

CALTRANS



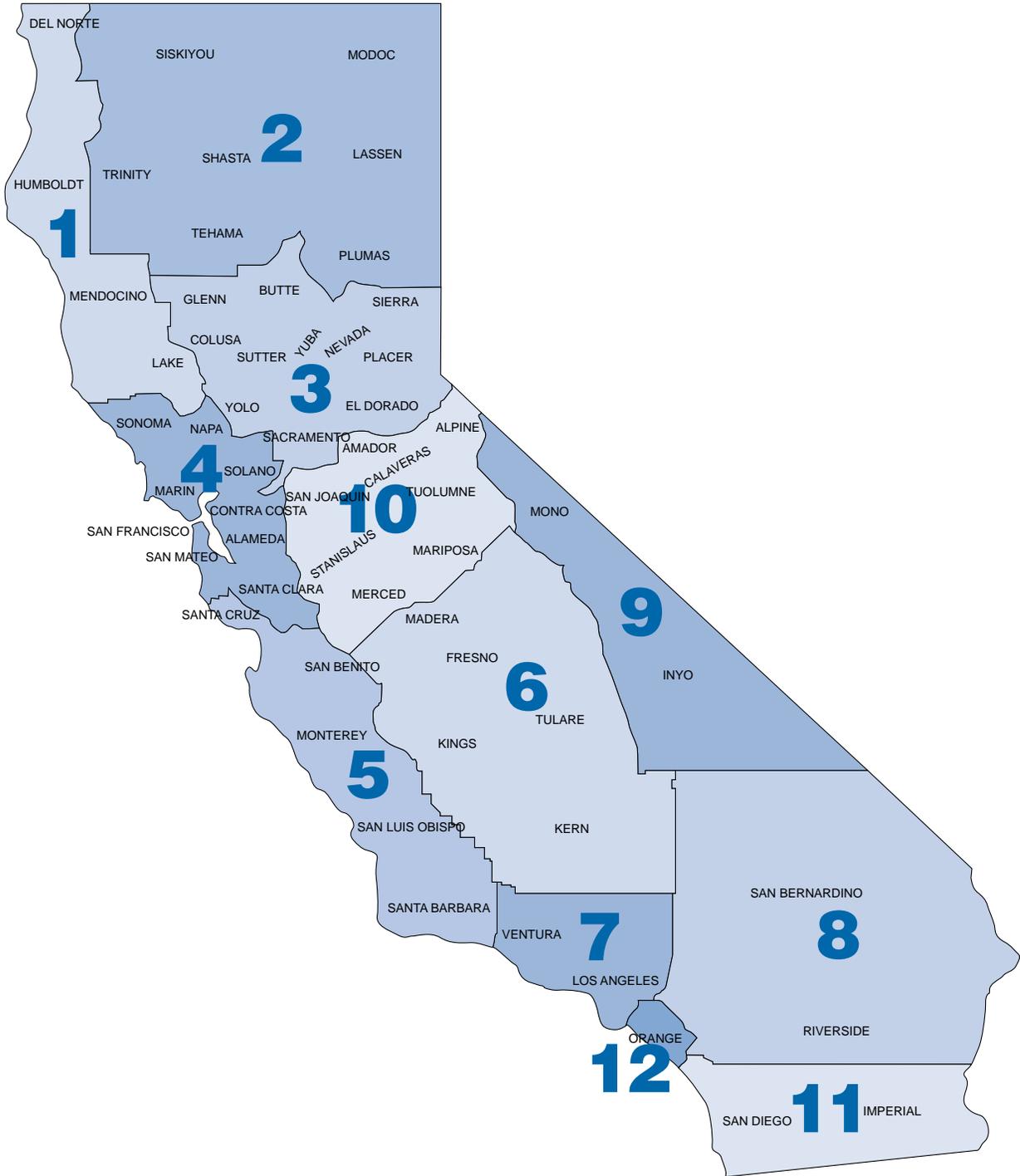
2007-2008

Fiscal Year Highlights

REBUILDING CALIFORNIA



Caltrans District Boundaries Map





Dear Stakeholder,

The California Department of Transportation (Caltrans) completed some incredible work during the 2007-08 fiscal year – and in record time.

Over Labor Day weekend, we demolished a football-field sized section of the outdated Yerba Buena Viaduct on the San Francisco-Oakland Bay Bridge and rolled in a brand new road. The amazing and unprecedented work was completed 11 hours earlier than the estimated three-day project time and commuters were unaffected.

This was the first fiscal year Caltrans delivered Proposition 1B projects. The Governor kicked off the first of many Proposition 1B groundbreaking ceremonies on October 15, 2007, along San Diego's north coast corridor as work on eight miles of carpool lanes on Interstate 5 and I-805 began.

In October, a 31-vehicle pile-up caused an I-5 tunnel fire near Santa Clarita. Three people were killed and several vehicles were incinerated. Caltrans maintenance personnel and emergency response agencies did phenomenal work clearing debris and returning the freeway to nearly normal operations in less than three days. The remaining task of completing a \$14.7 million repair project on the southbound truck lanes was completed 15 days early and showcased numerous new safety features to help motorists avoid another deadly incident.

The dedication of Caltrans employees was fully apparent when nearly every division worked non-stop during the 2007 Southern California and the 2008 Northern California wildfires. Maintenance workers provided traffic control and removed debris for the safe evacuation of residents from the fire, while providing firefighters with access. Staff worked around the clock to gather and disseminate key information regarding the constant closure and opening of state roads. Caltrans secured emergency contracts, evaluated damage and organized contractors. More than 400 maintenance employees were on duty at the height of the 2007 emergency, while 11 fires burned 372,100 acres.

As the fires were contained, Caltrans staff secured work sites, controlled erosion, cleaned up road debris and repaired charred guardrails. All Southern California highways opened by November 6, but we had sustained more than \$20 million in highway damage.

As amazing as that was, there is more! We've enjoyed phenomenal increases in the number of construction bids received, lowering our project costs so we can do more with less. And this fiscal year, \$4 billion of the 2006 voter-approved \$19.9 billion Proposition 1B funds were allocated to projects up and down the Golden State to improve air quality, reduce traffic and make our highways safer. The 36.5 million residents of California have never seen that kind of investment in the state's infrastructure, and it couldn't have come at a better time.

Caltrans is a tremendous organization. Our 22,000 talented and dedicated employees have selected the California Department of Transportation as their workplace of choice because they care about transportation and support our mission, goals and values. Aside from the capabilities of our workforce, I think it is extremely important that our stakeholders and the public know that their transportation tax dollars are being well spent. This report is a brief synopsis of Caltrans' achievements during fiscal year 2007-08, organized by the strategic goals we've established: safety, mobility, delivery, stewardship and service. I hope you find this report useful and informative, as I am extremely proud to share these accomplishments with you.

A handwritten signature in blue ink that reads "Will Kempton". The signature is fluid and cursive, with a long horizontal line extending to the right.

WILL KEMPTON
Director

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Front Cover: The main tower of the world's largest Self-Anchored Suspension Bridge will rise 525 feet above the San Francisco Bay and forever change the look of the Bay Area. This signature span is being built by American Bridge Company/Fluor Enterprises, a Joint Venture. American Bridge built the original Bay Bridge, which opened to traffic in 1936. The new bridge is scheduled for completion in 2013.



Back Cover: The Otay River Bridge in San Diego County is the signature structure on the South Bay Expressway, also known as the State Route 125 South Project. The South Bay Expressway was constructed and is operated and maintained using private funds. It generates revenue for the private company through tolls. The freeway may be deeded back to state ownership after 35 years, making it a shining example of a successful public/private partnership.

Introduction to Fiscal Year 2007-2008 Highlights

CALTRANS achieved many goals during the last fiscal year, including the efficient and timely delivery of quality transportation projects and services.

Caltrans' mission is to improve mobility across California. Caltrans has developed a strategic plan to improve the Department's performance. There are five goals and 26 objectives in Caltrans' strategic plan. Each objective has a long-range target. To ensure that the ultimate target for each objective is met, annual targets were established.

In this publication, the past year's activities are organized according to the goals they support. The five primary goals, and how Caltrans developed them, are described below.

Every employee had an opportunity to participate in the development of a strategic plan for the Department. Meetings were conducted throughout the state to allow staff participation, which helped ensure buy-in, commitment and ownership.

The overall strategic plan, along with performance measures and an annual operational plan, forms the foundation of performance-based management. Together, these tools inform management, drive budget decisions and achieve organizational results.

Employee input helped define our goals as listed below:

Safety – Provide the safest transportation system in the nation for users and workers.

Mobility – Maximize transportation system performance and accessibility.

Delivery – Efficiently deliver quality transportation projects and services.

Stewardship – Preserve and enhance California's resources and assets.

Service – Promote quality service through an excellent work force.

The programs, partnerships, projects and activities highlighted in this publication demonstrate how Caltrans has worked toward achieving each of these goals. In this report, we describe some of the most exciting and significant activities of our staff in pursuit of each of our five strategic goals.

The four values that we encourage our employees to practice in support of these Caltrans goals are:

Integrity – We promote trust and accountability through our consistent and honest actions.

Commitment – We are dedicated to public service and strive for excellence and customer satisfaction.

Teamwork – We inspire and motivate one another through effective communication, collaboration and partnership.

Innovation – We are empowered to seek creative solutions and take intelligent risks.

SAFETY

Provide the safest transportation system in the nation for users and workers

Minnesota Bridge Collapse Spurs Inspections

On August 1, 2007, the Interstate 35W bridge over the Mississippi River in Minneapolis, Minnesota, collapsed during the evening rush hour commute, killing 13 and injuring nearly 100 people. The eight-lane, 458-foot long truss arch bridge, which opened in 1967, carried an average of 140,000 vehicles a day.

Following the catastrophe, U.S. Secretary of Transportation Mary Peters asked all state departments of transportation to inspect bridges similar to the Minnesota steel deck truss span. Caltrans structure maintenance engineers and structural steel technicians jumped to it and inspected 69 bridges similar to the one in Minnesota within three days. All 69 bridges were found to be in good condition.

Caltrans' bridge maintenance program, which marked its 80th anniversary in 2007, is responsible for ensuring the safety and reliability of more than 24,000 state highway and local agency bridges. Since 1927, Caltrans has completed more than 650,000 inspections and no bridge in California has ever collapsed due to neglect.

During the 2007-08 fiscal year, Caltrans' bridge maintenance program staff accomplished amazing work in record time. For example, during routine bridge inspections, Caltrans engineers identified a potentially serious structural issue on 12 bridges along a stretch of I-40 in the heart of the Mojave Desert. Caltrans developed and executed an accelerated project to replace and seismically retrofit all 12 bridges.

After the unexpected Minnesota Bridge collapse, Caltrans employees inspect the Foresthill Bridge in Auburn to double check its safety.



The 740-foot high Foresthill Bridge was constructed in 1973 to make it quicker and safer to get from Auburn to Foresthill. It was re-inspected, as shown here, on August 3, 2007.

Caltrans completed the bridge design in two months instead of the normal two-year process. The Department also used pre-cast abutments for the first time to rebuild a California freeway bridge. Caltrans replaced these I-40 bridges in 14 months instead of the normal three-year process and the bridges opened in the summer of 2007.

Caltrans and its contractor, Skanska, received the 2008 Excellence in Partnering and the national Marvin M. Black award from the Associated General Contractors (AGC) of California for accelerating the replacement of these structures.



The Balsi Beam shields Caltrans maintenance workers from traffic while they repair a bridge expansion joint on Interstate 80, just west of the Nevada state line.



At the Workers Memorial on April 8, 2008, the Caltrans Honor Guard dedicated three traffic cones bearing the names of workers lost in 2007: Djuan Bush, Matthew White and John Knabenbauer. One additional cone was dedicated to represent all fallen highway workers across the nation.

The Nation Joins Caltrans in Honoring Fallen Highway Workers

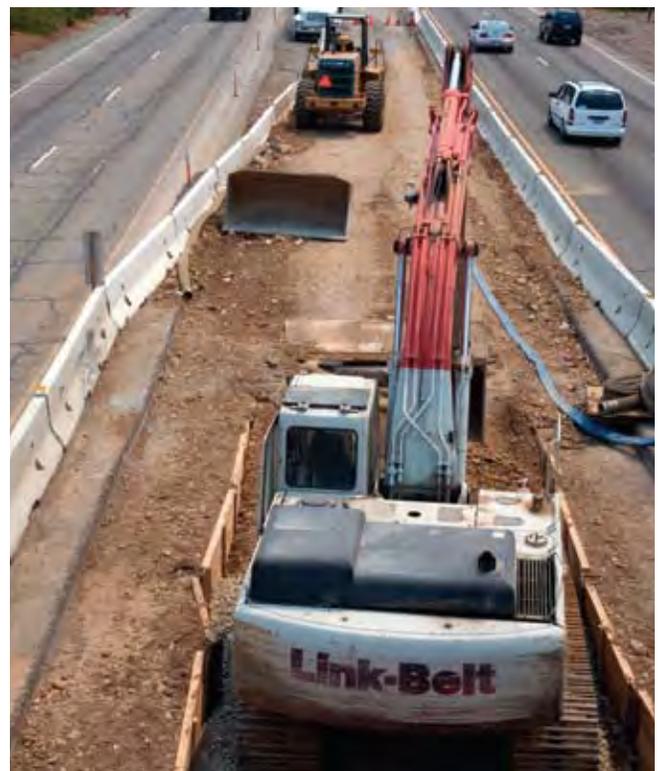
Caltrans honored its 170 fallen highway workers since 1924, as well as those lost nationally, with the National Work Zone Awareness Week kick-off April 8, 2008, at the Capitol. The national event was held in conjunction with Caltrans' Workers Memorial as California's slogan, "Slow for the Cone Zone," was adopted as this year's national campaign. After a year without Caltrans worker deaths, three of our employees, Djuan Bush, Matthew White and John Knabenbauer were killed this year while serving the citizens of California.

Please see In Remembrance on page 40.

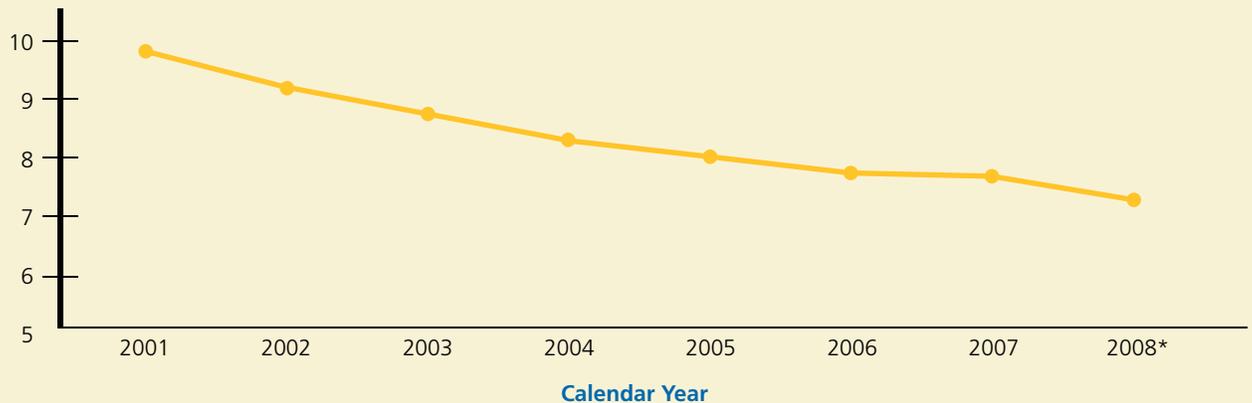
Planning Highway Safety

Caltrans has led the statewide effort to develop California's Strategic Highway Safety Plan (SHSP). The goal is to reduce fatalities and serious injuries on our roadways by 10 percent (from 2004 levels) by 2010. The Department has worked closely over the last two years with more than 300 safety stakeholders in 80 agencies to create strategic actions to implement the SHSP.

Construction started on the Proposition 1B project to widen State Route 44 between Interstate 5 and Redding during the 2007-08 fiscal year. This photo, taken July 9, 2008, shows the progress.



Worker Incident Rate – Work-related injuries and illnesses per 200,000 employee hours.



Data Source: State of California Office of Health and Safety Resources

*2008 figure reflects the Incident Rate through the second quarter (June 30) of 2008.

Traveler fatalities per 100 Million Vehicle Miles Traveled (MVMT) on the California state highway system

Year	2000	2001	2002	2003	2004	2005	2006	2007*
Fatalities per 100 MVMT	1.06	1.05	1.09	1.08	1.02	1.10	1.01	0.94

Data Source: Transportation Systems Network (TSN)

*Notes: Preliminary numbers.

Improving Fog Safety on Highway 99

Caltrans initiated a safety project in the 2007/08 fiscal year to further reduce fog-related accidents along State Route 99 (SR-99) in the Central Valley. The new Fog Detection and Warning System will relay weather and vehicle speed information to the Traffic Management Center, which will post warnings to drivers on changeable message signs (CMS) in rural Tulare and Fresno counties. The Fog Detection and Warning System is expected to be operational by the beginning of the 2008 fog season.



A Caltrans employee puts cones out to signify a lane closure to passing motorists on Interstate 80 near Colfax. The orange cones caution drivers to slow down for "the cone zone" to prevent \$1,000 fines, injuries, and deaths.

IN 2006 CALIFORNIA LEGISLATORS AND VOTERS approved the Governor's \$19.9 billion Proposition 1B bond measure for transportation improvements. The 2007-08 fiscal year was the debut of Proposition 1B construction projects, which are already helping to overcome decades of chronic underinvestment in one of the state's most important economic assets: our transportation system. Here is one example:

ACTIVE CITY GATEWAY STREAMLINED FOR SAFETY

As motorists enter Santa Barbara on the four-lane Highway 101, they are surrounded by a zoo, a bird refuge, a country club and breathtaking sights at the beach.

About 90,000 vehicles a day pass through this stretch of roadway as pedestrians walk off the beach, cyclists whiz by tourist attractions, and local drivers use the busy side-street network to improve their commute times. With all that activity at the gateway of Santa Barbara, Caltrans officials were excited to start construction work on a highway makeover, with the Proposition 1B State Transportation Improvement Program covering nearly the entire \$54 million bill.

The Highway 101 operational improvements between Milpas Street and Hot Springs Road mark one of the largest projects undertaken by Caltrans in Santa Barbara County. The project started June 11, 2008, and is scheduled to reconstruct two major interchanges, improve or replace six bridges, widen a two-mile section of the freeway to six lanes, improve local streets, and build sidewalks, bike paths and a new under crossing.

The four-year project will improve safety for pedestrians, cyclists, tourists and commuters as they all go about their business through a wider, more accessible and maneuverable gateway to the roadway section with the highest per-day vehicle counts in Caltrans District 5.



On July 16, 2008, crews cleared the median area for the Highway 101/Milpas Improvement Project in Santa Barbara.

An OASIS Amid Devastation

Three Caltrans Operational Area Satellite Information System (OASIS) trailers sit ready and waiting to travel to emergencies to reinstate communication lines wherever and whenever needed. Each OASIS trailer provides 24 banks of telephone lines using a satellite system, data connections for computer equipment, radio communications, and live video streaming. Caltrans partners with the Governor's Office of Emergency Services (OES) and Office of Radio Communications to provide this vital service.

Two Caltrans trailers responded to the 2007 Southern California wildfires. All communications were down in certain areas of the fires, including the emergency 9-1-1 system in Dulzura in San Diego County. The local Caltrans staff supported the communications system once it was established and gave relief to the OASIS team, who were stationed at the Harris Fire staging area for six weeks.



The Safe Routes to School program funded these yellow warning signs in Knights Landing to improve the safety of children as they walk or ride their bikes to school.



Safe Routes to School

In March 2008 Caltrans awarded \$52 million to cities and counties for 139 projects funded through the state's Safe Routes to School program. This program is designed to give students in grades K-12 easier and healthier ways to travel safely to and from school. In 2007 Gov. Arnold Schwarzenegger signed Assembly Bill 57, which extended the program indefinitely. Since the program's inception in 2000, Caltrans has awarded \$196 million for 709 Safe Routes to School projects. In addition, Caltrans awarded \$45 million of federal Safe Routes to School program funds for 98 projects since 2005.

Safe Routes to School Program



Data Source: Caltrans Local Assistance Division

Securing California's Ports

On February 14, 2008, \$40 million of Proposition 1B funds were awarded to improve port security in California. As part of the Governor's Strategic Growth Plan to improve infrastructure, security and public safety, 11 ports across the state are scheduled to receive funds from Proposition 1B.

Freeway Safety Improvement in Los Angeles County

Caltrans opened a state-of-the-art \$46 million Los Angeles Regional Transportation Management Center (LARTMC) in Glendale on October 31, 2007. The center is designed to maximize traffic flow, reduce congestion and serve as the hub for emergency response efforts and freeway incident management for Los Angeles and Ventura counties. Caltrans and the California Highway Patrol manage and monitor 42 freeways and highways, totaling 1,188 freeway miles in the two counties.

Safety Construction

Caltrans is working to prevent additional rockslides on Highway 1 at Devil's Slide between Pacifica and Half Moon Bay. This section of road has been closed more than 25 times since 1973 due to slides. In the fall of

2007 Caltrans broke ground on a \$45 million project that includes building two bridges, both spanning 1,000 feet in length and perched 100 feet above the valley below San Pedro Mountain. Caltrans is also in the midst of a \$282 million tunnel project at this site, which is expected to be completed in 2011.

Caltrans Hosts First Tsunami Warning System Test

Many communities along the California coast are vulnerable to unpredictable and potentially destructive tsunamis. And while tornado communication plans are tested annually, tsunami communication plans have never been tested in California – until now. Caltrans collaborated with federal, state and local partners, including the National Weather Service, Governor's Office of Emergency Services and the county of Humboldt to enact the first California tsunami warning system test on March 26, 2008. The test provided valuable information, which will be used to improve the tsunami warning system along the California coastline.



The new Los Angeles Regional Transportation Management Center opened on October 31, 2007, to serve as the hub for emergency response efforts and freeway incident management for Los Angeles and Ventura counties.

MOBILITY

Maximize transportation system performance and accessibility



Proposition 1B

The transportation component of Gov. Schwarzenegger's Strategic Growth Plan is the cornerstone of a 20-year vision to rebuild and maintain a transportation system that can keep pace with California's growing population and economy. In 2006, the Governor proposed Proposition 1B and the legislature and voters supported the monumental \$19.9 billion bond measure for long-overdue transportation improvements. Proposition 1B projects are already in construction and helping to overcome decades of chronic underinvestment in one of the state's most important economic assets.

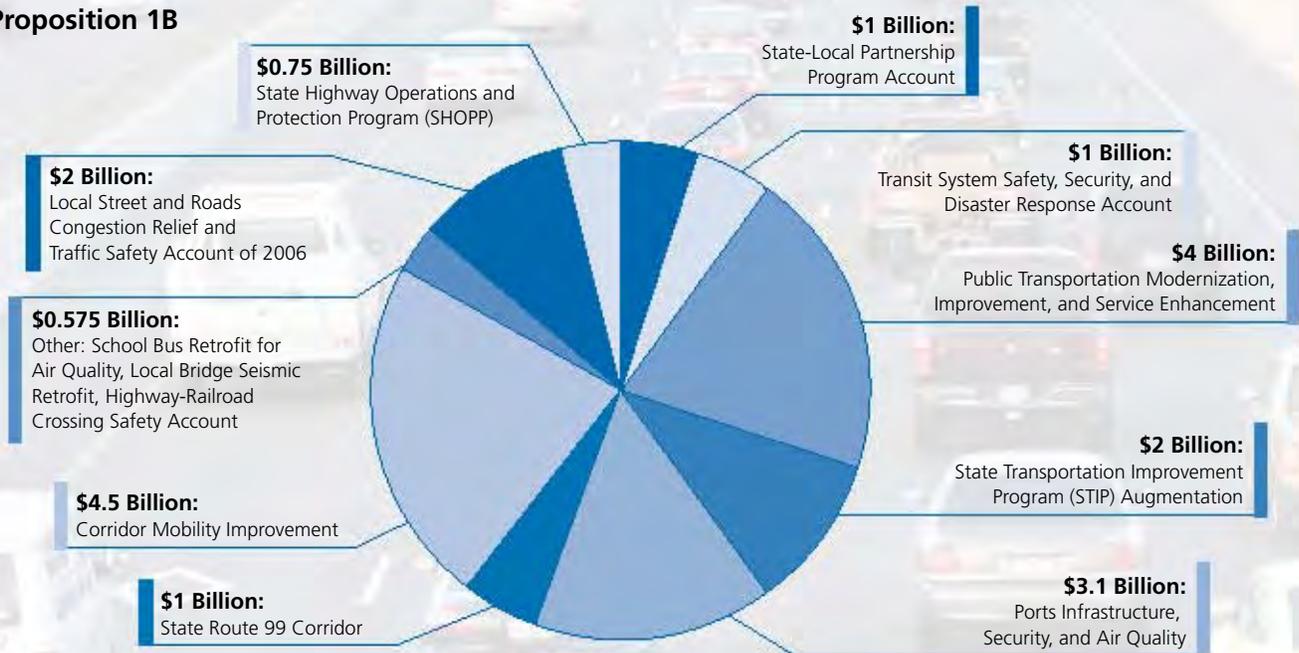
This was the first fiscal year Caltrans delivered Proposition 1B projects to construction. The Governor kicked off the first of many Proposition 1B groundbreaking ceremonies on October 15, 2007, along San Diego's north coast corridor as construction began on eight miles of carpool lanes on I-5 and I-805.

Proposition 1B projects that broke ground during the 2007-08 fiscal year include: San Diego's North Coast Corridor Carpool Lanes, the Angels Camp Bypass

Bottom photo: California Business, Transportation and Housing Agency Secretary Dale Bonner (back left), Assembly Speaker Fabian Núñez, Governor Arnold Schwarzenegger and Los Angeles Mayor Antonio Villaraigosa visit the new Los Angeles Regional Transportation Management Center on October 16, 2007.



Proposition 1B



PROPOSITION 1B WIDENS THE BACKBONE OF CALIFORNIA

The golden state of California contains more than 36 million people from top to bottom and side to side. If the 158,693-square-mile state were a country, it would be one of the 10 largest economies in the world because of its rich and diverse farmlands, industry and motion picture production. And through the heart of this state is Highway 99, running from Red Bluff to Wheeler Ridge just north of the Los Angeles County border.

State Highway 99 has been dubbed the Central Valley's transportation backbone. Since the economic vitality and quality of life of the valley are high priorities for the state, about \$1 billion of the 2006 voter-approved \$19.9 billion Proposition 1B funds are slated for Highway 99 improvements. These funds, paired with existing transportation revenues and Proposition 1B State Transportation Improvement Program funds, will help Caltrans to reach the goal of creating a minimum of a six-lane freeway through the Central Valley.

The \$43 million Atwater Freeway Project broke ground in May 2008 thanks to funding from Proposition 1B.

The project is scheduled to convert 2.7 miles of Highway 99 from a four-lane expressway to a six-lane freeway. It will enhance safety by closing four at-grade intersections and median crossings. The project is expected to be complete in 2011.

Before Proposition 1B funds came into play, Caltrans delivered more than \$100 million worth of work eight months early on two freeway conversion projects along Highway 99 in Merced County during the 2007-08 fiscal year. The Livingston Stage II project and the Mission Avenue Interchange and freeway widening project converted four miles of four-lane expressway to a six-lane freeway. The new Mission Avenue interchange provides a vital connection to the University of California, Merced, campus via the Campus Parkway. Both projects improve goods movement and move Highway 99 closer to full freeway standards through the Central Valley.

Future Highway 99 bond projects are scheduled for Butte, Tehama, Fresno, Madera, Tulare, Merced, San Joaquin, Sacramento, Stanislaus and Sutter counties.

project in Calaveras County, the Lincoln Bypass in Placer County, the Dana to Downtown project in Shasta County, Interstate 80 capacity improvements in Placer County, 20 miles of managed lanes on I-15 in San Diego County and additional carpool lanes in Solano County.

Improving California’s Transit

California voters approved \$4 billion for public transportation modernization, improvement and service enhancement as part of Proposition 1B in 2006, with nearly \$600 million allocated for the 2007-08 fiscal year. The Division of Mass Transportation administers this program and approved 205 projects, including adding 40 rail miles, and purchasing 1,095 new buses, three new rail cars and one new ferry vessel. The funds will also rehabilitate 290 buses and 60 rail cars. Caltrans plans to also move forward with several new construction projects including fueling stations, bus stops and passenger shelters. The Division of Rail administers the \$400 million portion of the program dedicated to intercity rail. A total of five projects, equaling \$55 million have been allocated this fiscal year.



Distressed Pavement – Percent of distressed lane miles.

Year	2003	2004	2005	2006	2007
Percent	24	25	28	27	26

Data Source: Division of Pavement Management

Caltrans is continually advocating for more money to repair worn roadways, which helps to maintain funding levels for pavement preservation.

Top photo: Workers are in the midst of constructing a new freeway overpass on July 13, 2007, in Merced County on Highway 99.

Bottom photo: The Livingston Stage II project converted approximately two miles of Highway 99 from a four-lane expressway to a six-lane freeway. The \$2.5 million project was completed in January 2008.

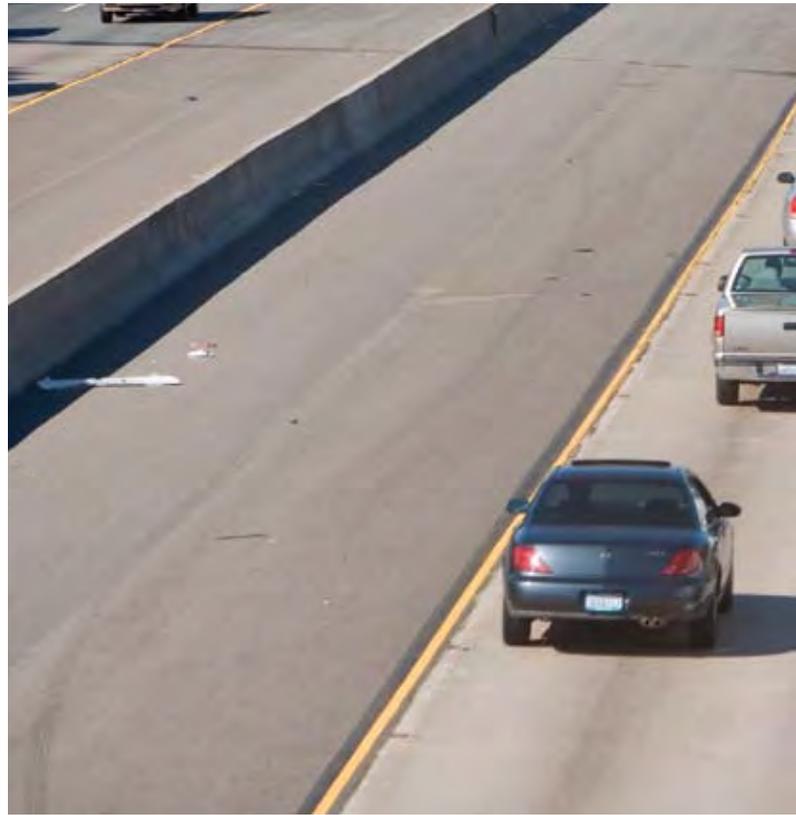


Top of the Sierra

In the 2007-08 fiscal year, Caltrans secured funding for and delivered three roadway rehabilitation projects in Colfax, over the Donner Summit and just west of the Nevada state line. These projects also marked the first use of Grant Anticipation Revenue Vehicle bonds for Caltrans and the largest roadway rehabilitation project delivered to date under voter-approved Proposition 1B. The combined cost of the projects was \$214 million.

Connecting Corridors

The State Route 52 Sunny Side Gateway Project broke ground earlier this year and will provide a safe and efficient freeway connection between San Diego's inland corridor and the east county. When this vital piece of the region's transportation plan is completed in late 2010, it will reduce traffic congestion and improve travel times along the corridor by nearly 10 minutes. Proposition 1B provided \$157.8 million of the total \$255 million project cost.



A tanker truck parks on newly constructed freeway on Highway 99 in Merced County on July 13, 2007.





The evening commute heading east on Interstate 80 gets congested through Roseville. Caltrans began construction of east and westbound carpool lanes here in August 2008 to improve mobility.

Ease Congestion with Carpool Lanes

The I-5 South Coast Corridor Project kicked off last fall with the groundbreaking of the \$154.6 million Lomas Santa Fe Interchange Project. Motorists will see two additional carpool/managed lanes in each direction and one general-purpose lane once the work is completed in 2012. The project will ease traffic congestion for the more than 230,000 vehicles a day that use this portion of I-5, and provide access to primary tourism and coastal recreation sites. Proposition 1B provided \$82 million of the funding.

Connecting Countries

Proposition 1B funded \$91.6 million of the total bill of \$343 million for the SR-905 project, which also broke ground this year. It will provide a new six-lane freeway to serve the Otay Mesa area and encourage trade with Baja California, Mexico.

Easing Congestion in the Bay Area

Proposition 1B funds were allocated to add carpool lanes to Interstate 80 in Solano County between Fairfield and Cordelia, and eastbound Interstate 580 between Pleasanton and Livermore. Caltrans started constructing the \$80 million I-80 Fairfield carpool lane project in June 2008, and expects to finish in December 2009. The \$154 million eastbound Interstate 580 carpool lane project started in the summer of 2008 and is expected to be open in 2011. These two projects will help alleviate congestion for areas with fast-growing populations as more people move farther from the San Francisco Bay Area core for more affordable housing. Caltrans' Bay Area district staff is making the most of the \$1.3 billion Proposition 1B funds for 18 different projects to benefit motorists in the next four years.

DELIVERY

Efficiently provide quality transportation projects and services



Workers prepare to slide in the new Yerba Buena Viaduct roadway of the Bay Bridge on September 3, 2007. The bridge was closed down for three days to complete this massive fast-paced replacement project.

Bay Bridge Retrofit Projects

Celebrating a milestone for one of the busiest bridges in the nation, Gov. Schwarzenegger attended the opening for the San Francisco-Oakland Bay Bridge West Approach. The seismic retrofit project cost \$429 million, and has created thousands of jobs.

“The Bay Bridge is an economic and transportation colossus, and we are rebuilding it to make it seismically safe for generations to come,” said Gov. Schwarzenegger. “I could not be more proud of the incredible workers who are making the West Approach of the bridge a reality, a full seven months ahead of schedule. This is exactly the type of skill and cooperation that the people of California expect and deserve from their government.”

The West Approach is a one-mile stretch of Interstate 80 linking San Francisco to the Bay Bridge. It is delineated by Fifth Street and the San Francisco anchorage on Beale Street. Seismic work on the West Approach involves completely removing and replacing this one-mile section of freeway in its original footprint, as 280,000 vehicles continue to use the bridge each day.

On another segment of the bridge, Caltrans closed the entire eight-mile long Bay Bridge to its users during Labor Day weekend, demolished a 350- by 90-foot section of road deck and columns, and rolled in a seismically upgraded replacement.

A \$1 million public outreach campaign spread the word of the bridge closure widely enough so that groups such as the 10,000 University of Tennessee



This aerial photo was taken September 4, 2007, after the Yerba Buena Viaduct section of the Bay Bridge was rolled into place.

volunteers and fans knew of the project. Thousands of people planned to attend the nearly sold-out football game against the University of California, Berkeley at Memorial Stadium on Saturday during the Labor Day weekend bridge closure.

“The team was going to stay in San Francisco, but because of the bridge, they’re staying at the Claremont Hotel in Berkeley,” John Painter, spokesperson for the Tennessee football program, was quoted as saying in the *San Francisco Chronicle* in August. “A lot of fans and reporters are staying in San Francisco, and they’re planning on taking BART.”

Caltrans footed the bill for BART to run service under the bay all night and for the Golden Gate and Alameda/Oakland ferries to run additional boats. Caltrans and regional transportation officials set up a control center at Pier 7 at the Port of Oakland, where they monitored traffic around the Bay Area and reacted quickly to alleviate backups.

The replacement was a success due to the incredibly fast work to replace the Yerba Buena Viaduct. After the demolition of the football-field sized section was complete, employees of the project contractor, C.C. Myers, Inc., used a unique roller system to push the

new 6,500-ton viaduct into place. Rails were installed beneath the structure, which was lifted by jacks and slowly moved into position and lowered onto permanent columns that had already been built. Then workers applied finishing touches. The roll-in was a first in California transportation history and it was completed without injury, without any significant problems and 11 hours early. Tuesday morning commuters went back to work as usual.

Caltrans, Emergency Crews Clean Up, Reopen Interstate in Record Time

Friday, October 12, 2007, a 31-vehicle pileup on the I-5 truck bypass lanes near Santa Clarita ignited a massive tunnel fire. Three people were killed, several were injured, and the vehicles involved were incinerated. Caltrans maintenance personnel, along with other emergency response agencies, cleared debris and returned the freeway to nearly normal operations in less than three days.

However, because of the severe damage to the tunnel, the southbound truck lanes remained closed while a \$14.7 million repair project was designed. When the tunnel reopened November 15 – a full 15 days earlier than expected – motorists saw pristine white walls, a new ceiling and a new lighting system.

Project Delivery Looking Good

Caltrans employees completed the plans for 100 percent of the 294 projects scheduled for bid during the 2007-08 fiscal year, equaling \$3.3 billion in value. Over the past three years, Caltrans has promised to deliver 754 major projects with a construction value of more than \$8.3 billion. We have delivered 753 of those projects, which translates into a 99.9 percent delivery record.

In addition to widening roadways, building carpool lanes, opening new avenues for transportation, and maintaining our aging infrastructure, Caltrans has also responded quickly and effectively to emergencies.

Percent Delivery of Planned Projects:

Fiscal Year	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Percent to List	86	85	87	96	99	100	100

Data Source: Division of Project Management

Notes: Figures for fiscal years 2005/06 through 2007/08 represent delivery of planned milestones in Director Kempton’s contracts for delivery with the 12 districts.



Motorists were already using the new bond-funded carpool lanes July 16, 2008 on Interstate 5 in San Diego County.

ONE SECTION OF FIRST PROPOSITION 1B PROJECT STATUS: COMPLETE

Sadly, some large-scale transportation projects take years or even decades to complete. Partners have to agree. Funding must be sought and lined up. Sometimes those daunting tasks greatly delay – even kill – a project. But not this time.

The residents and commuters of the Interstate 5 (I-5) corridor in San Diego County desperately waited for quicker drive times for more than a decade and finally received funding to relieve traffic congestion when voters approved Proposition 1B in November 2006. Before the bond passed, more than 250,000 vehicles a day clogged one of the most heavily-used portions of the I-5 corridor, which connects north county residents to the major employment centers in Sorrento Valley, the golden triangle and downtown San Diego. By the year 2030 the number of vehicles using I-5 daily is expected to double.

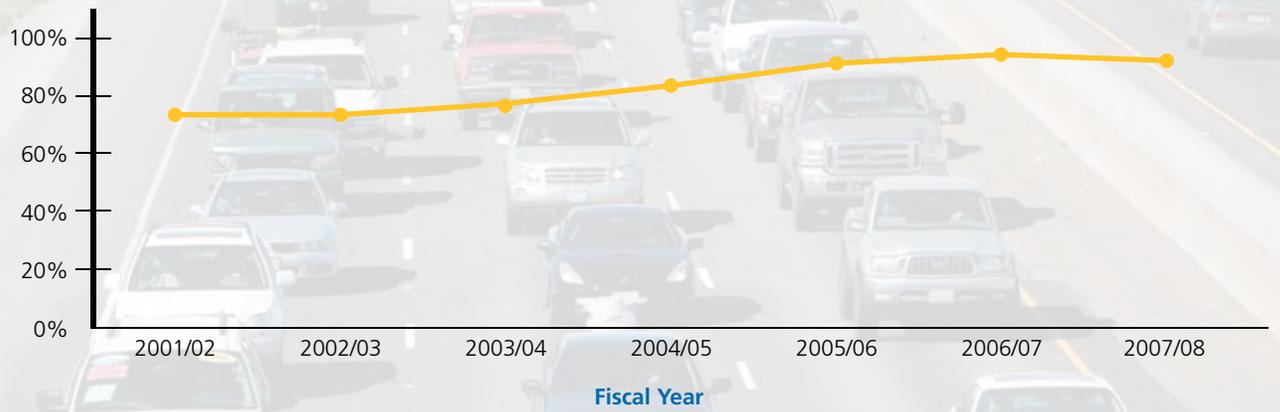
Caltrans already had several ideas and some projects in the works to widen the I-5 Lomas Santa Fe bridge, and add an interchange at Lomas Santa Fe Drive and auxiliary lanes south of the new onramps. However, carpool lanes ended before the new interchange, which connects more residents to the employment hub of San Diego County.

Proposition 1B funds are helping to complete 11 miles of carpool lanes on I-5 and I-805, reconstruct the Lomas Santa Fe interchange and extend Carroll Canyon Road under I-805. This section of I-5 is the commuting lifeblood of San Diego. The additional carpool lanes will cut congestion by 20 percent. The \$168 million project provided jobs, better movement of people and goods and a brighter future for California. More than half of the funding came from Caltrans, local TransNet funds and the city of San Diego. This project is programmed to receive \$82 million from the Proposition 1B Corridor Mobility Account.

“What is really spectacular about this project is that it represents exactly the kind of partnership and financial leveraging I envisioned when I laid out my Strategic Growth Plan almost two years ago,” said Gov. Arnold Schwarzenegger at the project’s October 15, 2007, groundbreaking ceremony.

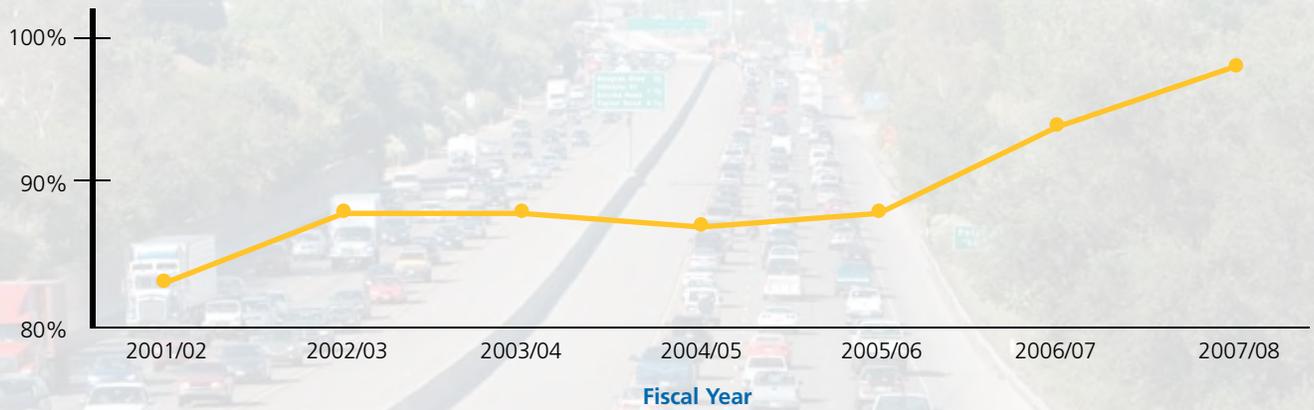
The I-5 carpool lanes portion of the project was completed nine months early in June 2008. This is the first of many projects that the public will see throughout the state in the next few years that could not have been completed without Proposition 1B.

Percent of Project Approval and Environmental Documents (PA/ED) Completed on Schedule.



Data Source: Division of Project Management

Percent of Construction Contract Acceptance (CCA) Completed on Time.



Data Source: Division of Project Management

Decreased Bridge Traffic During Construction

Diverting holiday traffic was a major factor in a \$23 million, two-year plan to replace the bridge deck on Interstate 5 over Shasta Lake. Traffic had to be reduced to one lane in each direction on the 3,600-foot long 1941 Pit River Bridge, which averages 20,000 vehicles a day.

The results of a significant outreach effort were positive. Holiday traffic volumes consistently dropped 25 percent. This resulted in an actual delay of less than one hour compared to the two-hour predictions, and a savings of \$250,000 to the traveling public for each holiday. The new bridge opened in May 2008.

Fruitful Partnerships

For the last 10 years, Caltrans has worked with local transportation commissions for Inyo and Mono counties, the Kern Council of Governments and the San Bernardino and Southern California Association of Governments to seek funding to upgrade the US 395/SR 14 corridor to four lanes. The partnerships produced funding for the \$75 million Mojave project, which was completed in September 2007, and the \$60.4 million Independence/Manzanar project, which is scheduled for construction in 2008. The successful partnerships resulted in funding for the Independence/Manzanar project one full year earlier than anticipated.

Growing Construction Industry Capacity

Caltrans developed and implemented the GoCalifornia Industry Capacity Expansion (ICE) portion of the Governor's Strategic Growth Plan. Caltrans held two workshops with construction industry representatives to discuss their ability to accommodate significant growth in the transportation construction industry and identify ways to grow this capacity within California.

Caltrans developed a general action plan for accomplishing the ICE objectives, as well as a detailed work plan, identifying programs and project managers responsible to ensure all the specific actions are executed.

As an example of the effectiveness of GoCalifornia, Caltrans' Sacramento Valley district completed four fast-track GoCalifornia projects in just 18 months. Work on the four mobility projects, with a combined

cost of \$15 million, started in the fall of 2005 and was completed in early 2007.

Increasing Construction Bids

Due to the state of the economy and efforts to attract contractors to the program, Caltrans is getting more construction firms bidding on each project. Increasing the number of bidders reduces the capital cost of Caltrans' projects, saving millions of dollars annually that are now being used to fund additional projects. Caltrans opened 670 projects, worth \$2.5 billion, to bidders in the 2007/08 fiscal year. The Department received an average of seven bidders per project. On average the projects came in 22 percent less than the engineer estimates. This tremendous competition for Caltrans' projects coincides conveniently with the movement of Proposition 1B projects into the construction phase. Just four years ago, Caltrans was only receiving an average of three bidders per project, and bid prices were coming in well over engineer estimates.

Bright Spot Amidst Bitter Waters

On November 7, 2007, the container ship Cosco Busan struck the eastern pier of the San Francisco-Oakland Bay Bridge's western span. The impact ripped a gash in the ship's hull, releasing 58,000 gallons of bunker oil into the bay.

Fortunately, the pier's protective fender system did its job. The pier was undamaged, but the fenders were badly mangled. Caltrans immediately issued a Director's Order for an emergency repair contract. California Engineering Contractors completed the job three weeks early and a half a million dollars under the anticipated \$2 million budget.

Engineer's Estimate for Projects vs. Low Bid

FY	Sum of Engineer's Estimate	Sum of Low Bid Amount	Low Bids vs. Engineer's Estimate
2000/01	\$2,596,903,341	\$2,497,571,367	-3.8%
2001/02	\$2,866,172,447	\$2,942,980,427	2.7%
2002/03	\$1,592,523,200	\$1,374,142,391	-13.7%
2003/04	\$2,562,877,466	\$3,297,611,326	28.7%
2004/05	\$1,199,262,617	\$1,185,776,842	-1.1%
2005/06	\$4,210,435,624	\$4,401,923,380	4.5%
2006/07	\$2,877,824,047	\$2,705,726,491	-6.0%
2007/08	\$3,319,692,221	\$2,598,213,545	-21.7%

Data Source: Division of Engineering Services



Earth-Friendly Fuel

In 2007-08 Caltrans increased its alternative fuel use by 80 percent. Caltrans owns more than 2,000 alternative fuel vehicles, which includes approximately 600 E85 (85 percent denatured ethanol and 15 percent gasoline) vehicles. As vehicles are replaced, Caltrans Division of Equipment will increase its number of E85 vehicles. The Department is already installing more E85 fueling stations throughout the state for use by the growing Caltrans fleet of vehicles powered by alternative fuels.

Fish-Friendly, Seismically-Upgraded Toll Bridge

The new Benicia-Martinez Congressman George Miller Bridge opened August 25, 2007. The new 1.1-mile technically complex structure doubled the crossing's capacity with five lanes of northbound traffic on Interstate 680. The state-of-the-art toll bridge also features the



Left: The new San Diego State Route 125 toll road is displayed artistically in this photo taken on September 18, 2007.

Above: Motorists who place this FasTrak transponder on their dashboards can have their toll automatically deducted as they whiz by the electronic collection system on new bridges such as the Benicia-Martinez.

PROPOSITION 1B PAVES HISTORIC PATHWAYS

It makes sense that the Gold Rush town of Angels Camp should have a bypass to relieve congestion once you learn about the area's history.

Highways 49 and 4 currently steer commuters and tourists through Angels Camp, connecting numerous quaint historic gold-rush era communities. But the travel ways haven't changed much in the past 7,000 years. When Native Americans organized their villages and traveled across the land in search of food they were actually forging trails that became highways 4 and 49.

A little more than \$4.4 million of Proposition 1B funds are already helping to create a \$61.5 million Angels Camp bypass and connect the north parts of highways 4 and 49. Construction began on the project in the 2007-08 fiscal year and is estimated to be complete, and start reducing in-town congestion, in 2010.

Before utilizing Proposition 1B funds to create the 2.6-mile-long bypass, Caltrans Environmental Division performed an archaeological evaluation of the Gold Rush territory. During this detailed effort, Caltrans staff gained new insights into California prehistory and the history of the native Me-Wuk people. Caltrans and its partners earned the prestigious Governor's Historic Preservation Award for 2007 environmental staff work on this project.

The Black Creek archaeological evaluation site is in the midst of what was a historic hub of trade for Native Americans. Caltrans discovered that acorns, a main food staple of California native peoples, were harvested and traded from big villages to smaller settlements much earlier than previously thought.

Kelly R. McGuire, project manager for Far Western Anthropological Research Group, Inc., produced the scientific report for Caltrans and stated in a letter to Caltrans environmental staff: "I personally believe that the findings enumerated in the technical report will ultimately be recognized as one of the most important scholarly contributions to California archaeology produced by Caltrans."

Today about 3,150 people live in Angels Camp and thousands more visit the historic town each year. The bypass will serve commuters and tourists as they access the historic Mother Lode gold-rush era communities in the Sierra foothills. It will ease congestion in Angels Camp and lessen travel delays through the neighboring communities.

As the transportation department for a growing California population, Caltrans is constantly building, expanding and maintaining the state highway system. And all the while, Caltrans' environmental staff work to ensure sensitivity to archaeological sites and other cultural resources found in the rich heritage of the golden state.

Bay Area's first toll booth-free lanes for FasTrak customers. These lanes use an electronic collection system that relies on overhead antennas, cameras and other high-tech devices to read FasTrak toll tags and deduct tolls from prepaid accounts. This method handles 50 percent more vehicles than the traditional FasTrak system and curbs traffic congestion and carbon emissions at the toll plaza.

San Diego's First Completed Toll Road is a Successful Public/Private Partnership

Preserving the surrounding environment and habitat proved to be a major challenge of a new 13-mile

South Bay Expressway (State Route 125) project, but ultimately became one of the roadway's shining accomplishments. More than \$20 million was spent to preserve sensitive habitats and species as part of the project.

The completion of SR-125 is one of Caltrans staff's greatest achievements in San Diego and Imperial counties during the recent banner year. As San Diego's first toll road, the South Bay Expressway provides long-awaited congestion relief to south San Diego County. It also provides essential connectivity to the international border crossing at Otay Mesa for the transport of people, goods and services.



State Route 125, as pictured here on September 18, 2007, connects south San Diego County with Mexico and preserves the natural beauty of the area.

Innovative Design Sequencing Equals Speedy Delivery

A \$205 million contract for Placer County's 12-mile Lincoln Bypass project on State Route 65 will be the largest in our Marysville district's history. Thanks to innovative design sequencing and early environmental mitigation, the project broke ground one year ahead of schedule. Through the purchase of pre-project advance mitigation, the replacement habitat was already thriving by the time construction began in June 2008. The habitat includes 317 acres of upland grasslands, freshwater marsh, vernal pool/swale complex, and riparian forest through a one-mile stretch of Auburn Ravine. Wildlands, Inc., the property owner, is preserving existing habitats, restoring and creating wetlands, marsh, valley oak,

and riparian habitat on the site. The habitat supports several endangered and threatened species such as the Swainson's hawk, vernal pool fairy shrimp, and valley elderberry longhorn beetle, as well as various other riparian and seasonal wetland-dependent birds. The 11.7-mile bypass will improve corridor traffic flow and lessen local city congestion.

Green Money for a Green California

During the fiscal year, Caltrans provided \$5 million in Regional Blueprint Grants and \$8.3 million in Transportation Planning Grants to regional and local agencies. In addition, the California Transportation Commission approved a program of \$3.1 billion of Proposition 1B funds on April 10, 2008, for projects that will improve goods movement and reduce emissions in California.



Pictured here is the new State Route 125 toll booth in San Diego County.

Cleaning Up Graffiti

Graffiti impacts all members of the community. Caltrans spent almost \$6 million to clean up facilities with about 12 million square feet of graffiti on them last year. The Department receives thousands of new reports of graffiti every year on state highway rights of way. Graffiti is removed from roadside rest areas, signs, light poles, trash receptacles, planters, phone booths, benches, sound walls, art pieces, traffic signals, electrical boxes, bridges and other structures. Maintenance has a policy of removing offensive graffiti immediately, and other graffiti as soon as possible. Early detection and removal discourages a proliferation of graffiti at any given location.

The presence of graffiti is unsightly and costly to eliminate. Caltrans works with local public works agencies and law enforcement to prevent and remove graffiti and to prosecute offenders.

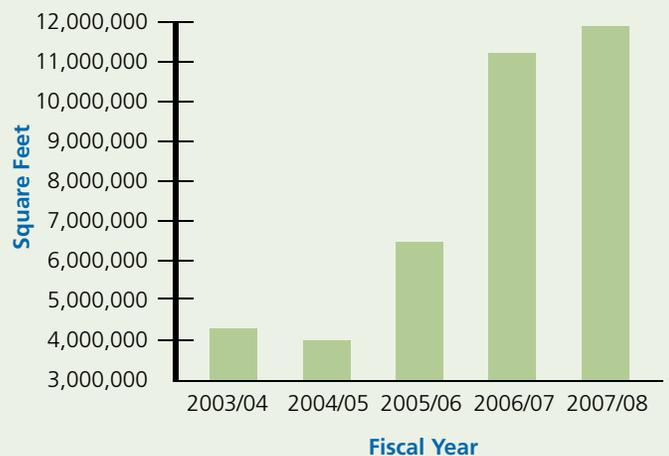


Graffiti, as shown here in Los Angeles, is an expensive state-wide problem.



Caltrans cleaned up 12 million square feet of graffiti from the state highway system last year.

Graffiti Removed from State Highway Rights of Way



Data Source: Division of Maintenance

Trash Is Expensive to Dispose

More and more Caltrans employees are picking up litter. They're even making "litter houses" – complete with bedroom, kitchen and living room furniture – to attract media attention to this statewide problem.

In the Bay Area, Caltrans partnered with Keep America Beautiful, the California Highway Patrol and maintenance crews throughout the nine Bay Area counties to raise awareness of the \$120,684 it cost to pick up 639 yards of trash along 326 miles of freeway shoulders – and that was just on one day! Caltrans staff alone spent 2,367 hours on the job March 4, 2008. All partners combined picked up enough trash to fill seven football fields.

In San Diego, Caltrans constructed a "Trashy Open House" to focus public awareness on the amount of money taxpayers spend to remove highway litter – \$4.4 million this year in San Diego and Imperial counties alone. As part of the public awareness campaign, Caltrans conducts a semi-annual event in San Diego County, where it furnishes a rental house with a month's worth of litter found along its highways. This

"Trashy Open House" demonstrates the type of litter collected and the importance of securing vehicle loads with cargo nets. Mattresses, ladders and other items create hazardous situations when they fall off the back of vehicles and onto our roadways. The Southern California Caltrans staff furnished a two-bedroom house with highway litter in El Cajon and held an open house on May 22 for the media to attend and interview the district director. All local news outlets attended the event.

Recycle Program Honored

Caltrans received the 2008 Green California Leadership Award for providing shoulder bags, made from 100 percent recycled plastic bottles, for Adopt-A-Highway volunteers to use for recyclable items picked up along the roadways. The bags may increase volunteer numbers since individuals can redeem the recyclables themselves. The bags also reduce the amount Caltrans pays to send litter to landfills. During the 2007-08 fiscal year, the project diverted 100 tons of recyclables from landfills.

State forces and the Adopt-a-Highway volunteers picked up more than 90,000 cubic yards of trash along California roadways during the 2007/08 fiscal year.





In an effort to be more environmentally friendly, Caltrans now uses this photovoltaic system to produce solar power for its Stockton offices.

Reducing Emissions with Solar Power

In 2007 Caltrans' Stockton office became the first to "throw the switch" on a photovoltaic system to allow the production of more than 250 kilowatts of energy by environmentally friendly solar power. This system will prevent the release of 5 million pounds of carbon emissions during the next 20 years. That's equivalent to removing 503 vehicles off the road. During the same period, the system could generate enough clean, renewable energy to power roughly 563 homes.

Balancing Delivery with Stewardship

California became the first state to participate in the federal "Surface Transportation Project Delivery Pilot Program" or National Environmental Policy Act (NEPA) Delegation. Under the pilot program, the Federal Highway Administration (FHWA) assigned Caltrans the Secretary of U.S. Department of Transportation's

responsibilities for federal approvals under NEPA and other federal environmental laws. Caltrans' pilot program goal is to simplify and expedite federal environmental approvals and project delivery for transportation projects, while ensuring the same level of protection for environmental resources. Caltrans' large and experienced environmental staff has prepared federal compliance documents on behalf of FHWA for more than 30 years.

Since the program started July 1, 2007, Caltrans has decreased the amount of time required for environmental document approvals. Draft review went from more than six months, to less than two months. That's a time savings of 69 percent on draft review and 68 percent for final document review (from 2.5 months to less than a month). These savings were achieved after eliminating FHWA environmental document review and working directly with federal resource agencies to meet their requirements.

Brainstorming Solutions for Climate Change

During the 2007-08 fiscal year, Caltrans researched and developed a preliminary greenhouse gas reduction guidebook for state agencies and regional stakeholders to use to address climate change. Caltrans collaborated with numerous state departments and agencies, such as the California Environmental Protection Agency, Air Resources Board, Resource Agency and the Business, Transportation and Housing Agency to develop strategies and guidelines to improve California's air quality and environment while working on the state transportation system. This effort also includes an outreach and education component.

Climate Action Registry

The California Environmental Protection Agency (Cal EPA) reported that all cabinet level agencies have now joined the California Climate Action Registry. Cal EPA is following state agencies' reports of emissions inven-

tory. While all cabinet level agencies have joined the California Climate Action Registry, not all state departments within those agencies are members. Caltrans is one of a handful of state departments that have joined and is the only department within the Business, Transportation and Housing Agency with this status. Caltrans is working with the registry and is in the process of retaining a third party verifier to complete the annual certification process.

Land Disposal on Target

In the area of excess land disposals, Caltrans has embarked on a very aggressive program to reduce its inventory of properties no longer needed for transportation purposes. The Caltrans' Director entered into 18-month excess lands disposal contracts with each of the district directors in July 2006 to dispose of 1,140 surplus parcels. As of June 2008, Caltrans has disposed of 835 parcels and returned \$105.8 million to the Public Transportation Account. Caltrans' plan is to meet the goal of disposing all parcels by December 31, 2008.

The chart below graphically depicts Caltrans' excess land disposal plan as of year end.

Excess Land Disposals

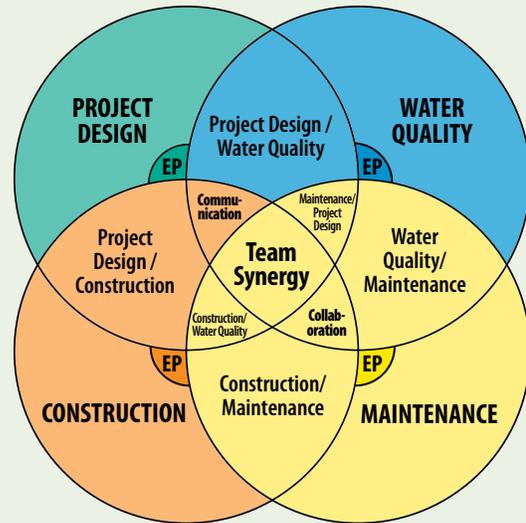


Data Source: Division of Right of Way

Caltrans Earns National Recognition for Stormwater Program

This year, the Caltrans Stormwater program received numerous honors. Those honors include the U.S. Environmental Protection Agency's 2007 Clean Water Act Stormwater Management award, the Region 9 Environmental Project of 2007 from the American Society of Civil Engineers, the 2008 Green California Leadership award and the California Transportation Foundation's Environmental Enhancement Program of the Year.

Stormwater Management Integration



Data Source: Division of Environmental Analysis

Note: EP stands for Encroachment Permits.



Caltrans Division of Environmental Analysis earned various awards during the 2007-08 fiscal year for integrating stormwater management into all functions of the Department.

SERVICE

Promote quality service through an excellent work force



An Amtrak train pulls up to the Sacramento Station on a cool November morning.

Seven Caltrans Employees Risk Lives; Receive Medal of Valor

In December 2007 Gov. Schwarzenegger awarded seven Caltrans employees the Medal of Valor for performing extraordinary acts of heroism. Caltrans Equipment Operator Timothy Mooney received the highest honor the state can bestow upon its employees for rescuing a likely kidnap and murder victim from the trunk of a car on Highway 175. Caltrans Equipment Operator Stephen Maraviov earned his medal for rescuing an elderly woman who had been trapped in her upside-down car for 14 hours following an incident on Highway 36. Caltrans Highway Equipment Operator Chris Ball risked his own life as he ignored evacuation orders and ran across Interstate 80 during a mud and rockslide to pull a trapped man out of his van. Engineers John Fitzgerald and Anand

Kapoor ripped a car windshield out with their bare hands to rescue a woman from her smoldering vehicle after an accident in Visalia. Caltrans Highway Maintenance Worker Charles Russell used a garden hose to spray the roof of a burning San Diego home before fire crews had arrived as Equipment Operator Wayne Moeck went inside the flaming building and led two disoriented people and a dog to safety.

Intercity Rail On Time and In Demand

Intercity rail ridership for the 2007-08 year exceeded all projections. During the first 11 months, ridership increased 13.8 percent on the Capitol Corridor, 11.2 percent on the San Joaquin Corridor and 4.3 percent on the Pacific Surfliner train, for a combined total of an 8.1 percent increase over the prior year. The three rail lines are the third, sixth and second busiest in the

PROPOSITION 1B WILL SAVE TAXPAYERS' TIME

What would you do with 22 more minutes in your day?

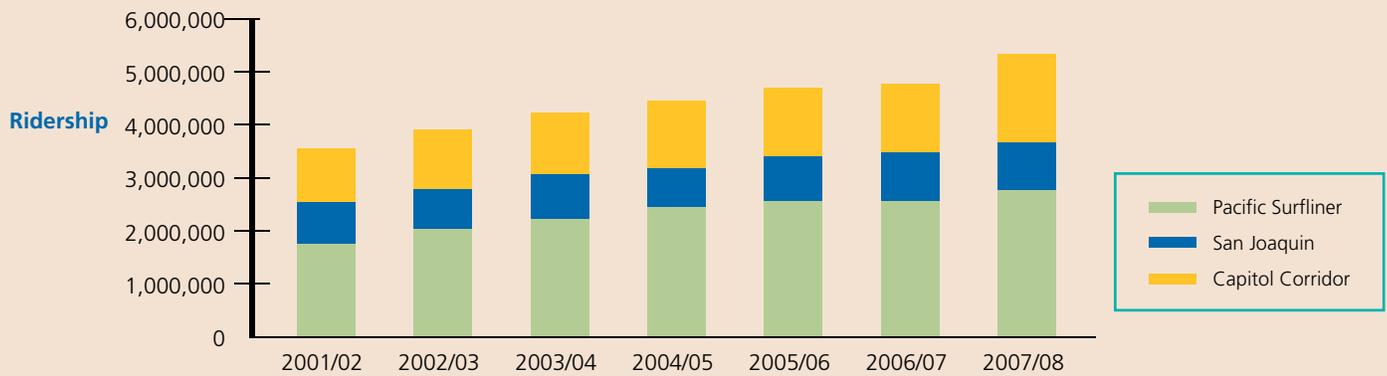
Up to 290,000 motorists pack onto Interstate 15 (I-15) to head to work and school throughout San Diego County every day and with the help of Proposition 1B, Caltrans will significantly cut commute times. Currently travel delays range from 30 to 45 minutes in the general-purpose lanes. After a \$1.3 billion project is complete in 2012, there will be a 20-mile managed lanes facility in the median of I-15 between state routes 163 and 78, a four-lane carpool facility with movable barrier, multiple access points to and from regular highway lanes, a high-frequency express bus system, and direct access ramps for buses, carpools and I-15 FasTrak customers.

Managed lanes are an innovative solution to what Caltrans labels as "directional" workday commute traffic. The idea of a barrier that can be moved during the day to create more lanes for a certain direction of traffic is not new, but having a machine pre-programmed to do this is.

The massive project was designed in three segments that will ultimately flow together perfectly. Construction on the first (middle) segment is underway and is scheduled to finish between State Route 56 and Centre City Parkway at the end of 2008. Construction began on the second (south) segment between state routes 56 and 163 during the 2007-08 fiscal year. The final (north) segment is scheduled to begin construction in the fall of 2008 and spans five miles from Centre City Parkway in Escondido to just south of the SR-78/I-15 interchange.

The San Diego Association of Governments and Caltrans secured all the necessary funds to complete the project's construction. Proposition 1B contributed \$400 million. The I-15 Managed Lanes Project is an innovative solution to the growing directional traffic congestion in the corridor. Through value pricing, effective freeway management, innovative design, and an integrated Bus Rapid Transit system, the managed lanes will offer a better and quicker commute on I-15.

Total Ridership for Intercity Rail (Pacific Surfliner, San Joaquin, and Capitol Corridor).



Data Source: Division of Rail

Intercity Rail Farebox Ratio

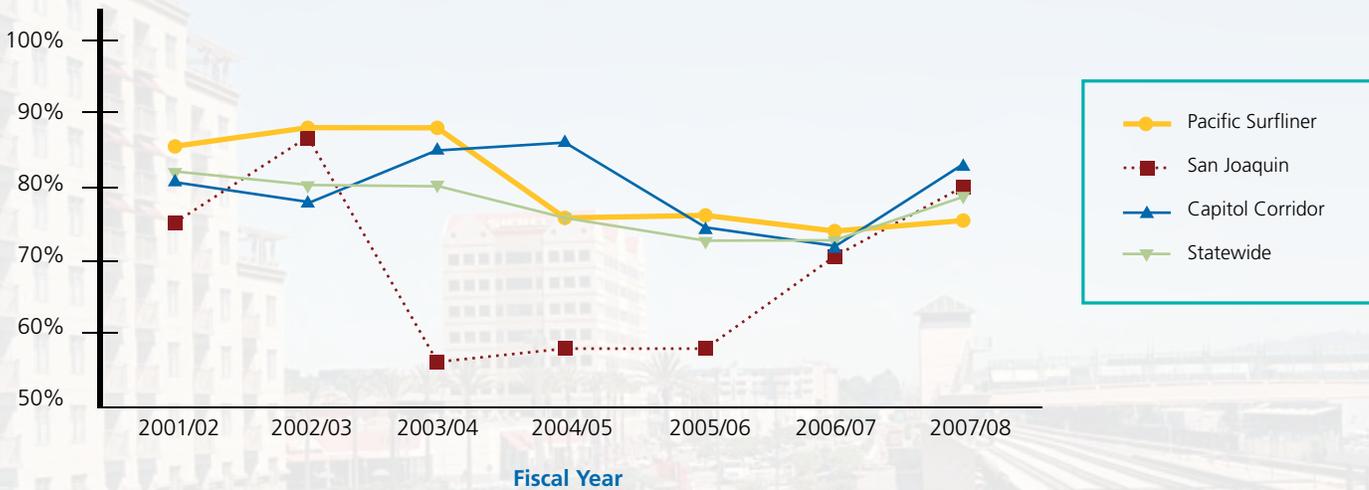
Federal Fiscal Year	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Pacific Surfliner	53.1%	52.6%	54.2%	55.4%	56.9%	59.5%	61.1%
San Joaquin	43.3%	40.2%	44.1%	45.3%	46.8%	43.9%	44.9%
Capitol Corridor	37.7%	35.5%	35.9%	37.8%	40.6%	39.5%	43.0%

Data Source: Division of Rail

Farebox ratio is defined as operating revenue divided by operating expenses, and is a measure of the cost effectiveness of the service.

2007-08 numbers are based on 11 months of actual results, and estimated Amtrak numbers through June 2008.

Amtrak California On-Time Schedule



Data Source: Division of Rail

Notes: On-Time Performance indicates the percent of time trains arrive on-time and is a measure of reliability.

nation, respectively. During the 2007-08 fiscal year, a total of 5,326,868 passengers rode the three California trains, compared to 4,875,342 in 2006-07. Caltrans partners with Amtrak to carry passengers to more than 200 destinations statewide.

Caltrans Staff Go to Work in China

Fifty Caltrans personnel from construction, design, materials engineering and testing services gave up their way of life in 2007 and moved to Shanghai, China, to work on the incredibly complex steel fabrication of the San Francisco-Oakland Bay Bridge's Self-Anchored Suspension (SAS). "Team China" is working hand-in-hand with the American Bridge Company/ Fluor Enterprises (ABF), a Joint Venture, the primary contractor for the SAS on the new East Span Bridge, and their subcontractor, the Zhenhua Port Machinery Company, to ensure the project is completed on time and within its budget. About 6,000 of the 15,000 detailed shop drawings needed for the \$2.4 billion SAS were approved by April 2008. Delivery of the deck and tower segments is expected to begin in fall 2008 and continue over the next several years.

Caltrans Leadership in Intelligent Transportation Systems

U.S. Transportation Secretary Mary Peters named Caltrans Chief Deputy Director Randell Iwasaki to the national Intelligent Transportation Systems (ITS)

Advisory Committee at the start of the fiscal year. The committee is part of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) federal transportation bill and is overseen by the Department's Research and Innovative Technology administration. Gov. Schwarzenegger has made ITS an important component of his Strategic Growth Plan, and Iwasaki's appointment to this key national committee bolsters California's role as a leader in ITS.



The tower and deck sections of the new Bay Bridge are being fabricated in China at the Zhenhua Port Machinery Company (ZPMC)'s facility, pictured here. ZPMC is the worldwide leader in constructing port cranes. Several cranes, as well as a shear leg barge, can be seen in the photo's background.

One example of Caltrans' leadership in ITS is the SafeTrip-21 Program or "Connected Traveler Project." The public/private partnership with Nokia and NAVTEQ began May 1, 2008, to test how modern consumer mobile devices, such as cell phones, can improve roadway safety and reduce traffic congestion. These devices are a source of traffic data that can be wirelessly transmitted from vehicles. When this traffic data is processed into traveler information, it can be transmitted back to the driver to improve traveler safety and efficiency. The project will be developed, tested, and evaluated through January 31, 2010.

Caltrans Battles the 2007 Southern California Wildfires

The 2007 Southern California wildfires began October 20. Caltrans maintenance workers provided traffic control and removed debris for the safe evacuation of residents during the largest evacuation in the history of California. Caltrans also provided firefighters with access to the 24 fires that consumed more than 500,000 acres.

Transportation Management Center staff gathered and disseminated key information regarding the constant closures and openings of state roads. Caltrans satellite information system teams provided two portable trailers to reinstate communication lines where there were none in San Diego County. Caltrans authorized 13 emergency contracts valued at \$17.05 million for essential work related to the fires. Management teams worked to secure those emergency contracts, evaluate damages and organize contractors. Public information officers handled the barrage of media inquiries and one information officer worked with the California Office of Emergency Services in Riverside County for two weeks.

In Orange County, Caltrans dispatched tankers to spray water on roadside areas that were still smoldering. One of the tankers was instrumental in putting out a connector bridge joint fire that was difficult to extinguish due to poor access.

Afterward, Caltrans swiftly repaired emergency clean-up equipment, provided erosion control, and replaced charred guardrail posts and highway signs. In all, highway damage totaled more than \$20 million. All highways were opened with periodic restrictions for future repairs by November 6.

Caltrans Secures Funds for Speedy Martins Ferry Bridge Repairs

Caltrans assisted Humboldt County in obtaining \$8.5 million in Federal Emergency Relief funding to expedite repairs of Martins Ferry Bridge, which connects Bald Hills Road to State Route 169. The bridge was weakened by a slide and closed in December 2007, leaving residents with a 100-mile detour. Caltrans worked with the Governor's Office of Emergency Services, Federal Highway Administration, area residents and local Yurok, Karuk and Hoopa Valley tribes to secure the funds, which also upgraded a 50-mile detour that was previously only accessible to off-road vehicles. The Martins Ferry Bridge repairs were completed in August 2008.

Free Wi-Fi on the Freeway

Caltrans launched a pilot program in July 2007, providing free wireless Internet (Wi-Fi) access at two Highway 99 rest areas this year. Caltrans partnered with a nonprofit organization, the Great Valley Center, the University of California, Merced, and Coach Connect Corporation to offer free Wi-Fi at the Phillip Raine rest area north of Tipton and at the Enoch Christoffersen rest area south of Turlock. Through www.roadconnect.net/california, users can access the latest highway conditions and real-time traffic accident information. They can also tap into transit links, Amtrak California, weather reports, online maps, and park and tourism information.



This photo shows the construction status of the Proposition 1B Dana to Downtown Redding congestion easing project as of July 9, 2008.

Caltrans Gives Toys to Kids at Children's Hospitals

Caltrans employees throughout the Bay Area's nine counties collected and donated more than 500 toys to the University of California, San Francisco, Children's Hospital and Children's Hospital and Research Center in Oakland. Two maintenance employees, wearing hard hats and bright safety vests, visited Oakland's research hospital Dec. 20, 2007, to give age-appropriate and culturally diverse dolls, toys, books, educational games and materials to the children.



Caltrans Dances with Diversity

In an effort to educate employees and the public on the rights afforded to all races, ages, cultures, sexes, religions and sexual orientations under the Civil Rights Act of 1964, Caltrans hosted a dozen cultural committees, fundraisers, informational meetings and a day dedicated to diversity. Sacramento Headquarters' employees, as well as staff in all 12 districts, enjoyed cultural foods, crafts, displays and a variety of dancers



Top photo: This young man was delighted with his new Caltrans hardhat presented by Bay Area Caltrans staff in December 2007. He also received toys during the Department staff's holiday visit to San Francisco and Oakland children's hospitals.

Bottom photo: Karen Angel of Raices de mi Tierra, dances at the Caltrans Headquarters Diversity Day event in downtown Sacramento on September 5, 2007.

Department of Transportation

Summary of Departmental Ethnicity/Gender Percentages by District

District	Total District Population	African American (Black)	American Indian	Asian	Filipino	Hispanic	Pacific Islander	Caucasian	Other	Men	Women
1	700	1.2%	3.0%	1.7%	0.6%	6.0%	0.3%	85.2%	2.0%	75.9%	24.1%
2	988	1.1%	1.1%	1.2%	0.2%	5.5%	0.6%	89.0%	1.3%	81.2%	18.8%
3	1,837	3.0%	1.0%	10.0%	1.1%	9.8%	0.6%	71.5%	3.0%	76.6%	23.4%
4	3,571	14.2%	0.3%	27.4%	9.9%	11.4%	0.7%	32.5%	3.6%	74.2%	25.8%
5	802	1.8%	0.4%	3.7%	2.3%	19.2%	0.1%	69.5%	3.0%	78.1%	21.9%
6	1,453	5.0%	0.9%	14.1%	2.4%	24.7%	0.4%	48.8%	3.7%	75.9%	24.1%
7	2,677	15.3%	0.1%	24.4%	6.0%	23.4%	0.4%	26.4%	4.0%	78.4%	21.6%
8	1,487	8.4%	0.3%	16.6%	3.6%	24.5%	0.3%	42.4%	3.9%	77.2%	22.8%
9	403	1.0%	5.9%	1.9%	1.0%	6.5%	0.3%	82.8%	0.6%	81.9%	18.1%
10	891	5.6%	0.4%	14.3%	5.1%	16.0%	0.5%	54.9%	3.1%	77.0%	23.0%
11	1,422	5.5%	0.4%	10.0%	7.0%	26.7%	0.4%	47.3%	2.7%	71.8%	28.2%
12	979	5.1%	0.2%	25.6%	3.1%	17.8%	0.6%	41.8%	5.8%	75.1%	24.9%
HQ	4,676	7.5%	0.7%	12.5%	4.9%	15.1%	1.3%	52.7%	5.3%	52.4%	47.6%
Total	21,906	6.0%	1.2%	12.5%	3.7%	15.9%	0.6%	57.1%	3.1%	71.1%	28.9%

Data Source: Caltrans Division of Civil Rights.

representing different cultures at their prospective second annual Diversity Day events. Diversity Day activities play a significant role in helping employees understand, appreciate and manage differences and similarities in cultures.

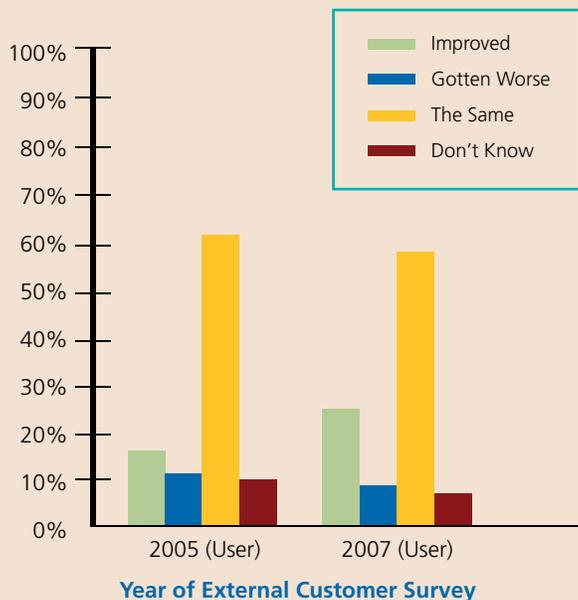
Heart Walk Team

Caltrans has held the title of "Top Fundraising Team" at the annual State Employee Heart Walk for all eight years of the state employee event. At the September 2007 event, more than 600 employees from the Department raised an all-time high of \$27,471 and the agency received an award on behalf of Caltrans' commitment to this fundraiser. The Department of Personnel Administration and the American Heart Association host the event during a weekday each September at the State Capitol to educate the public about heart disease, the top killer of both men and women in America. The proceeds from the sponsored walk go to the American Heart Association for research.



State Employee Heart Walk Coordinator Sally Skidgel, right, walks with others at the 2005 fundraiser at the State Capitol.

**Percent of survey respondents who said:
"Over the last two years, Caltrans' performance has improved, gotten worse, stayed about the same, or don't know."**



Data Source: Caltrans External Customer Survey

Notes: Using the 2005 user survey as a baseline, the 2007 user survey responses indicating "improved" already exceeded the desired target of 15 percent increase.

Governor Recognizes Caltrans for its Charitable Giving

Caltrans is one of a select few recognized by the Governor's Office for playing a major role in the California State Employees Charitable Campaign (CSECC). The Department received an award for the exemplary teamwork of all Caltrans division and district staff who collectively raised over \$824,000 for deserving charities. Caltrans also received the most prestigious award for the California State Employees Charitable Campaign, the Ruby Slipper Award. Caltrans staff exceeded last year's donations by more than 30 percent and raised the highest dollars within the State of California, \$194,664.24 beyond last year's contributions.

FINANCIAL

Highlights Fiscal Year 2007-2008



Financial Reporting is a Priority for Caltrans

Caltrans earned the State Controller's Award for Achieving Excellence in Financial Reporting for the 2006-07 fiscal year. Caltrans met or exceeded all the award requirements in submitting accurate and timely year-end financial reports.

2007-08 Budget

In 2007-08 the Caltrans budget totaled \$14.1 billion. This number is \$2.9 billion more than the 2006-07 budget. The 2007-08 budget included a fully funded Proposition 42 transfer of \$1.4 billion, a \$100 million pre-Proposition 42 loan repayment, and the reallocation of \$1.259 billion in Public Transportation Account (PTA) revenues to transportation related expenses. The 2007-08 budget also made statutory changes to the distribution of PTA spillover revenue and the PTA share of Proposition 42 funding starting in 2008-09.

Proposition 42 Transfer

The 2007-08 Proposition 42 transfer of \$1.4 billion included the last statutory transfer of Proposition 42 revenues to the Traffic Congestion Relief Fund (TCRF). The balance of these funds were distributed to PTA, and retained in the Transportation Investment Fund (TIF) for the State Transportation Improvement Program (STIP). Normally, 40 percent of the remaining balance would be distributed to cities and counties, but this share in 2007-08 was retained in the TIF as repayment for a previous loan to cities and counties. Here is the break down:

- \$602 million – Traffic Congestion Relief Fund (TCRF)
- \$167 million – Public Transportation Account
- \$669 million – Retained in the Transportation Investment Fund for STIP

Public Transportation Account (PTA)

PTA funds the operating costs of intercity rail services, transportation planning and transit capital projects. The 2007-08 budget included the reallocation of some PTA revenues, including spillover, to transportation-related expenses previously paid through the state General Fund, including:

- \$508 million to the Department of Education for the Home-to-School Transportation program.
- \$129 million to the Department of Developmental Services for the Regional Center Transportation program.
- \$622 million to the Mass Transportation Fund for repayment of General Obligation Bond debt service for transportation purposes.

The 2007-08 budget changed the statutory distribution of spillover revenues and the PTA's share of Proposition 42 funding starting in 2008-09. Spillover is the revenue from the relationship between the sales tax on gasoline and the sales tax on all other taxable goods. Spillover was created in 1971 when sales tax was added to the sale of gasoline, and higher revenues occur when gas prices increase faster than prices for other taxable goods.

Top photo: Caltrans workers survey the East Nicolaus Bypass construction project at Bear River on April 29, 2008.

Bottom photo: Two workers inspect fire damage on the Interstate 5 tunnel in Los Angeles County on October 18, 2007.



Proposition 1B

The first cycle of allocations from the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B) were made in fiscal year 2007-08. The budget for this fiscal year appropriated a total of \$4.2 billion in Proposition 1B funds for various transportation programs, including \$2.1 billion for Caltrans. Subsequent revisions to the budget increased the 2007-08 Department appropriations to \$2.4 billion for capital outlay, local assistance and state operations. Through June, a total of \$1.87 billion was allocated as follows:

- Capital outlay \$1,736 million
- Local assistance \$19 million
- State operations \$111 million

Local Investment on the State Highway System

Local agencies play an increasingly important role in transportation funding for state highway improve-

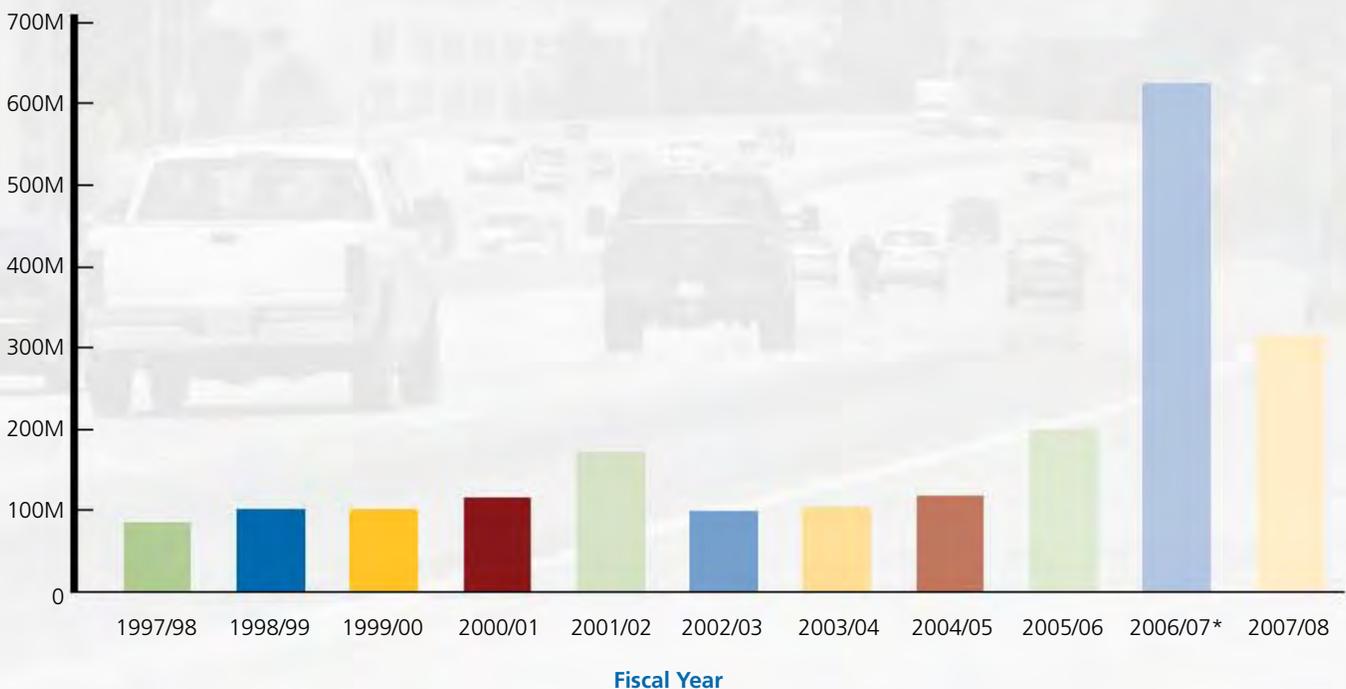
ments. Local agencies receive state and federal funds that can be used for projects on and off the state highway system. In 2007-08 the funds available for local agencies were approximately \$2.1 billion, an increase from the \$1.9 billion in 2006-07. From these funds, local agencies invested approximately \$433 million for on-system improvements. In addition, local agencies invest funds from their local sales tax measures, developer fees and other local funds on the state highway system.

Transportation Programs

Including bond funds, the State Highway Operation and Protection Program (SHOPP) delivered \$2.23 billion in projects, effectively delivering the entire 2007-08 program of projects and advancing 2008-09 projects that were ready to deliver. Construction has started on many of these projects, and Caltrans is advertising for bidders on the remaining projects.

The 2007-08 budget redirected an additional \$85 million of pavement projects into the maintenance pro-

State Transit Assistance Apportionments



Data Source: 1997/98 through 2006/07 based on State Controller's Office "State Transit Assistance Fund Allocation" reports.
 *2006-07 numbers reflect increased fuel sales tax revenues from higher fuel prices and statutory changes to the distribution of these revenues.
 2007/08 final year-end numbers based on State Controller's Office letter dated July 21, 2008.

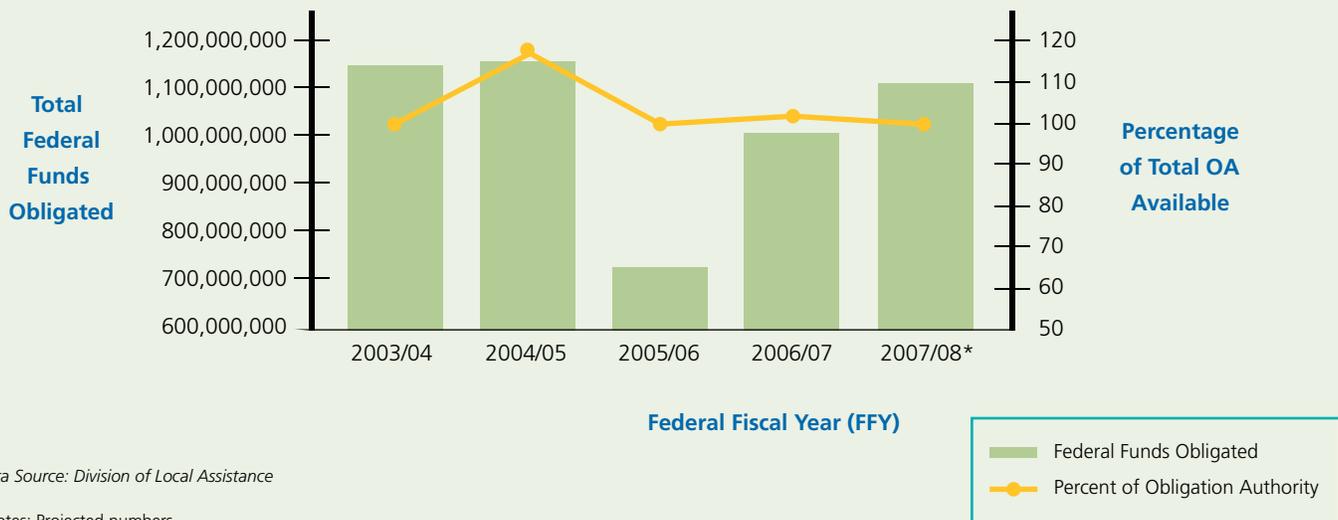
gram from SHOPP, bringing the pavement funding to \$214 million. The goal of this redirection is to extend the service life of roadway structural and drainage assets that are in fair or good condition. This work will treat approximately 3,150 lane-miles throughout the state, an increase of 450 miles above the projected 2,700 goal in the 2007 Five-Year Maintenance Plan.

Including Proposition 1B related Statewide Transportation Improvement Program (STIP), Caltrans delivered \$1.9 billion in projects. In addition, the Proposition 1B program for Corridor Mobility Improvement relief allocated \$659 million in projects and the Traffic Congestion Relief Program allocated \$308 million, bringing road improvement programs to a little more than \$2.9 billion in project delivery.



Cars are already using the new Interstate 5 carpool lanes in Los Angeles, as shown here in this May 21, 2008 photo.

Federal Funds for Local Assistance



Data Source: Division of Local Assistance

*Notes: Projected numbers.

In 2004-05 local agencies delivered more projects than scheduled, so at start of 2005-06, local agencies had to "pay back" to the state approximately \$150 million. This reduced the available funding to use in the 2005-06 year. The Federal Highway Administration also allotted less to local assistance in 2005-06 than in previous years.

Caltrans' local partners receive approximately 40 percent of the federal highway funds distributed to the state of California through the Federal Highway Administration (FHWA) on an annual basis.

These federal highway funds are used to design, construct, improve and maintain local streets and roads, bridges, bicycle lanes, and pedestrian pathways, as well

as the state highway system. The graph above demonstrates the continuous success and effort of the local agencies in delivering transportation projects above and beyond the expected target. They do so by utilizing additional funds distributed by FHWA at the end of the federal fiscal year from other states that have unspent funds.

In Remembrance



“ Just to share with you that although I, and family members here, were unable to attend today’s [April 8, 2008] memorial, we were all there in spirit. I was able to watch the entire memorial on the web cam from work and even caught a glimpse of family members in attendance. The memorial is always emotional for us and this year more so because of all the recent losses [of Djuan Bush, John Knabenbauer and Matthew White]. This year’s tribute was especially meaningful on many levels. The widow spoke so eloquently about her loss and how she and her family have channeled their grief into action to prevent senseless tragedies from reoccurring through proactive legislation. I am also so heartened to hear that our agencies (Caltrans and Occupational Safety and Health Administration) may work together in the near future. Family members and I plan to attend the upcoming memorial scheduled for Dodger Stadium next week. I personally want to thank Caltrans for its tribute to its fallen workers and our loved ones. I’m sure that today they were smiling down from the heavens with pride.”

Sincerely,

Alicia Alfaro

(sister of David Guillen, Caltrans employee who was killed in 1976)



Top photo: Family members of fallen Caltrans employee, Djuan Bush, look at the National Work Zone Memorial at the State Capitol on April 8, 2008. The California memorial represented the first National Work Zone Awareness Week Kick-Off event to be held outside of the Washington, D.C. area.

Bottom photo: Three dozen doves were released in the cone diamond at the 2008 Workers Memorial after a prayer for those killed working on the nation’s roads and their loved ones left behind.

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