



Agenda

Transportation, Infrastructure, and Planning Subcommittee

Wednesday, February 15, 2023

10:00 AM

City Council Chambers

OPTIONS TO ACCESS THIS MEETING

Virtual Request to speak at a meeting:

- **Register online** by visiting the City Council Meetings page on phoenix.gov **at least 2 hours prior to the start of this meeting.** Then, click on this link at the time of the meeting and join the Webex to speak:

<https://phoenixcitycouncil.webex.com/phoenixcitycouncil/onstage/g.php?MTID=ed39a28e8114ecbf57b3bbabbae95d15>

- **Register via telephone** at 602-262-6001 **at least 2 hours prior to the start of this meeting.** noting the item number. Then, use the Call-in phone number and Meeting ID listed below at the time of the meeting to call-in and speak.

In-Person Requests to speak at a meeting:

- Register in person at a kiosk located at the City Council Chambers, 200 W. Jefferson St., Phoenix, Arizona, 85003. Arrive **1 hour prior to the start of this meeting.** Depending on seating availability, residents will attend and speak from the Upper Chambers, Lower Chambers or City Hall location.

- Individuals should arrive early, 1 hour prior to the start of the meeting to submit an in-person request to speak before the item is called. After the item is called, requests to speak for that item will not be accepted.

At the time of the meeting:

- **Watch** the meeting live streamed on phoenix.gov or Phoenix Channel 11 on Cox Cable, or using the Webex link provided above.

- **Call-in** to listen to the meeting. Dial 602-666-0783 and Enter Meeting ID 2551 879 5318# (for English) or 2554 428 2358# (for Spanish). Press # again when prompted for attendee ID.

- **Watch** the meeting in-person from the Upper Chambers, Lower Chambers or City Hall depending on seating availability.

Para nuestros residentes de habla hispana:

- **Para registrarse para hablar en español**, llame al 602-262-6001 **al menos 2 horas antes del inicio de esta reunión** e indique el número del tema. El día de la reunión, llame al 602-666-0783 e ingrese el número de identificación de la reunión 2554 428 2358#. El intérprete le indicará cuando sea su turno de hablar.

- **Para solamente escuchar la reunión en español**, llame a este mismo número el día de la reunión (602-666-0783; ingrese el número de identificación de la reunión 2554 428 2358#). Se proporciona interpretación simultánea para nuestros residentes durante todas las reuniones.

- **Para asistir a la reunión en persona**, vaya a las Cámaras del Concejo Municipal de Phoenix ubicadas en 200 W. Jefferson Street, Phoenix, AZ 85003. Llegue 1 hora antes del comienzo de la reunión. Si desea hablar, regístrese electrónicamente en uno de los quioscos, antes de que comience el tema. Una vez que se comience a discutir el tema, no se aceptarán nuevas solicitudes para hablar. Dependiendo de cuantos asientos haya disponibles, usted podría ser sentado en la parte superior de las cámaras, en el piso de abajo de las cámaras, o en el edificio municipal.

000 CALL TO ORDER

CALL TO THE PUBLIC

MINUTES OF MEETINGS

**1 Minutes of the Transportation, Infrastructure and Planning
Subcommittee Meeting**

Page 10

This item transmits the minutes of the Transportation, Infrastructure and Planning Subcommittee Meeting on Jan. 18, 2023 for review, correction or approval by the Transportation, Infrastructure and Planning Subcommittee.

THIS ITEM IS FOR POSSIBLE ACTION.

Responsible Department

This item is submitted by Deputy City Manager Mario Paniagua and the City Manager's Office.

CONSENT ACTION (ITEMS 2-3)

2 Amend City Ordinance G-3446 - Scalloped Streets

Page 18

This report requests the Transportation, Infrastructure and Planning Subcommittee recommend City Council approval of amendments to City Ordinance G-3446 regarding "Scalloped Street" assessment policies.

THIS ITEM IS FOR CONSENT ACTION.

Responsible Department

This item is submitted by Deputy City Manager Mario Paniagua, the Street Transportation Department, and the City Engineer.

3 2023 Membership with the National Association of City Transportation Officials Page 20

This report requests the Transportation, Infrastructure and Planning Subcommittee recommend City Council approval of the 2023 annual membership with the National Association of City Transportation Officials for an amount not to exceed \$31,250.

THIS ITEM IS FOR CONSENT ACTION.

Responsible Department

This item is submitted by Deputy City Manager Mario Paniagua and the Street Transportation and Public Transit departments.

INFORMATION ONLY (ITEMS 4-10)

4 Metro, Regional Public Transportation Authority and Maricopa Association of Governments Meetings Page 22

This report provides the Transportation, Infrastructure and Planning Subcommittee with copies of past and/or upcoming meeting agendas/summaries for METRO light rail, Valley Metro/Regional Public Transportation Authority and the Maricopa Association of Governments.

THIS ITEM IS FOR INFORMATION ONLY.

Responsible Department

This item is submitted by Deputy City Manager Mario Paniagua and the Public Transit Department.

5 Citizens Transportation Commission Meetings Page 24

This report provides the Transportation, Infrastructure and Planning Subcommittee with copies of past and/or upcoming meeting agendas/summaries for the Citizens Transportation Commission.

THIS ITEM IS FOR INFORMATION ONLY.

Responsible Department

This item is submitted by Deputy City Manager Mario Paniagua and the Public Transit and Street Transportation departments.

6 **Freeway Program Update**

Page 25

This report provides the Transportation, Infrastructure and Planning Subcommittee updates on the Arizona Department of Transportation (ADOT) freeway program within the City of Phoenix.

THIS ITEM IS FOR INFORMATION ONLY.

Responsible Department

This item is submitted by Deputy City Manager Mario Paniagua and the City Manager's Office.

7 **Aviation Department Five-Year Capital Improvement Program**

Page 30

This report summarizes the Aviation Department's Fiscal Year (FY) 2024-28 Five-Year Capital Improvement Program (CIP) budget. The focus of the CIP is on airport safety and security, customer service and asset preservation projects.

THIS ITEM IS FOR INFORMATION ONLY.

Responsible Department

This item is submitted by Deputy City Manager Mario Paniagua and the Aviation Department.

8 Public Works Department Capital Improvement Program for Fiscal Years 2023-28 Page 33

This report provides the Transportation, Infrastructure and Planning Subcommittee with information on the Public Works Department Capital Improvement Program (CIP) for Fiscal Years (FY) 2023-28.

THIS ITEM IS FOR INFORMATION ONLY.

Responsible Department

This item is submitted by Deputy City Manager Karen Peters and the Public Works Department.

9 Public Transit Department Capital Improvement Program for Fiscal Years 2023-24 through 2027-28 Page 38

This report provides the Transportation, Infrastructure and Innovation Subcommittee with information on the Public Transit Department's proposed Fiscal Years 2023-24 through 2027-28 Capital Improvement Program, an integral component of the department's efforts to implement the public transit elements of the Transportation 2050 program and provide safe and reliable public transit services to the community.

THIS ITEM IS FOR INFORMATION ONLY.

Responsible Department

This item is submitted by Deputy City Manager Mario Paniagua and the Public Transit Department.

10 HomeServe Service Line Warranty Program Page 43

This report provides the Transportation, Infrastructure and Planning Subcommittee an update on HomeServe's Service Line Warranty

Program and the types of service it currently provides to the City of Phoenix residents.

THIS ITEM IS FOR INFORMATION ONLY.

Responsible Department

This item is submitted by Deputy City Manager Ginger Spencer and the City Manager's Office.

INFORMATION AND DISCUSSION (ITEMS 11-13)

11 Aviation Land Reuse Update

Page 45

This report provides an update to the Transportation, Infrastructure and Planning Subcommittee regarding land reuse in the area surrounding Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Responsible Department

This item is submitted by Deputy City Manager Mario Paniagua and the Aviation Department.

12 Stormwater Excise Tax Assessment Update

Page 58

This report provides an update on the expanded requirements in the most recent City of Phoenix Arizona Pollutant Discharge Elimination System (AZPDES) Municipal Separate Storm Sewer System permit from the Arizona Department of Environmental Quality and a proposed increase in Stormwater Excise Tax Assessments to ensure compliance with these legal requirements.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Responsible Department

This item is submitted by Deputy City Managers Karen Peters, Mario Paniagua and Alan Stephenson and the Water Services, Planning and Development and Street Transportation departments, and the Office of Environmental Programs and the City Engineer.

13 Water Services Department's Financial Plan Update and Water Allowance Adjustment

Page 63

This report provides the Transportation, Infrastructure and Planning Subcommittee with an update on the Water Services Department's financial plans for Fiscal Years 2023-28 and proposed changes to the water allowance. Additionally, it addresses the need for capital improvement investments imposed by further shortages on the Colorado River and the impacts of continuing high inflation on operating, maintenance, and construction costs.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Responsible Department

This item is submitted by Deputy City Manager Karen Peters and the Water Services Department.

000 CALL TO THE PUBLIC

FUTURE AGENDA ITEMS

ADJOURN

For further information or reasonable accommodations, please call the City Council Meeting Request line at 602-262-6001. 7-1-1 Friendly.

Persons paid to lobby on behalf of persons or organizations other than themselves must register with the City Clerk prior to lobbying or within five business days thereafter, and must register annually to continue lobbying. If you have any questions about registration or whether or not you must register, please contact the City Clerk's Office at 602-534-0490.

Members:

Councilwoman Debra Stark, Chair
Councilwoman Betty Guardado
Councilwoman Ann O'Brien
Councilwoman Laura Pastor



City of Phoenix

Transportation, Infrastructure, and Planning
Subcommittee

Report

Agenda Date: 2/15/2023, Item No. 1

Minutes of the Transportation, Infrastructure and Planning Subcommittee Meeting

This item transmits the minutes of the Transportation, Infrastructure and Planning Subcommittee Meeting on Jan. 18, 2023 for review, correction or approval by the Transportation, Infrastructure and Planning Subcommittee.

THIS ITEM IS FOR POSSIBLE ACTION.

The minutes are included for review as **Attachment A**.

Responsible Department

This item is submitted by Deputy City Manager Mario Paniagua and the City Manager's Office.

**Phoenix City Council
Transportation, Infrastructure, and Planning (TIP) Subcommittee
Summary Minutes
Wednesday, Jan. 18, 2023**

City Council Chambers
200 W. Jefferson St.
Phoenix, Ariz.

Subcommittee Members Present

Councilwoman Debra Stark, Chair
Councilwoman Ann O'Brien (virtual)
Councilwoman Laura Pastor
Councilwoman Betty Guardado (virtual)

Subcommittee Members Absent

CALL TO ORDER

Chairwoman Stark called the Transportation, Infrastructure, and Planning Subcommittee to order at 10:04 a.m. with Councilwoman Laura Pastor and Councilwoman Betty Guardado present.

CALL TO THE PUBLIC

None.

MINUTES OF MEETINGS

1. Minutes of the Transportation, Infrastructure, and Planning Subcommittee Meeting

Councilwoman Pastor motioned to approve the minutes of the Nov. 19, 2022, Transportation, Infrastructure, and Planning Subcommittee meeting. Councilwoman Guardado seconded the motion, which passed unanimously, 3-0.

CONSENT ACTION (ITEMS 2-4)

Items 2-4 were for consent action. No presentations were planned, but City staff was available to answer questions.

2. April 2023 Proposed Bus Service Improvements

Consent only. No Councilmember requested additional information.

3. T2050 Pavement Maintenance Program Update and Five-Year Pavement Maintenance Plan through Fiscal Year (FY) 2027

Consent only. No Councilmember requested additional information.

4. Green Transit Technology Contract - Request Recommendation for Award

Consent only. No Councilmember requested additional information.

Councilwoman Pastor motioned to approve consent items 2-4. Councilwoman Guardado seconded the motion which passed unanimously, 3-0.

INFORMATION ONLY (ITEMS 5-8)

5. Freeway Program Update

Information only. No Councilmember requested additional information.

6. Citizens Transportation Commission Meetings

Information only. No Councilmember requested additional information.

7. Metro, Regional Public Transportation Authority and Maricopa Association of Governments Meetings

Information only. No Councilmember requested additional information.

8. Tal Wi Wi Land Sale Consideration

Councilwoman Pastor had a question on this item.

Deputy City Manager Mario Paniagua invited Aviation Services Director Chad Makovsky to address questions on item 8.

Councilwoman Pastor asked why the City is not leasing this property instead of sale consideration, given its value is likely to increase.

Mr. Makovsky responded the City has been weighing its options regarding ownership of the property and determined selling it would be the best course of action. Mr. Makovsky added the City plans to use this property's \$100 million valuation to support the Sky Harbor Airport comprehensive asset management plan.

Councilwoman Pastor asked if the City is selling this property because it needs the revenue upfront instead of continuing to receive lease income for the next 20 years.

Mr. Makovsky replied staff believes the revenue the City would receive through the disposal of that property would better support the airport's asset management strategy.

INFORMATION AND DISCUSSION (ITEMS 9-10)

9. Scalloped Streets Assessment Update

Chairwoman Stark invited Street Transportation Director Kini Knudson and City Engineer Eric Froberg to provide an update on item 9.

Mr. Knudson gave an update on the Scalloped Streets Assessments Policy, noting benefits, including improving staggered development patterns, enhancing annexed properties, and varying development standards.

Mr. Froberg discussed the background of Scalloped Streets Assessments, including when the City Council first adopted the policy in 1984 and the difference between scalloped assessment improvements allowed by State statute and City code.

Councilwoman Pastor asked if the City was enhancing its scalloped assessment code to align with the State statute and whether it is required to make that change.

Mr. Froberg replied the City is not required to align its scalloped assessment code with the State code, but staff is requesting City Council amend the current code to follow State statute language more closely.

Chairwoman Stark asked about the condemnation process of annexed county land where half of the road is developed and the other half is not causing safety issues.

Mr. Knudson responded the City does not apply the assessment improvement to every road that needs to be improved. Mr. Knudson added staff works with County officials on various issues, including cross-jurisdictional boundaries, the right-of-way of properties, and future development opportunities.

Councilwoman O'Brien joined the meeting at 10:16 a.m.

10. Traffic Signal Yellow Timing Field Study

Mr. Knudson introduced Assistant Street Transportation Director Briana Velez.

Mr. Knudson mentioned a recent study by the American Automobile Association and the Insurance Institute of Highway Safety that shows red-light running accidents result in more than two fatalities per day across the U.S. and 113 deaths in the metro area between 2014 and 2020. Mr. Knudson also discussed the current signal light timing practices, standard procedures, and the impact of Phoenix's population growth on traffic flow at signalized intersections.

Ms. Velez discussed calculating traffic signal timing practices based on the Institute of Transportation Engineers (ITE) updated guidelines published in 2020. Ms. Velez noted several modifications in the ITE's updated signal guidelines, including using the 85th percentile approach speed for yellow timing intervals, extending timing calculations for yellow clearance intervals for left-turn movements, and adjusting minimums and maximum intervals to align with extended timing calculations.

Ms. Velez discussed the Traffic Signal Yellow Timing Field Study the City is undertaking in partnership with the University of Arizona. Ms. Velez described the objective of the study as evaluating the ITE timing guidelines from yellow change and red light clearance intervals, identifying the relationship between signal timing changes and drivers' behaviors, and determining whether the new ITE suggestions on yellow change and red clearance intervals could enhance the safety of signalized intersections.

Councilwoman Pastor asked to define what the "during all red" phase of the traffic light signal was measuring.

Ms. Velez answered the all-red phase is the stage following the yellow period, where the traffic light shows red in all directions of travel for a brief period before a green light is activated.

Chairwoman Stark asked why staff conducted the red light running study on Saturday instead of another day.

Ms. Velez replied it was randomly chosen.

Councilwoman Pastor asked if the initial results of the red-light running study showed driving behavioral change.

Ms. Velez responded that based on the initial four-week study, the data indicate a reduction in red light running frequency incidents, however the study needs to continue to determine whether the reduction is sustained.

Councilwoman Pastor inquired if the new ITE timing standards reduced the yellow and red light clearance intervals.

Ms. Velez replied it increased the yellow light interval.

Ms. Velez explained the preliminary results show the new ITE timing standards are promising, but that more study is needed.

Councilwoman O'Brien asked if the long-term study changes included all-red phase clearance time in the light intersection.

Mr. Knudson answered no.

Councilwoman O'Brien questioned if this meant the yellow light clearance time increased, but the study did not adjust the all-red clearance at any of the 12 experimented intersections.

Mr. Knudson responded yes.

Councilwoman O'Brien asked when staff will return to the TIP subcommittee with this item again.

Mr. Knudson responded staff plans to present to City Council Policy Session on Jan. 24 and back to the subcommittee later this year with the study's findings.

Councilwoman Pastor commented on driver behaviors and possible ways of influencing by changing the speed limit.

Chairwoman Stark asked if staff consulted with the Citizens Transportation Commission (CTC) about the Traffic Signal Yellow Timing Field Study.

Mr. Knudson replied staff plans to present to the CTC in the future.

11. Update on Proposed Water Conservation Measures for Existing and New Development

Mr. Paniagua invited Deputy City Manager Karen Peters, Deputy City Manager Alan Stephenson, Water Services Director Troy Hayes, Water Services Principal Planner Maxwell Wilson, and Acting Planning and Development Assistant Director Joshua Bednarek to give an update on item 11.

Ms. Peters explained staff was present to answer questions regarding the City's policy of becoming the most sustainable desert city, namely its conservation programs and how that affects existing water customers.

Mr. Hayes gave an overview of the City's water conservation efforts and water usage trends over the last three decades, noting a 30 percent reduction in residential water use despite an increased population to about 1.7 million.

Mr. Wilson discussed the City's water conservation programs for single-family properties, including xeriscape plans, water budget calculator, text water reminders, toilet rebates, and town halls meetings.

Councilwoman Pastor asked if it would be possible to incentivize multi-family property owners to participate in the conservation rebate program.

Mr. Wilson answered the City intends to ensure that the conservation rebate program is broad enough to allow multi-family property owners to participate if they choose. Mr. Wilson explained multi-family property owners are less interested in participating in the rebate program than single-family homeowners because the property owner passes the water bill directly to customers.

Councilwoman Pastor commented many multi-family property owners have an HOA through which they pay for water services. Councilwoman Pastor questioned why such a rebate program would not benefit them.

Mr. Wilson replied that it would, and staff would reach out to those customers.

Chairwoman Stark stated the TIP Subcommittee extensively discussed existing water use and suggested the need to have additional dialogs on some of the conservation proposals staff put forth about new development water uses.

Councilwoman O'Brien asked staff to discuss the City's HOA efficiency program and the true impact of potential gallons of water savings through this policy.

Mr. Wilson responded staff is currently updating the HOA efficiency program data based on last year's savings numbers. He added based on preliminary results, the City is considering developing more programs to incentivize customers to go further with their water savings approach.

Councilwoman Pastor commented on the effectiveness of potential water savings depending on the turfgrass type, recommending the City's turf conversion program look into exploring weather-tolerant turfgrasses that use less water.

Mr. Bednarek discussed various best water management practices and policies across several planning, zoning, and development types, which included zoning ordinances, drought-tolerant landscaping requirements, water efficiency programs, enhanced standards on new swimming pools, and restrictions on the utilization of turfgrasses.

Mr. Stephenson requested the TIP Subcommittee recommend the City Council approve the Sustainable Desert City Development Policy as revised.

Chairwoman Stark asked staff to provide a quarterly report on this item, namely the City's best water management practices and approaches for new developments.

Councilwoman Pastor made a motion to approve item 11. Councilwoman Guardado seconded the motion, which passed unanimously, 4-0.

The subcommittee congratulated Ms. Peters on her new role with the State as the head of the Department of Environmental Quality.

CALL TO THE PUBLIC

None.

FUTURE AGENDA ITEMS

- Street Maintenance Apprenticeship program
- Public Works Capital Improvement Program for the Facilities Management
- Public Works Apprenticeship Programs
- Public Transit Capital Improvement Program for FY 2023-24 through 2027-28.

ADJOURNMENT

Chairwoman Stark adjourned the meeting at 11:36 a.m.

Respectfully submitted,

Yusuf Dirow, Management Fellow

DRAFT



Amend City Ordinance G-3446 - Scalloped Streets

This report requests the Transportation, Infrastructure and Planning Subcommittee recommend City Council approval of amendments to City Ordinance G-3446 regarding "Scalloped Street" assessment policies.

THIS ITEM IS FOR CONSENT ACTION.

Summary

This item is a follow-up to the January 18, 2023 Subcommittee meeting in which the Street Transportation Department provided an information on proposed changes to Phoenix City Code regarding the City's policy regarding Scalloped Streets. Streets is seeking an amendment to existing City Ordinance (G-3446) language regarding the City's Scalloped Streets policy to align with State law (A.R.S. 9-243) to improve flexibility and ease of use. **(Attachment A)**.

Concurrence/Previous Council Action

- Ordinance amending Chapter 31 of City Code adding an article entitled 'Street Improvements Before Development' on April 18, 1984 (G-2620)
- Amended sections 31-100, 31-101, and 31-102 of Chapter 31 of City Code to include assessment and collection procedures for street improvements on July 3, 1991 (G-3446).

Responsible Department

This item is submitted by Deputy City Manager Mario Paniagua, the Street Transportation Department, and the City Engineer.

Attachment A

Proposed Phoenix City Code Revisions

31-101(b) Street improvements—Assessment policy.

1. The assessment of property, if adjacent arterial streets are involved, shall NOT EXCEED THE COST OF IMPROVING MORE THAN ONE-HALF OF THE WIDTH OR MORE THAN ONE THOUSAND LINEAL FEET OF SUCH ADJACENT ARTERIAL STREET, EXCEPT THAT IF ANY PARCEL OF LAND IS PRESENTLY BEING USED FOR SINGLE FAMILY RESIDENTIAL USE AND THE WIDTH OF SUCH DOES NOT EXCEED TWO HUNDRED LINEAL FEET, SUCH PROPERTY SHALL NOT BE ASSESSED GREATER THAN ONE-HALF THE COST OF THE AVERAGE RESIDENTIAL STREET. ~~be limited to curb, sidewalk and paving between the edge of existing paving and the curb and gutter, or one lane width (whichever is less). The assessment may not exceed one thousand lineal feet of street frontage per common ownership.~~
2. ~~Any parcel of land on an arterial street which, at the time of assessment, is used for single-family residential use, with single-family zoning, and the frontage of which does not exceed two hundred lineal feet, shall not be assessed.~~
3. The provisions of Section 31-101 shall not apply to property located within a Council- approved "redevelopment area."
4. ~~The provisions of Section 31-101 may only be applied if the arterial street being improved is at least sixty percent completed with standard paving and curb and gutter and sidewalk from beginning of permanent pavement to end of permanent pavement. The sixty percent completion is measured along the frontage of the parcels contained within the project and includes those parcels that are non-assessable as defined elsewhere in this ordinance.~~



2023 Membership with the National Association of City Transportation Officials

This report requests the Transportation, Infrastructure and Planning Subcommittee recommend City Council approval of the 2023 annual membership with the National Association of City Transportation Officials for an amount not to exceed \$31,250.

THIS ITEM IS FOR CONSENT ACTION.

Summary

The Street Transportation Department has been a member of the National Association of City Transportation Officials (NACTO) for more than a decade. NACTO is an association of 95 major North American cities and transit agencies formed to exchange transportation ideas, insights, practices, and cooperatively approach national transportation issues. The core of NACTO's mission is to build a strong network of peers and foster open communication and collaboration between cities. NACTO provides its members valuable technical assistance, peer-to-peer learning opportunities, and forums for sharing best practices. Through its annual Designing Cities conference, on-the ground Cities for Cycling Road Shows, targeted street design workshops, and virtual design charrettes, NACTO offers its member cities opportunities to showcase new projects, receive feedback from their peers, explore common challenges, and learn from shared experiences. NACTO offers its members valuable interaction with other cities on best practices, while providing a forum for a unified urban voice in U.S. transportation policy. Member benefits include:

- Best Practices - A forum to share best practices in street design, network planning, and transportation practices from around the U.S., and for peer-to-peer exchange of innovative policies and ideas;
- Communication - Improved communication and dialogue between city staff working on a variety of transportation issues;
- Membership on Review Committees - Including those for the Urban Street, Urban Bikeway, and Transit Street Design Guides;
- Participation in NACTO's Standing Policy Committee on National Transportation Issues - This committee reviews NACTO's federal transportation strategy and meets annually with the Secretary of Transportation in Washington, DC; and
- Connection - Regular updates on NACTO projects and events.

NACTO is a 501(c)(3) non-profit organization that represents large cities on transportation issues of local, regional and national significance. NACTO views the transportation departments of major cities as effective and necessary partners in regional and national transportation efforts, promoting their interests in federal decision-making. They facilitate the exchange of transportation ideas, insights and best practices among large cities, while fostering a cooperative approach to key issues facing cities and metropolitan areas.

NACTO's member cities include: Atlanta, Austin, Baltimore, Boston, Charlotte, Chicago, Columbus, Denver, Detroit, Houston, Los Angeles, Minneapolis, New York, Orlando, Philadelphia, Phoenix, Pittsburgh, Portland, Sacramento, San Antonio, San Diego, San Francisco, San Jose, Seattle, and Washington, DC. International NACTO member cities include: Calgary, Halifax, Hamilton, Montreal, Toronto, and Vancouver. The cost for full membership to NACTO is \$31,250. This rate is for core cities in U.S. metropolitan regions with two million or more residents.

Contract Term

This request is for a one-year membership with NACTO for 2023.

Financial Impact

The membership fee is \$31,250 for 2023. The Street Transportation Department will pay 80 percent of the fee, and the Public Transit Department will pay 20 percent. Funding is available in the Street Transportation and Public Transit departments' operating budgets.

Responsible Department

This item is submitted by Deputy City Manager Mario Paniagua and the Street Transportation and Public Transit departments.



Metro, Regional Public Transportation Authority and Maricopa Association of Governments Meetings

This report provides the Transportation, Infrastructure and Planning Subcommittee with copies of past and/or upcoming meeting agendas/summaries for METRO light rail, Valley Metro/Regional Public Transportation Authority and the Maricopa Association of Governments.

THIS ITEM IS FOR INFORMATION ONLY.

Summary

Within Maricopa County, there are several agencies with different charges relating to public transit and transportation planning.

Valley Metro/Regional Public Transportation Authority (RPTA): In 1993, the RPTA Board adopted the name Valley Metro as the identity for the regional transit system in metropolitan Phoenix. Under the Valley Metro brand, local governments fund the transit system which the public sees on Valley streets today. Valley Metro Board member agencies include Avondale, Buckeye, Chandler, El Mirage, Gilbert, Glendale, Goodyear, Maricopa County, Mesa, Peoria, Phoenix Queen Creek, Scottsdale, Surprise and Tempe.

METRO: METRO is the brand name for Valley Metro Rail Inc., a nonprofit, public corporation charged with the design, construction and operation of the light rail system. The cities that participate financially in the light rail system each have a representative on the METRO Board of Directors. Cities on the board include Chandler, Glendale, Mesa, Phoenix and Tempe. METRO is structured on a "pay to play basis," with voting power allocated based on investment in the system.

The Maricopa Association of Governments (MAG): MAG is a council of governments that serve as the regional agency for the metropolitan Phoenix area. When MAG was formed in 1967, elected officials recognized the need for long-range planning and policy development on a regional scale. Issues such as transportation, air quality and human services affect residents beyond the borders of individual jurisdictions. MAG is the designated Metropolitan Planning Organization (MPO) for transportation planning

in the Maricopa County region.

The goal of staff is to provide the Transportation, Infrastructure and Planning Subcommittee with agendas for future meetings of these bodies. At times, meeting dates do not coincide and agendas are not available until close to the meeting date. However, prior to reach each Board of Directors meeting, most agenda items are reviewed by staff committees which include City of Phoenix members.

Meeting agendas and/or additional information for previous and upcoming METRO, RPTA and MAG meetings will be distributed to Transportation, Infrastructure and Planning Subcommittee members at the meeting.

These materials can also be found via the pages below:

MAG - <https://www.azmag.gov/About-Us/Calendar>

Valley Metro - <https://www.valleymetro.org/news-events>

Responsible Department

This item is submitted by Deputy City Manager Mario Paniagua and the Public Transit Department.



Citizens Transportation Commission Meetings

This report provides the Transportation, Infrastructure and Planning Subcommittee with copies of past and/or upcoming meeting agendas/summaries for the Citizens Transportation Commission.

THIS ITEM IS FOR INFORMATION ONLY.

Summary

The Citizens Transportation Commission advances transparency, public input, and government accountability by reviewing appropriations provided by the Phoenix Transportation 2050 plan (T2050), as approved by the voters on Aug. 25, 2015.

The Commission reviews T2050 appropriations and program recommendations of the Public Transit Department and the Street Transportation Department; annually review the revenues and expenditures of T2050 funds, as well as funding from other sources; conducts public meetings; and formulates and presents recommendations to the Phoenix City Council related to revenues, expenditures, projections, programs and major projects as called for by T2050.

Meeting agendas and/or additional information for previous and upcoming Citizens Transportation Commission meetings will be distributed to Transportation, Infrastructure and Planning Subcommittee members at each Subcommittee meeting.

Meeting minutes can be found through a search via the City of Phoenix Public Records Search page below:

<https://www.phoenix.gov/cityclerk/services/public-records-search>.

Responsible Department

This item is submitted by Deputy City Manager Mario Paniagua and the Public Transit and Street Transportation departments.



Freeway Program Update

This report provides the Transportation, Infrastructure and Planning Subcommittee updates on the Arizona Department of Transportation (ADOT) freeway program within the City of Phoenix.

THIS ITEM IS FOR INFORMATION ONLY.

Summary

The Maricopa Association of Governments (MAG) Regional Transportation Plan reflects numerous freeway construction projects and studies underway within the City of Phoenix. These projects are funded from the voter approved Proposition 400 half-cent sales tax as well as from state and federal revenue sources. City of Phoenix staff are embedded with ADOT on these major construction projects to ensure coordination of all construction activities with City departments. This report is an overview of the current major freeway projects. A monthly report will be provided to the Transportation, Infrastructure and Planning Subcommittee reflecting project changes as well as new projects.

Interstate 10 (I-10) - Broadway Curve Reconstruction Update

The I-10 Broadway Curve project is planned to improve a segment of I-10 between the I-10/Interstate 17 (I-17) Split Traffic Interchange and the South Mountain Freeway/Congressman Ed Pastor Freeway Loop 202 near Pecos Road. The project encompasses one of the most heavily traveled segments of freeway in the Valley. Traffic volumes within this 11-mile section of I-10 exceed 250,000 vehicles per day and include vital connections to I-17, State Route (SR) 143, US-60 and Loop 202.

The proposed improvements include:

- Adding general purpose and High Occupancy Vehicle (HOV) lanes;
 - Adding a collector-distributor (CD) road system to reduce the number of lane changes on the freeway;
 - Improving connections between I-10 and the SR 143 and Broadway Road to improve HOV lane connections;
 - Improving connections of I-10 and US-60 (Superstition Freeway);
 - Constructing new bridges to accommodate new interchange facilities and additional
-

lanes;

- Building retaining and sound walls; and
- Constructing pedestrian bridge crossings to improve pedestrian access across the freeway.

Construction began in late 2021 and is scheduled for completion in 2024.

Update:

- **It will be a transformative year throughout the project corridor. The new 48th Street bridge crossing I-10 was completed and open to traffic Jan. 23, 2023. The existing 48th Street bridge over I-10 is permanently closed and will be eventually removed.**

I-17 Frontage Road Drainage Improvement

This ADOT project will replace the existing pump stations at the I-17 traffic interchanges at Greenway Road, Thunderbird Road, Cactus Road and Peoria Avenue with a gravity storm drain system that will discharge the storm water into the Arizona Canal Diversion Channel (ACDC). The purpose of the project is to improve the drainage facilities that remove storm runoff from the cross streets, helping to reduce the potential for flooding at the I-17 overpasses.

The project includes the installation of 30- to 90-inch diameter reinforced concrete pipe along the I-17 frontage road, two detention basins at the I-17 and Thunderbird Road traffic interchange, pavement replacement on the frontage road, signing, striping, improvements to ADA features within the project area, and removal of the four existing pump stations.

Construction began in January 2020 and is expected to conclude in early 2023.

Loop 101 - I-17 to 75th Avenue Widening

The scope of this project is to add one general purpose lane in each direction to Loop 101/Agua Fria Freeway from I-17 to 75th Avenue. The project includes bridge widening of existing structures to accommodate the new general-purpose lanes. The project work includes diamond grind surface treatment, new concrete pavement, retaining walls, lighting, ADA improvements, drainage improvements, FMS improvements, and signing and striping.

I-10 Deck Park (Hance Park) Tunnel Repair

The Deck Park Tunnel is an underpass that carries the I-10 freeway beneath downtown Phoenix between 3rd Avenue and 3rd Street. The tunnel consists of a series of nineteen side-by-side bridge structures. Construction of the facility began in

1983 and opened to traffic on Aug. 10, 1990. The tunnel carries approximately 230,000 vehicle trips per day and provides a critical link for regional connectivity and mobility.

Leaks in the ceiling structure of the Deck Park Tunnel have occurred in the past and continue to appear. The water infiltration caused by the leaks can lead to deterioration of the tunnel infrastructure and impacts the ventilation and electrical systems, which could force closure of the tunnel to traffic. There is also concern that any damage could produce a need for repairs that would require excavation of Margaret T. Hance Park, which is undergoing a major, \$100 million revitalization expected to begin in March 2020.

ADOT, MAG and the City of Phoenix initiated an I-10 Deck Park Tunnel Waterproofing Study in May 2019 because of concern with the integrity of the tunnel.

The study recommended that all joints that have not been repaired in the last five years be replaced, which comprises 15 of the 19 total joints. ADOT intends on working closely with the City of Phoenix to coordinate construction activities of the joint work with the Hance Park revitalization project to minimize cost and public disturbance.

Construction began in March 2020.

US-60 (Grand Avenue) - 35th Avenue - Indian School Road Study

ADOT and the Federal Highway Administration (FHWA), in coordination with the BNSF Railway, City of Phoenix and MAG, are initiating a Draft Environmental Assessment (EA) and initial DCR for the US-60 (Grand Avenue), 35th Avenue and Indian School Road intersection.

The study proposes that improvements need to be made to the US-60 corridor functionality, arterial street network multimodal opportunities (e.g., expansion of bicycle lane network), and BNSF Railway corridor capacity. These improvements would reduce traffic congestion, improve pedestrian and vehicular safety and enhance multimodal transportation options.

This project is currently in the predesign stage.

Update:

A public meeting was held Jan. 31, 2023 at Alhambra High School (in-person). The recording of this meeting will go onto the ADOT project website Feb. 16, 2023.

I-10: Papago Tunnel to the I-10/I-17 System Interchange Corridor Study Update

This study is lead by MAG and in partnership with ADOT and the City because of the regional significance of the freeway corridor and its influence over downtown Phoenix and Sky Harbor area. This study will determine strategies to mitigate, and address existing, and expected operational issues. The project team is looking at traffic demand and operations. The next steps include outreach to the public.

Loop 303 - I-17 to Lake Pleasant Parkway

At the request of the City of Phoenix, MAG and ADOT are conducting a DCR Update for Loop 303 from I-17 to Lake Pleasant Parkway. A 2006 DCR identified the ultimate footprint and alignment for Loop 303. The purpose of this project is to prepare a DCR update and environmental document for additional general-purpose lanes in each direction of travel. The update includes establishing new traffic models and developing, evaluating, and costing conceptual alternatives for the improvements including Traffic Interchanges (TIs) at 67th, 51st, and 43rd Avenues, as well as the system interchange at I-17. The existing Loop 303 was constructed to accommodate the future construction of these TIs.

The DCR project was initiated in October 2020 and has been completed.

Phoenix, MAG, and ADOT have agreed to accelerate design and construction of the new TIs at 51st and 43rd Avenues to accommodate the schedule of the new Taiwan Semiconductor Manufacturing Company (TSMC) facility. Construction of the new TIs will be completed in summer 2023.

State Route 303 (SR 303): 51st Avenue - I-17 and SR303 Lake Pleasant Parkway-51st Avenue

ADOT advertised this project for final design and requested a Statement of Qualifications due on January 4, 2023. The estimated selection approval is February 9, 2023. The selected Consultant(s) shall provide final design for SR 303 51st Avenue to I-17 improvements including a system interchange at I-17, new bridge structures and new general-purpose lane in each direction or final design for SR 303 Lake Pleasant Parkway to 51st Avenue improvements including one new general-purpose lane in each direction, and bridge structures at 67th Avenue.

I-10/Loop 101 System Interchange

The Arizona Department of Transportation has initiated a study to evaluate improvements to the Loop 101 (Agua Fria Freeway) and Interstate 10 system traffic interchange (TI) in the West Valley.

The purpose of this study is to evaluate alternatives to the TI that will enhance regional

travel by improving safety, reducing congestion and improving connectivity.

This study will evaluate the following improvements:

- A new Direct High-Occupancy Vehicle ramp within the existing TI that will accommodate travel to/from the north along Loop 101 and to/from the east along I-10.
- A possible new connection between southbound Loop 101 and 91st Avenue. This connection would be separate from the Loop 101/I-10 system TI ramps and may connect to the existing I-10/91st Avenue TI ramps.
- Evaluation of several other traffic interchange locations and connecting arterial roadways for possible improvement within the project area.

I-17 Pavement Improvement Project

ADOT has started a pavement improvement project on I-17 between Dunlap Avenue and Deer Valley Road. The purpose of the project is to extend the life of the pavement and to improve safety and the driving experience on the existing roadway. The project includes removing the existing asphalt pavement and using a diamond grinding treatment to provide a smooth and quiet roadway surface. The project requires weekend closures and overnight lane restrictions on the I-17 that will impact travel in the area.

Construction will take approximately 12 months and should be completed in late 2023.

Responsible Department

This item is submitted by Deputy City Manager Mario Paniagua and the City Manager's Office.



Aviation Department Five-Year Capital Improvement Program

This report summarizes the Aviation Department's Fiscal Year (FY) 2024-28 Five-Year Capital Improvement Program (CIP) budget. The focus of the CIP is on airport safety and security, customer service and asset preservation projects.

THIS ITEM IS FOR INFORMATION ONLY.

Summary

The proposed FY 2024-28 Five-Year Aviation CIP includes 90 projects and totals \$1.64 billion. Total CIP program which includes the current FY 2023-24 estimate is \$2.07 billion. The program includes projects for Phoenix Sky Harbor International Airport (PHX), Phoenix Goodyear Airport (GYR) and Phoenix Deer Valley Airport (DVT). The CIP has been analyzed to align with the financial resources available. Aviation staff recommends the most critical projects to move forward and optimize the budget and financial resources.

The major new projects at PHX included:

- Taxiway Uniform (U).
- Terminal 3 North 2 (N2) Concourse which includes a passenger connector between Terminal 3 and 4.
- C-Point Cargo Site Relocation
- West Air Cargo - Building C Modifications
- West Air Cargo Apron Reconstruction

Taxiway Uniform (U)

The project scope includes construction of the new Crossfield Taxiway Uniform (Twy U) and enabling work that will relocate and/or modify existing facilities and infrastructure impacted by the project. The construction of a new crossfield taxiway is a major airfield project necessary to improve aircraft movement from the north side of the airport to the south. The main enabling elements of the project included modifications to the existing City owned Facilities and Service Complex, Air Cargo apron and buildings modifications, modifications to the sections of the existing roadway impacted by the Twy U, utility modifications as well as modifications to aprons

impacted by Twy U. The project scope also includes grading, drainage, striping, lighting, electrical and signage improvements. The estimated total project costs of Twy U is \$209 million, of which \$201 million is budgeted in the FY 2024-2028 Five-Year Aviation CIP.

Terminal 3 North 2 (T3 N2) Concourse which includes T3/T4 Passenger Connector
The project is a necessary expansion of Terminal 3 and includes six new gates. The T3 N2 project is comprised of multiple project components which include a new concourse, apron and T3/T4 passenger connector along with other terminal processor improvements. The new concourse will allow for additional and newer facilities to enhance customer service and support long-term airline activity. The estimated total project costs of T3 N2 is \$390 million, of which \$358 million is budgeted in the FY 2024 -2028 Five-Year Aviation CIP.

C-Point Cargo Site Relocation

The project scope involves the demolition of an existing on-airfield American Airlines cargo handling facility (C-Point) and relocating it on the east side of the airport. The project is necessary to complete with the T3 N2 Concourse project listed above and includes moving an airfield access gate and improving the airfield for an on-airfield bus route. The estimated total project costs of the C-Point Cargo Site Relocation is \$52.4 million, of which \$48.2 million is budgeted in the FY 2024-2028 Five-Year Aviation CIP.

West Air Cargo - Building C Modifications

This project involves the air cargo facility modifications needed to enable the construction of new Crossfield Taxiway U on the west side of the airport. The enabling working includes relocation of American Airlines from Building C to Building A, relocation of 4 tenants from Cargo Building A to the old Terminal 2 EDS building, partial demolition of Building C and the miscellaneous site improvements. The estimated total project costs of the West Air Cargo - Building C Modifications is \$45.5 million, of which \$44.2 million is budgeted in the FY 2024-2028 Five-Year Aviation CIP.

West Air Cargo Apron Reconstruction

The existing West Air Cargo Apron asphalt concrete (AC) pavement exhibits signs of significant distress and has reached the end of its useful life. The project involves the removal and reconstruction of the existing pavement (approximately 90,000 square yards) with new AC pavement which will minimize potential for aircraft landing gear damage. The project will also resolve any drainage deficiencies, and address grading, striping, area lighting and electrical needs. The estimated total project costs of the West Air Cargo Apron Reconstruction is \$24.3 million. The majority of the budget will be carried over to the FY 2024-28 Five-Year Aviation CIP, however all funds are currently included in the FY 2022-23 Aviation CIP.

The key project in DVT's CIP is the DVT Taxiway Connector project, including connectors C4-C10. This includes the demolishing of existing connectors, and the reconfiguration and reconstruction of connectors to conform to FAA design standards. The estimated total project costs of the DVT Taxiway Connectors C4-C10 is \$11.7 million, of which \$7.5 million is budgeted in the FY 2024-2028 Five-Year Aviation CIP.

The key project in GYR's CIP is GYR New Apron Construction. Most of the existing apron at GYR is leased and there are limited areas that critical design aircraft can utilize. The project's scope includes design and construction of a new apron and taxiway connector (approximately 20,000 square yards of asphalt pavement) as well grading, drainage, striping, signage, area lighting and the relocation of ground monitoring wells. The estimated total project costs of the GYR New Apron Construction is \$7.3 million. The majority of the budget will be carried over to the FY 2024-28 Five-Year Aviation CIP, however all funds are currently included in the FY 2022-23 Aviation CIP.

Financial Impact

The Aviation Department has sufficient financial resources available to fund the proposed FY 2023-28 Five-Year CIP budget, which totals \$1.64 billion. The financial resources planned for this program includes \$618 million of Federal and State Grants, \$513 million of Bonds, \$431 million of Aviation Revenues, and \$74 million in Passenger Facility Charges (PFC's).

Location

Phoenix Sky Harbor International Airport, 2485 E. Buckeye Road; Phoenix Deer Valley Airport, 702 W. Deer Valley Road; Phoenix Goodyear Airport, 1658 S. Litchfield Road, Goodyear, AZ.

Council Districts: 1, 8 and Out of City

Responsible Department

This item is submitted by Deputy City Manager Mario Paniagua and the Aviation Department.



Public Works Department Capital Improvement Program for Fiscal Years 2023-28

This report provides the Transportation, Infrastructure and Planning Subcommittee with information on the Public Works Department Capital Improvement Program (CIP) for Fiscal Years (FY) 2023-28.

THIS ITEM IS FOR INFORMATION ONLY.

Summary

Each year, the Public Works Department updates a comprehensive five-year CIP (See **Attachment A**) to address critical infrastructure, aging equipment, and building needs for solid waste services, facilities management, and fleet services. The five-year preliminary CIP for FY 2023-28 includes authorized funding for capital projects financed with general, special revenue, enterprise, bonds and capital projects funds. The CIP addresses the most critical capital projects to maintain sustainable infrastructure and ensure operational service capacity for future growth and development.

The business process to evaluate capital projects starts in July of each year for Solid Waste operations and September of each year for the Facilities Management Programs. Solid Waste conducts capital planning and an evaluation process to review capital projects for funding authorization. The Project Charter and capital planning rate setting process are used to develop the Preliminary CIP using a 10-year forecast model.

Five-year project planning is essential for successful operation and maintenance of facilities, critical infrastructure, business systems and equipment to ensure effective service delivery and operations. The department has identified capital projects in the Preliminary CIP to support facilities management and infrastructure construction needs at the landfills, transfer stations and Material Recovery Facilities (MRF).

Solid Waste

The five-year preliminary CIP for the Solid Waste Program is approximately \$75.1 million. Capital projects are proposed to maintain environmental compliance and support infrastructure improvements. Solid Waste operating, bonds, capital reserves,

and remediation funds are used to finance capital projects. The preliminary CIP includes several large capital projects located at the State Route (SR) 85 Landfill, 27th Avenue Transfer Station and the North Gateway Transfer Station. Other projects are planned to address infrastructure needs at the City's open and closed landfills.

Major Capital Projects include:

- 27th Avenue and North Gateway Transfer Station Infrastructure Improvements
- Material Recovery Facility Equipment Upgrades
- SR85 Landfill Infrastructure Improvements and Expansion

To advance the City's circular economy initiatives and waste diversion goals, Public Works is applying for up to \$10 million of Federal grant funding from the United States Environmental Protection Agency Solid Waste Infrastructure for Recycling Grant Program and the Recycling Education and Outreach Grant Program. If awarded, funds would be programmed in the Solid Waste CIP to support the equipment upgrades at the North Gateway MRF, retrofit of the 27th Avenue MRF education room, and development of the Resource Innovation Campus.

Facilities Management

The five-year preliminary CIP for the Facilities Management Program is approximately \$111.8 million and supports repair and replacement of critical equipment and infrastructure in City-owned facilities maintained by the Public Works Department, including funding for major facilities maintenance, fuel infrastructure improvement, and energy efficiency projects to address infrastructure replacements and rehabilitation work planned at facilities citywide. These projects are funded through general, special revenue, enterprise, bond and capital projects funds.

Major Capital Projects include:

- Citywide Facility Rehabilitation
- Citywide Facility Assessments
- Citywide Energy Conservation Projects
- Facility Asset Management System
- Security and Access Control
- Fuel and Infrastructure Improvements

Citywide Facility Rehabilitation

Working in conjunction with the Budget and Research Department, Public Works prioritizes Capital Projects by working with General Fund departments to survey and assess projects eligible for major maintenance funding. Projects that are submitted by

facility assessments or that are self-identified by partner City departments are evaluated for apparent systems risk or end of life conditions. Resiliency of building systems and preservation of existing assets is prioritized. A sample of major projects include the sanitary sewer system and roof drain project at Phoenix City Hall and fire life safety alarm panel replacement projects at various sites citywide.

Citywide Facility Assessments

The citywide facility assessment program conducts formal evaluations of major building systems by third party engineers to identify necessary system replacement and develop strategies to maximize the life of the asset while minimizing the long-term costs of facilities. The department is allocating \$500,000 annually to do assessments of facilities to ensure compliance with the Americans with Disabilities Act.

Citywide Energy Conservation Projects

The Facilities Energy Management Section institutes projects that result in long-term energy savings in City buildings. Projects, such as LED lighting replacement and efficiency controls for Heating, Ventilation, and Air Conditioning (HVAC) systems, drive lower energy use and long-term savings to the City. This allocation also conducts energy audits of City buildings to identify potential projects and savings from an energy efficiency perspective.

Facility Asset Management System

To effectively manage the 1,823 buildings at 826 sites throughout the City, funds are programmed in the CIP to purchase and implement a Facility Asset Management System to manage existing and newly acquired assets. The system will allow decision makers to evaluate facility strategies through the ability to forecast budgets proactively, ensure compliance with maintenance schedules, plan and prioritize labor resources, and conduct strategic evaluation of asset procurement programs. The system will integrate with the existing City accounting program SAP and will provide an intuitive, user-friendly online submission and portfolio to track requests.

Security and Access Control

The Public Works Department is managing replacement of the City's 18-year-old security and access control systems. These systems that manage badge access and security controls will be replaced to maintain current industry standards and security requirements. The new badging and security systems will be installed over a three-year period.

Fuel, Infrastructure Improvements, and Electric Vehicles (EV)

The CIP supports fuel infrastructure improvements citywide to manage oil and fuel tanks. The Public Works Department has 35 fuel tanks that are reaching the 30-year

estimated useful life. Additionally, Public Works is diligently working toward the citywide EV goal of 200 vehicles by 2030.

With the growing hazards associated with climate change, including both acute extreme weather events and chronic stressors which have been observed and are expected to increase in intensity and frequency in the future, Public Works is applying for \$6.8 million of Federal grant funding from the U.S. Department of Homeland Security through the Federal Fiscal Year 2021-22 Building Resilient Infrastructure and Communities and Flood Mitigation Assistance grant opportunities. If awarded, funds would be programmed in the Facilities Management CIP to support the design and installation of new emergency generators for 19 Heat Respite Centers at City libraries and community centers, and emergency lifecycle replacements at 30 City facilities. The generators are sized to power critical building systems to support essential City operations and services during a power outage, including public safety.

Responsible Department

This item is submitted by Deputy City Manager Karen Peters and the Public Works Department.

**Attachment A
Public Works Department**

Solid Waste Capital Improvement Program for FY 2023-28

Fund	Fund Description	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Total FY 2023-28
0037	Solid Waste Disposal-Operating	13,838,207	8,141,000	18,839,000	15,967,000	4,185,000	60,970,207
0150	Solid Waste Remediation Funds	1,007,000	477,390	441,000	446,000	451,000	2,822,390
68031	SWD Equipment Facilities Bonds	11,351,654					11,351,654
	Total	26,196,861	8,618,390	19,280,000	16,413,000	4,636,000	75,144,251

Facilities Management Capital Improvement Program for FY 2023-28

Fund	Fund Description	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Total FY 2023-28
0001	General Fund	16,775,000	16,775,000	16,775,000	16,775,000	16,775,000	83,875,000
0037	Solid Waste Disposal-Operating		200,000	200,000	200,000	200,000	800,000
0042	Aviation Improvement	2,000,000					2,000,000
0058	Phx Convention Center Operating	1,000,000					1,000,000
1395	PW Environmental Program	5,325					5,325
1499	PW Fleet Fuel Costs & Infrastructure	968,695					968,695
68029	Badging System	9,814,160	9,814,160				19,628,320
68038	PWD Asset Management Sytem	3,500,000					3,500,000
	Total	34,063,180	26,789,160	16,975,000	16,975,000	16,975,000	111,777,340

	Grand Total	60,260,041	35,407,550	36,255,000	33,388,000	21,611,000	186,921,591
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Public Transit Department Capital Improvement Program for Fiscal Years 2023-24 through 2027-28

This report provides the Transportation, Infrastructure and Innovation Subcommittee with information on the Public Transit Department’s proposed Fiscal Years 2023-24 through 2027-28 Capital Improvement Program, an integral component of the department’s efforts to implement the public transit elements of the Transportation 2050 program and provide safe and reliable public transit services to the community.

THIS ITEM IS FOR INFORMATION ONLY.

Summary

The Public Transit Department (PTD) and its regional transit partners work collaboratively to provide public transit services for the Maricopa County region. A critical component of providing these services is the capital infrastructure needed to support the regional transit system. Each year, PTD’s Capital Improvement Program includes the projected costs and funding sources, including the region’s financial share of projects. PTD has prepared and submitted to the Budget and Research Department its preliminary Fiscal Years (FYs) 2023-24 through 2027-28 CIP, as well as revised estimates for the FY 2022-23 CIP budget. Combined, the FY 2022-23 and preliminary FYs 2023-24 through 2027-28 CIP for PTD totals about \$1.26 billion.

The scope of PTD’s CIP focuses on adding new facilities and infrastructure to expand and enhance the transit system, as well as upgrades and capital purchases to maintain the system in a state of good repair as called for in federal guidelines. The PTD CIP includes construction of new facilities, additional bus stop improvements (shade, furniture, and transit pads), Bus Rapid Transit (BRT) infrastructure, vehicle acquisitions to replace aging vehicles and expand the fleet for new service, updating technology, and renovation of older facilities to extend their useful lives.

PTD’s five-year CIP is fully funded, primarily with Federal Transit Administration (FTA) funds, regional Proposition 400 funds, Phoenix Transportation 2050 (T2050) funds, and financing.

The PTD CIP was developed to support economic development, regional mobility,

environmental sustainability, and mitigate safety risks for passengers, staff, and contractors. Funding, aging infrastructure, and implementation of T2050 projects and services are some of the primary strategic issues PTD faces currently and in the future. Staff continues to work with the Citizens Transportation Commission appointed by the Mayor and City Council to implement the T2050 Plan.

Federal funding levels for transit nationally have recently been authorized through federal fiscal year 2026 as part of the Infrastructure Investment and Jobs Act (also known as the Bipartisan Infrastructure Law) at increased levels as compared to prior authorization levels. Bipartisan Infrastructure Law (BIL) funding level information for this fiscal year has been made available, although staff is monitoring whether funding allocations for the Phoenix region might change as the result of Census data. Also, the regional Proposition 400 sales tax for transportation is currently set to expire in less than three years, and that presents a concern for the outer years of the current five-year CIP, as well as for mid- to long-term planning for public transit. PTD continues to closely manage all resources to ensure a balanced program, while still meeting the community's public transit needs and maintaining system assets in a state of good repair.

Current Year (FY 2023-24) Projects

There are several important projects programmed in the current fiscal year CIP budget. The regional fare collection system upgrade project, which will provide smart card and mobile ticketing fare payment options for riders, is currently in the design phase. Plans also include 25 Dial-A-Ride (DAR) replacement vehicles this year, 40 local buses, three neighborhood circulator replacement buses, and two neighborhood circulator expansion buses. Construction activities for the South Central Extension/Downtown Hub (SCE/DH) and Northwest Phase II (NWEII) light rail extensions continue. Additionally, ongoing improvements to bus stops, as well as capital maintenance of park-and-rides and transit centers, are underway. Various technology improvement projects, including transit system software and hardware upgrades, are programmed this FY. Acquisition of land for a new bus operations and maintenance facility is also programmed for this FY.

Future Projects

In FY 2023-24, there is BRT infrastructure planning, ongoing improvements for bus stops and other passenger facilities, as well as additional technology upgrades. Additionally, construction for the South Central/Downtown Hub light rail extension, as well as construction for the Northwest Phase II light rail extension, are programmed. Looking ahead, transit vehicle purchases are planned in each of the next five years to both account for ongoing fleet replacement practices, as well as the addition of vehicles related to potential service increases. Also, there are planned improvements

to passenger facilities and technology systems, new BRT infrastructure, and the continued construction of the SCE/DH, NWEII, and Capitol light rail extension planning.

Financial Impact

Over the past 10 years, PTD’s CIP budget has fluctuated from \$67 million to a high of over \$1.2 billion, with \$402 million programmed in the preliminary CIP for FY 2023-24 (**Attachment A**).

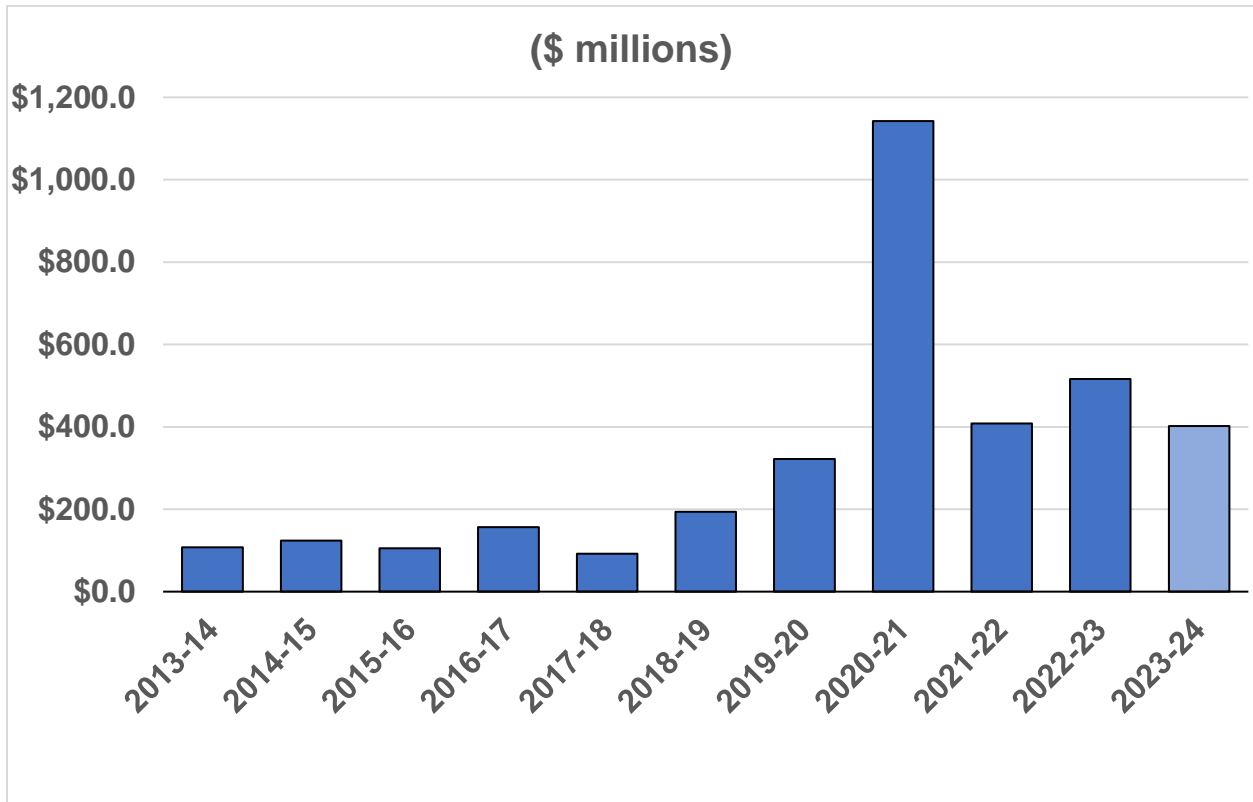
Historically, Public Transit’s CIP budget is mostly funded by FTA funds, with the balance of the CIP funds coming mainly from Transportation 2050 (previously Transit 2000) and Proposition 400 as the local match to FTA funds. As the T2050 light rail extensions and other transit CIP projects are implemented, financing is programmed to provide funding for those projects, as projected in the T2050 Plan. PTD’s FYs 2023-24 through 2027-28 CIP includes \$266.1 million in programmed financing. **Attachment B** provides a summary of the proposed FY 2023-24 project categories for public transit.

Responsible Department

This item is submitted by Deputy City Manager Mario Paniagua and the Public Transit Department.

ATTACHMENT A

Public Transit Department Capital Improvement Program
for Fiscal Year 2023-24

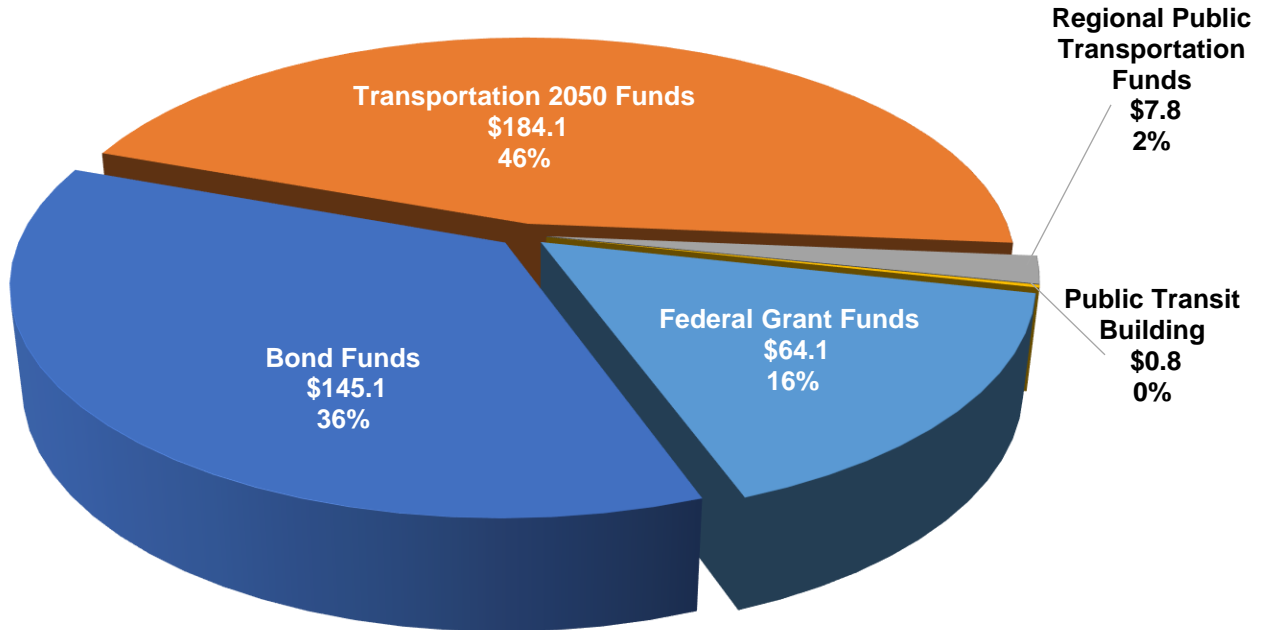


- Adopted Budget
- Preliminary CIP

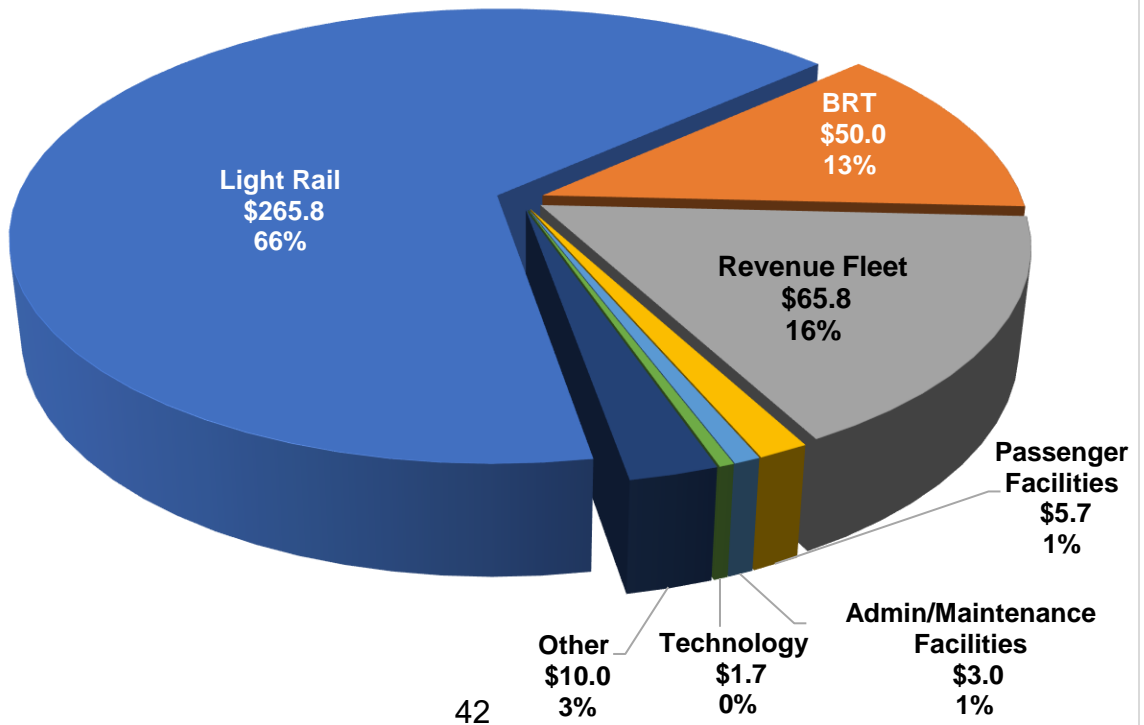
ATTACHMENT B

**Public Transit Department Capital Improvement Program
for Fiscal Year 2023-24**

**Public Transit Department 2023-24 CIP Funding
(\$ millions)**



**Public Transit Department 2023-24 CIP Projects Summary
(\$ millions)**





HomeServe Service Line Warranty Program

This report provides the Transportation, Infrastructure and Planning Subcommittee an update on HomeServe's Service Line Warranty Program and the types of service it currently provides to the City of Phoenix residents.

THIS ITEM IS FOR INFORMATION ONLY.

Summary

Service Line Warranties of America (SLWA) by HomeServe was created in partnership with the National League of Cities (NLC) to educate property owners about their service line responsibilities and to help residents avoid out-of-pocket expenses for unanticipated and potentially costly service line repairs and replacements. As one of the program's early adopters, the City of Phoenix is now one of nearly 1,000 municipalities and utilities participating in the NLC Service Line Warranty Program.

The warranty program includes two types of coverage: one for Exterior Water Service Lines and one for Exterior Sewer/Septic Lines. Both products cover the homeowner's responsibility from where the utility's responsibility ends to the wall/foundation of the home. This is an optional warranty program offered to all Phoenix residents; however, the program is not required. If a resident chooses to purchase water and/or sewer line coverage, the monthly fees are included below.

- Exterior Water Service Line coverage - \$7.95/month.
 - Coverage Cap of \$8,500 per claim, unlimited claims, and no annual limit.
- Exterior Sewer/Septic Line coverage - \$9.45/month.
 - Coverage Cap of \$8,500 per claim, unlimited claims, and no annual limit.

City of Phoenix homeowners can enroll in SLWA at any time by going to slwofa.com or by calling 1-844-257-8795. Additionally, residents can enroll by sending in the enrollment form that comes in the information letters that SLWA sends to Phoenix homeowners periodically.

The City of Phoenix's partnership with SLWA began in September 2012. To date, the

program covers 27,324 customers and 13,461 repairs have been completed, totaling \$3 million in revenue to the City and \$7.4 million in customer savings with a customer satisfaction rating of 4.9 out of 5.

HomeServe now offers two new programs in addition to the Exterior Water Service Line and the Exterior Sewer/Septic Line coverage programs. HomeServe also offers a Blanket Program that would provide water and sewer line coverage for all Phoenix homes in the event of a water or sewer line emergency instead of the current opt-in program for Phoenix residents. HomeServe also offers a Water Leak Adjustment Program for Phoenix residential customers that would cover actual water leaks in addition to water and sewer line repairs. This would require participation by all Phoenix single-family residential customers. Both programs can be explored further and considered as future partnership opportunities.

At the Feb. 1, 2023 Community and Cultural Investment Subcommittee, staff was directed to conduct analysis on the new HomeServe programs and impact to Water residential ratepayers, procurement options, actual costs, and ratepayer feedback. Staff will seek input through the Water Rate process and bring the staff analysis back to Council for consideration.

Responsible Department

This item is submitted by Deputy City Manager Ginger Spencer and the City Manager's Office.



Aviation Land Reuse Update

This report provides an update to the Transportation, Infrastructure and Planning Subcommittee regarding land reuse in the area surrounding Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Summary

Over the years, the Aviation Department has acquired land surrounding Phoenix Sky Harbor International Airport to support airport development, and to ensure compatible land uses within the 65DNL noise contour, an area around the airport which is affected by airport-related noise.

With these purchases, the Aviation Department has been responsible for maintaining over 800 parcels in these impacted neighborhoods at a cost to the city and surrounding community. Given constraints placed on the land by Federal Aviation Administration (FAA) regulations, the department's ability to put many of these parcels to productive use has been limited.

The FAA recently determined that hundreds of these parcels located west of Sky Harbor are exempt (under Section 163 of the FAA Reauthorization Act of 2018) from certain requirements related to noise land and leasing. The FAA's determination is a major step forward in implementing the community's Land Reuse Strategy Plan and returning the vacant parcels to productive use.

Staff will provide an overview of the recent work of the Land Reuse Strategy Oversight Taskforce, a summary of restrictions related to FAA's recent approval, and the Aviation Department's work with the Community & Economic Development Department to identify opportunities for development in the land reuse area.

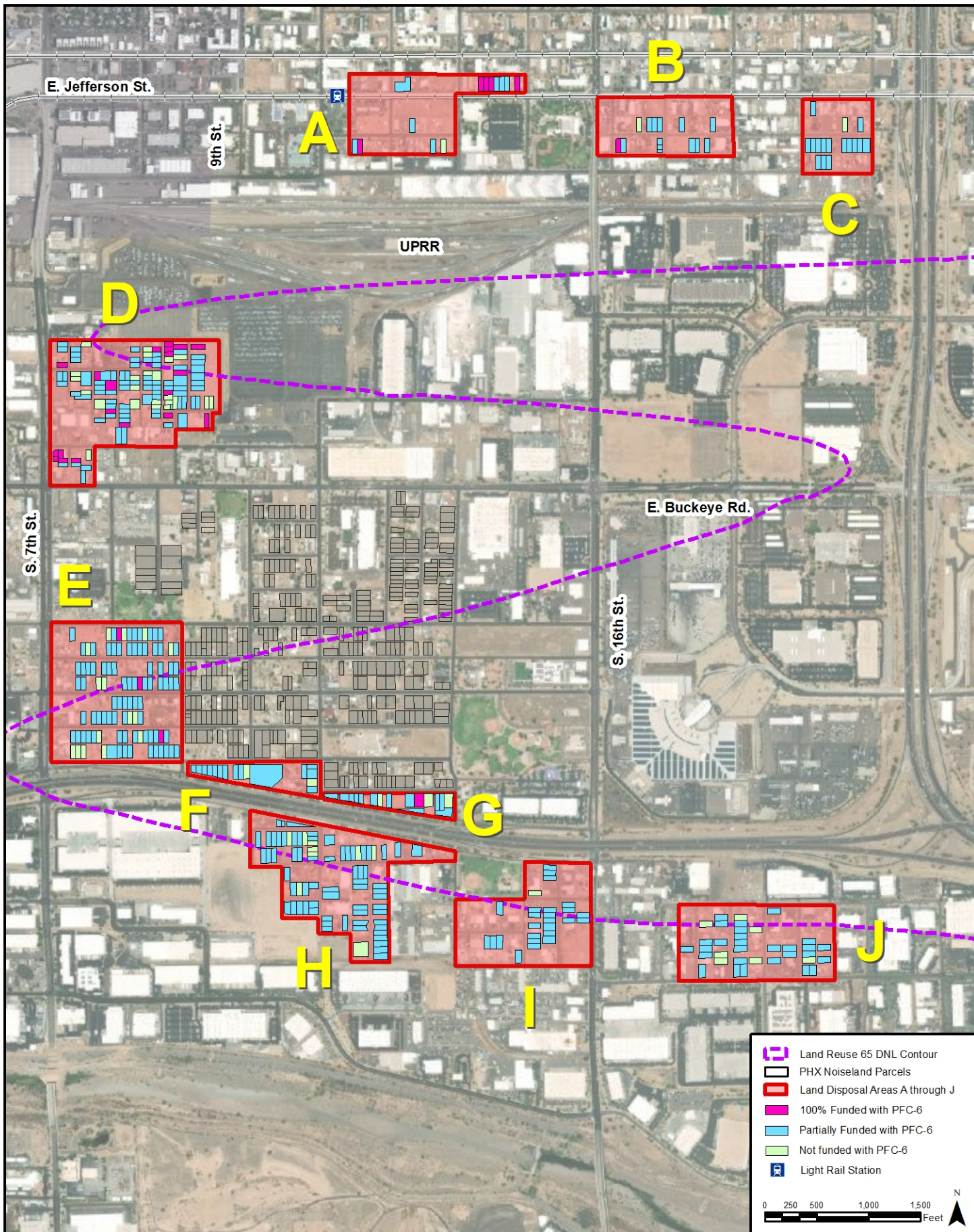
Attachment A shows a map of parcels that the FAA has released for development under Section 163.

Location

Council District: 8

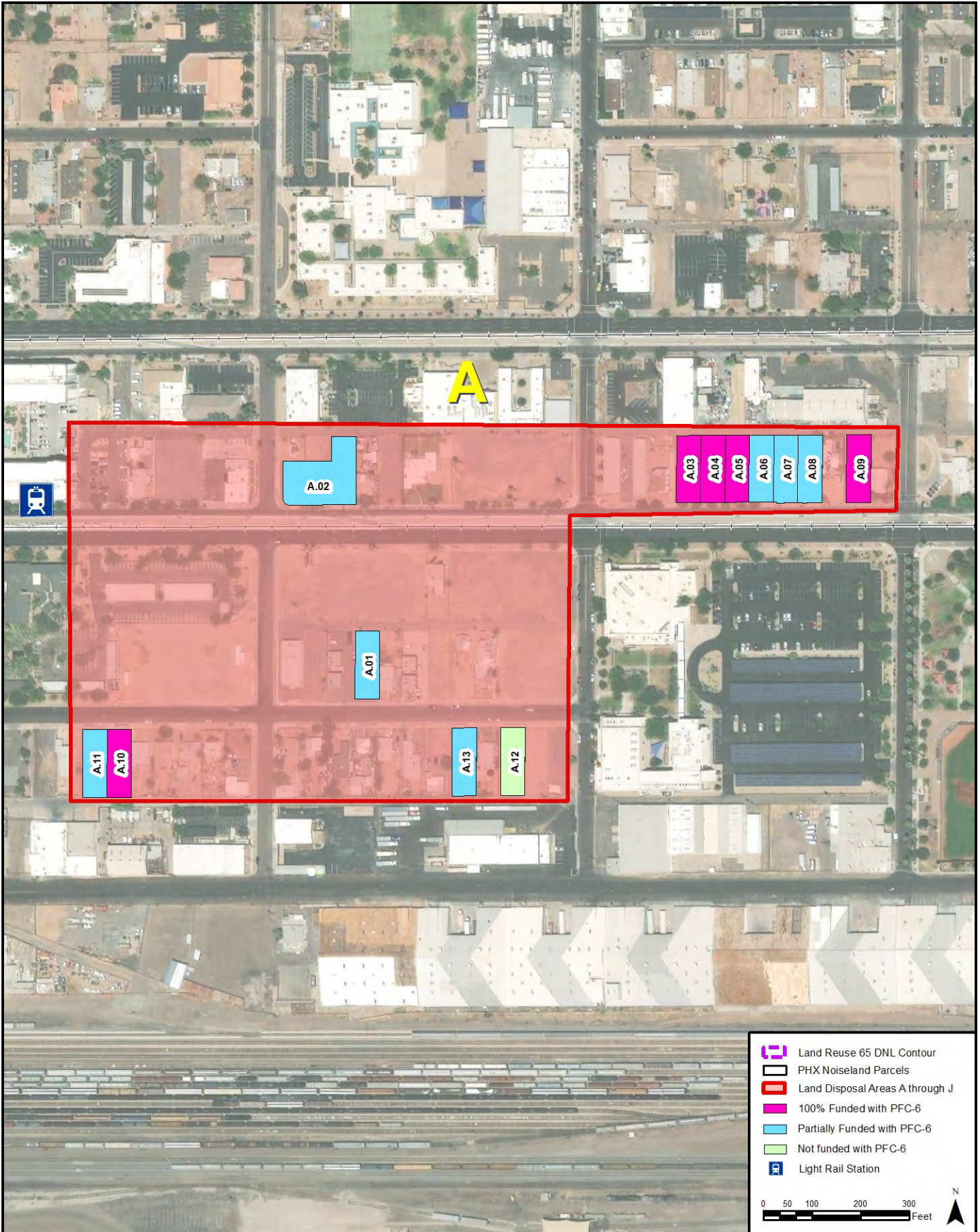
Responsible Department

This item is submitted by Deputy City Manager Mario Paniagua and the Aviation Department.



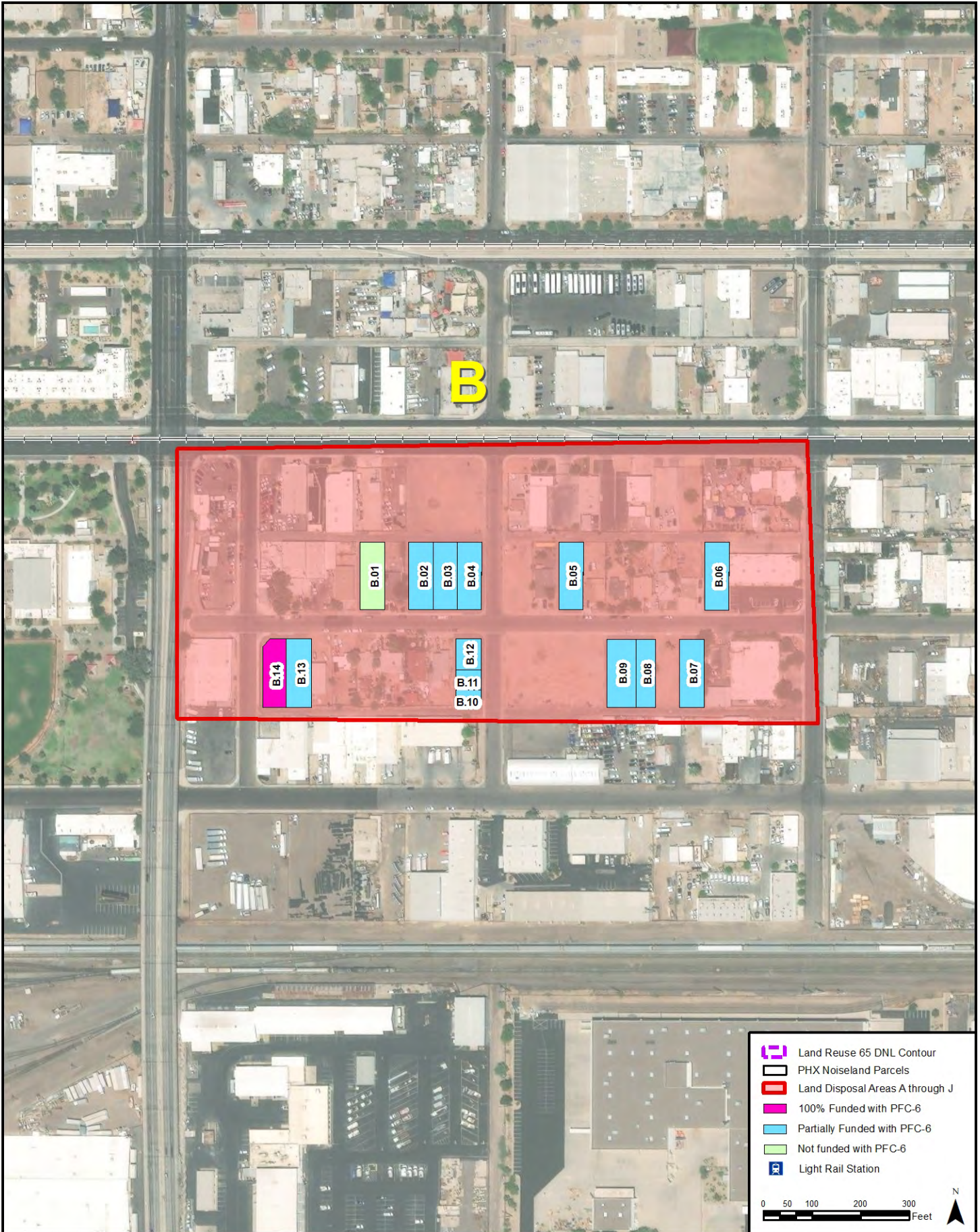
**Land Disposal
Areas**

**Phoenix Sky Harbor Noiseland Redevelopment
Section 163 Application**



Land Disposal Areas

**Phoenix Sky Harbor Noiseland Redevelopment
Section 163 Application: Area A**



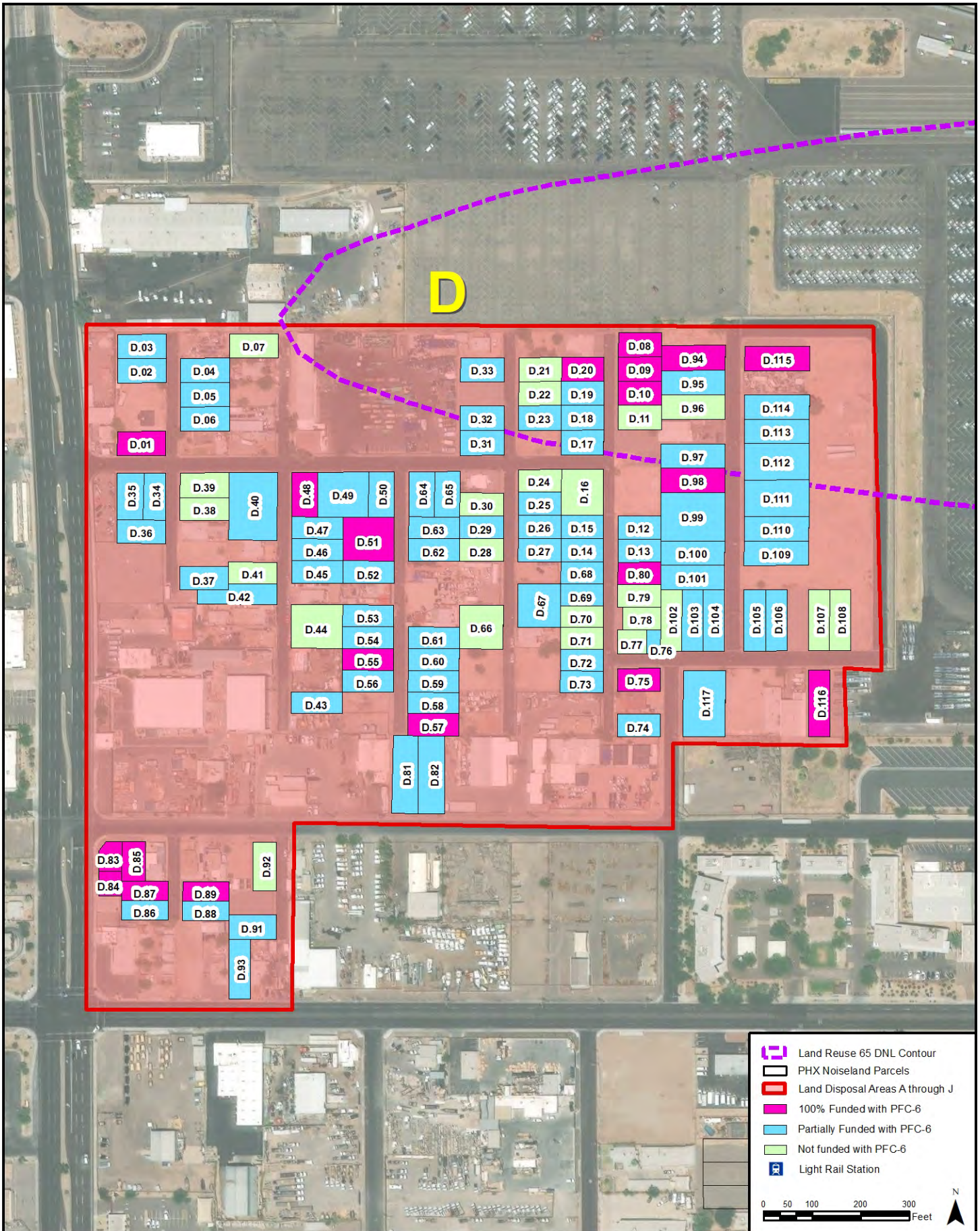
**Land Disposal
Areas**

**Phoenix Sky Harbor Noiseland Redevelopment
Section 163 Application: Area B**



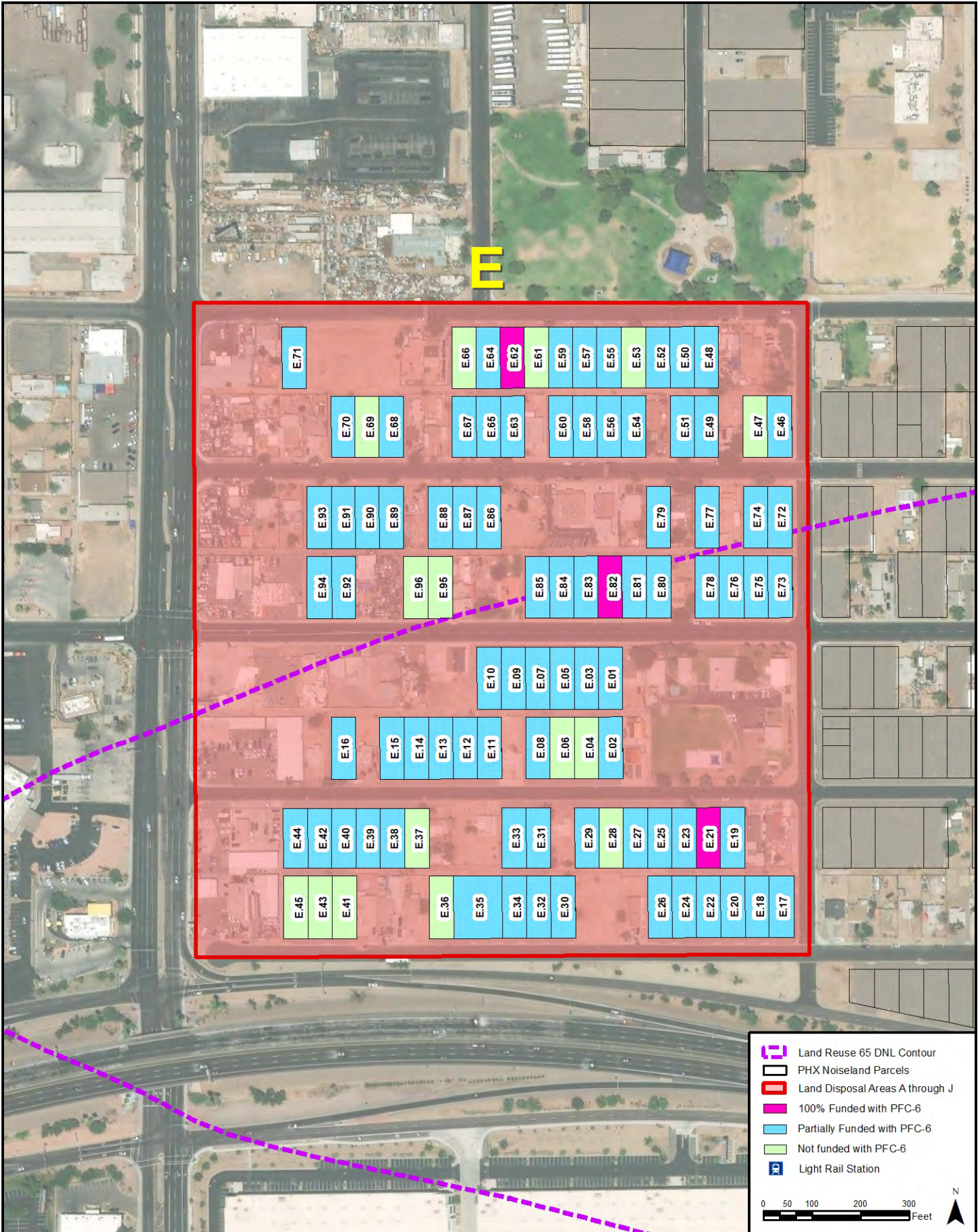
Land Disposal Areas

**Phoenix Sky Harbor Noiseland Redevelopment
Section 163 Application: Area C**



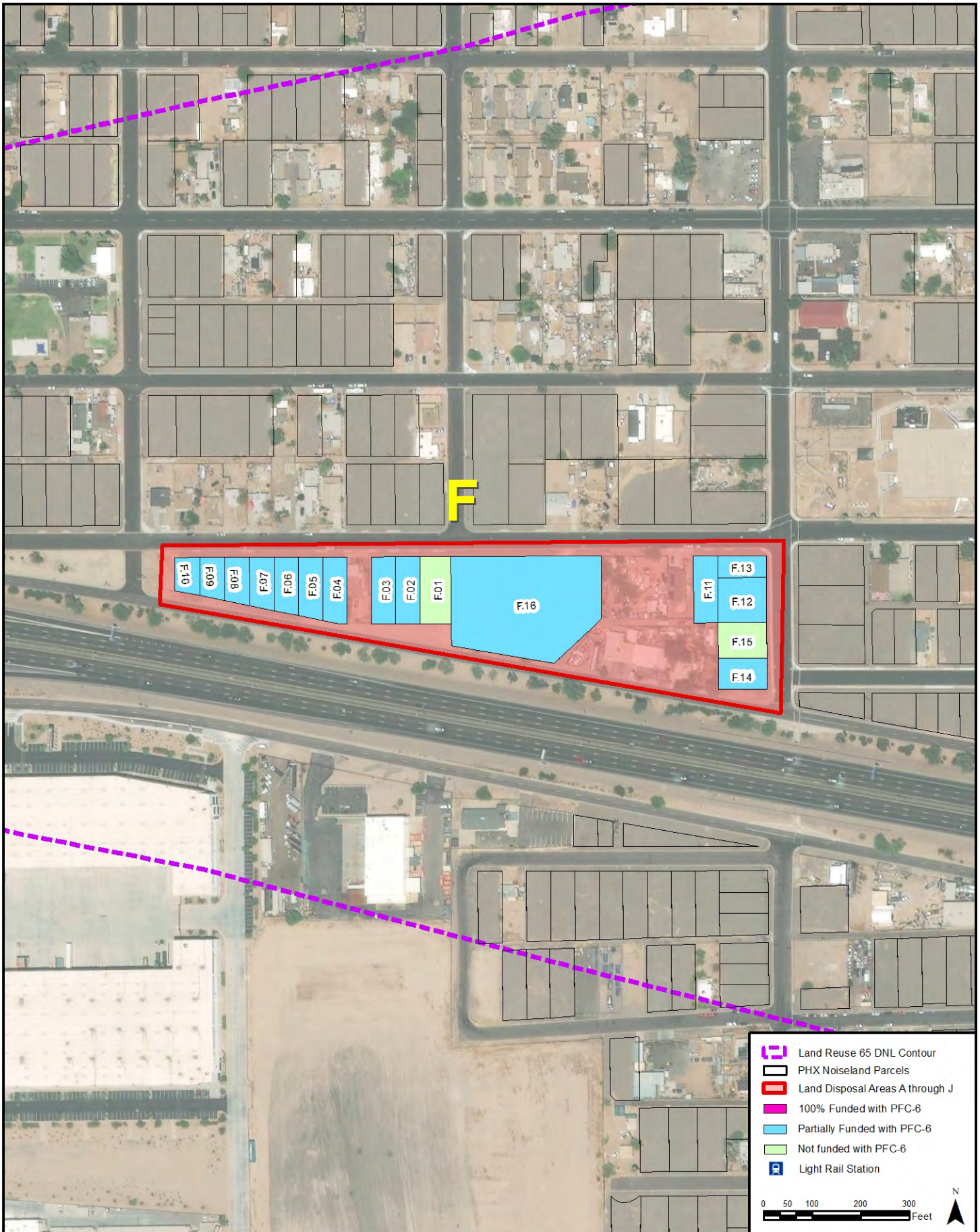
Land Disposal Areas

**Phoenix Sky Harbor Noiseland Redevelopment
Section 163 Application: Area D**



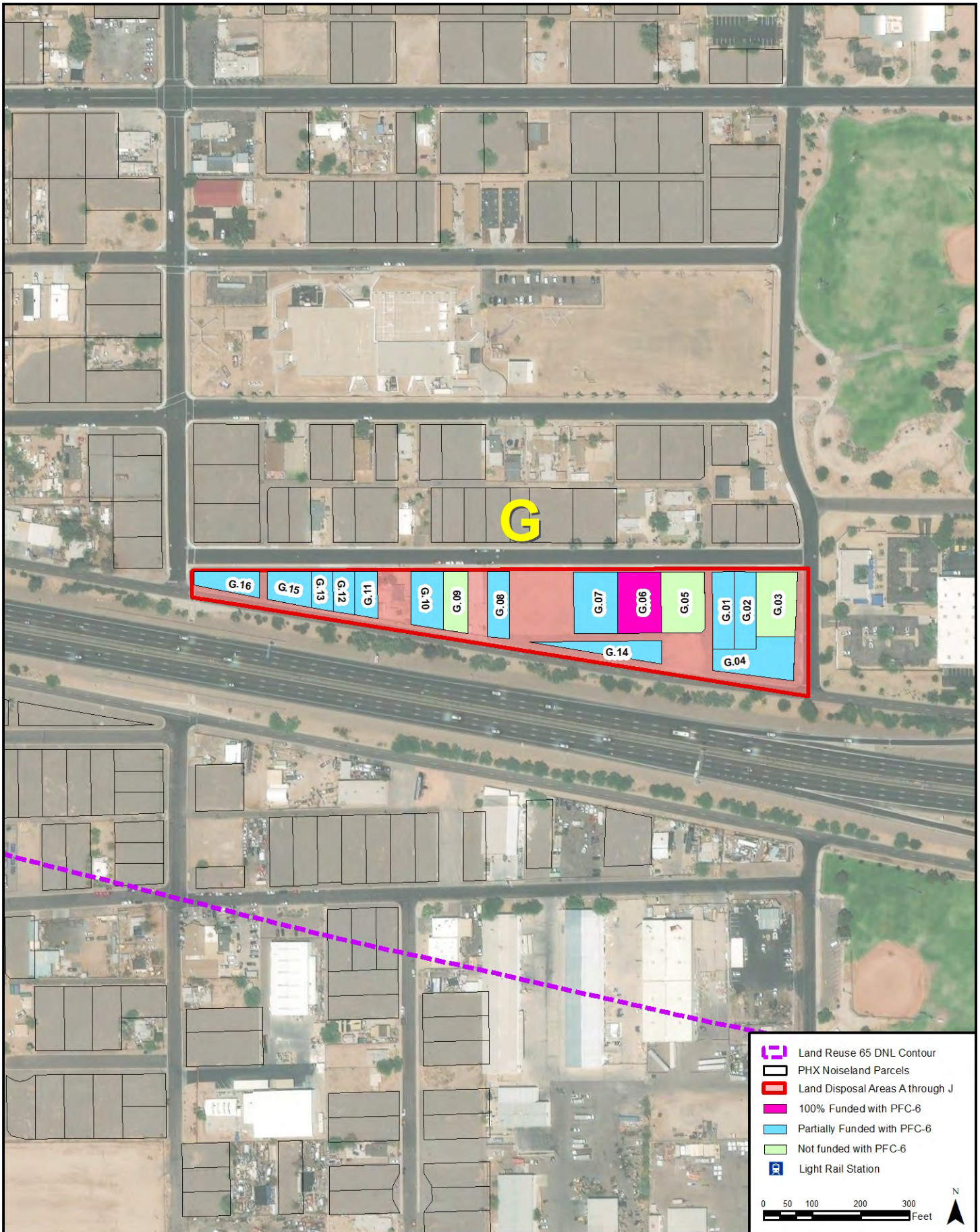
Land Disposal Areas

**Phoenix Sky Harbor Noiseland Redevelopment
Section 163 Application: Area E**



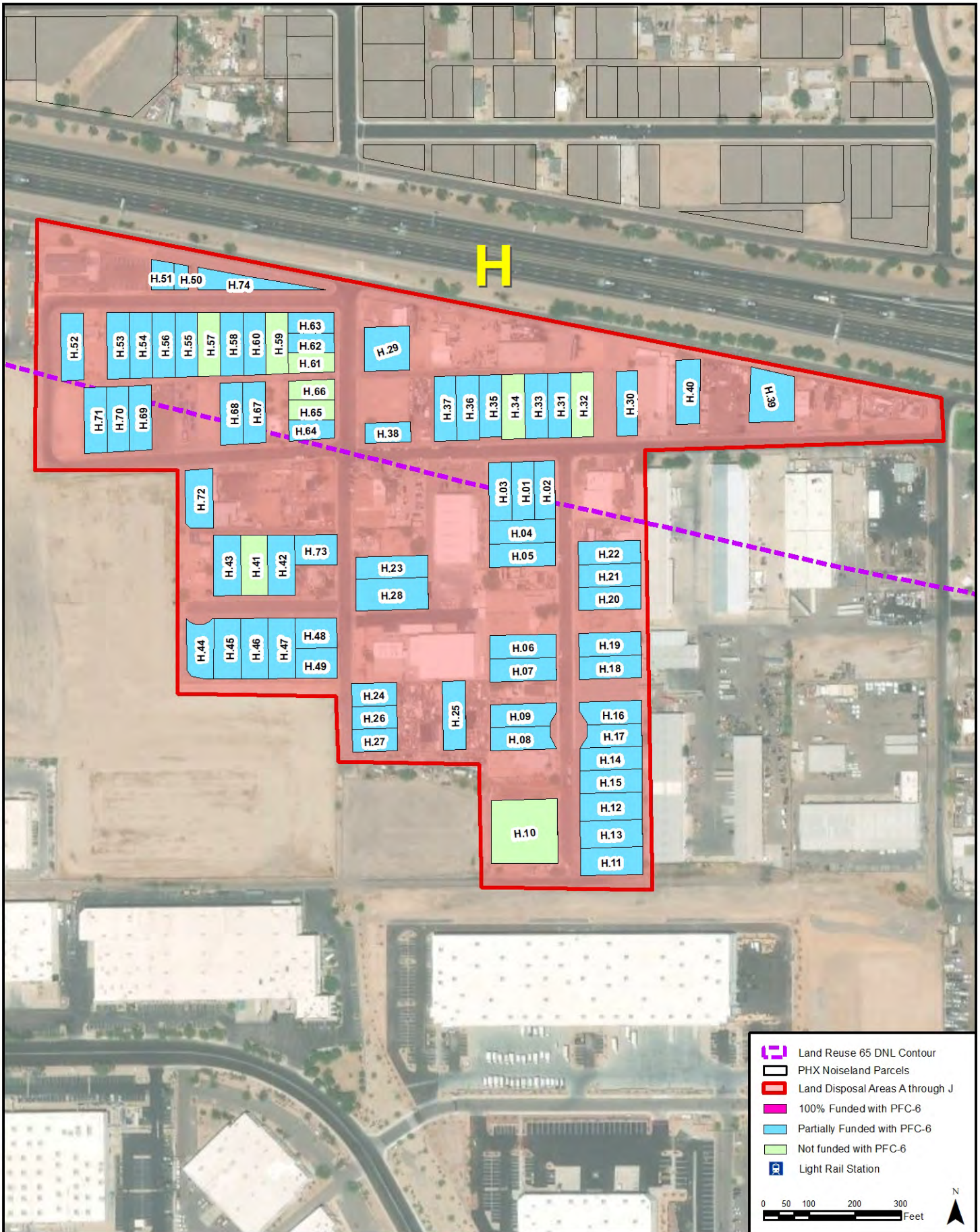
**Land Disposal
Areas**

**Phoenix Sky Harbor Noiseland Redevelopment
Section 163 Application: Area F**



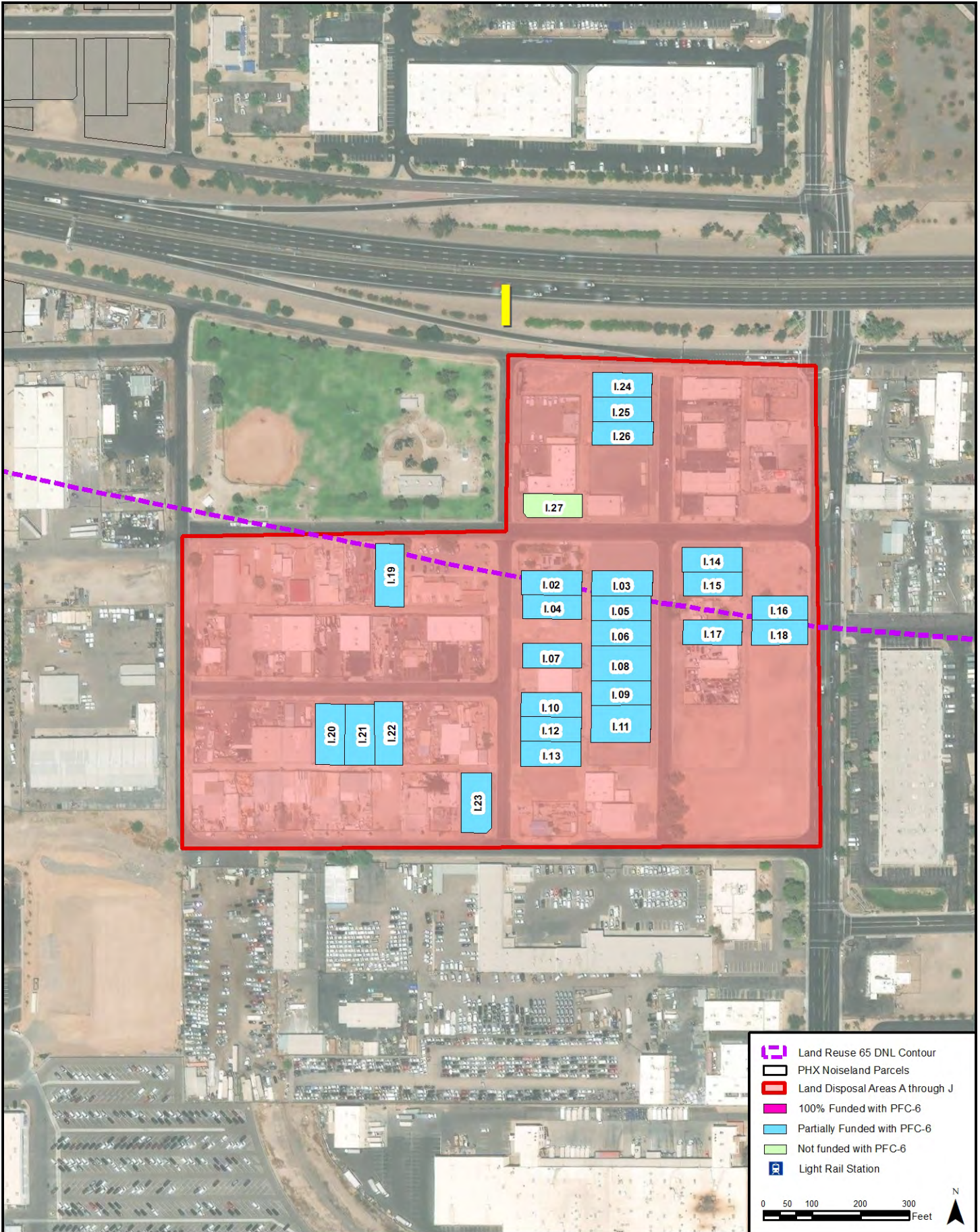
Land Disposal Areas

**Phoenix Sky Harbor Noiseland Redevelopment
Section 163 Application: Area G**



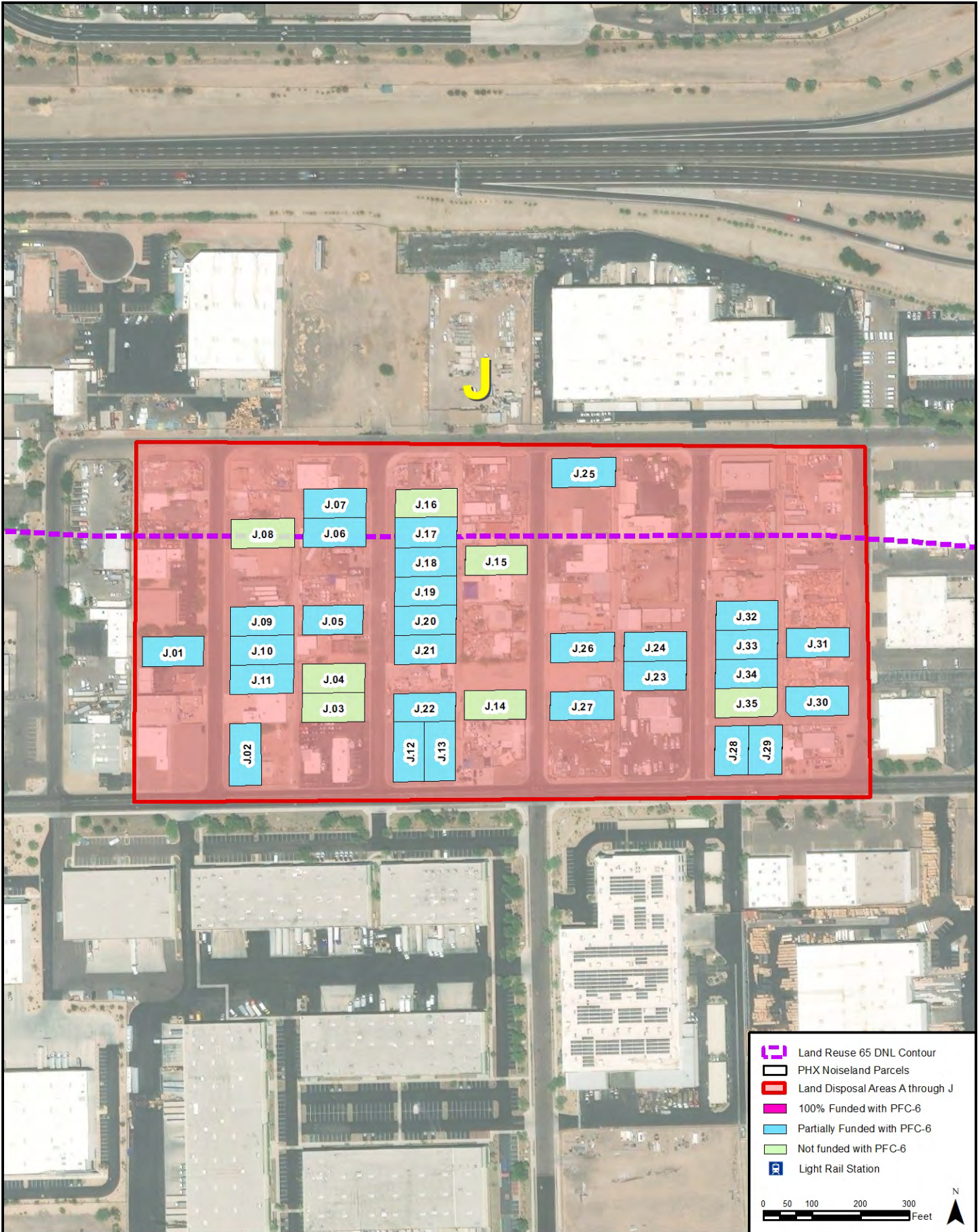
Land Disposal Areas

**Phoenix Sky Harbor Noiseland Redevelopment
Section 163 Application: Area H**



Land Disposal Areas

**Phoenix Sky Harbor Noiseland Redevelopment
Section 163 Application: Area I**



Land Disposal Areas

**Phoenix Sky Harbor Noiseland Redevelopment
Section 163 Application: Area J**



Stormwater Excise Tax Assessment Update

This report provides an update on the expanded requirements in the most recent City of Phoenix Arizona Pollutant Discharge Elimination System (AZPDES) Municipal Separate Storm Sewer System permit from the Arizona Department of Environmental Quality and a proposed increase in Stormwater Excise Tax Assessments to ensure compliance with these legal requirements.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Summary

The City of Phoenix operates a Municipal Separate Storm Sewer System (MS4) via a permit issued under the federal Clean Water Act from the Arizona Department of Environmental Quality (ADEQ). Administration of the Stormwater Management Program (Program) requires a multi-departmental effort to manage citywide stormwater quality to comply with the city’s MS4 permit. Generally, the MS4 permit authorizes discharges from the City’s stormwater infrastructure into protected surface waters. The City’s stormwater infrastructure includes catch basins, storm drains, and outfalls that collect and convey stormwater from streets and other public/private surfaces to retention/detention basins and surface water channels throughout the City. ADEQ issued the City a new MS4 Permit in July of 2021 that requires expansion of existing program elements and implements new requirements that necessitate an increased assessment to ensure compliance with these legal requirements.

New and expanded elements of the Program include: a new stormwater post-construction control program, retrofit feasibility study, expanded public outreach requirements, expanded inspection requirements, and expanded reporting and mapping requirements. Non-compliance by the City with the MS4 permit would result in notices of violation and fines from ADEQ and the Environmental Protection Agency. Other cities across the country who have failed to comply with their stormwater permit are operating under a consent decree, a significantly more stringent and inflexible process.

The Program is funded by a stormwater management program excise tax (Tax) that is assessed on water services bills in accordance with Phoenix City Code section 37-65

(B). The current Tax is not sufficient to cover the costs of the new and expanded permit requirements. An increase in the Tax is needed to fund the new requirements and keep the City in compliance with the MS4 permit. Staff evaluated multiple implementation methods to ensure compliance and ultimately one that adds minimal staff to ensure that private sector compliance requirements are met was chosen and the proposed increase reflects that model.

The Tax was originally approved by City Council during fiscal year 1993-94 to defray costs associated with the City's MS4 permit (then issued by the United States Environmental Protection Agency). Collection of the tax began in October 1993 and was set up as a graduated rate based on the water meter size on the account. Since Tax implementation, there have only been two increases (1997 and 2010) to accommodate expanded requirements of the city's previous MS4 permit. The current Tax is \$0.70/single family residential meter.

City staff are evaluating increasing the single-family residential rate from \$0.70 to \$0.95 per month. In accordance with the Tax structure, the proposed increase is scaled at a graduated rate by meter size using the equivalent dwelling unit methodology. Should the proposed increase become effective Oct. 1, 2023, staff projects that this increase will raise sufficient revenue to cover the costs of complying with the new MS4 permit for at least the next five years to October 2028.

City staff researched stormwater fees from similar cities that operate under a MS4 permit. Similar cities charge residential stormwater fees ranging from \$3.75 to \$18.06/month, except for Tucson, which charges \$0.13/month specifically to fund green stormwater infrastructure projects. Of the cities investigated, the closest equivalents to Phoenix for activities using the fee are San Jose, CA, San Antonio, TX, and Oklahoma City, OK. These cities have monthly residential stormwater fees ranging from \$3.75 to \$14.95/month. Oklahoma City rates increase by meter size and go up to \$658.92/month. City of Scottsdale, AZ has a flat stormwater fee of \$6.10 for all customers.

The City of Phoenix monthly charges currently assessed to water users and the proposed changes are shown below.

A. All single-family residential accounts

Current Monthly Charge: \$0.70

New Monthly Charge: \$0.95

B. All other water accounts based on water meter size as follows:

Meter Size	Current Monthly Charge	New Monthly Charge
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5/8" or 3/4"	\$0.70	\$0.95
1"	\$1.46	\$1.99
1.5"	\$3.50	\$4.77
2"	\$4.85	\$6.61
3"	\$12.80	\$17.44
4"	\$19.75	\$26.91
6" and Larger	\$30.00	\$40.88

The new Tax rate would provide funding for the following new and expanded programs and practices required by the city's MS4 permit, supplying a total of approximately \$2M in additional revenue annually.

Stormwater Post-Construction Program

Under the new permit, the City is required to develop and implement a post-construction program, applicable for all private and public development and major redevelopment projects 1 acre in size or greater. The post-construction program is required to inventory, track, inspect, and confirm adequate maintenance of post-construction stormwater controls (e.g., retention/detention basins, stormwater pretreatment devices, drywells, etc.). This program is currently in development with public stakeholder meetings ongoing. This program will be managed out of the Planning and Development Department and the Tax will specifically support:

Staff positions (to be added as program needs require over the five-year time frame) to develop and implement the program, including:

- Stormwater Post-construction program manager - to lead development and management of program and supervise staff, complaint, and enforcement response.
- Two Principal Engineering Technicians (anticipated to be hired in the 1st and 3rd years of the program, respectively) - the primary staff evaluating functionality of post-construction controls, field verification as needed, initial complaint and enforcement investigation.
- Administrative Assistant I - to support the post-construction program, update database information, prepare communication and outreach to stakeholders, etc.
- GIS Technician or Engineering Tech - to focus on updating the GIS inventory of stormwater post-construction controls in a timely manner. Options are being evaluated to determine the most effective placement of this position.
- Database development/update, equipment and supplies, training development and educational outreach, and evaluation/outreach for continuous program improvement.

The post-construction program is currently in development with four stakeholder meetings complete and more planned in the future to get public input on the City's approach to the program. City staff have focused on creating a program that avoids unnecessary expense for implementation. A few examples of how staff have designed the post-construction program to avoid higher program costs include:

- Utilizing existing project closeout procedures to gather required inventory details;
- Placing the program in the Planning & Development Department to capitalize on existing expertise and plan review functions;
- Emphasizing property owner (or their designee) inspections of post-construction stormwater controls with a randomized subset selected for City staff inspections, which;
- Minimizes City staff needed for inspections, tracking, and enforcement actions;
- Encourages the property owner to identify post-construction control performance concerns early to reduce the private costs of repair;
- Incorporate the post-construction program database needs into the ongoing ShapePHX development process; and
- Utilize existing processes in the Street Transportation Department GIS and Central Records divisions for spatial data management.

Water Services Department

To implement expanded responsibilities under the Water Services Department purview, the Tax will support the following:

- Staff to undertake significantly increased permit requirements including annual public workshop and outreach, reporting, tracking, inspecting and facility requirements.
- Environmental Quality Specialist- to verify and update Industrial and Commercial facility inspection data, complete and submit Discharge Monitoring Reports, annual report generation and documentation for program modification, coordination of training and outreach requirements.
- Water Services Project Coordinator - to lead implementation and management of program and supervise staff, assess rules/regulations for impacts on the Department and City, report preparation, evaluate effectiveness of public outreach and enforcement response, serve as primary contact for stakeholder activities.
- Customization, technical support, integration, and interface with other city systems (such as ESRI GIS, WAM, and LIMS) and annual software license for Compliance Management Database.

Street Transportation Department

The Tax would support the following actions by the Street Transportation Department

to proactively manage and maintain the storm drain system:

- Develop a storm drain asset management program to identify, monitor, and evaluate storm drains in an effort to inform better decision-making related to storm drain capital improvement projects. The increased tax would cover annual technical support and software license for a cloud-based asset management program and interface with other city systems (such as ESRI, GIS, SAP, etc.);
- Over time, perform a systematic citywide storm system assessment to proactively identify concerns; and
- Perform up to ten (10) site specific evaluations of the approximately 800 known local drainage problems. The evaluations would identify potential solutions to those problem areas which could include the addition and/or extension of storm drain lines, the addition of catch basins, and other flood mitigation efforts. As appropriate, funds may be used to construct small scale physical improvements identified during the site-specific evaluations to rectify drainage concerns.

These additions to the Program will keep the City in compliance with the new MS4 permit and will inform staff on the status of the storm drains to proactively, rather than reactively, identify and address concerns.

Concurrence/Previous Council Action

The City Council last approved an increase to the stormwater excise tax on April 6, 2010, in connection with the prior ADEQ stormwater permit requirements.

Responsible Department

This item is submitted by Deputy City Managers Karen Peters, Mario Paniagua and Alan Stephenson and the Water Services, Planning and Development and Street Transportation departments, and the Office of Environmental Programs and the City Engineer.



Water Services Department’s Financial Plan Update and Water Allowance Adjustment

This report provides the Transportation, Infrastructure and Planning Subcommittee with an update on the Water Services Department’s financial plans for Fiscal Years 2023-28 and proposed changes to the water allowance. Additionally, it addresses the need for capital improvement investments imposed by further shortages on the Colorado River and the impacts of continuing high inflation on operating, maintenance, and construction costs.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Summary

The Water Services and Finance Departments have prepared the five-year financial plans for both the City's water and wastewater utilities. The plans reflect the financial requirements needed to operate and maintain the water and wastewater utilities. The financial requirements include funding the Capital Improvement Plan (CIP), which allows for rehabilitation and/or replacement of critical infrastructure. A portion of that CIP will be used to fund the City’s first Advanced Water Purification (AWP) Facility, that will be the first facility to take treated wastewater and apply advanced purification methods to meet or exceed potable water standards.

The City Council has taken the necessary actions to meet the needs of a rapidly growing city, maintain the infrastructure for existing residents, and meet federal standards for safe drinking water and wastewater effluent.

Ongoing and upcoming plans include:

- Delivery of necessary resources for Water and Wastewater to continue to operate efficiently and effectively;
- Maintaining rates that assure safe and reliable water services delivery and provide affordability for water and wastewater customers;
- Restoring and upgrading the Cave Creek Water Reclamation Plant (CCWRP) to augment the City’s water resources by taking the region’s generated wastewater and treating it to potable water standards; and

- Continuing to encourage water conservation efforts with outreach and education.

The following sections outline the financial requirements for proposed water and wastewater rates, and allowance adjustment to assure the water and wastewater utility meet its current debt obligations as well as its forecasted Operations & Maintenance (O&M) and CIP expenditures.

Inflation and Other Impacts to O&M Budgets

The Water Services Department (WSD) has experienced substantial increases in cost of supplies and materials due to inflation over the past year-and-a-half. During that time, Phoenix has experienced the highest inflation of any metropolitan area in the country. For FY19 to FY24 the department has experienced various cost increases, including:

- Chemicals - 136 percent increase for Water and 51 percent for Wastewater;
- Electricity - 12 percent increase for Water and 17 percent for Wastewater;
- Raw Water - 35 percent increase; and
- Personnel - 38 percent increase for Water and 16 percent for Wastewater.

Additional financial pressure is expected if inflation continues and as a result of the City of Phoenix class and compensation study that will be finalized in 2023. The proposed financial plan includes costs associated with further labor increases over the next two years.

Colorado River Water Shortages and AWP

Water Services is also looking ahead for ways to provide safe, clean, drinking water in response to the current and unpredictable drought. Water scarcity is driving the need for “new” water sources and turning wastewater into potable water is a way to provide a sustainable source of water.

As a way to minimize the impact of the continued shortage occurring on the Colorado River, Water Services is preparing for significant treatment upgrades to the currently offline CCWRP to augment the existing water resources portfolio. The City believes AWP facilities will play a large role in offsetting some of the future losses of surface water supplies. Upgrading the CCWRP is the first step in the City’s overall AWP plan.

O&M and CIP Budgets

Given the impact of increased costs due to inflation and the impacts of the Colorado River shortage, the Water and Wastewater O&M and CIP budgets were carefully developed to minimize costs in the current fiscal year while upholding the Department’s mission to provide safe and reliable drinking water and wastewater

services that meet or exceed regulatory requirements.

As submitted to the Transportation, Infrastructure, and Planning Subcommittee on November 16, 2022, the approved FY 23 and proposed FY 24 through 28 CIPs for water and wastewater are \$1.86 billion and \$1.69 billion respectively. The capital programs are a reflection of the necessary infrastructure improvements needed, based upon ongoing condition assessments and prioritization of both utilities to ensure safe, reliable water/wastewater service.

Water Allowance

In 1990, the Water Services Department substantially changed the water rate structure. The new rate structure contained an allocation of water for each customer in the monthly base service charge. This rate feature is referred to as an allowance. These levels have remained the same since 1990, when they were enacted. However, since implementation of the allowance in 1990, there has been a significant decline in average water use per household. In the early 1990s, 21 percent of monthly household bills had consumption levels within the allowance. As a result of water conservation, 31 percent of all household bills now have consumption levels within the existing allowance.

The proposed change will better align the water allowance levels with the current average water usage and have a larger portion of the water usage under the volumetric (actual use) rate. In addition, the proposed change would lower the levels so that the ratio of water average consumption to the allowance levels matches those set in 1990, effectively accounting for successful water conservation efforts. This realignment would change the levels to 8 units in the summer months and 5 units in the non-summer months from the current levels of 10 units in the summer months and 6 units in the non-summer months. Lowering the allowance levels to 5 and 8 would result in 22 percent of all single-family bills falling below the allowance annually. In the past five years, the number of customers who use less than the current allowance has ranged from 21 percent to 40 percent each month, depending on the season. With the new levels, it will be between 15 percent and 31 percent.

A larger portion of a customer's water usage under the volumetric (actual use) rate and not the flat base charge (allowance) will generate a stronger water usage signal to our customers. The expectation is that a better understanding of usage will encourage people to use less water, helping the City reach its conservation goals.

The WSD feels that these new levels strike a balance between water conservation and affordability. Having a portion of a customer's water usage included in the low monthly

base rate allows some conscientious water customers to receive water service at a low rate, making our utility one of the most affordable in the nation.

We anticipate that the change in the monthly allowance will increase water revenue by approximately \$17M, if water usage remains the same. The changes to the monthly water allowance will be included as an integral part of the Water Services Financial Plan.

Water and Wastewater Financial Plan

The financial plans forecast inflationary adjustments that are necessary to support future O&M costs. The plans also address the ongoing impacts of the Colorado River shortage by investing in the conversion of the CCWRP to an AWP Treatment Facility thereby augmenting Phoenix’s potable water supplies. In addition, the plans incorporate projected bond debt for near-term CIP investment.

Based on Water Services projected O&M and CIP needs, the Finance Department has developed a financial plan to determine the forecasted revenue requirements. Information on operating costs and capital needs were examined and forecasted, to determine required bond issuance amounts and timing to determine future rate revenue requirements.

The forecasted water rate revenue increases, as compared to the last financial forecast, are summarized in the table below.

Water Rate Revenue Increase

<u>Calendar Year of increase</u>	<u>Previous Financial Plan</u>	<u>Proposed Rate Revenue Increase</u>
2023	3.5%	6.5%
2024	Not Forecasted	6.5%
2025	Not Forecasted	13%
2026	Not Forecasted	5%
2027	Not Forecasted	5%
2028	Not Forecasted	5%

Wastewater Rate Revenue Increase

<u>Calendar Year of increase</u>	<u>Previous Financial Plan</u>	<u>Proposed Rate Revenue Increase</u>
2023	0%	6.5%
2024	Not Forecasted	6.5%

2025	Not Forecasted	7%
2026	Not Forecasted	9%
2027	Not Forecasted	9%
2028	Not Forecasted	9%

Concurrence/Previous Council Action

On January 26, 2023, the Citizens' Water/Wastewater Rate Advisory Committee (WWRAC) recommended:

- Water rate revenue increases of 6.5 percent effective Oct. 2023, 6.5 percent effective March 2024, and 13 percent effective March 2025; by a vote of 9-0.
- Wastewater rate revenue increases of 6.5 percent effective Oct. 2023, 6.5 percent effective March 2024, and 7 percent effective March 2025, by a vote of 9-0.
- Decrease the current water allowance from 600 cubic feet (6 units) per month to 500 (5 units) from Oct. to May and from 1000 (10 units) to 800 (8 units) from June to Sept., by a vote of 9-0.

Responsible Department

This item is submitted by Deputy City Manager Karen Peters and the Water Services Department.