

MEMORANDUM

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To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 9, 2019

From: STEVEN KECK, Chief Financial Officer

Reference Number: 4.20, Action Item – **REPLACEMENT ITEM**

Prepared By: Dennis T. Agar, Chief
Division of Maintenance

Subject: **AMENDMENT TO THE MAJOR DAMAGE RESTORATION RESERVATION
FISCAL YEAR 2018-19
RESOLUTION G-19-49, AMENDING RESOLUTION G-19-09**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation (Department) request to increase the adopted 2018 State Highway Operation and Protection Program (SHOPP) Major Damage Restoration Reservation by an additional \$37,930,000 from \$640,000,000 to \$677,930,000 for Fiscal Year 2018-19.

RECOMMENDATION:

The Department recommends that the Commission approve Resolution G-19-49 which will increase the SHOPP Major Damage Restoration Reservation by an additional \$37,930,000 from \$640,000,000 to \$677,930,000 to become effective immediately.

In 2018-19, the Commission adopted \$140,000,000 for the reservation funds in the 2018 SHOPP. In October 2018, under Resolution G-18-46, the Commission approved an increase of \$200,000,000. In January 2019, under Resolution G-19-03, an additional \$200,000,000 was requested and approved. In May 2018 under Resolution G-19-09, the Commission approved additional increase of \$100,000,000; increasing the Reservation fund to \$640,000,000.

The Department has approved a total of \$677,930,000 for Major Damage Reservation emergency contracts during 2018-19. An additional funding capacity of \$37,930,000 is needed to meet the level of emergency contracts and close-out for 2018-19.

The work done under emergency contracts does not necessarily restore facilities to pre-disaster conditions; the emergency work is focused on getting the facilities reopened as safely and quickly as possible. When a follow-up permanent restoration project is needed,

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to enhance California’s economy and livability”*

reservation funds from the SHOPP Major Damage (Permanent Restoration) program are used. The Department will not be able to determine the scope, schedule and cost of permanent restoration projects until proper site evaluations and project development activities can be conducted. These activities will take place in future years.

BACKGROUND:

On August 17, 2016, the Commission approved Resolution G-16-11, which amended Resolution G-00-11, and requires the Department to request an amendment to the adopted SHOPP if the annual Major Damage Restoration Reservation is not sufficient to fund emergency projects. As part of the conditions set forth in G-16-11, the Department must request additional funding at the next regularly scheduled Commission meeting following the need for an increase to the Major Damage Restoration Reservation. Federally funded emergencies are not included in SHOPP programming capacity because the specific need for the funds cannot be predicted. Therefore, a reservation amount is set-aside each year to respond to emergencies as they occur and the Department seeks reimbursement for projects included in federally approved emergency declarations. Such projects may be granted additional federal obligation authority.