



Department of Transportation (MCDOT)

Director's Report – July 21, 2015

- 2014/15 Road Corrective Maintenance Program:** On August 26, 2014, the Board was presented with an accounting of how to fund their newly created “Road Corrective Maintenance Line Item” of \$2 million (\$1million of which was additional General Funds added by the Board). The FY 2014/15 Corrective Maintenance Program accomplished 8.7 miles of Cape Seals in the Talmage and Hopland areas and 4.4 miles of Asphalt Concrete (A.C.) Overlays in the Fort Bragg and Willits areas. The chief purpose of seal work is to provide a preventive maintenance treatment to existing paved surfaces within the County Road System thereby extending the useful life of those surfaces. The Mendocino County Department of Transportation (MCDOT) has used available funds to perform seal projects to maximize the life of roads treated. Seal projects treat miles of road still in fair condition and apply principals of “pavement preservation” to hold the value of existing surfaces. Preventing deterioration is much more cost effective, in the long run, than reaching the point where complete reconstruction is necessary. This year, MCDOT is recommending that some failed road segments (that have deteriorated past the point of a preservation treatment) be resurfaced, restored, and rehabilitated (three Rs) by A.C. Overlay method.

DOT Contract 150023 - 2015 Asphalt Concrete Overlay Project: Thick (3 inches) Hot Mix Asphalt (HMA) overlay. This treatment is hoped to last approximately 30 years. Presently work is proceeding on this project in the Fort Bragg area. There is some delay in the Willits area due to the City of Willits needing to first replace water and sewer lines.

Roads treated are a one mile segment of Fort Bragg Sherwood Road (CR 419) and 1.67 miles of Airport Road (CR 424) near Fort Bragg, and 0.27 mile Della Avenue (CR 312) and 1.45 miles of Sherwood Road (CR 311) near Willits. Reconstruction of 4.39 miles was done at a contract amount of \$1,193,126 – County crews did base failure preparation work.

DOT Contract 150024 - 2015 Cape Seal Project: A Cape Seal consists of a three-layer application. The first layer is a slurry seal of emulsion and sand that is intended to fill large cracks. The middle layer is rubberized chip (crushed rock coated in oil and melted rubber) or “seal layer” (wearing surface). The last layer is a fog seal of thick black emulsion. This treatment is hoped to last approximately 15 years. The contractor, VSS International Inc., completed the work the end of May.

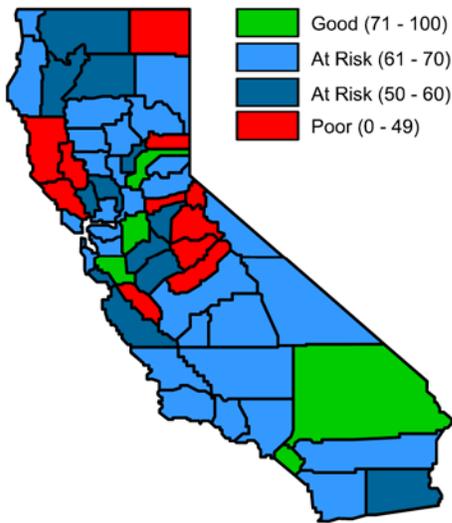
Roads treated were 6.81 miles of Old River Road (CR 201) near Hopland, and 0.9 miles of Mill Creek Road (CR 203) near Ukiah, and one mile of Ruddick Cunningham Road (CR 205) near Talmage. Pavement preservation of 8.7 miles was done at a contract amount of \$924,012 – County crews did base failure preparation work.

Summary: In summary, the total Corrective Maintenance commitment for the above-mentioned contracts (150023 and 150024) is \$2,117,138 for FY 2014/15. For FY 2015/16 begin with \$1.559 million due to lower gas revenue; however, adding the County Road crew's efforts of at

least \$150,000, and the \$192,000 in corrective maintenance work previously authorized in conjunction with the Calpella Safe Routes to School Project, we will meet FY 2015/16's corrective maintenance goal of \$2 million.

- Update Mendocino County Pavement Condition Index:** On November 5, 2013, staff from the Mendocino Council of Governments (MCOG) and MCDOT presented the result of the Pavement Condition Index (PCI) report and California Statewide Needs Assessment Project. The Mendocino County 2013 PCI (updated every 3 years) shows that only 19% of the County's 660 miles of paved roads are in good condition (PCI above 69) – that means the other 81% is at risk or poor (PCI below 50). One third of the County's roads are considered failed.

To view the *California Statewide Needs Assessment Project*, which was unveiled on October 27, 2014, please visit www.savecaliforniastreet.org



The report is a collaboration between the California State Association of Counties, the League of California Cities, and the state's regional transportation planning agencies. Since the first survey six years ago when the statewide average was 68, California's local streets and road conditions continue to decline. Today it is 66, which falls into the at risk category. In the next 10 years it is estimated that the local system will have a funding shortfall of \$78.3 billion. Existing funding for California's local streets and roads is just \$1.7 billion annually; however, \$3.328 billion is needed just to maintain the current statewide average rating of 66. Estimates suggest Mendocino County would need to spend \$9 million per year to maintain an existing PCI of 35 extrapolated (42 MCOG).

			10 Year Needs (2014 \$M)			
County (Cities included)	Lane Miles	Pavement Condition Index (2014)	Road	Essential Components	Bridge	Total
Mendocino County	2,256	35 extrapolated (42 MCOG)	\$625	\$109	\$58	\$792

- Update – SB (Senate Bill) 16, (Beall) \$4 Billion Roadway Repair Funding Bill:** If affirmed by the state, SB 16 (Beall) could produce an additional \$4.3 million in year one and \$5.6 million by year five for Mendocino County. These funds could help close the \$625 million total gap in the backlog of deferred maintenance or, at a minimum, produce the estimated \$9 million per year needed to keep the Mendocino County Maintained Road System from declining further in PCI scores.

If approved SB 16 would impose a 10¢ per gallon surtax on motor vehicle fuel (gasoline), and a 12¢ per gallon surtax on diesel fuel for five years. The above referenced California Statewide Needs Assessment estimates that to meet all local streets and roads estimates it would take an increase of 56¢ per gallon in the state gas tax to bring all the state's local roads to a PCI above 80.

The purpose of SB 16 is to create a temporary funding source for the state, counties, and cities to address road maintenance needs until a new tax revenue system can be put in place that recognizes that the new fuel efficient and alternate energy vehicles are using less fuel, and therefore, produce less fuel tax revenue.

- **MCDOT Director's Cursory Comments on Gas Taxes:** The following comments are based on the MCDOT Director's general understanding and are his own. Further research is needed for a more complete picture. Gas tax is complicated – gas taxing is done at the wholesale level and then distributed by many formulas in law to fund many programs. Transportation funding is not linear – it looks like a mosaic – with specific programs funded from available funds.

Federal Gas taxes go back to the 1920's and were a usual part of general tax measures on industry or import tariffs. The first stand-alone federal excise gasoline tax was formalized in 1956 with Eisenhower's Federal Highway Administration (FHWA) and was set at 4¢ per gallon. By 1993, the federal excise gasoline tax was set at today's 18.4¢ per gallon.

California's state excise gasoline tax started in 1990 at 7¢ per gallon and mirrored the federal gas tax up to today's 18¢ per gallon in 1994. California did not charge percentage sales tax (base state sales tax 6.5%) on gas until the late 1990's under Proposition 42. State sales tax on gas remained complicated until 2010's passing of Propositions 24 and 26 that set up a distribution per the chart on the following page (Director's interpretation). Remember, this sales tax on gas is based on a base 6.5% state sales tax and varies with the cost of gas, where the above-mentioned excise gasoline taxes are set per gallon and do not change if the price of fuel changes. The welcomed decrease in our fuel prices this year are not calculated yet, but it is estimated that Mendocino could lose about \$1million in sales tax revenue from gas.

Throughout the years, there have been analyses done on the buying power of the various gas taxes (adjusted for inflation). Energy costs have spiked more than in other areas of the economy and the road and bridge system work is largely energy (petroleum based) dependent. The materials needed to build and maintain transportation infrastructure, even non- petroleum materials like aggregate and steel – are energy dependent. It is said that the buying power of the 1956 federal excise gasoline tax has been reduced by 80%! Likewise, the buying power of the 1970 state excise gasoline tax is greatly reduced. So while the taxes have gone up, petroleum and energy inflation has gone up much faster, so much so, that we cannot maintain past levels of service and road condition.

New transportation funding, such as sales tax on gas and one time "bond" funds which are paid back with sales tax on gas revenues, do not make up for the deficit. In addition, more energy efficient and alternate energy vehicles are causing fuel consumption to decrease contributing to the overall declining gas tax revenues. The problem is nationwide, statewide, and we see it in our pothole-filled local road system every day.

Estimated Swap/Distribution of the State Gas Tax 2009/11 Budget

