

M E M O R A N D U M

DEPARTMENT OF PUBLIC WORKS

County of Placer

TO: BOARD OF SUPERVISORS

DATE: April 23, 2013

FROM: KEN GREHM / PETER KRAATZ

SUBJECT: **SLURRY SEAL IN-LIEU PAYMENT PROGRAM, EASTERN PLACER COUNTY**

ACTION REQUESTED / RECOMMENDATION

1. Authorize the Department to initiate a voluntary slurry seal in-lieu payment program as an option for utility companies to comply with County road restoration standards in eastern Placer County. There is no net County cost.

BACKGROUND / SUMMARY

The County issues encroachment permits for utility company infrastructure placed within County-maintained roads. Most utility work includes conventional roadway trenching for installation or repairs. Per the County's General Specifications, trench cuts must be restored to sufficient structural integrity (baserock and pavement), and a slurry seal applied following paving. Pavement cuts are inherently destructive to the longevity of roads, hence the requirement for a slurry seal to prevent infiltration of surface water into the trench, providing for better road longevity. Given the need to complete utility projects and "close out" the respective permits, slurry seals are generally placed not long after paving operations, typically in the same construction season.

Utility companies, particularly in Tahoe, have two concerns related to the issue of trench slurry sealing. First, slurry seal contractors are reluctant to warranty their work when the slurry is placed too soon after paving. This is due to the need for the new asphalt to cure and harden, generally a six to nine month process. Applying the slurry seal too soon may inhibit part of the curing process. Second, utilities in general place a limited amount of infrastructure in any given construction season. As such, the cost to slurry seal, on a project-by-project or even seasonal basis, can be relatively costly.

As a result of these two issues, utilities have requested that the County consider an in-lieu program wherein the utilities contribute to the County a fair share cost for their project's slurry seals, with the County then using those funds to incorporate the utility company seal obligations into the County's annual slurry seal program. This approach has two benefits. First, it allows the County to close out the utility company encroachment permit absent slurry sealing, such that the seal can be placed at a later time after the asphalt has cured. Second, this approach allows for economy of scale, wherein the utilities get the benefit of a better unit cost by combining with the County's annual slurry seal program.

Placer County appreciates the concerns of the utility companies and wishes to strike a good balance between being proactive and accommodative to their needs, while at the same time maintaining the integrity of the County's roads. Also of importance is assuring County road funds are not expended providing services that are the obligation of the utility companies, or mitigating utility road impacts. The County believes the slurry seal in-lieu program outlined below meets these objectives.

Proposed Program

The County envisions a slurry seal in-lieu program that would operate as follows:

1. Prior to approval of the Encroachment Permit, the utility company would request in writing for the project to be included in the County's slurry seal in-lieu program. Accordingly, a provision of the Encroachment Permit will be to pay the commensurate slurry seal in-lieu fee that is effective at that time. The actual limits of the required seal will be determined at the time of Encroachment Permit plan review based on plan drawings. The applicant and County must come to a mutually agreeable area ("Assessed Area") in order to determine the applicable in-lieu fee. In the absence of mutual agreement, the standard provision requiring the applicant to slurry seal the project, per the County's standard practices, would apply.
2. The in-lieu fee shall be the Assessed Area, in square yards, multiplied by the slurry seal unit cost currently \$2.50 per square yard. The Assessed Area shall be determined as any trench cut or pavement damage resulting from the trenching operations, plus an additional 1-foot beyond. The in-lieu fee will be payable at the time of Encroachment Permit issuance.
3. Projects that are accepted into the County's slurry seal program will be evaluated near the end of construction to determine whether the area of impact changed substantially during construction, resulting in a re-evaluation of the Assessed Area. For purposes of re-evaluation, adjustments shall be made to the in-lieu fee only when the re-evaluated area differs from the original Assessed Area by 10 percent or more, whether the area is larger or smaller. Where the difference is less than 10 percent, regardless if larger or smaller, the fee shall remain as originally paid. As the County cannot readily issue refunds, any excess in-lieu fee resulting from a re-evaluated smaller area would be credited toward the utilities next slurry seal in-lieu fee.
4. Prior to acceptance of permit restoration as complete, trench paving joints shall be sealed with a polymer-based crack sealant. The crack sealant will provide temporary protection against surface water infiltration until such time that DPW can complete the in-lieu slurry seal.
5. In an effort to make the most of the in-lieu funds, the County may choose to forego some seals the following year and instead use the receipted in-lieu monies to slurry seal other public roads in the general vicinity. This may occur when there is a greater need for the seal elsewhere, or to take advantage of future economies of scale, when geographically clustered projects can be sealed at the same time. Ultimately, it will be the goal of the County to integrate in-lieu monies as best possible into our routine annual maintenance program. Regardless of when or where in-lieu seals are placed, upon payment of the in-lieu fee and placement of the crack sealant, the utility company will have no further permit obligation regarding the slurry seal.
6. The County reserves the right to adjust the slurry seal in-lieu fee annually based on actual construction costs. As participation in the slurry seal in-lieu program is elective, such adjustments will be administrative on the part of the County, without the need for any advanced noticing or utility company notification. However, as a courtesy, the County will make efforts to keep the utilities updated on any unit cost increases.

ENVIRONMENTAL

This action is not a project, as defined by Public Resources Code Section 21065, and therefore is exempt from environmental review under CEQA.

FISCAL IMPACT

There is no anticipated net County cost, and collected in-lieu fees will be used to seal roadway areas based on a scope and schedule at the Department's discretion.