To the Mayor and Members of the City Council

September 7, 2023

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SUBJECT: Water and TPW Departments – 50/50 Program

The following is a budget response on the topic of the 50/50 Program with shared responsibility between Water and TPW.

The purpose of the 50/50 Program is to share the repaving costs after the Water Department and other City's subsurface utility projects are completed in order to leverage the cost of permanent trench repair toward repaving the entire street. Depending on the condition of the existing roadway, TPW participates in the cost of pavement restoration (on a 50/50 basis) after a water or sanitary sewer replacement by the Water Department. The 50/50 Program is an opportunity to provide a holistic approach to street infrastructure projects.

As a result of the Water Department's Cast Iron Replacement Program, consideration has been given to increase the \$3.5M programmed annually in PayGo funding for Street Maintenance. Currently, there are 1,800 lane miles of roadways in the City with cast iron water lines, with 528 lane miles of asphalt streets inside the loop. The majority of these lane miles are located in disparity areas, having a failed pavement condition with an average Pavement Condition Index (PCI) of under 50, and with a significant amount of severely deteriorated or non-existing curb and gutter.

If the street has PCI of less than 75, then TPW, subject to funding availability of up to \$3.5M annually, will share the cost of street rehabilitation and reconstruction with the Water Department on a 50/50 basis. This includes full-width asphalt overlay, replacement of all damaged curb and gutter, deteriorated driveway approaches, and installation of missing curbs and missing driveway approaches. Once TPW funding is exhausted each year, the Water Department follows the Utility Construction Cut Policy, which requires the Water Department to install permanent trench repair for the water/ sewer mains and laterals or conduct full-width asphalt pavement overlay and excludes any deteriorated or damaged curbs, gutters, driveways, or driveway approaches.

In order for TPW to keep up with the Water Department's progress in replacing cast iron pipes, TPW would need an additional \$20M per year in PayGo Capital. TPW is not recommending this level of funding from our annual budget, as it would consume most remaining PayGo for all departments. Instead, additional funding for street reconstruction to leverage with the remaining cast-iron pipe replacement program will be considered as part of the 2026 bond program.

If you have questions concerning this information, please contact William Johnson, Assistant City Manager, at 817-392-5806.

David Cooke City Manager