



Board Agenda Item 6

DATE: June 18, 2024

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: Fresno County Senate Bill 1 Project List and Anticipated Force Account Projects

RECOMMENDED ACTION(S):

- 1. Approve and authorize Chairman to sign a Resolution establishing a list of road and bridge projects to be performed with Department of Public Works and Planning's Road Maintenance and Rehabilitation Account funds in the amount of \$27,886,662 for FY 2024-25; and**
- 2. Declare the FY 2024-25 Anticipated Day Labor Overlay Road Segment projects identified on Exhibits A and B are intended to be performed by force account in accordance with California Public Contract Code section 22031(g) and the force account limits for FY 2024-25.**

Approval of the first recommended action will authorize the projects to be performed with the Department of Public Works and Planning's (Department) Road Maintenance and Rehabilitation Account (RMRA) funding for FY 2024-25. The initial Project List must be submitted by July 1, 2024 to the California Transportation Commission (CTC), but your Board may add, delete or revise the list at any time and as often as necessary, as discussed below.

Approval of the second recommended action will allow the Department to comply with California Public Contract Code (PCC), section 22031(g), which requires that projects intended to be performed by force account be declared by the Board of Supervisors or the County Road Commissioner each fiscal year. This item is countywide.

ALTERNATIVE ACTION(S):

If the first recommended action is not approved, the County Road Fund 0010 would not receive an estimated \$27,886,662 from the RMRA for FY 2024-25 (Exhibit C). Your Board may approve the recommended action in its original form or in modified form and direct the Department to return at a later date to modify the Project List. As long as the initial list is adopted by your Board and submitted to the CTC by July 1, 2024, your Board may direct the Department to return at any time and as often as necessary to modify the Project List by adding, deleting, or revising projects.

If the second recommended action is not approved, county forces will be unable to perform some of the anticipated maintenance and reconstruction projects identified in Exhibits A and B by force account. If not approved, it would require Department staff to bid out additional maintenance and construction projects, causing delays in delivery of service and resulting in additional project costs. Your Board may approve the second recommended action in its original form or in modified form and direct the Department to return at a later date to modify the project list.

FISCAL IMPACT:

There is an increase in Net County Cost associated with the recommended actions. The Road Repair and Accountability Act of 2017 (Senate Bill 1 or SB 1) (Beall, Chapter 5, Statutes of 2017) requires a \$212,959 annual maintenance of effort contribution from the General Fund, and will be included in the Department of Public Works and Planning - Roads Org 4510 FY 2024-25 Recommended Budget.

For the first recommended action, revenues received from the RMRA will be deposited in Road Fund 0010, and will be utilized for design, right-of-way purchase, construction, and construction inspection of the identified road and bridge projects.

For the second recommended action, funds for anticipated day labor overlay road segment projects by county forces will be included in the Public Works and Planning Roads Org 4510 FY 2024-25 Recommended Budget.

DISCUSSION:

First Recommended Action:

1. Gas Tax Funding

The State imposes per-gallon excise taxes on gasoline and diesel fuel, sales taxes on diesel fuel, and registration taxes on motor vehicles, dedicating these revenues to transportation purposes. Portions of the revenues are distributed to cities and counties through the Highway Users Tax Account (HUTA) and RMRA, which was created by SB 1. For FY 24-25, Fresno County's HUTA revenues are estimated to total \$27,932,792 and RMRA revenues are estimated to be \$27,886,662. By statute, the tax percentage increases annually in order to account for the reduction in gas purchases due to increased use of hybrid and electric vehicles. The State's Road Charge Pilot program is exploring ways to charge drivers for actual vehicle miles driven, to more fairly allocate costs to road users. It is unclear whether this technology will eventually lead to a change in the way the legislature allocates gas tax is to cities and counties.

By statute, the County's share of Gas Tax is calculated using a formula which considers the number of registered vehicles and the number of maintained miles of roadway. The formula assigns greater significance to the number of registered vehicles (in all cities and unincorporated areas of a county) by assigning weighting factors of 75% and 25%, to the number of registered vehicles and to the number of maintained miles, respectively. Although the County maintains approximately 3,474 miles of road, which is the largest County Road system in the State, we do not receive the most funding. The weight toward registered vehicles, whether or not the owner lives in an unincorporated portion of a county. For example, Orange County, the county with the lowest amount of maintained miles, at 345 - less than one-tenth of Fresno County, is issued more than twice as much total gas tax revenue.

2. Needs Identification and Project Selection

SB 1 emphasizes the importance of accountability and transparency in the delivery of California's transportation programs. Therefore, in order to be eligible for RMRA funding, the statute requires cities and counties to provide basic RMRA project reporting to the CTC.

The SB 1 project list is developed with information from several sources:

- The Department's pavement management system (PMS). The PMS is a planning tool used to aid pavement management decisions. PMS software programs model future pavement deterioration due to traffic and weather and recommend maintenance and repairs to the road's pavement based on the type and age of the pavement and various measures of existing pavement quality. The

Department provides information from the PMS to respond to the Statewide Local Streets and Roads Needs Assessment, a survey conducted statewide to assess local street and road network conditions. The 2023 Assessment rated the County's roads as "at risk" along with 46 other counties. Eight counties are rated in poor condition, while three (the aforementioned Orange County, San Bernadino and San Diego) are rated as good condition. No counties were rated as excellent.

- Bridge Inspection Reports - Each bridge in the State carrying a public highway that has a minimum span greater than 20 feet is inspected every two years. Caltrans maintains the master bridge inventory for the State. Whenever a bridge is inspected, a bridge inspection report is created that discusses the health of the bridge including work recommendations.
- Public Outreach - the Department conducts public outreach through the General Plan and the Active Transportation Plan updates, as well as various community meetings in the unincorporated areas to obtain residents' input into needs for road and pedestrian facilities.

3. Senate Bill (SB) 1 / RMRA Project List

The RMRA funds are proposed to be spent on several projects, which will be funded exclusively by RMRA, and to provide matching funds for federally-funded projects. In order to ensure that the projects can utilize all of the available funding, the estimated cost to construct all of the projects on the list exceeds the available RMRA funding. Certain overlay locations will be included in the contract(s) as additive alternate bids, which can either be awarded with or omitted from the construction contract(s) depending upon the bids received and available funding.

SHC section 2034(a)(1) provides that the project list does not limit the flexibility of an eligible city or county to fund projects in accordance with local needs and priorities so long as the projects are consistent with RMRA priorities as outlined in SHC section 2030(b). Consequently, the list does not necessarily reflect all of the projects that will ultimately utilize RMRA funding.

While it is critical that a Project List be adopted by your Board and submitted to the CTC by July 1, 2024 to secure RMRA funding for FY 2024-25, your Board may direct the Department to return at any time and as often as necessary to modify the list by adding, deleting, or revising projects. California State Association of Counties revenue projections published in January 2024 anticipate that the County will receive \$27,886,662 in FY 2024-25. This amount reflects a modest increase in revenue projection over the previous fiscal year despite a slight decline in fuel consumption.

On June 20, 2023, a list of projects to be performed using RMRA funding in FY 2023-24 was adopted by your Board. Projects included on that list that have not yet been completed are considered "carryover projects" and are attached as Exhibit B and referenced in the proposed resolution. If funding is not adequate to cover all projects in FY 2024-25, or if completion is still pending at the end of the fiscal year, they will be carried over as projects to be constructed using RMRA funding in FY 2025-26 and future allocations, as necessary.

As shown on Exhibits A and B, not all of the listed projects will be constructed during FY 2024-25. In some cases, the funding is used only to cover the local match for federally funded projects, or only certain phases of the projects. Some projects may not ultimately be constructed and they may be deferred or deleted from the list at a later date.

Second Recommended Action

1. Force Account Day Labor Project List

Public Contract Code (PCC), section 22031 was amended in September 2014 with the passage of

Assembly Bill 2752 (Chapter 345, Statutes of 2014). Generally, the section limits the amount of new construction and reconstruction that can be done by county forces to 30% of the total value of all work performed by force account other than maintenance as reported in the Controller's Streets and Roads Annual report as of March 1 of each year prior to the subsequent fiscal year. For the County, the calculated force account limit is \$9,205,606 for FY 2024-25. However, the amount of force account work actually completed will depend on allocations for staffing, equipment, and materials in the Department's Proposed FY 24-25 Budget. Under PCC section 22301(g), to perform the identified work with County forces, the Board of Supervisors or County Road Commissioner must declare its intention to use the provisions of section 20395(c), which authorizes the Road Commissioner to perform day labor work on specific projects. Such declaration can be made on a project-by-project basis, via a list of anticipated projects for the fiscal year, or via a list that may be included in the county's annual budget.

Department staff has identified several road segments that are planned for rehabilitation (day labor overlays greater than one inch) by force account in FY 2024-25, which are listed on Exhibits A and B. These anticipated maintenance and reconstruction projects have been selected to be performed by force account because it would be more cost effective than contracting the projects out due to the nature of the required work, which consists primarily of short segments and/or narrow, low volume roads.

With your Board's approval of the second recommended action, a list of anticipated projects for the FY 2024-25 Anticipated Day Labor Overlay Road Segment projects, intended to be performed by force account in accordance with PCC, section 22031(g), will be declared. Department staff will monitor qualifying expenditures throughout the fiscal year to ensure that the limit is not exceeded and make any necessary project adjustments due to cost or changing priorities. Any projects that can be performed but are not listed on Exhibits A or B will be declared on a project-by-project basis. Any projects not completed during FY 2024-25 will be deferred to a subsequent year.

OTHER REVIEWING AGENCIES:

The resolution will be submitted to the CTC by July 1, 2024.

REFERENCE MATERIAL:

BAI #80, June 20, 2023
BAI #39, August 23, 2022
BAI #11, May 17, 2022

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A - RMRA SB-1 New Project List including Force Account - Day Labor Projects FY 2024-25
Exhibit B - RMRA SB-1 Carried Over Project List including Force Account - Day Labor Projects From Prior Years
Exhibit C - HUTA-RMRA Revenue Estimate FY 2024-25
On file with Clerk - SB-1 Resolution with Exhibits A and B

CAO ANALYST:

Salvador Espino