



County of Santa Cruz⁰²⁷³

BOARD OF SUPERVISORS

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AGENDA: 1/25/00

January 12, 2000

BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

RE: COUNTY ROAD RENOVATION PROGRAM

Dear Members of the Board:

For more than a year now, as I have gone to community coffees and meetings, the one persistent complaint raised by constituents is that County roads continue to deteriorate. The County maintains approximately 608 miles of roads. According to Public Works officials, these roads should be seal coated on approximately a six to seven year cycle in order to maintain their utility and maximize their useful life. This would suggest that we should be doing chip seal coating or other slurry sealing operations on between 60 to 80 miles of road per year. However, this year we budgeted only \$370,000 for the sealcoat program, \$200,000 of which was money rolled over from the prior year. This amount will resurface approximately 14 miles of County road. This type of restrained spending on ordinary maintenance has proven to be extremely costly in the long run.

The majority of revenue available to the Public Works Department comes from State and federal grant sources targeted for specific capital improvement projects that are generally not eligible for road maintenance and rehabilitation. While the sources of funding, essentially the gas tax and CSA 9D, have seen relatively minor to no growth, the demand for these funds has increased substantially. Of the \$38.4 million in the 1999/00 Road Budget, approximately \$7.4 million goes towards general road maintenance and operations. However, this is parceled out among storm repairs, bridge maintenance, culvert replacement, highway striping and re-striping, sign maintenance, landscape

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maintenance, brush removal, culvert cleaning, hazardous materials controls, volunteer road crews, and other expenses, leaving an insufficient amount to adequately maintain and repair the County's roads. The department is eligible to apply on a competitive basis for Regional Transportation Commission funding from the Surface Transportation Program in the 2001-03 cycle; however, while these funds are eligible for road rehabilitation work, they are funds for which the County must compete with the cities and transportation agencies.

As a result of the limited amount of resurfacing funds available and the many natural disasters such as the El Niño storms that the County has experienced over the last ten years, the condition of roads in the rural part of the County is atrocious. This fact led the Board of Supervisors to support the formation of the Regional Task Force for Road Reconstruction Funding Alternatives. That Task Force, recently disbanded, looked at a number of funding alternatives that involved raising new taxes to provide funding for needed road improvements. It looked at the feasibility of either an additional gasoline tax or an increased sales tax.

The Task Force concluded that a gas tax was unlikely to be passed by the voters of the county but it was hopeful that progress would be made on SCA 3, the John Burton bill in the Senate which would provide a Constitutional amendment lowering, on a one-time basis, the vote necessary to pass an additional one-half cent sales tax for transportation and transit purposes. Processes are being put in place to begin to develop an expenditure plan for these tax revenues, a necessary prerequisite to obtaining this source of tax funding. Business organizations are gearing up to lobby for the additional votes needed to move SCA 3 through the legislative process. However, in the January 12, 2000, newspaper, it was announced that Governor Davis does not support SCA 3 in its current form. That may well spell its doom unless the Governor's action promotes adoption of a compromise measure. There are a number of other funding proposals that were considered by the Assembly last year, including the Republican proposal to dedicate all of the sales tax on gasoline to transportation. This would move \$1 billion out of the General Fund, causing ripples in education and other areas. None of these proposals received the necessary support, and there is no assurance that, despite the economic well-being of the State, any significant package of new funding will come from Sacramento.

For a number of years, the County has told its residents that the impacts of prior winter storms consumed our ability to provide ongoing, general, business-like maintenance and repair of County roads as all of our available resources had to be focused on particular repairs, addressing FEMA shortfalls, and specific capital improvement projects. Funding for road repairs and resurfacing has grown smaller and smaller.

The relationship between lack of funding and progressive deterioration is borne out by the information contained in the Pavement Management System Update Report prepared by Nichols Consulting Engineers for the Department of Public Works in 1997. That study was a part of the process of converting our old Pavement Management System to a more modern version. The consultant evaluated 590 centerline miles of County streets and roads in order to identify the existing quality of all road segments, and to determine the type of road repair that would be necessary to raise each segment, and thus the entire system, to a "good" standard, meaning a Pavement Condition Index rating of at least 70 on a scale of 100. The consultant classified anything with a rating from 70-100 as "good."

The study also determined the cost of doing all of those upgrades. The study used unit costs of \$.90 per yard for seal coating and prep work in urban areas, \$.70 per square yard for the same work in rural areas, \$8.00 per square yard for adding a 3 inch asphaltic concrete overlay with fabric, and \$12.00 per square yard for total reconstruction of the road surface. It should be noted that those costs are approximately 30 percent less than the actual bid costs for similar work done in this county in 1997.

The maintenance study then took all of this information and aggregated the annual budget needs in a chart showing budget expenditures from the year 1997 to 2001. This chart is shown below:

<u>Year</u>	<u>Budget Needs</u>	<u>Pavement Condition Index</u>	
		<u>(PCI) w/o Treatment</u>	<u>PCI w/Treatment</u>
1997	\$ 4,699,951	60	68
1998	2,148,126	58	68
1999	2,557,223	55	70
2000	1,983,216	52	70
2001	<u>1,863,837</u>	50	70
TOTAL	\$13,252,353		

The columns on the right show what the Pavement Condition Index for the entire County road system would be without any treatment and what the estimated Index would be if the recommended treatment were carried out. Since most of the indicated work was not done (other than on some arterials), it can be assumed that the middle column, the Pavement Condition Index without treatment, more closely reflects the actual deterioration of County roads that has occurred in the last five years. This was compounded by the additional damage resulting from the 1998 El Niño storms.

In 1997, the total cost estimated for carrying out this five-year program to bring the roads up to a 70 percent PCI index rating was \$13,252,353. Public Works officials later estimated, based on additional damage to the road system done as a result of the 1998 El Niño storms, and factoring in inflation, that it would take approximately \$19 million to achieve the same objective. The cost is now even higher. However, more accurate estimates will be available shortly.

The Pavement Management System report provided by Nichols is being updated at the present time. The update will employ new unit prices based on our most recent experience with actual contracts in order to generate more realistic budget estimates. The Public Works Department believes that an important savings may be available in the form of "economy of scale" reductions in per unit pricing if we were to commit to repairing 60-70 miles a year rather than taking a "Band Aid" approach. The Public Works Department expects to receive the first draft of an Executive Summary during the week of January 17, and the detailed report soon thereafter. This report will use a similar methodology, with more current data, to forecast the cost of the improvements necessary to bring the road system up to a PCI rating of 70.

There are also concerns with our routine maintenance and operations program that relate to this issue. In addition to pavement overlays and seals, increased basic road maintenance is needed. Basic maintenance consists of patching, crack sealing, ditch cleaning, vegetation control, and culvert replacement. These all work, if performed regularly, to prolong the life of the pavement. Over the last several years, the maintenance budget has been diverted from these basic activities to funding the local share of damage site repairs.

A separate but related concern is that the equipment fleet is aging, without adequate funding for replacement. This issue has been discussed with the Auditor-Controller and mentioned in the Department of Public Works' budget narrative for the last two years. The Auditor and Public Works fiscal staff have identified an equipment rental rate methodology which will generate some additional funding, but not enough to replace the existing equipment in a timely manner.

The effect of storm repair work on ordinary maintenance continues. Programmed Operations storm damage repair work performed by the maintenance crews is scheduled in part for this fiscal year and partly deferred to fiscal year 2000-01. This Board approved the hiring of a summer crew this year to facilitate completing the programmed work. Continuation in fiscal year 2000-01 of an additional crew specializing in culvert replacement, crack sealing, storm damage repair, and crib wall construction would free up existing crews to return to basic

maintenance work. It is estimated that costs for the additional crew and project construction would total approximately \$1.7 million (\$600,000 for labor, \$400,000 for equipment acquisition, \$200,000 in yearly equipment charges, and \$500,000 in materials) and would require a new funding source.

An additional maintenance criticism raised by constituents relates to that most mundane of subjects--the proper technique for filling potholes. A number of complaints have been received that too often, potholes are filled by shoveling cold patch into the hole (with no surface preparation of the bottom of the hole) which is then compacted by driving the crew's truck over the hole. This method is not durable if there is subsurface water present, as is the case with most County roads in the winter. Public Works managers indicate that there is a mobile unit available that would both properly prepare the pothole surface and fill it with an asphaltic substance that would "set up," providing long lasting fixes. I think we could save money in the long run by applying a better technology to this problem, and would like to obtain information on the cost of the equipment and a plan for financing its acquisition, as well as the replacement of other older pieces of equipment.

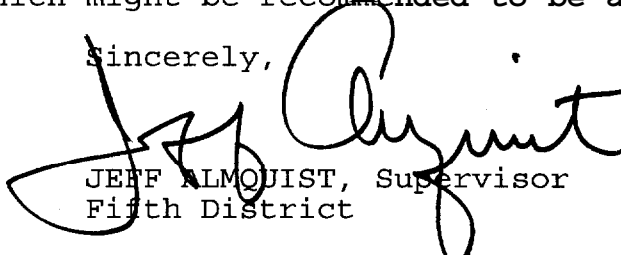
It is clear to me that at this point in time prudence dictates that we make aggressive efforts to rehabilitate the County's road system. Further, it is clear to me that we cannot rely on any external source of funding to accomplish this. Despite the economic well-being of the State, it is unclear where the Legislature is going to go with regard to road funding; the Governor's non-support for SCA 3 represents a major blow to transit and transportation agencies throughout the state. If we adopt a multi-year plan and new State funding becomes available subsequently, we can use it to complete the plan, but we should move forward now with a plan. We should not wait any longer to begin addressing this problem, even though this means using our available resources.

It is my goal that the County develop an identifiable source of funds that now could be dedicated to the commencement and successful conclusion of this program so that we are in a position to begin formally programming these funds during budget hearings in June. In light of this, I would recommend that the Board direct the County Administrative Office to provide a report to the Board, on or before February 15, 2000, on the following items:

1. In conjunction with the Public Works Department, provide a status report on the Pavement Management Report update currently being prepared..

2. A conceptual funding plan to provide for meeting the objectives and recommendations of the Pavement Management System, utilizing currently available funds and future anticipated funding, so that we will have as a goal the initiation of a five year program to bring County roads up to a Pavement Condition Index rating of 70 using the guidance provided by the report.
3. A report on the budgetary implications of enhancing the basic road maintenance capability of the Department of Public Works, cost of equipment necessary to provide long-term repairs to potholes, as well as a plan for financing the acquisition and replacement of other critical equipment, and labor and other costs of any additional crew which might be recommended to be added.

Sincerely,



JEFF ALMQUIST, Supervisor
Fifth District

JA:ted

cc: County Administrative Officer
Public Works Director
Auditor-Controller

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