



## Legislation Text

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**File #:** 20-0914, **Version:** 2

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Department of Transportation recommending the Board consider the following:

- 1) Authorize the Director of Transportation, or designee, to approve and sign the High Cost Project Agreement with the California Department of Transportation for the Mosquito Road Bridge at South Fork American River Project, CIP 77126/36105028;
- 2) Authorize the Director of Transportation, or designee, to amend the High Cost Project Agreement for all minor modifications as necessary throughout the term of the agreement; and
- 3) Recommend the Auditor-Controller be authorized to make cash advances from the General Fund to the Road Fund to prevent negative cash balances. (Cont. 2/9/2021, Item 27)

**FUNDING:** Highway Bridge Program Funds (100%). (Federal Funds)

### **DISCUSSION / BACKGROUND**

Department of Transportation (Transportation) received federal funds from the Federal Highway Association Highway Bridge Program (HBP) to replace the existing Mosquito Road Bridge (Project) located in a steep canyon of the South Fork of the American River, six miles north of U.S. Highway 50, and 2.3 miles south of the communities of Mosquito and Swansboro. The purpose of the Project is to replace the existing bridge with a functional bridge that meets current design and safety standards. The Project continues to progress through the design phase, right of way, and moving toward preparation for construction.

Transportation continues to work with the California Department of Transportation (Caltrans) and HBP High Cost Bridge Program (HCBP) for reimbursement of this high cost bridge. The HCBP requires the County to enter into a High Cost Project Agreement (Agreement) for authorization of construction funds. This Agreement outlines the use of County funds until reimbursements are received. Caltrans Local Assistance High Cost Project Programming Policy and Procedures, as described in Office Bulletin DLA-OB-11-02, is implemented on Federal Highway Bridge Program projects with total construction costs in excess of \$20 million to distribute funds on a fair and equitable basis to local agencies statewide. The policy requires local agencies to commit and expend local funds to be reimbursed over time for the difference between the federal funds obligated and the remainder of the construction phase utilizing Advance Construction (AC) authorization. The HCBP will allocate up to \$20 million per year to the project for AC conversion and reimbursement. Each April the HBP committee reviews their budget for potential redistribution of excess funds into future years AC conversions for active HCBP projects. Executing the Agreement does not guarantee the availability of federal funds nor does it specifically guarantee that a local agency will fund or construct the Project. Congress has passed the extension of the current transportation act for Federal Fiscal Year (FFY) 20/21 only, but has not authorized a new act for FFY 21/22. It is unknown what the State's authority to commit and/or obligate future HBP funds will be until there is a new act. If there are delays in a new funding act, the County would have the option to delay the Project and be reimbursed for all eligible costs caused by such delay. When a new federal transportation act is programmed, the active projects with funding commitments like this Project are placed on the top of the funding priority list.

The Project design and right of way phase for this project is funded with the HBP grant in the amount of \$8.813 million. The total estimated HBP participating construction cost for this project is \$70.5 million and Transportation is requesting authorization for the Director of Transportation, or designee, to enter into this Agreement with Caltrans so that Federal funds may be committed to the Project for construction. A funding commitment letter and associated funding sheet has been issued from Caltrans to Transportation for the Project that commits the parties to state and federal budget legislation and other limitations, to specify HBP funds in the Federal Transportation Improvement Program (FTIP) over a multiple year period.

Attached to this item is the Construction Cash Flow Analysis for the Project. This analysis demonstrates the timing of expenditures and reimbursement of HBP funds on the Project during the construction phase. This analysis estimates County construction expenditures to exceed the HBP \$20 million per year of reimbursement by up to \$14.2 million for approximately six months. This analysis is estimated based on the Agreement reimbursement plan. This Agreement proposes to fund the Project with \$16.3 million the first year and \$20 million per year after that until there is 100% reimbursement of Project construction costs. The County will need to utilize Tribe funds, Road fund, and possibly General Fund, to cash flow the Project between these reimbursement cycles. If for some reason the HBP funds were not received and the County has incurred expenses above the \$20 million annual HBP allocation, the County will have to cover these expenses with the funding sources noted above. If for some reason the Agreement’s HBP funds for reimbursement are cancelled completely, the County would have the option to shut down the Project construction until a new funding source is programmed.

Figure 1: Anticipated Expenditure, Obligation, and Advance Construction Expenditure Schedule (in Millions):

	Federal Fiscal Year (Oct-Sep)			
	21/22	22/23	23/24	24/25
(a) Estimated Construction Expenditures	\$17.3	\$32.2	\$20.0	\$0.0
(b) Cumulative Estimated Construction Expenditures	\$17.3	\$49.5	\$70.5	\$70.5
(c) Federal Fund Obligation	\$16.3	\$20.0	\$20.0	\$14.2
(d) Total Cumulative Funding Obligation	\$16.3	\$36.3	\$56.3	\$70.5
(b)-(d) Local AC Expenditure Obligation	\$1.0	\$13.3	\$14.2	\$0.0
Local AC Expenditure Payback Amount	\$0.0	\$20.0	\$20.0	\$14.2

The Project’s new bridge and approach roadway alignment are eligible for 100% HBP funding. The Project will install bollards at the entrances to the existing bridge to restrict future vehicle usage after the new bridge is open to traffic. The existing bridge will be removed from Transportation’s inventory list and then converted to a bicycle and pedestrian bridge under a separate construction contract with County funding.

**ALTERNATIVES**

- 1) Should the Board choose not to authorize the Director of Transportation to sign the Agreement, Transportation would not be able to build the 100% HBP funded Project and may include the consequence of reimbursing all federal funding received to date.
- 2) Should the Board choose to postpone the construction phase of the Project due to financial reasons, the Project could become inactive causing HBP funding to prioritize other projects in the

program. This could jeopardize Transportation's ability to have HBP fund 100% of this Project.

#### **PRIOR BOARD ACTION**

On August 16, 2016, Item 25, Legistar 16-0629, the Board adopted the Draft Feasibility Study for Public Access to the South Fork of the American River at Mosquito Road Bridge.

On August 8, 2017, Item 27, Legistar 17-0725, the Board certified the Final Environmental Impact Report.

On December 10, 2019, Item 47, Legistar 19-1702, the Board received a presentation regarding the latest Project design and adopted the Addendum to the Final Environmental Impact Report.

#### **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

County Counsel, Chief Administrative Office, CDS Administration and Finance, and Caltrans have each been involved with portions of this Project.

#### **CAO RECOMMENDATION / COMMENTS**

Approve as recommended.

#### **FINANCIAL IMPACT**

Funding for the Project is included in Transportation's 2020 Capital Improvement Program, which was approved by the Board on June 9, 2020, Legistar 20-0675, Item 54 and consists of 100% HBP Federal funds. The construction phase of the Project is anticipated to be AC funded through various local funding sources over the multi-year Project and will be outlined in the request for authorization of advertisement of this phase in a future Board item. Any negative interest charges accrued as a result of timing of reimbursements will be covered with Public Utility Franchise Fees.

#### **CLERK OF THE BOARD FOLLOW UP ACTIONS**

N/A

#### **TRANSPORTATION FOLLOW UP ACTIONS**

Transportation will return to the Board for authorization to advertise for construction of the Project at a later date.

#### **STRATEGIC PLAN COMPONENT**

Infrastructure

#### **CONTACT**

Rafael Martinez, Director  
Department of Transportation