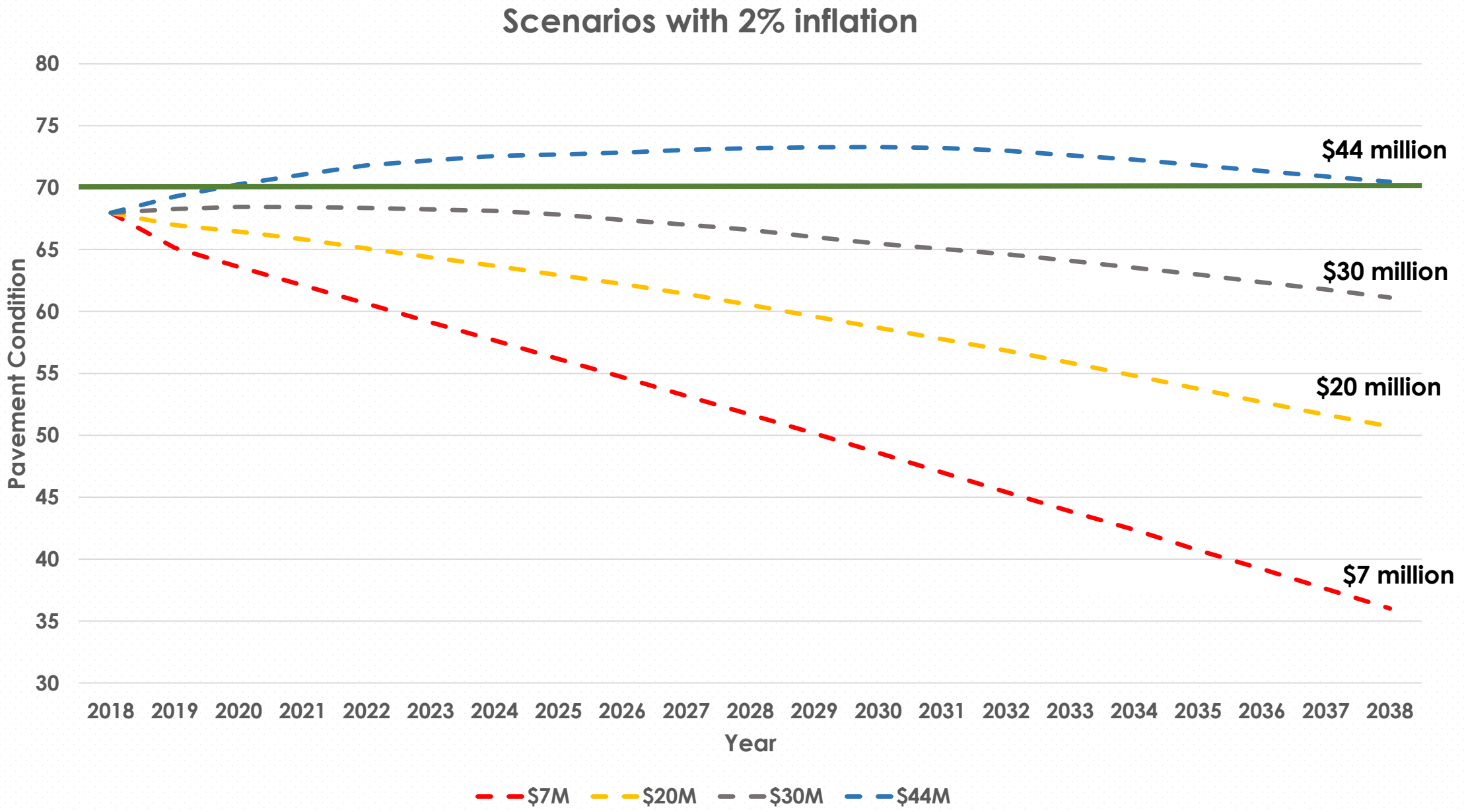
Average PCI by District

PCI

District	Average PCI
1	72.09
2	62.92
3	56.63
4	62.81
5	83.97
6	62.72
7	56.87
8	59.67



Scenarios


Scenarios with 2% inflation
Pavement Condition
80
75
70
65
60
55
50
45
40
35
30
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
2036
2037
2038
Year
$44 million
$30 million
$20 million
$7 million
$7M
$20M
$30M
$44M

PSB Infrastructure Franchise Fee

PSB Infrastructure Franchise Fee

- **A fee imposed by the City of El Paso on EP Water to compensate for wear and tear on streets by the utility's vehicles and the use of streets and rights of way for utility pipelines.**

PSB Infrastructure Franchise Fee

- Currently - $3,550,000 is being collected through the budget resolution.
- The current funding is allocated to the general fund for street maintenance operations.
- An Engineering Analysis completed evaluated the various users of the Street so that users contribute their fair share for street maintenance.
- PSB is one of the users of the street right of way and the operations of the Water and Wastewater cause a big impact on the pavement condition.
  - Pavement Cuts
  - Heavy equipment operating on pavement
- An additional $2,960,000 is being proposed to be dedicated for street resurfacing.

PSB Franchise Fee

- The additional annual $2,960,000 will bring the total Infrastructure Franchise Fee to 2.75% of the PSB annual revenues for Water and Wastewater.

- The modified franchise would take effect on March 1, 2020 as part of the new PSB budget.

- Streets to be resurfaced with the additional funds would approved by Council following a recommendation by staff based on the PCI Study. Staff to target collectors with initial funds.

- The proposed funds would bring the total annual funding total to an approximate $9,960,000 of dedicated street maintenance dollars.

PSB Infrastructure Franchise Fee

- Impact of franchise fee on residential EPWater customers
  - Franchise fee charges are based on meter size
  - Most residential customers have a ¾" meter, and the average water use is 11 CCF
  - Typical Residential Bill is assessed a monthly charge of 77 cents
  - Recommended change to would increase a Typical Residential Bill by 60 cents per month

Estimated Amounts

EPWATER INFRASTRCUTRE FRANCHISE FEE PROPOSAL		
Based on % of Revenue - Estimated		
	FY 2019	
Water	$	153,050,940
Wastewater Revenue	$	83,943,118
Total Revenue	**$**	**236,994,058**
Rate		2.75%
Total	**$**	**6,517,337**
Current Amount	$	3,550,000
Additional Revenue	**$**	**2,967,337**

Follow up Items

- **Approve Title 15 Amendment**

  1. **Increase Franchise Fee to El Paso Water to 2.75%**

  2. **Dedicate $2.96M for Street Resurfacing**

Introduction on December 10th and Public Hearing December 17th 2019

- **Streets to be resurfaced by the new funds will be presented to City Council under a separate future agenda item.**

20 IN 2020
POWER IN THE VISION
25 BY 2025
VisionNEXT

THANK YOU