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RICHARD W. SHEPARD, P.E.
Director of Transportation

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November 27, 2006

Board of Supervisors
330 Fair Lane
Placerville, California 95667

Title: Request authority to submit grant applications to the California Integrated Waste Management Board (CIWMB) for funding from the Targeted Rubberized Asphalt Concrete Incentive (TRI) and SB 1346 Rubberized Asphalt Concrete (RAC) grant programs

Meeting Date: December 12, 2006

District/Supervisor: All Districts

Dear Members of the Board:

Recommendations:

The Department of Transportation (DOT) recommends the Board of Supervisors:

- (1) Authorize the Director of Transportation to sign and submit grant applications to the California Integrated Waste Management Board (CIWMB) for funding from 1) Targeted Rubberized Asphalt Concrete Incentive (TRI) and 2) SB 1346 Rubberized Asphalt Concrete (RAC) grant programs; and
- (2) If funds are awarded, authorize the Director of Transportation to sign and execute the Grant Agreement(s), and move forward with project implementation; and
- (3) Authorize the Board Chairperson to sign the attached Resolution to support the DOT's funding request(s) to the CIWMB.

Reasons for Recommendations:

The California Integrated Waste Management Board (CIWMB) administers tire grant programs to promote markets for recycled-content products derived from waste tires generated in California and decrease the adverse environmental impacts created by unlawful disposal and stockpiling of waste tires. Cities, counties, districts and other local government agencies that fund public works projects are eligible to apply for these competitive grant programs.

Rubberized Asphalt Concrete (RAC) is produced when crumb rubber is blended with asphalt and aggregate material under specified conditions. Crumb rubber is usually made from recycled rubber that is ground and processed into small, uniform pieces. When appropriately used on road resurfacing projects, RAC has many advantages over conventional asphalt. For example, RAC is cost-effective in the long-run, saving as much as \$22,000 per lane mile over the life of the roadway compared to conventional asphalt projects. RAC also provides excellent long lasting color contrast for striping and marking, improved flexibility and crack resistance, reduced traffic noise, is highly skid-resistant, and uses more than 2,000 waste tires per lane mile, thereby conserving our natural resources and landfill capacity. Statewide, more than one

million waste tires will be diverted from disposal and turned into RAC for roadway paving projects. The City of Placerville recently resurfaced Main Street with RAC and has received numerous comments on the noticeable reduction in traffic noise. Sacramento County received close to \$270,000 in grant funding from CIWMB early this year and is using the funding to pave over about a dozen streets with more than 107,000 tons of RAC.

On October 17, 2006 the CIWMB approved an additional funding allocation of \$4,000,000 at its meeting. All grant funds awarded in FY06/07 (before June 30, 2007) must be claimed by April 2009; that is, qualifying projects must be completed by April 2009.

Following is a brief description of the two rubberized asphalt concrete grant programs and discussion of recommended projects.

Targeted Rubberized Asphalt Concrete Incentive (TRI) Grant Program

The TRI grant program is aimed at first-time or limited users of RAC. The TRI grants are set up to cover the differential costs of using RAC and the specified testing costs (e.g. deflection testing and/or quality assurance/quality control testing) associated with constructing the project based on the specific conditions in each individual jurisdiction. The TRI grants are one-time only – once an applicant receives a TRI grant, they will not be eligible to receive another. The TRI grant award is paid in arrears (i.e., after the eligible grant expenditures have been paid by the grantee). Eligible projects must use a minimum of 3,500 tons of RAC within the jurisdiction. The RAC material must meet American Society for Testing and Materials (ASTM) D 6114-97 "Standard Specification for Asphalt-Rubber Binder" and use crumb rubber derived from 100 percent California waste tires. For rural jurisdictions (statewide), there is a \$200,000 per jurisdiction limit.

There is no local match requirement for this grant. By constructing the project, the local government is providing a "match" for the project since the TRI grant program only reimburses the differential (additional) cost of using RAC in lieu of conventional AC. Applications are accepted on a continuous basis and awarded on a monthly basis. Construction of the RAC portion of the project may be started anytime after the application has been submitted, and may be completed before the NTP is issued; however, payment for project expenses will not be made unless and until the Grant Agreement is fully executed.

SB 1346 Rubberized Asphalt Concrete (RAC) Grant Program

This program was authorized by Senate Bill (SB) 1346 (Kuehl, Statutes 2002, Chapter 671). The SB 1346 RAC grant program is aimed at regular (repeat) users of RAC. The RAC program provides a \$4.00 rebate per ton of materials used; up to a maximum per jurisdiction limit of \$250,000. A jurisdiction can apply for multiple projects within a grant cycle and can re-apply in subsequent cycles. For the FY 2006-07 cycle, three application periods are being offered: 1) due mid-January, award in March; 2) due in March, award in May, and 3) due in May, award in June. The RAC program requires use of at least 20 lbs. of crumb rubber per ton of hot mix. Construction may be started anytime after the application has been submitted. However, submittal of an application does not guarantee a grant award.

Eligible DOT Projects

The DOT currently has specified RAC to be used on the Green Valley Road Widening project, from the County Line to Francisco Drive in El Dorado Hills. The estimated tons of RAC needed for this project is 3,200 tons, which is 300 tons less than the 3,500 tons required to qualify for the TRI grant program. The Cameron Park Drive at Oxford Lane Intersection Improvement project has been identified as another potential RAC application. The estimated tons of RAC needed for this project is 530 tons. The total estimated RAC tons for both projects is 3,730, which exceeds the 3,500 minimum RAC criteria for the TRI grant program. Both of these projects are programmed in the current FY 06-07 budget and planned for construction starting in spring 2007 and completion in summer 2007. RAC was required mitigation on Green Valley Road, but not on the Cameron Park Drive at Oxford Lane project.

According to the bids received for the Green Valley Road Widening project, the cost of RAC Type O is \$162.00 per ton compared to \$97.20 for traditional AC Type A. At the \$64.80 per ton bid price differential between RAC and traditional AC, the optimum break-even tonnage would be about 3086 tons, but that would not qualify for the TRI grant. At the 3500 ton minimum requirement for the TRI grant, the optimum differential would be about \$57.14 per ton, which would "net" the full \$200,000. The following table shows the difference between the current programmed costs versus the proposed costs if RAC is used on both projects, and the net costs and net savings if the grant is pro-rated between both projects.

Project	Est. Tons	Programmed Costs	Proposed Total RAC Costs	Pro-rated RAC Grant	Net Costs	Net Savings
Green Valley Road	3200	\$ 518,400 ¹	\$ 518,400	\$171,582 ⁴	\$346,818	\$171,582
Cameron Park Drive	530	\$51,516 ²	\$85,860 ³	\$28,418 ⁵	\$57,442	(\$5,926)
Total	3730	\$569,916	\$604,260	\$200,000	\$404,260	\$165,656⁶

¹ Required RAC cost for Green Valley Road Project = 3200 tons x \$162 per/ ton =	\$ 518,400
² Required AC cost for Cameron Park Drive Project = 530 tons x \$97.20 per ton	\$ 51,516
=	
³ Optional RAC cost for Cameron Park Drive Project = 530 tons x \$162 per ton	\$ 85,860
=	
⁴ Pro-rated RAC grant for Green Valley Road Project = 3200 / 3730 x \$200,000, =	\$171,582
⁵ Pro-rated RAC grant for Cameron Park Drive Project = 530 / 3730 x \$200,000 =	\$ 28,418
⁶ Total Net Savings from the RAC grant = \$569,916 - \$404,260 =	\$165,656

The Cameron Park Drive/Oxford Lane Intersection Improvement project will cost an estimated additional \$5,926 so the Green Valley Road Widening project can realize a \$171,582 savings, for an estimated net savings to the DOT from the RAC grant, if awarded, of \$165,656.

Fiscal Impact:

If awarded, the grant funds must be claimed by April 3, 2009; that is, qualifying projects must be completed by April 2009. The grant funds proposed to be requested from the TRI program is in the amount of \$200,000, the maximum amount available to rural jurisdictions. If the DOT is awarded the full \$200,000 from the CIWMB's TRI grant program and RAC is used on both the Green Valley Road Widening and Cameron Park Drive/Oxford Lane Intersection Improvement projects, the estimated total net savings to DOT is \$165,656.

Both projects are planned for completion in summer 2007. If the projects are completed before June 30, 2007, the initial cost differential of \$34,344 (\$604,260 - \$569,916) will be expended from the 2004 General Plan Traffic Impact Mitigation (TIM) Fee program. However, this up-front cash outlay will be offset when the \$200,000 grant revenue is received, which will likely occur in the first quarter of FY 2007-08.

If the DOT decides to use RAC on other road projects, applications for the SB 1346 RAC grant program may be submitted for multiple projects within the current FY 2006-07 grant cycle and in subsequent cycles. The RAC program provides a \$4.00 rebate per ton of materials used; up to a maximum of \$250,000.

Net County Cost:

There is no net cost to the County. However, depending upon when the projects are completed and the contractors are reimbursed, the County may be required to outlay the estimated cost differential of \$34,344 from the TIM fee program in the fourth quarter of FY 2006-07. However, this outlay will be credited back to the TIM fee program when the \$200,000 grant revenue is received from the grant

If the attached Resolution is approved, and the DOT's grant application to the CIWMB is awarded the full \$200,000 from the TRI grant program, the County will actually realize an estimated cost savings of \$165,656.

Action to be Taken Following Approval:

1. The Board Chairperson will sign the Resolution and the Board Clerk will forward it to the DOT to submit to the CIWMB.
2. The DOT will complete and submit the grant application.
3. Upon award, the CIWMB will provide the DOT with an award letter and Grant Agreement.
4. The Director of Transportation will sign and execute the Grant Agreement on behalf of the County.
5. The DOT will move forward with project construction.
6. After the projects are completed, the DOT will submit a Final Report with the Grant Payment Request Form, including the required documentation, to the CIWMB requesting payment of the grant funds.

Sincerely,



Richard W. Shepard, P. E.
Director of Transportation

RWS:an
Attachment(s)



RESOLUTION NO. _____
OF THE BOARD OF SUPERVISORS OF THE COUNTY OF EL DORADO

Resolution

AUTHORIZING THE DIRECTOR OF THE DOT TO APPLY FOR GRANTS TO THE CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD

WHEREAS, Public Resources Code Section (PRC) 42872.5, authorizes the California Integrated Waste Management Board (CIWMB) to establish a grant program to fund rubberized asphalt concrete (RAC) projects; and

WHEREAS, the CIWMB has been delegated the responsibility for the administration of the program, setting up necessary procedures governing application by local governments and their subdivisions under the program; and

WHEREAS, said procedures established by the CIWMB require the applicant to authorize, by resolution, submittal of the application and acceptance of any resulting grant award before submission of said application to the CIWMB; and

WHEREAS, if awarded a grant, the applicant will enter into an agreement with the State of California for development of the project;

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of El Dorado authorizes the submittal of applications to the CIWMB for any or all available CIWMB tire-related grants for the five-year period of FY 2006/07 through FY 2011/12.

BE IT FURTHER RESOLVED that the Director of the Department of Transportation, or his/her designee, of the County of El Dorado is hereby authorized and empowered to execute in the name of the County of El Dorado all necessary applications, contracts, agreements, amendments, and payment requests hereto for the purposes of securing grant funds to implement and carry out the purposes specified in the grant application(s), subject to review and approval by County Counsel.

PASSED AND ADOPTED by the Board of Supervisors of the County of El Dorado at a regular meeting of said Board, held on the _____ day of _____, 2006, by the following vote of said Board:

ATTEST
CINDY KECK
Clerk of the Board of Supervisors

Ayes:

Noes:

Absent:

By _____
Deputy Clerk

Chairman, Board of Supervisors

I CERTIFY THAT:
THE FOREGOING INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL ON FILE IN THIS OFFICE.

DATE _____

ATTEST: CINDY KECK, Clerk of the Board of Supervisors of the County of El Dorado, State of California

By _____
Deputy Clerk

ASSIGNMENT

DATE 11-16-2006

RES #06-~~888~~

837

ATTORNEY DAVE LIVINGSTON

Resolution to Apply for Grants to CIWMB

DEPT./INDEX NO. 306500

CONTRACT ROUTING SHEET

BY: [Signature]

PROCESSING DEPARTMENT:

Department: Transportation (DOT)

Dept. Contact: Anne Novotny

Phone: x5931

Department Head Signature: [Signature]
Richard W. Shepard
Director of Transportation

CONTRACTOR:

Name: California Integrated Waste

Management Board (CIWMB)

Attn: Nate Gauff

Address: MS-9A, P.O. Box 4025

Sacramento, CA 95812-4025

Phone: (916) 341-6686

CONTRACTING DEPARTMENT: Transportation

Compliance with Human Resources requirements? Yes: N/A No: _____

Compliance verified by: N/A

COUNTY COUNSEL: (must approve all contracts and MOUs)

Approved: Disapproved: _____ Date: 11/22/06 By: D. Livingston

Approved: _____ Disapproved: _____ Date: _____ By: _____

2006 NOV 15 AM 10:04
EL DORADO COUNTY COUNSEL
[Signature]

Please forward directly to DOT.

Index Code: 306500	User Code: 25000A
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RISK MANAGEMENT: (All contracts and MOUs except boilerplate grant funding agreements)

Approved: _____ Disapproved: _____ Date: _____ By: _____

Approved: _____ Disapproved: _____ Date: _____ By: _____

OTHER APPROVAL (Specify department(s) participating or directly affected by this contract).

Department(s): _____

Approved: _____ Disapproved: _____ Date: _____ By: _____

Approved: _____ Disapproved: _____ Date: _____ By: _____

2006 NOV 22 PM 1:10
DOT
RECEIVED