

- 2) Provides that the exchange of funds shall only occur if specific criteria is met.

COMMENTS:

- 1) *Purpose.* According to the author, “SB 137 reduces duplicative federal transportation administrative processes and environmental review by expanding the State’s existing program to exchange federal surface transportation revenues for state transportation revenues. Referred to as the Match-Exchange Program, this streamlining mechanism is currently only available to regional transportation planning agencies with populations below 200,000. All transportation projects in the state fully or partially funded with federal, state, regional or local revenues, and regardless of what level of government is acting as the lead agency, are required to go through California Environmental Quality Act (CEQA) review and apply for other necessary permits. However, when a project includes any amount of federal funding, the State, regional agencies, and cities and counties also have to go through the National Environmental Policy Act (NEPA) process. CEQA is in many ways more robust than NEPA, as are many of our natural resource and wildlife laws. As such, undergoing federal review in addition to state review is duplicative and adds time and cost to transportation projects without any added benefit to the public process or the environment. SB 137 will allow the state, regions, and cities and counties to reduce the cost of transportation projects and provide for more projects to be completed with the same amount of revenue by expanding the Match Exchange Program to regions over 200,000 in population and to other federal surface transportation programs including the Transportation Alternatives Program, Highway Safety Improvement Program, and local bridge projects.”
- 2) *Greater flexibility.* Existing law currently allows the exchange of federal and state transportation funds between Caltrans and local entities under certain circumstances. The provisions specified in this bill adds to the existing process to allow local entities and transportation agencies exchange transportation revenues allocated from the recently created Road Maintenance and Rehabilitation Account. By *authorizing*, not *requiring* the expansion of the existing exchange program between Caltrans and local entities receiving Road Maintenance and Rehabilitation Account funds, this bill allows local entities to eliminate a number of duplicative processes which in turn, will allow for potential project savings and faster project delivery.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday,
March 20, 2019.)

SUPPORT:

California State Association of Counties (sponsor)
California State Council of Laborers
California Asphalt Pavement Association

OPPOSITION:

None received.

-- END --

The author further highlights, "the fact that there is an unused and unnecessary body of law referring to a different agency as operator of rail service on the Peninsula causes confusion to those who administer various grants, provide services to, and oversee the Peninsula Corridor Joint Powers Board."

- 2) *A history of Caltrain.* Caltrain is a commuter rail line that provides service along the San Francisco Peninsula, through the South Bay to San Jose and Gilroy. The line began in 1980, when Caltrans started providing rail service in the corridor, sharing operating subsidies with San Francisco, San Mateo, and Santa Clara counties. The state assumed sole responsibility for station acquisitions and other capital improvements until the Peninsula Corridor Study Joint Powers Board was formed in 1987 to manage the line. In 1988, the Legislature enacted statutes re-designating the Peninsula Corridor Study Joint Powers Board as the District. However, the District was never formed. Instead, in 1992, the Peninsula Corridor Study Joint Powers Board became the Peninsula Corridor Joint Powers Board and assumed operating responsibilities for Caltrain.
- 3) *Technical cleanup.* This bill provides technical cleanup to existing state law by removing provisions that are now obsolete.

RELATED LEGISLATION:

SB 1387 (Beall, 2018) — SB 146 is identical to the provisions specified in the introduced version of SB 1387. That bill was later amended to change requirements in a Department of Motor Vehicles pilot program.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, March 20, 2019.)

SUPPORT:

None received.

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION

Senator Jim Beall, Chair

2019 - 2020 Regular

Bill No:	SB 147	Hearing Date:	3/26/19
Author:	Beall		
Version:	1/18/2019		
Urgency:	No	Fiscal:	No
Consultant:	Manny Leon		

SUBJECT: High-Speed Rail Authority

DIGEST: This bill provides clarification to the High-Speed Rail Authority's (HSRA) public outreach requirements.

ANALYSIS:

Existing law:

- 1) Establishes the HSRA and directs it to develop and implement a high speed rail system in the state.
- 2) Provides that the HSRA carry out a number of functions including, but not limited to, keeping the public informed of its activities.

This bill makes clarifications to existing law allowing HSRA to use community outreach events, public information workshops and newsletters posted on its website to keep the public informed of its activities.

COMMENTS:

- 1) *Purpose.* The author states that "this bill simply updates existing statute to reflect HSRA's current outreach practices. Presently, HSRA carries out a number of public outreach efforts throughout the Central Valley such as coordinating community outreach events, presenting at community service group meetings, and facilitating town hall meetings. However, existing law merely states that HSRA is to notify the public about its activities but does not specify how to carry out public outreach. As a result, HSRA could easily do the very minimum, a notice on its internet website for example, and meet statutory requirements. As opponents assert that HSRA needs to be more transparent, this bill provides the necessary clarification to ensure transparency remains at

the forefront and HSRA is sufficiently reaching out to the public as the project moves forward.”

- 2) *Background.* The HSRA was established by legislation in 1996 (SB 1420, Kopp, Chapter 796) to direct the development of intercity high-speed rail service. In 2008, California voters approved Proposition 1A, which authorized \$9 billion in general obligation bonds for the high-speed rail project. HSRA is now a major department overseeing the construction of this megaproject, with 119 miles currently under construction or project development. While HSRA has grown and evolved, the statutes have not been updated to reflect its current operations. This bill will provide clear direction to HSRA to ensure that the public stays adequately informed about its activities.
- 3) *HSRA’s Public Outreach Efforts.* HSRA currently uses a variety of methods to notify the public of its project development and construction activities. Several of these methods include open house meetings, construction updates through e-mail blasts, and providing project update presentations to community and service groups. For example, on February 28th, 2019 the HSRA held an open house at a local elementary school in the City of Hanford that provided updates on Construction Package 2-3. Additionally, past newsletters and press releases can be viewed on the HSRA website. As a result, the clarifications provided in this bill will bring existing law into alignment with HSRA’s current public outreach activities.

RELATED LEGISLATION:

SB 1172 (Beall, 2018) — SB 147 is identical to the introduced version of SB 1172. That bill was later amended to address the HSRA’s right-of-way acquisition process.

SB 1420 (Kopp, Chapter 796, Statutes of 1996) — Established the High Speed Rail Authority and directed it to develop and implement a high speed train system in the state

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, March 20, 2019.)

SUPPORT:

None received.

OPPOSITION:

None received.

-- END --

SENATE COMMITTEE ON TRANSPORTATION

Senator Jim Beall, Chair

2019 - 2020 Regular

Bill No: SB 197 **Hearing Date:** 3/26/19
Author: Beall
Version: 1/31/2019
Urgency: No **Fiscal:** Yes
Consultant: Manny Leon

SUBJECT: Department of Transportation: retention proceeds

DIGEST: This bill removes the Department of Transportation's (Caltrans) sunset provision relative to withholding retention proceeds on public contracts, as specified.

ANALYSIS:

Existing law:

- 1) Prohibits Caltrans from withholding retention proceeds from a contractor performing work on a transportation project.
- 2) Requires Caltrans to notify the appropriate committee of the Legislature if a contract has been compromised due to a retention not being withheld for a transportation project.
- 3) Provides that Caltrans is required to implement the abovementioned prohibition until January 1, 2020.

This bill removes the sunset provision that prohibits Caltrans from issuing a retention proceed on a contract for a transportation project.

COMMENTS:

- 1) *Purpose.* According to the author, "this bill makes permanent the prohibition on Caltrans from withholding retention proceeds from its contractors when making progress payments on public works projects. Further, it will ensure Caltrans has a uniform contract payment system benefiting both contractors and the state in terms of time and cost-savings in contract administration. The prohibition on retention often goes unnoticed, but has an extremely positive impact on small and emerging construction businesses. It allows contractors to retain cash flow

and to continue to bid on subsequent construction projects without having to obtain expensive lines of credit or having to operate on uncertain financial footing. This prevents delays in project completion and the resulting unnecessary costs to taxpayers. Since the original law went into effect in 2008, Caltrans has not reported having experienced any issues with transportation projects as a result of the prohibition on retention in state law.”

- 2) *Retention Proceeds*. Typically, on public works projects, public agencies retain 5% of the proceeds of progress payments made to construction contractors. This is a tool that the contracting agency uses to ensure that contractors perform to the terms of their contract. When the project is completed to the satisfaction of the contracting agency, the contracting agency releases the retentions to the contractor. The prime contractor may extend the retention fees to subcontractors.

Caltrans does not withhold retention proceeds on federally funded projects on progress payments between Caltrans and its prime contractors, and its contractors and their subcontractors. SB 593 (Margett), Chapter 341, Statutes of 2008, prohibited Caltrans from withholding retention proceeds to its contractors when making progress payments for work performed on a public works project until January 1, 2014. While state-funded projects account for a small percentage of Caltrans projects, SB 593 conformed both state and federal laws so there is zero withholding for all contracts, easing the financial administration of those contracts. AB 1671 (Huffman), Chapter 290, Statutes of 2012, extended the sunset date from 2014 to January 1, 2020. SB 197 simply removes the sunset provision.

RELATED LEGISLATION:

AB 1671, (Huffman), Chapter 290, Statutes of 2012 — Extended the retention prohibition sunset from 2014 to January 1, 2020.

SB 593 (Margett), Chapter 341, Statutes of 2008 — Prohibited Caltrans from withholding retention proceeds to its contractors when making progress payments for work performed on a public works project until January 1, 2014.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, March 20, 2019.)

SUPPORT:

California Chapters of the National Electrical Contractors Association
California Legislative Conference of the Plumbing, Heating, and Piping Industry
Flasher Barricade Association
Northern California Allied Trades
Mason Contractors Association of California
Sacramento Regional Builders Exchange
United Contractors
Wall and Ceiling Alliance
Western Wall and Ceiling Contractors Association

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION

Senator Jim Beall, Chair

2019 - 2020 Regular

Bill No: SB 405 **Hearing Date:** 3/26/19
Author: Archuleta
Version: 2/20/2019
Urgency: No **Fiscal:** Yes
Consultant: Manny Leon

SUBJECT: Solid waste: reclaimed asphalt pavement: pilot project: the County of Los Angeles

DIGEST: This bill establishes a pilot program in Los Angeles County relative to the study of recycled asphalt, as specified.

ANALYSIS:

Existing law:

- 1) Establishes the California Integrated Waste Management Act of 1989 (Act) which sets up a variety of requirements regarding to the disposal, management, and recycling of solid waste.
- 2) The Act further authorizes California Department of Transportation (Caltrans) to establish specifications for the use of asphalt pavement of up to 40 percent of reclaimed asphalt mixes.
- 3) The Act further allows Caltrans to use reclaimed asphalt pavement in amounts greater than 40 percent.

This bill:

- 1) Makes findings and declarations as they relate to local street and road rehabilitation and the use of asphalt.
- 2) Establishes a pilot program in Los Angeles County to be implemented by the County Public Works Department to study the effectiveness of using certain types of recycled asphalt when paving streets, roads, and highways, as specified.

- 3) Requires Los Angeles County to create an evaluation team consisting of specified members to observe, document, and evaluate the pilot project.
- 4) Requires the abovementioned evaluation team to draft report evaluating the pilot program and greenhouse gas impacts and further requires submittal to the Governor, Caltrans, and the Legislature.

COMMENTS:

- 1) *Purpose.* According to the author, "Senate Bill 405 would create a pilot program in Los Angeles County to demonstrate the viability of using recycled grindings in road repair and maintenance."
- 2) *Reclaimed asphalt.* Reclaimed asphalt pavement (RAP) is a common term given to removed and/or reprocessed pavement materials containing asphalt and aggregates. These materials are generated when asphalt pavements are removed for reconstruction, resurfacing, or to obtain access to buried utilities. When properly crushed and screened, RAP consists of high-quality, well-graded aggregates coated by asphalt cement.

According to the National Asphalt Pavement Association (NAPA), forms of asphalt recycling date back as far as 1915. However, interest in hot-mix asphalt (HMA) recycling grew significantly in response to inflated construction costs during the oil embargo in the mid-1970s. The Federal Highway Administration (FHWA) has reported that the long-term pavement performance of recycled HMA that is designed and controlled during production performs comparably to conventional HMA that is made from virgin materials. Additionally, other studies have found that recycled pavements offer the same durability as pavements constructed with 100 percent virgin/natural materials. NAPA asserts that asphalt pavement recycling has many advantages including, reduced cost of construction, conservation of materials, preservation of existing pavement geometrics, preservation of environment, and conservation of energy. NAPA has also reported that the using various forms of reclaimed asphalt achieves material and construction savings of up to 40, 50 and 67 percent, respectively. Other forms of RAP include hot in-place and cold in-place asphalt.

- 3) *Pilot program.* This bill requires Los Angeles County to develop and implement a pilot program to study the implications of using high reclaimed hot mix asphalt or high RAP, which uses anywhere between 85 and 100 percent reclaimed asphalt pavement. Existing law identifies a 40 percent reclaimed asphalt/virgin asphalt ratio and Caltrans has established guidelines for using up to 25 percent RAP. However, its currently unclear on the reliability of using

RAP higher than the 40 to 50 percent range. For example, some of the pitfalls of using RAP may include higher propensity of potholes and/or cracks long-term and discoloring. Thus, using increased ratios may exacerbate some of these pitfalls. The author asserts that determining the effectiveness of using high RAP will be helpful in potentially reducing the number of asphalt stockpiles throughout the Southern California. By using higher levels of recycled/reclaimed asphalt, a greater amount of used asphalt can be re-used, in turn reducing the levels and/or numbers of used asphalt stockpiles and also provide a variety of environmental benefits.

- 4) *State Mandate.* This bill requires the Los Angeles County Public Works Department to carry out a pilot program to study the effects of using high RAP. As a result, this bill creates a state mandate requiring the state to pay for the costs associated with the pilot program. Currently, the costs to create and administer the pilot program are unknown.
- 5) *Author's amendments.* The author intends to submit amendments at the hearing to clarify that the pilot program will be required to be completed by December 1, 2022 and provide additional clarifications relative to the findings and declarations, appointments to the evaluation team, and reporting requirements.
- 6) *Double referred.* This bill is also referred to the Senate Environmental Quality Committee and shall be heard in that committee if passed out by this committee.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, March 20, 2019.)

SUPPORT:

California-Nevada Conference of Operating Engineers.
California State Council of Laborers
County of Los Angeles
Manhole Adjusting Inc.

OPPOSITION:

None received.

-- END --