

## MEMORANDUM

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 16-17, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5d.(8), Action Item

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District 05 - Director

Subject: **ALLOCATION FOR PROJECT WITH COSTS THAT EXCEED THE PROGRAMMED AMOUNT BY MORE THAN 20 PERCENT PPNO 2919/EA 1K520 – SANTA BARBARA COUNTY – STATE ROUTE 154 RESOLUTION FP-25-36**

### **ISSUE:**

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) allocation request for \$22,557,000 for Construction of the State Highway Operation and Protection Program (SHOPP) Drainage System Restoration project on State Route (SR) 154, in Santa Barbara County, to advertise the project?

### **RECOMMENDATION:**

The Department recommends that the Commission approve the requested allocation for this SHOPP project.

### **PROJECT DESCRIPTION:**

This project is located on SR 154 at various locations, in Santa Barbara County. The project will rehabilitate drainage systems, rehabilitate the existing pavement at a vista point, and install a transportation management system element which consists of a changeable message board.

### **FUNDING AND PROGRAMMING STATUS:**

In May 2020, this project was programmed in the SHOPP for \$10,398,000 in Construction Capital and \$2,342,000 in Construction Support for allocation in Fiscal Year 2023-24. In June 2023, the project was amended to increase Construction Capital to \$12,979,000 due to additional needs identified by culvert inspection staff and to split out two child projects for landscape mitigation planting (PPNO 2919Y/EA 1K521) and biological monitoring

(PPNO 2919X/EA 1K522). In June 2024, the project requested a 16-month allocation time extension for the Construction phase. However, the request was deferred to the August 2024 Commission meeting and approved for 14 months. In August 2025, the project received a 2-month allocation time extension amendment (totaling 16 months) for the Construction phase.

In June 2025, the Engineer's Estimate reflected the need of \$19,037,000 in Construction Capital (46.7 percent over the programmed amount) and \$3,520,000 in Construction Support (50.3 percent over the programmed amount). The Department plans to advertise the project in November 2025 and begin construction in February 2026. Construction is planned for two construction seasons with a duration of 250 working days.

### **REASON FOR COST INCREASE:**

The Construction Capital estimate is greater than the programmed amount due to drainage system design revisions, traffic management, additional permitting requirements, increased costs for structural items, and adjustments to the unit prices to reflect current market conditions. The Construction Support estimate is greater than the programmed amount due to an increase in additional general environmental monitoring requirements, increase in the number of working days, utilization of consultants, and cost escalations.

### **Capital Cost Increase:**

This project proposes to repair or replace 16 drainage systems that include 27 culverts along an approximately 33-mile segment of SR 154 to improve functionality and longevity and protect the roadway and embankment from potential culvert failures. The project is located in a rural area with steep terrain, difficult accessibility, and limited shoulders.

Due to storms in 2023, some of the drainage systems were submerged under water, which required the Department to design them at-risk based on most recent field videos or reports. As the drainage systems became accessible to investigate in the field, the design and cost estimate were revised to align with the appropriate strategy. Since these were found to be atypical systems, the design strategy and cost were more than anticipated.

Since the amendment in June 2023, two major changes occurred, including classification status updates to the federal listing of the southwestern pond turtle as threatened, and the California spotted owl as endangered. When a California spotted owl was seen during the final permitting process, construction access and work windows were further modified to limit access on federal lands, resulting in elimination of night work and reduced noise allowance. This impacted the construction strategy and lengthened the construction seasons.

One of the existing culvert systems that had limited accessibility was found to include a non-standard arch design. The project proposes to improve this system with a steel liner, however this required special consideration within the Department that was not initially considered. In addition, dewatering requirements were added at three locations due to persistent water presence. Furthermore, applying lessons learned from storm damage work in the fall of 2024, traffic management costs were adjusted to account for the work area limitations which includes additional flaggers, lane closures, and enhanced traffic control. Other notable factors contributing to cost increases were time-related overhead due to an increase in working days, unplanned offsite mitigation due to permits, mobilization, and other

drainage system adjustments due to pipe size increases and quantities.

The revisions to the drainage design and related items, along with adjustments to the unit prices to reflect current market conditions, amounts to an increase of \$6,058,000 in capital costs.

**Support Cost Increase:**

The support cost increase is due to the addition of 30 working days (from 220 to 250) as a result of refinements to the workplan for monitoring activities. The Department anticipated weekly monitoring during construction, however, final permits required continuous monitoring when construction activities occur. Due to staffing availability, consultant task orders will be utilized to perform the monitoring and inspection of work. Additionally, the workplan was adjusted to account for two years of salary escalation. The refinements to the workplan for the additional work and task orders, amount to an increase of \$1,178,000 in support costs.

**CONSEQUENCES:**

If this allocation request is not approved, the Department will not be able to advertise the contract to address critical deficiencies of the existing drainage systems. To address all of the deficiencies, the project would have to be reprogrammed, which would result in delays and could result in higher costs due to escalation.

**FINANCIAL RESOLUTION:**

Resolved, that \$19,037,000 be allocated from the Budget Act of 2024, Budget Act Item 2660-302-0890 and Non-Budget Act Item 2660-802-3290 for Construction Capital, and \$3,520,000 for Construction Support, to provide funds to advertise this SHOPP project.

Attachment

2.5 Highway Financial Matters

Project No. Allocation Amount County Dist-Co-Rte Postmile	Location Project Description	PPNO Program/Year Phase Prgm'd Amount Project ID Adv Phase EA	Budget Year Item # Fund Type Program Code	Amount by Fund Type
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**2.5d.(8) Allocation of Project with Construction Cost that Exceeds 20 Percent of the Programmed Amount Resolution FP-25-36**

1	In Santa Barbara County, at various locations. Outcome/Outputs:	05-2919	505-3290 RMRA	\$404,000
\$22,557,000	Rehabilitate drainage systems and install Transportation Management System (TMS) elements.	SHOPP/23-24	001-0890 FTF	<u>\$3,116,000</u>
		CON ENG	20.10.201.151	\$3,520,000
		\$2,342,000		
		CONST		
		\$12,979,000	2017-18	
Santa Barbara	Preliminary	0518000216	802-3290 RMRA	\$2,184,000
05-SB-154	<u>Engineering</u>			
R0.0/32.8	PA&ED		2024-25	
	<u>Budget</u>			
	\$1,926,000			
	<u>Expended</u>			
	\$2,448,400	3,4		
		1K520	302-0890 FTF	<u>\$16,853,000</u>
			20.20.201.151	\$19,037,000

Performance Measure:

Planned: 31.0, Actual: 27.0 Culvert(s) (ea)

CEQA - MND, 03/20/2023; Re-validation 06/27/2025

NEPA - CE, 03/21/2023; Re-validation 06/27/2025

Future consideration of funding approved under Resolution E-23-56; May 2023.

Amendment to time extension for an additional two months, for a total of sixteen months, for CONST and CON ENG approved under Waiver 25-159; August 2025.

Performance Measure: Culvert(s) (ea)					
	<u>Unit</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Quantity</u>
Existing Condition	Linear feet	0.0	348.0	3,812.6	4,160.6
Post Condition	Linear feet	4,670.6	0.0	0.0	4,670.6