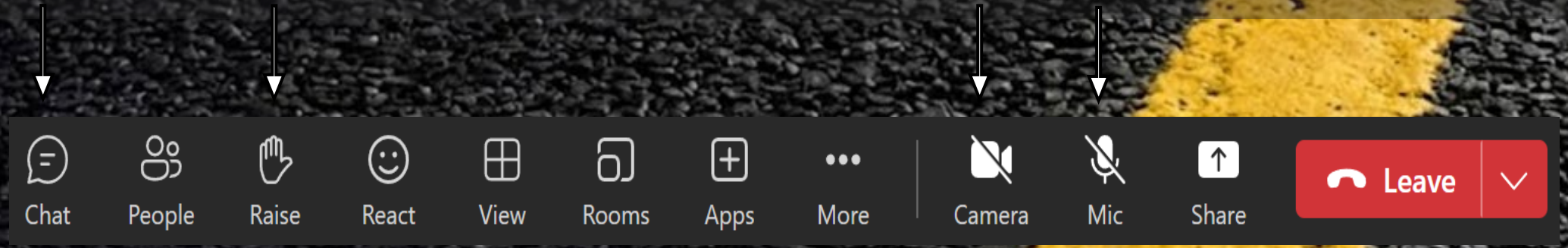

San Diego County
BUILDING
BETTER ROADS
October 14, 2026
WORKING GROUP MEETING
COUNTY OF SAN DIEGO
PUBLIC WORKS

AGENDA

1) Introduction/ Sign-In/ Meeting Overview
2) Public Comments
3) Featured Presentation- “Premium Asphalt for Local Agencies”
4) Industry Updates
5) County Paving Forecast
6) Next Meeting / Close

MEETING LOGISTICS

- Sign In
- Brown Act Requirements
- Safey Message (Exits) / Restrooms
- Teams Meeting Etiquette
  - Mute Microphone / Turn off Camera
  - Use Chat window or Raise Hand for questions



BUILDING BETTER ROADS San Diego County

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COUNTY OF SAN DIEGO PUBLIC WORKS

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COUNTY OF SAN DIEGO PUBLIC WORKS



The California Asphalt Pavement Association

Asphalt Industry Update

October 14, 2026
Building Better Roads Working Group Meeting

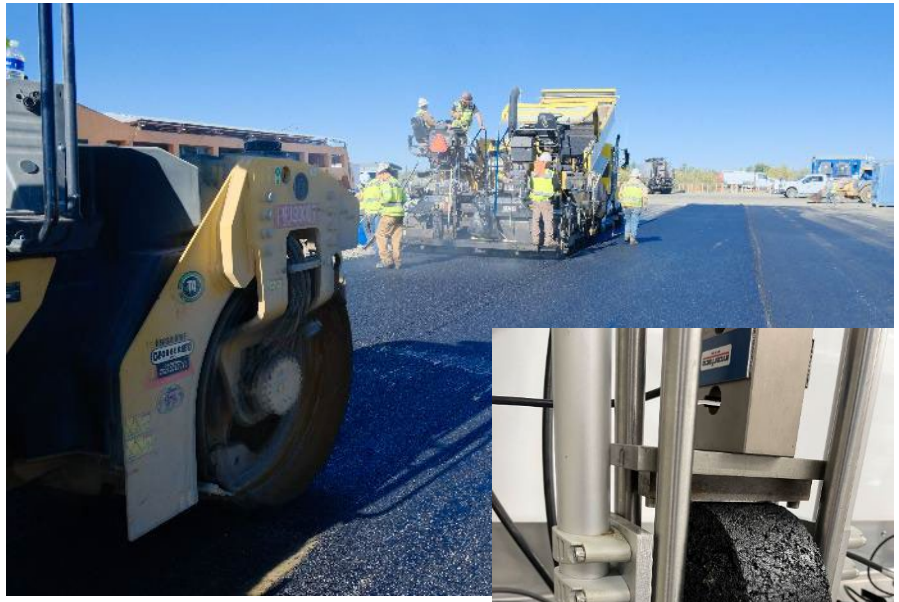
Specification Updates

- 2025 Caltrans Standards Available Online
  - New book published ANNUALLY
  - 2026 – COMING SOON –
- 2024 Greenbook Available to Order
  - 2027 – COMING SOON –
- City and County Pavement Improvement Center (CCPIC):

CalAPA®

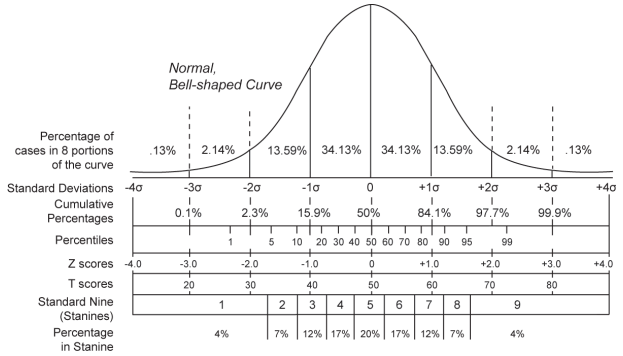
Caltrans – Emerging Initiatives

- Balanced Mix Design
  - Design mixes to meet project mix criteria for rutting and cracking potential.
  - IDEAL-CT, IDEAL-RT, HWTT
  - Test Method ILS Winter 26/27
  - Pilot Projects 27/28
  - Drafting initial Spec and Test requirements



Caltrans – Emerging Initiatives

- Percent Within Limits (PWL)
  - 2027 target
  - All projects with > 2,250 tons asphalt mix
  - Acceptance based on what is produced with pay accordingly, using incentives and disincentives
  - Rewards material produced with consistent quality.
  - Quality Items:
    - Asphalt Content
    - Mix Air Voids
    - P200
    - P8
    - In-Place Density

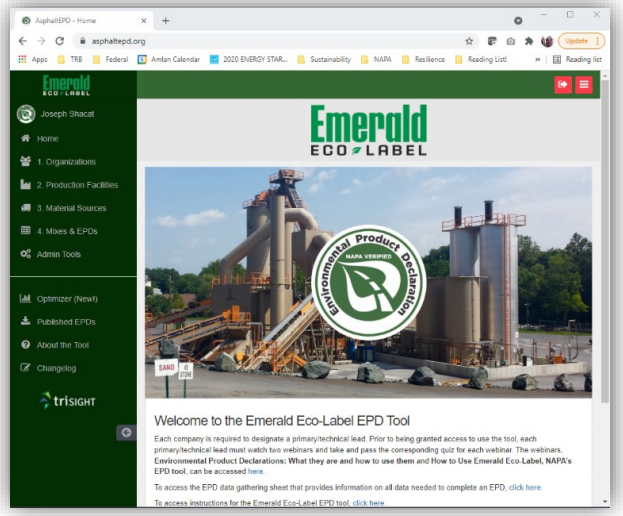




Caltrans EPD Submission Requirements

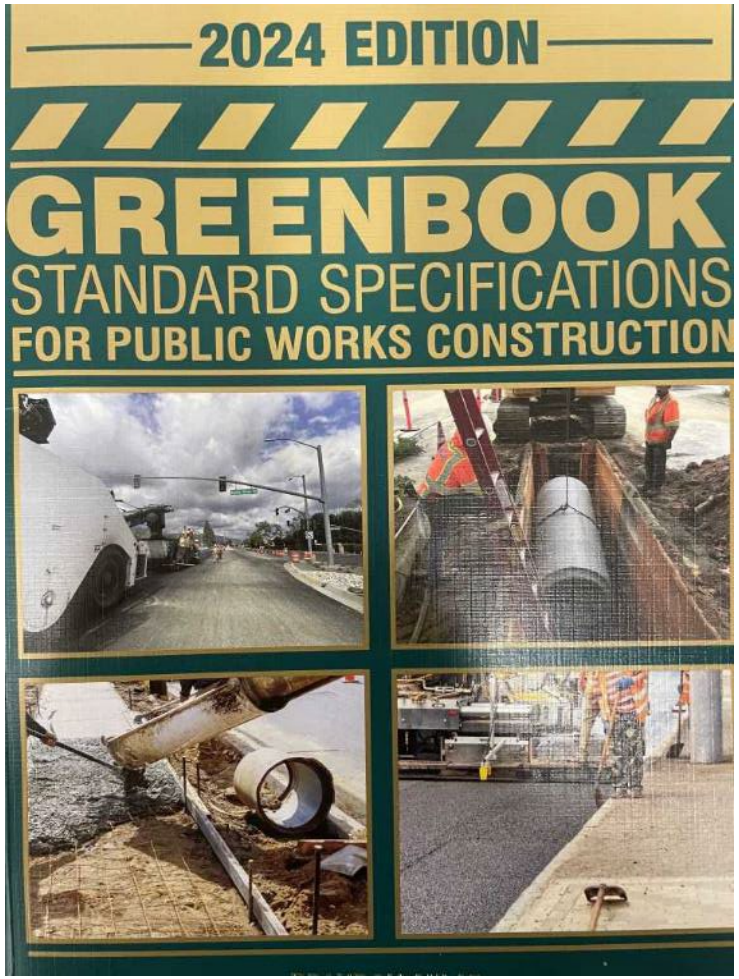
- What is Required?
  - Project Qualification
    - >$1,000,000 total bid
    - >175 working Days
    - >2,250 tons of HMA
  - Submit Facility Specific, product stage EPD for each mix
  - Submittal through DIME
- Impacts:
  - Caltrans project management
  - Local Agency that uses Caltrans Standards

- **Inclusion in 2026 Standard Specification**



Greenbook Asphalt Concrete Task Force (ACTF)

- 1:00pm 1st Wednesday of the month
  - Co-Chairs: Brandon Milar (CalAPA) & Blaine Thomann (OCPW)
- Greenbook Committee Approved for 2027 edition:
  - Aramid Fiber Modified AC (AFMAC)
  - WMA – Contractor Option
  - ARHM Section Reorganization
  - Aggregate Fracture faces requirements for AC



Greenbook ACTF: Under Development

- Gyratory Compacted mixes for AC design
- JMF Submittal Requirements
- Tack Coat Requirements (use of CSS-1h and CQS-1h)

CCPIC: Training Opportunities

City and County
Pavement Improvement Center

- Pavement training courses available online and self-paced!

- Pavement Engineering and Management Certificate
  - Comprehensive curriculum of pavement management, design, construction, and sustainability

CalAPA

CalAPA Training: AP101 & Asphalt Forensics



- Sacramento – November 17
- Los Angeles – January 12
- San Diego – TBD

- AP101
  - Roger Smith
  - General overview of asphalt pavement design, construction, and maintenance
- Asphalt Forensics
  - Tim Murphy
  - Troubleshooting asphalt pavement challenges

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BUILDING San Diego County BETTER ROADS

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COUNTY OF SAN DIEGO PUBLIC WORKS

Building Better Roads

CalCIMA Updates

Cameron Richardson

October 14, 2026
County of San Diego Operations Center

CAL CIMA
California Construction And Industrial Materials Association

CalCIMA Leg. & Reg Updates

- **California: Assembly Bill 982 (Carrillo)**

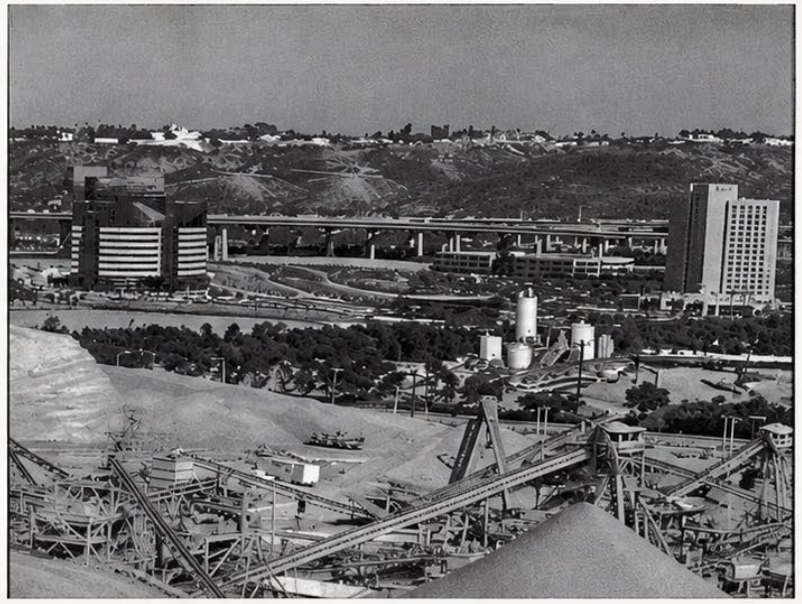


- **South Coast AQMD – Rule 1157**

CALCIMA
California Construction and Industrial Materials Association

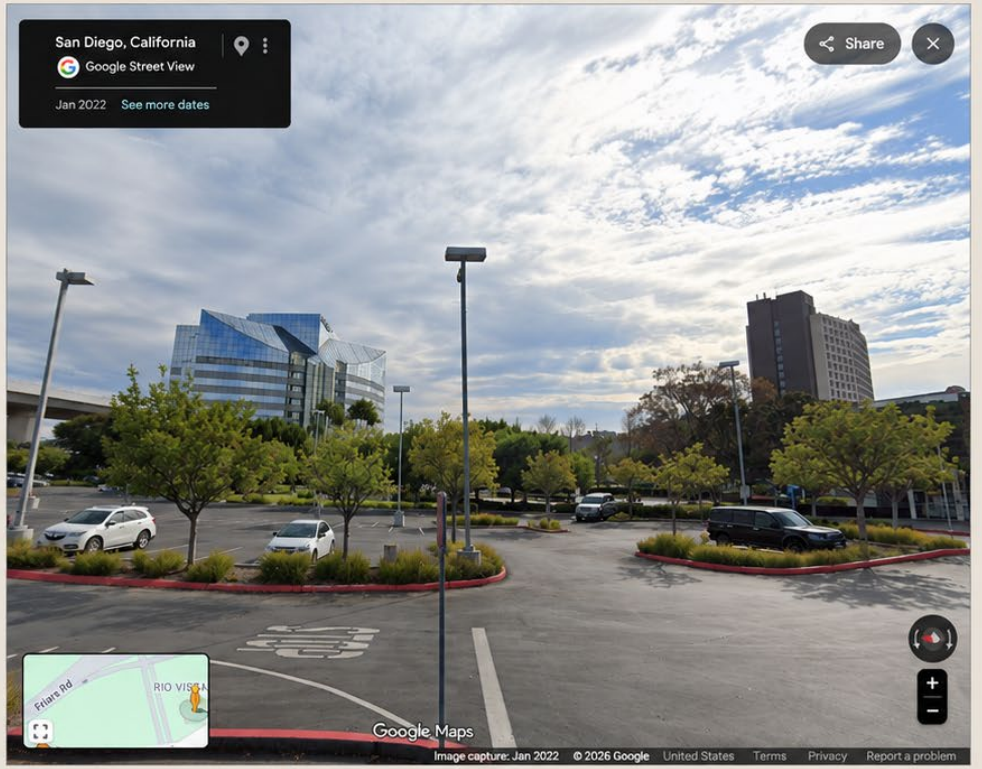
Celebrating the Surface Mine and Reclamation Act of 1975

Mission Valley:



The companies commercial developments on reclaimed property, including office buildings and towers as well as the Marriott Hotel over looks continuing mining, aggregate, RMC, and asphalt operation on adjoining property, 1995.
Eventually even the current operational area will be reclaimed and developed.

1995
MINING + REDEVELOPMENT



2022
RECLAIMED + DEVELOPED

A similar viewing angle in Mission Valley, 1995 and 2022. Rio Vista Tower (left) and the Marriott Hotel (right) provide recognizable landmarks across the two images. In 1995, mining and materials operations continued in the foreground while development occupied reclaimed land beyond. Today, the former operational landscape has been reclaimed and redeveloped.

CALCIMA
California Construction and Industrial Materials Association

Specification Updates

Pavement Materials Partnering Committee (PMPC):

- High RAP Phase 2: 25-40% RAP inclusion - ongoing
- Low and Non-Nuclear Density Gauge acceptance for HMA – CPD forthcoming
- Adjustments to Sand Equivalent test frequency - forthcoming
- Alkali Silica Reactivity (ASR) criteria updated for 2026
- New method for acceptance of in-place concrete

BUILDING BETTER ROADS San Diego County

CalCIMA Events

2026 Education Conference

November 3-6, 2026

Hyatt Regency

Monterey, CA

**Government Rates Available*

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COUNTY OF SAN DIEGO PUBLIC WORKS

AGC
THE CONSTRUCTION ASSOCIATION

October 2026

US Construction Outlook

Building Better Roads

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Construction Jobs Are Up in 35 States

(August 2025- August 2026)

Ohio Led the Way

Ohio	+ 17,800 Jobs	+6.8%
North Carolina	+ 17,500 Jobs	+6.3
Texas	+ 17,400 Jobs	+1.9%

California Lost the Most Construction Jobs

California	-6,900 Jobs	-0.8%
New York	-5,200 Jobs	-1.3%
Virginia	-4,300 Jobs	-1.9%

 Source: Author, from U.S. Census Bureau, www.census.gov/constructionjobs

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Contractors Hiring is Robust But Uneven

Unemployment in Construction All-Time Low at 3.1%

August 2026 change from:

Job Growth Steady and Somewhat Uneven	**August 2025 (12 months)**	**July 2026 (1 months)**
Overall Industry	120k	22k
Heavy Civil	27k	4k
Residential Building	--139k	11k
Non-Residential Building	26k	--2k

 Source: Bureau of Labor Statistics, www.bls.gov/ppi

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Policy Headwinds May Reverse Job Gains

- Explosion of Moratoriums on Data Centers
- Delayed Passage of New Federal Transportation Bill
- Constant Turmoil Tariff Policy
- Infrastructure Investment Jobs Act Expired on September 30, 2026

 Source: Author

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Tariffs, Diesel are pushing up costs of construction materials

producer price indexes (PPIs), changes through August 2026

	August 2026 change from: August 2025 (12 months)	August 2020 (72 months)
Overall input costs are rising again and have outpaced the CPI since 2020		
PPI for inputs to new nonresidential construction	8.9%	49%
Consumer price index (CPI)	3.8%	29%
...and domestic input prices for items competing with tariff-burdened imports soared		
Diesel fuel	77.8%	158%
Steel mill products	23.4%	84%
Aluminum mill shapes	27.3%	95%
Copper and brass mill shapes	20.9%	104%

 Source: Bureau of Labor Statistics, www.bls.gov/ppi

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Construction pay increases continue to outpace the private sector

- BLS: Average hourly earnings for production and nonsupervisory employees (Aug. 2025-Aug. 2026):

Construction 5.0%	Private sector 3.3%
$39.36/hour (ave)	$32.53 (ave)
+21%	

- CLRC: First-year settlements for construction union contracts: 4.7% (2025)
- PAS: Construction firm executive increases: 4.5% in 2025; 4.5% in 2026

 Source: Author

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Construction Spending Down Slightly:

Annual Spending down 3.8% Year over Year

Data Centers Prop Up The Industry

	August 2026 change from: August 2025 (12 months)	July 2026 (1 months)
Power Projects	6.5%	0.5%
Manufacturing Facility Construction	-22%	-3%
Data Centers	57%	4%
Public Construction	1.7%	- 0.2%

 Source: Bureau of Labor Statistics, www.bls.gov/ppi

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Heading Into 2027

What Conditions Are Shaping the Market?

- Inflation Made a Comeback (Cooled in 2024) Oil Prices Main Reason
- Materials Costs Climbed On Tariffs

  Steel, Aluminum, Copper—50% Tariffs Electric Equipment 15% Tariffs

- Labor Stayed Tight—AGC Survey: 92% firms struggled to hire Craft Workers

- Financing Stayed Expensive: The Fed Held the Benchmark Rate 3.5% to 3.75%

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San Diego Centric View-Still Cautiously Optimistic

- Commercial Slump: Office and retail starts have dropped significantly, with virtually zero new office starts recorded.

- Multifamily Surge: Residential and apartment construction continues to outperform neighboring counties like Los Angeles due to fewer regulations.

- Transit-Oriented Density: New zoning rules allow heights up to 50–100+ feet near major trolley stops and transit corridors in areas like Mission Valley, North Park, and Downtown.

- Cost Pressures: High interest rates, material tariffs (steel and lumber), and rising local fees are causing some multi-unit developers to pause projects.

- Mega-Infrastructure: Ongoing large-scale public projects, such as the multi-billion-dollar San Diego International Airport Terminal Trebuild, CV Bayfront, provide a steady anchor for regional labor.

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2026/2027 PAVING AND MAINTENANCE FORECAST

PROJECT / CONTRACT	SCOPE OF WORK	STATUS & KEY DATES
FY 25/26 AC Overlay Contract	Resurface **~83** centerline miles Upgrade **~270** ramps All 5 supervisorial districts	Advertise **End of October** Est. construction start **Spring 2027**
FY 26/27 Pavement Seal Contract	**~20 miles** Preventive chip and slurry seal treatments	In design Est. advertisement **February 2027**
FY 26/27 AC Overlay Contract	Resurface **~72** centerline miles All 5 supervisorial districts	In design Est. advertisement **Summer 2027**

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MEETING ADJOURNED