

The County of Yuba

Community Development and Services Agency



TO: Board of Supervisors

FROM: Community Development and Services Agency, Mike Lee

SUBJECT: Community Development & Services: Adopt the attached resolution approving the proposed list of FY 19/20 projects funded by the Road Maintenance and Rehabilitation Account (RMRA) portion of SB 1, the Road Repair and Accountability Act

DATE: April 23, 2019

NUMBER: 206/2019

RECOMMENDATION:

The Public Works Department recommends that the Board of Supervisors adopt the attached resolution approving the proposed list of FY 19/20 projects funded by the Road Maintenance and Rehabilitation Account (RMRA) portion of SB 1, the Road Repair and Accountability Act.

BACKGROUND:

In April 2017 the legislature passed SB-1, a comprehensive transportation bill that dramatically increases revenues to our department. Once fully implemented, we anticipate an approximate 200% increase in transportation revenues from FY 16/17 levels. These new revenues will allow us to significantly ramp up road repairs and overlays. Most of the new revenues are phased in, however, and we will not realize the full amount for several years. Fiscal year 19/20 will bring in approximately an additional \$3 million to our department. \$2.25 million of the additional funding comes from the RMRA, the most sizeable piece of this new funding.

The bulk of the new revenues from SB1 are distributed through the Road Maintenance and Rehabilitation Account (RMRA). After working with our state lobbyist and requesting a change in the regulations for SB 1 revenue, the California legislature passed SB 848 in June 2018, which explicitly allows local agencies to borrow against future RMRA apportionments to advance fund work.

DISCUSSION:

As your Board is aware, the County is currently pursuing a loan from the Yuba Water Agency for \$9 million so that the County can advance fund a significant amount of paving work. The loan will be paid back over 10 years using future RMRA apportionments, and the cost of the borrowing will be \$1,146,000 (total interest at 2.25% per annum). This can be paid back earlier than 10 years if the County chooses to reduce interest costs, and can be done without penalty. Staff is proposing to cover the cost of the interest with General Fund dollars and the cost of principal from the RMRA. The County is making a significant contribution of general fund resources dedicated to roads, which has not been done at any level within the last ten years and will achieve a net savings of \$3-4 million that, as stated earlier, can be put into additional road projects immediately.

The Public Works Department is proposing to let two road rehabilitation contracts this summer targeting approximately 55 to 60 miles of roads for a total of \$12 million in work, with the additional \$3 million from the Road Fund.

SB 1 includes historic accountability and transparency measures. Cities and counties are required to adopt by resolution a project lists at the start of every fiscal year showing the following information for RMRA funding: i) description of the work; ii) location of each proposed project; iii) a proposed schedule for each project's completion; and iv) the estimated useful life of the improvement.

COMMITTEE ACTION:

The Land Use & Public Works Committee was bypassed due to the routine and annual nature of this request.

FISCAL IMPACT:

General Fund: \$1,146,600 in interest over the 10 year payback period. This amount may be less if the County chooses to repay the principal quicker than 10 years, which can be done without penalty.

Non-General Fund: Public Works is proposing to let 2 construction contracts totaling \$12 million during the summer of 2019. The revenue sources are as follows:

\$9 million in loan proceeds from YWA
\$3 million from the Road Fund

Attachments
Resolution