



**COUNTY OF NEVADA**  
**COMMUNITY DEVELOPMENT AGENCY**  
**DEPARTMENT OF PUBLIC WORKS**  
950 MAIDU AVENUE, NEVADA CITY, CA 95959-8617  
(530) 265-1411 FAX (530) 265-9849 [www.mynevadacounty.com](http://www.mynevadacounty.com)

Sean Powers  
Community Development Agency Director

Trisha Tillotson  
Director of Public Works

**File: 100.50 015**

**NEVADA COUNTY BOARD OF SUPERVISORS**  
**Board Agenda Memo**

**MEETING DATE:** December 12, 2017

**TO:** Board of Supervisors

**FROM:** Joshua Pack, Principal Civil Engineer

**SUBJECT:** **2018 Nevada County Department of Public Works Road Maintenance and Capital Improvement Five Year Plan**

**RECOMMENDATION:** Discuss the 2018 Nevada County Department of Public Works Road Maintenance and Capital Improvement Program Five Year Plan.

**FUNDING:** Not applicable.

**BACKGROUND:**

The Capital Improvement Program (CIP) is prepared annually to provide the Board of Supervisors – and the community – with information outlining road maintenance and capital improvement expenditures and revenues for the next four years. This year's CIP represents a five year, \$82 million program from July 2017 thru June 2022.

Gas tax and General Fund Maintenance of Effort (MOE - previously Measure F) are the primary unrestricted 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 (SB 1) –landmark transportation funding legislation that invests \$52.4 billion dollars 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 \$3.8 million dollars annually over the next ten years for Nevada County for road safety, maintenance and improvement projects. This additional revenue will primarily be used to fund infrastructure rehabilitation and preservation projects throughout Nevada County. If an initiative to repeal SB1 during the November 2018 election is successful, road maintenance activities including preventative pavement rehabilitation and maintenance as well as vehicle and equipment replacements will be suspended until another funding source is identified.

In June 2017 the Board of Supervisors Nevada County replaced previous Measure F revenues with a replacement revenue source from the General Fund. This new revenue source establishes baseline funding equivalent to previous Measure F revenues and is subject to annual inflationary adjustments, eliminating any future fluctuations seen in Measure F. The new funding source provides a stable and predictable funding source for future road maintenance.

The resulting changes to both Gas Tax and General Fund MOE revenues have resulted in improved stability and cost certainty in the Capital Improvement Program.

The recent historic storm activity took a heavy toll on county roads and infrastructure and resulted in approximately \$1.7 million dollars in damage. The county has been coordinating with state and federal agencies since early 2017 to qualify for storm damage reimbursement funding. While the county expects to receive nearly \$1.3 million dollars in federal reimbursements, staff doesn't expect full reimbursement from the federal government until FY 19/20. Combined with the recent long term decline in revenues, the projected CIP fund balance (cash reserves) for FY 17/18 and 18/19 are below the department's established thresholds. The Board of Supervisors adopted Resolution 17-464 on September 12, 2017 that provided a short term interest free loan of \$1.5 million from the Community Development Agency (CDA) to the Roads fund until such time as reimbursements are received from FEMA/Cal-EMA and FHWA or the Roads fund is sufficient to meet cash flow requirements. This loan helps stabilize the existing fund balance for FY 17/18 and 18/19.

The long term prognosis for the CIP's fund balance projections improves as the county receives additional gas tax revenues and reimbursements for the recent storm damage. Staff expects the fund balance to return to acceptable levels by FY 19/20. Repayment of the CDA loan will occur before July 1, 2019. Staff anticipates maintaining a reasonable fund balance in future years.

In addition to increases in discretionary revenues, we continue to see robust state and federal grant funding for capital projects. Since 2013 the County has received more than \$30 million dollars in federal grants for a variety of roadway safety and bridge and road maintenance projects. In FY 2018/19 alone, the Department expects to deliver capital improvement projects totaling nearly \$8 million dollars, highlighted by the Combie Road Improvement Project and the Purdon Road at Shady Creek Bridge Replacement Project.

For the first time in the history of the CIP, a vehicle equipment replacement savings funding program has been created to fund the replacement of outdated and dilapidated light and heavy duty maintenance equipment. Over the next year, Public Works staff will work on a comprehensive equipment replacement plan that outlines and specifies future needs and expenditures for the road maintenance division.

No action is required at this time for this item. Staff will utilize feedback from the Board and public to prepare a final CIP. Prior to final CIP adoption, staff will also meet with each Supervisor to discuss maintenance and project activities in each member's district. Any resulting changes will be incorporated into the 2018 CIP and brought back to the Board for final approval and adoption in early 2018. The final CIP is utilized for budget adoptions later in the year.

**Item Initiated by:** Joshua Pack, Principal Civil Engineer  
**Approved by:** Trisha Tillotson, Director of Public Works

**Submittal Date:** November 8, 2017