



COUNTY OF NEVADA
COMMUNITY DEVELOPMENT AGENCY
DEPARTMENT OF PUBLIC WORKS
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Acting Community Development Agency Director

Panos Kokkas
Director of Public Works

File:

NEVADA COUNTY BOARD OF SUPERVISORS
Board Agenda Memo

MEETING DATE: April 12, 2022
TO: Board of Supervisors
FROM: Panos Kokkas, Director of Public Works
SUBJECT: Resolution Approving the Capital Improvement Plan 2022 Annual Update

RECOMMENDATION: Discuss and approve the Capital Improvement Plan 2022 Annual Update.

FUNDING: Not applicable.

BACKGROUND: The Capital Improvement Plan (CIP) is updated annually to provide the Board of Supervisors and the community with an outline of the Public Works Department's Road maintenance and capital improvement expenditures and revenue projections. This year's CIP represents a five-year, \$143 million program from July 2021 thru June 2026.

Gas Tax and General Fund Maintenance of Effort (MOE) are the primary discretionary funding sources for the County's road maintenance activities. Since 2010, the County saw large annual fluctuations and an overall decline in gas tax revenue that resulted in a \$3 million loss in funding over the previous decade. A combined 20% increase in costs during that time further eroded our ability to maintain roads and infrastructure.

In April 2017, Governor Brown signed Senate Bill 1 (SB1) – Landmark transportation funding legislation that invests \$52.4 billion in Road Maintenance and Rehabilitation Account (RMRA) funds over the next decade to fix roads, freeways, and bridges in communities across California. The new funding package will result in an average total increase of approximately \$3 million annually over the next ten years to Nevada County for road safety, maintenance, and improvement projects. RMRA funds are now protected for transportation purposes only under Article 19 of the California State Constitution per the approval of Proposition 69 in June 2018. This additional revenue will be used to fund road rehabilitation and preservation projects, roadside vegetation control and shoulder maintenance activities throughout Nevada County.

With recent increases in crude oil prices both construction materials and operation costs will increase consequently reducing the amount of work to be completed based upon the available funds. The drastic increase in gas and diesel prices will also reduce the number of gallons sold, thus reducing the road fund revenues. The long-term prognosis for the CIP's fund balance projections improves as the county receives gas tax and RMRA funds. Moving forward, staff anticipates maintaining a reasonable fund balance in future fiscal years.

Although economic indicators are uncertain, we continue to see robust state and federal grant funding for capital projects. In this plan, the County expects to receive approximately \$66 million in state and federal grants for a variety of transit, roadway safety, bridge, and road maintenance projects. Additional grant funds have been applied for from the Federal Emergency Management Agency and Cal-Fire for vegetation management. Additional grants for vegetation management will be applied for as opportunities arise.

Item Initiated by: Patrick Perkins, Principal Civil Engineer
Approved by: Panos Kokkas, Director of Public Works

Submittal Date: March 24, 2022
Revision Date: