

INDIAN WELLS CITY COUNCIL

April 6, 2023



To: City Council
From: Public Works Department
Prepared by: Ken Seumalo, Public Works Director
Subject: **Resolution Approving Fiscal Year 2023/24 Road Maintenance and Rehabilitation Account Funding Allocation**

RECOMMENDED ACTION:

Council **ADOPTS** Resolution approving the Fiscal Year 2023-24 Road Maintenance and Rehabilitation Account Funding Allocation.

BACKGROUND:

In April 2017, California Governor Jerry Brown signed Senate Bill 1 (SB 1), known also as the Road Repair and Accountability Act of 2017, creating a new funding source to address the needs of California's transportation system. SB 1 created an account, the Road Maintenance and Rehabilitation Account (RMRA), where increases in the newly implemented per gallon fuel excise taxes and existing portions of diesel fuel sales taxes and vehicle registration fees would be deposited. Collectively, these RMRA funds are to be continuously appropriated on a monthly basis and apportioned by formula to cities and counties for road maintenance, rehabilitation, and safety needs. The first apportionment began in mid-January 2018.

Funding:

According to a report published by California City Finance, the City of Indian Wells (City) is estimated to receive an approximate total of \$117,718 in Fiscal Year 2023/2024. The estimate is based on the California State Department of Finance revenue projections (**Attachment 2**).

RMRA Program Requirements and Use of Funds:

Similar to the Highway Users Tax Account (HUTA) use rules, RMRA funds must be used for projects that include the following:

- Road maintenance and rehabilitation;
- Safety projects;

- Railroad grade separations;
- Complete streets components (including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and stormwater capture projects); and
- Traffic control devices.

RMRA funds may also be utilized by cities and counties towards match requirements for state or federal funds for eligible projects.

Furthermore, SB 1 contains non-obligatory language that encourage the use of RMRA funds to incorporate the following additional project elements (to the extent possible and cost-effective):

- Use of advanced material recycling techniques that reduce greenhouse gas emissions and reduce maintenance costs of local streets and roads;
- Incorporate automotive technologies and infrastructure-to-vehicle communications for autonomous vehicle systems;
- Promote resiliency to impacts of climate change, fires, floods, sea level rise; and
- Incorporate complete street elements that improve quality and safety for all users of transportation facilities.

Lastly, if a city or county has an average pavement condition index (PCI) score that meets or exceeds 80, the city or county may spend its RMRA funds on transportation priorities other than the previously listed items. The City contracted with Bucknam Infrastructure Group, Inc. in 2021 to assess the pavement throughout the entire City. The final report indicated the citywide PCI was 75.3. Subsequently, Bucknam did another reporting after the Highway 111 Pavement Rehabilitation Project Phase 1 and the Local Streets Paving Project that both occurred in 2022 and the citywide PCI is now 78 which is considered "Good" overall but doesn't meet or exceed the required score of 80 yet.

Maintenance of Effort:

The Road Repair and Accountability Act contains a local agency maintenance of effort (MOE) requirement that applies to funds allocated through the RMRA. The MOE requirement ensures that the new RMRA funds do not replace existing levels of city general revenue spending on streets and roads and affirms the City is committed to maintaining the same level of services already being provided after receiving funds.

To receive RMRA funds for Fiscal Year (FY) 2023/2024, the City must maintain general fund spending for street, road, and highway purposes at no less than average of FY 2009/2010, FY 2010/2011, and FY 2011/2012. If the City fails to meet this requirement in a given year, it may make it up with additional expenditures the following year.

According to the California City Finance's unofficial estimates, the City's MOE is \$1,836,481 (**Attachment 3**).

Fiscal Year 2023/2024 Annual Project List:

Cities and counties must submit a project list pursuant to an adopted budget to the California Transportation Commission (CTC) prior to receiving RMRA funds in a fiscal year. The project list must include a description, location, proposed schedule of completion, and estimated useful life of the improvement for each proposed project. According to the guidelines adopted by the CTC in August 2018, "after submittal of the project list to the Commission, in the event a city or county elects to make changes to the project list pursuant to the statutory provision noted above, formal notification of the Commission is not required."

The RMRA requires that a city or county submit to the CTC an annual report of project completion to receive RMRA funds. The report must include descriptions of all projects for which RMRA funds were expended including (as with the submittal of the preceding project listing) a description, location, proposed schedule of completion, and estimated useful life of the improvement for each proposed project.

This fiscal year staff is recommending the following project list from the City's Capital Improvement Program (CIP) for RMRA funding; the Highway 111 Rehabilitation Phase 2.

Below is a further breakdown of the project.

Highway 111 Rehabilitation Phase 2

Project Description: This project will support the City's Pavement Management Program (PMP). The City's PMP identifies the street for scheduled overlay as a preventative maintenance to extend its useful life. Overlay work consists of a thin surface grinding of existing pavement, repairing various areas of sub-grade and applying new asphalt and fresh striping. This project will also utilize rubberized asphalt for the repairs and repaving.

Project Location: Highway 111 from Eldorado Drive to eastern city limits

Project Cost Allocation: \$1,500,000

Proposed Schedule of Completion: The proposed project will start construction and be completed in FY 23/24.

Estimated Useful Life: The estimated life span is estimated to be equal to or greater than 15 years without major repair work required.

The proposed resolution is expected to be acceptable as confirmation that the project is in fact included in our CIP budget pursuant to a decision made at a regular public meeting. The project identified is in the proposed FY 2023/24 CIP.

FISCAL IMPACT:

In Fiscal Year 2023/24, the City is anticipating receiving an estimated \$117,718 in RMRA funds which will support the funding of the Capital Improvement Plan's annual asphalt program. The project identified is currently proposed in the FY 2023/24 CIP program.

ATTACHMENTS:

1. Resolution
2. Projected Fiscal Year Revenues
3. Estimated Maintenance of Effort