

Millions in road projects on hold

Posted: Friday, May 30, 2014 6:00 am /Calaveras Enterprise/Dana Nichols

County may have to return \$740,000

Progress is stalled on more than \$68 million in road projects in Calaveras County, including a crucial replacement of an aging bridge linking the Copperopolis area to neighboring Tuolumne County.

County officials reported this week that the county's inability to move forward on the projects jeopardizes future federal funding for other projects here and raises the prospect that the county might have to repay as much as \$740,619 in federal grant funding that it has already spent.

The biggest problem: the county does not have the approximately \$10 million needed to pay its share to finish the projects. As a result, it will likely never receive almost \$57 million in federal funding.

A grim-faced Calaveras Board of Supervisors voted unanimously Tuesday to "deobligate" funding for projects.

"I sit here very embarrassed," said Board of Supervisors Chairwoman Debbie Ponte. Ponte noted that although the board over the years had approved the various projects, members were caught unaware that the county had bitten off more projects than it could deliver.

She said the way the county government manages its road funding is a "broken process."

At least some of the affected projects may never be built, or at least won't be built as currently designed. The largest is a planned \$62 million replacement for the bridge where O'Byrnes Ferry Road crosses the Stanislaus River on the east end of Lake Tulloch.

The other projects that are now dead – or at least in limbo due to the funding problems – are a left turn pocket planned for O'Byrnes Ferry Road in Copperopolis, improvements including a school bus stop at Scotts Junction where Sheep Ranch Road meets Mountain Ranch Road, turnouts on Mountain Ranch Road, and the asphalt paving of several gravel roads.

Interim Public Works Department Director Mike Miller said he's preparing a list of policies that could make such debacles less likely. Among them would be the requirement that the county government set aside funding for its match when it accepts a grant.

Miller said another policy he will propose is separating the ongoing road maintenance fund from the fund used for capital improvements, such as new bridges and road

improvements. In the past, when money flowed more freely, county managers at times shifted money between uses to make a local match or complete a project.

Robert Pachinger, the interim Calaveras County surveyor and an engineer in the Public Works Department, said during a report on the issue that at times, the same funds were listed as local matches for more than one grant-funded project.

When progress on projects slows, California Department of Transportation officials who oversee the use of federal highway funds will check on them. If it appears that a local government can't finish a project then it will be put on a "red flag" list, Pachinger said.

Being on a red flag list means that the local government will be unable to get more grant funding until the problem is resolved. One way to resolve the red flag is to terminate – or "deobligate" – the project and return any grant money already spent.

Tuesday's vote was, in essence, a judgment that it was better to cut county losses while it was on the hook to return only \$740,619 than to continue with projects that would require more than \$10 million in local funds.

Pachinger and Miller said they are working with state highway officials to determine whether county work on the design phase of several of the projects can be deemed "complete," which would mean that the funds used for the purpose would not have to be returned. That would also mean the county has designs ready should funding come available in the future.

In addition to the money the county may have to return, it has also already spent \$765,514 in local funds on the five projects, money that has been effectively wasted if the designs are never used and the projects never built.

Miller said that this week's action addresses all the "red flags" of which he is aware. But he said there are other struggling projects that could draw scrutiny and be red flagged. The county is in the midst of efforts to replace or repair more than a dozen bridges, and Miller is scheduled soon to return to the board of supervisors to report on those projects.

Some other recent projects narrowly escaped red flag status. One was the Jenny Lind Elementary School Safe Routes to School project. That project created a sidewalk on a section of Highway 26 near the school.

That project faced numerous delays, in part because of disputes between county and school leaders on how to proceed. Supervisor Cliff Edson asked Miller if the Jenny Lind project had been at risk of a red flag.

"Yes, it was," Miller said.

Miller said Jenny Lind was completed, in part, because the California Department of Transportation wanted it to succeed and worked with county leaders to resolve problems.

The magnitude of the projects that didn't get rescued from red flag status came as a shock to some at Tuesday's Board of Supervisors meeting. Dave Haley, a vice president for the Castle and Cooke development company, said that failing to replace the existing O'Byrnes Ferry Bridge is a blow to the entire Copperopolis area.

"To date, there have been many traffic deaths on the bridge," Haley said.

Not everyone saw the cancellation of the projects as bad news.

Cynthia Sanchez of Mountain Ranch thanked the board for killing the Mountain Ranch Road turnouts project. That project, designed to create turnouts to allow a place for slow vehicles to get off the road, faced opposition from some area residents who either felt the design would fail to address safety issues or who didn't want it to cause damage to an American Indian burial ground.

"We, the community, have been fighting this project for several years," Sanchez said.

Pachinger, during his report, referred to the controversy over the turnouts.

"We have been mired in an environmental process," Pachinger said of work related to the burial ground.

Pachinger said the extra environmental studies both delayed the project and increased costs – both factors in the eventual decision to de-obligate its funding. The county government had already spent \$365,014 in local funding and \$134,986 in federal grant funding on the turnouts project.

The entire project was expected to cost \$1.9 million, including an additional \$684,986 in local funding. If the county had another \$149,851 available, however, it could finish the design phase, thus creating a "shovel ready" project that would be eligible should grant funding become available again.

The history of the five projects varies. Some, like the O'Byrnes Ferry Bridge, were approved almost a decade ago, long before the economic downturn of 2008 dried up funding. The most recent was the Scott's Junction proposal, which was approved in 2012.

It is clear that by 2013, Public Works staff was aware that the projects were in trouble. Former Public Works Director Tom Garcia, who departed the agency in January for a job in Temecula, had already notified the California Department of Transportation, that Calaveras County was de-obligating funding for three of the projects.

Under broad power that the Board of Supervisors had granted the Public Works director to manage capital projects, Garcia was able "deobligate" or cancel the projects on his own. One likely fallout of this week's events is that supervisors will revisit whether they want a department director to have that much power.

According to the staff report, county Public Works engineers concluded that they'd best get "explicit board concurrence" for the termination of all the projects. In part, that's because the board would have to cope anyway with the financial impact.

The county government already has an \$8 million structural deficit in its general fund. While the road funds that might be used to repay the federal grants are a separate account, their loss also represents real pain for county residents.

The understated Public Works staff report said that if road maintenance funds that the county receives from the state gas tax are used to repay the grants, it will "detrimentally affect the department's ability to function."

Contact Dana M. Nichols at dana.calent@gmail.com or call 498-2052.
