



**COUNTY OF NEVADA**  
**COMMUNITY DEVELOPMENT AGENCY**  
**DEPARTMENT OF PUBLIC WORKS**  
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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:** March 10, 2020

**TO:** Board of Supervisors

**FROM:** Patrick Perkins, Principal Civil Engineer

**SUBJECT:** Approval of the Capital Improvement Plan 2020 Annual Update

**RECOMMENDATION:** Discuss and approve the Capital Improvement Plan 2020 Annual Update.

**FUNDING:** Not applicable.

**BACKGROUND:** This Capital Improvement Plan (CIP) is prepared annually to provide the Board of Supervisors and the community with an outline of road maintenance and capital improvement expenditures and revenue projections. This year's CIP represents a five-year, \$115 million program from July 2019 thru June 2024.

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.

Combined with the recent long-term decline in revenues, the CIP fund balance (cash reserves) for FY 18/19 and 19/20 have been 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 Road fund. This loan has now been repaid.

The long-term prognosis for the CIP's fund balance projections improves as the county receives projected Gas Tax, RMRA funds. Staff expects the fund balance to return to acceptable levels by FY 22/23. Moving forward, staff anticipates maintaining a reasonable fund balance in future fiscal years.

In addition to projected increased revenues, we continue to see robust state and federal grant funding for capital projects. In this plan, the County expects to receive approximately \$40 million in state and federal grants for a variety of roadway safety, bridge and road maintenance projects.

The CIP was found to be consistent with the General Plan by the Planning Commission on February 13, 2020. The CIP is utilized for budget preparation.

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

TT:PP:kk  
Submittal Date: February 14, 2020