

ANNUAL REPORT

Fiscal Year 2009-2010

**Castle Homes
County Service Area**

Daniel Woldesenbet, Ph.D., P.E., Director of Public Works
Alameda County Public Works Agency 951 Turner Court, Hayward, CA 94545

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INTRODUCTION

The 2009-2010 Annual Report for County Service Area R-1982-1 (CSA), Castle Homes, is presented for approval of the Alameda County Board of Supervisors in compliance with requirements of County Service Area Law and the Alameda County Ordinance Code.

Annually, Public Works Agency staff evaluates road conditions within the Castle Homes CSA. Staff then meets with the Castle Homes CSA property owners' representatives to review proposed service programs. After work programs are approved for each of the CSA's two zones, staff calculates service charges required to fund the program and the administration of the CSA. The proposed service charges are then reviewed by the CSA representatives and any required adjustments are made.

Recommended service charges are then submitted to your Board for review and public hearing. This report describes the proposed road improvement program and proposed service charges for the Fiscal Year as requested by property owners within the CSA. Copies of the Report are available for review or purchase at the Public Works Agency, 951 Turner Court, Hayward, CA 94545. Copies of Reports may be purchased in person for \$5.00 each, or by mail for \$8.00 prepaid. Copies are also posted on the Public Works Agency website where they can be downloaded and printed for free. They can be found at: <http://www.acgov.org/pwa>. The Annual Report is listed under Publications. The Reports are updated on the County's website each year in September.

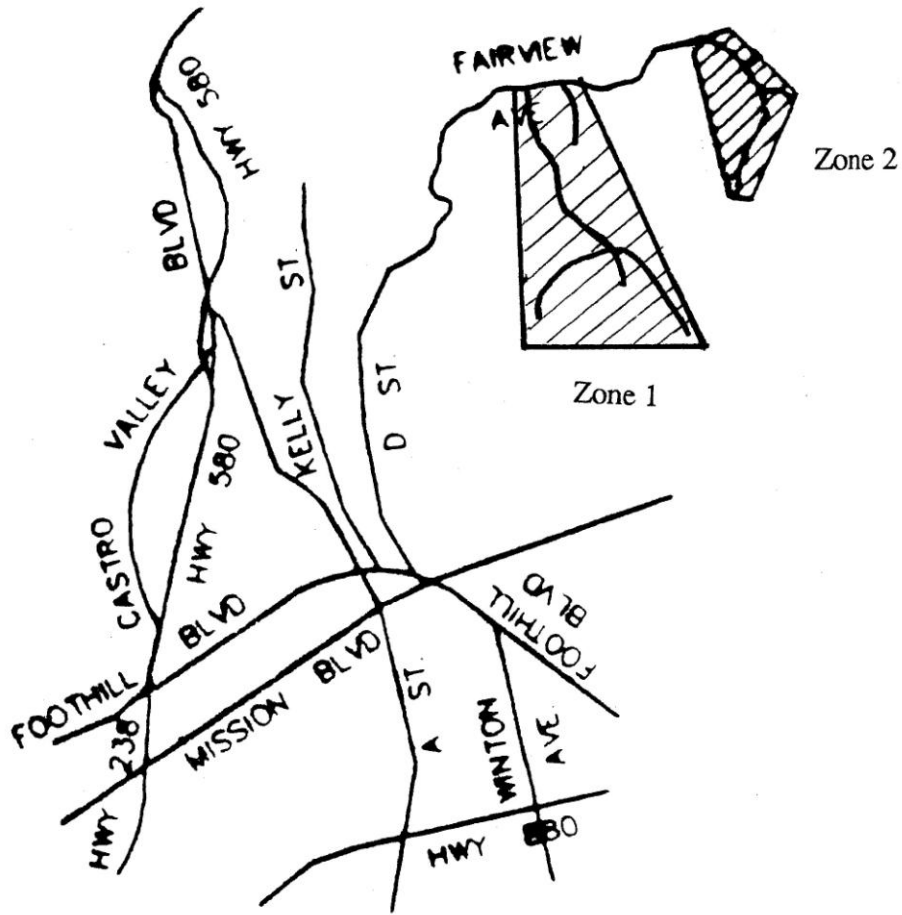
SCOPE OF SERVICE

The Castle Homes CSA was established in January 1983 to provide road maintenance services for three private roads: Clover Road, Star Ridge Road (formerly East Avenue) and China Court. In November 1996, the Board approved the annexation of properties adjacent to Quercus and Arbutus Courts, both private roads, to the CSA, for road maintenance services.

LOCATION AND VICINITY MAP

All five private roads are located in the Fairview Area, north and easterly of the Hayward City Limits and southerly of Castro Valley. The two service zones are shown below.

CASTLE HOMES COUNTY SERVICE AREA



Not to Scale

PROPOSED SERVICE CHARGES

ZONE 1 (Clover Road, Star Ridge Road and China Court)

The Maximum Service Charge that can be charged (as approved by ballot during Fiscal Year 2004/2005) is \$300.00 for Developed Parcels and \$150.00 for Undeveloped Parcels. Actual service charges for each fiscal year may be less than the maximum, with the recommended service charge for each Fiscal Year discussed at the annual business meeting with property owners.

At the March 2009 Castle Homes CSA Zone 1 meeting, the property owners in attendance approved next year’s CSA program which included the annual service charge at the previous year’s level of \$200.00 for developed parcels and \$100.00 for undeveloped parcels, and a road service program for the 2009-2010 FY in the amount of \$45,264 for base and shoulder repairs, and chip seal and fog seal for both Star Ridge Rd. and Clover Rd. The chip seal program is contingent upon the County having a chip seal program this next year. Although it was agreed that there was additional roadway repairs needed on China Court, the property owners present at the meeting concurred that it would be best to defer repairs a little longer with the hopes that the property owner/developer who is now building three homes and who has clearly damaged the roadway with construction vehicles can be encouraged to contribute towards its repair when he is ready to sell the homes. There was also a continued discussion from last year at the Annual Business Meeting about a few parcels on China Court needing to deal with drainage issues at the roadway edge that are reportedly contributing to the deterioration of the roadway.

Zone 1 Annual Service Charge Summary

Previous Annual Service Charge (FY 2008-2009)	Approved Maximum Annual Service Charge	Proposed Annual Service Charge (FY 2009-2010)	Parcel Description
\$200.00	\$300.00	\$200.00	Developed
\$100.00	\$150.00	\$100.00	Undeveloped

EXCEPTIONS

Parcel 425-0060-008-00	\$ 100.	improved parcel with lesser benefit
Parcel 425-0060-023-00	0.	part of 425-0060-024-01 (TRA boundary split)
Parcel 425-0060-024-01	100.	improved parcel with lesser benefit
Parcel 425-0060-024-02	0.	Fairview Ave. access only, no benefit
Parcel 425-0230-005-01	0.	portion of Clover Road only
Parcel 425-0230-006-01	0.	portion of Clover Road only
Parcel 425-0270-005-00	100.	improved parcel with lesser benefit
Parcel 425-0050-010-00	200.	unimproved parcel with full benefit

ZONE 2 (Quercus Court and Arbutus Court)

During the 1997/1998 Fiscal Year, Zone 2 property owners voted to levy service charges to fund repayment of an eight-year loan, and to fund routine administrative, engineering, and maintenance services. The eight-year loan was paid in full in Fiscal Year 2005/2006. When it was approved by the property owners, the maximum annual service charge was set to terminate after FY 2007/08. Without service charges collected in FY 2008/09 or beyond, the fund balance for Zone 2 would be depleted in a few years and further maintenance work would have to be suspended. During the summer of 2007, at the request of property owners, the County conducted a successful ballot on their behalf to continue the current maximum annual service charges beyond the FY 2007/2008 without a termination date.

At the March 2009 Castle Homes CSA Zone 2 Annual Business Meeting, those property owners in attendance approved the continuance of the Annual Service Charge at the previous year's level of \$525.00 for developed parcels and \$262.50 for undeveloped parcels. The roadways were in good shape following the chip seals completed in the two previous years. However the property owners decided to approve a contingency fund for any emergency repairs for FY 2009/2010 in the amount of \$10,000.

Zone 2 Annual Service Charge Summary

Previous Annual Service Charge (FY 2008-2009)	Approved <i>Maximum</i> Annual Service Charge	Proposed Annual Service Charge (FY 2009-2010)	Parcel Description
\$525.00	\$525.00	\$525.00	Developed
\$262.50	\$262.50	\$262.50	Undeveloped Less Benefit

Parcels 425-0500-016 and 425-0500-042 are improved parcels which will be charged at the unimproved parcel rate to reflect lesser benefit under the proposed work program.

CASTLE HOMES CSA, ZONE 1 - INCOME AND EXPENDITURE SUMMARY

ACTUALS 1996/97 FY through 2007/08 FY

<u>Fiscal Year</u>	<u>Income</u>	<u>Expenditures</u>	<u>Balance</u>	<u>Services Provided</u>
Begin. Balance 07/01/96			\$ 228,495.	
1996 - 1997	\$ 19,192.	\$ 55,734.	191,953.	engineering evaluation; Clover Road and East Avenue: chip work East Ave.; routine maintenance and admin services
1997 - 1998	18,741.	14,876.	195,818.	routine maintenance and administrative services
1998 - 1999	14,126.	17,289.	192,655.	East Ave. barrier installation; tree removal; routine maintenance and administrative services
1999 - 2000	13,953.	2,550.	204,058.	routine maintenance and administrative services
2000 - 2001	14,963.	4,396.	214,625.	routine maintenance and administrative services
2001 - 2002	11,770.	16,226.	210,169.	minor base and shoulder repairs routine maintenance and administrative services
2002 - 2003	10,185.	36,899.	183,455.	chip seal on: Star, Clover, and China, including engineering, minor base repairs, pavement striping & marking at intersections; routine maintenance & admin.
2003 - 2004	8,868.	12,247.	180,076.	routine maintenance and administrative services
2004 - 2005	7,661.	27,446.	160,291.	routine maintenance and administrative services
2005 - 2006	20,207.	17,767.	162,731.	base repairs, routine maintenance and administrative services
2006 - 2007	16,720.	25,721.	153,730.	base repairs, routine maintenance and administrative services
2007 - 2008	17,895.	13,261.	158,364.	base repairs, routine maintenance and administrative services
Totals	<u>\$ 174,281.</u>	<u>\$ 244,412.</u>	<u>\$ 158,364.</u>	

Note: Final figures are updated as information becomes available

**CASTLE HOMES
COUNTY SERVICE AREA - ZONE 1**

FIVE YEAR BUDGET PROJECTIONS (ESTIMATES)

	Estimate 2008-09	Estimate (YTD as of 3-4-09) 2008-09	Estimate 2009-10	Estimate 2010-11	Estimate 2011-12	Estimate 2012-13
INCOME						
Prior Year Carryover (7/01)	158,364.	158,364.	170,073.	144,107.	155,406.	155,406.
Interest on Investments	6,800.	6,712.	6,700.	6,700.	6,700.	6,700.
Service Charges (estimates)	18,000.	18,000.	18,000.	18,000.	18,000.	18,000.
TOTAL INCOME	\$183,164.	\$183,076.	\$194,773.	\$168,807.	\$180,106.	\$180,106.
EXPENSES						
Service Program (labor & material)*	15,059.	9,602.	15,264. 30,000.	8,000.	8,000.	175,000.
Publications & Legal	25.	25.	25.	25.	25.	25.
County Labor**	5,000.	3,000.	5,000.	5,000.	5,000.	6,000.
County Counsel	34.	34.	34.	34.	34.	34.
Auditor's Fee (1.67%)	301.	301.	301.	301.	301.	301.
County Risk Management	42.	42.	42.	42.	42.	42.
TOTAL EXPENSES	20,460.	13,003.	50,665.	13,401.	13,401.	181,401.
Carryover (06/30)	\$162,704.	\$170,073.	\$144,107.	\$155,406.	\$166,705.	-\$1,295.

* County M&O Labor usually included as part of Service Program cost except for Slurry Seal and Road Reconstruction

** County Labor engineering, and CSA administration

Zone 1 - Service Program:

2008-2009: \$15,059 Service Program Amount Approved at Annual Business Mtg for base repair estimates
\$10,059 on Star Ridge Road and \$5,000 Emergency Reserve; China Court repairs deferred

2009-2010: \$15,264 Service Program Amount Approved at Annual Business Mtg for base repair estimates;
(Star Ridge Rd estimate, \$3,011 and Clover Rd. estimate, \$12,253). An additional
\$30,000 Service Program Amount Approved at Annual Business Mtg for chip seal with a Fog Seal for
Star Ridge Rd. and Clover Rd., including appropriate striping and reflectors, all contingent upon County
proceeding with chip seal program in FY 09/10.

Three parcels on China Court now under construction - repairs to roadway deferred at least another year

2012-2013 Program is an estimate for future overlay project

CASTLE HOMES CSA, ZONE 2 - INCOME AND EXPENDITURE SUMMARY

ACTUALS 1996/97 FY through 2007/08 FY

<u>Fiscal Year</u>	<u>Income</u>	<u>Expenditures</u>	<u>Balance</u>	<u>Services Provided</u>
Begin. Balance 07/01/96			\$ 0.	
1996 - 1997	\$ 4,806.	\$ 5,042.	-236.	Annexation Castle Homes Zone 2 Quercus and Arbutus Courts
1997 - 1998	15,266.	4,626.	10,404.	Work completed, Loan Approved & administrative services
1998 - 1999	16,868.	14,868.	12,404.	Loan Payment #1 & administrative services
1999 - 2000	16,827.	14,907.	14,325.	Loan Payment #2, routine maintenance & administrative services
2000 - 2001	16,955.	16,705.	14,574.	Loan Payment #3, routine maintenance & administrative services
2001 - 2002	16,644.	17,183.	14,036.	Loan Payment #4 & administrative services
2002 - 2003	16,508.	16,857.	13,687.	Loan Payment #5, routine maintenance & administrative services
2003 - 2004	16,961.	20,014.	10,633.	Loan Payment #6, routine maintenance & administrative services
2004 - 2005	16,708.	13,671.	13,670.	Loan Payment #7, routine maintenance & administrative services
2005 - 2006	19,125.	17,600.	15,195.	Loan Payment #8, routine maintenance and administrative services
2006 - 2007	17,455.	10,753.	21,897.	Base Repairs and PASS Chip Seal on Arbutus Court
2007 - 2008	16,519.	14,279.	24,136.	Base Repairs and PASS Chip Seal on Quercus Court
Totals	<u>\$ 190,642.</u>	<u>\$ 166,505.</u>	<u>\$ 24,137.</u>	

Note: Final figures are updated as information becomes available

**CASTLE HOMES
COUNTY SERVICE AREA - ZONE 2
THREE YEAR BUDGET PROJECTIONS (ESTIMATES)**

	Estimate 2008-09	Estimate (YTD as of 3-5-09) 2008-09	Estimate 2009-10	Estimate 2010-11
INCOME				
Prior Year Carryover (07/01)	24,136.	24,136.	23,871.	29,549.
Interest on Investments	1,003.	1,003.	1,000.	1,000.
Service Charges (estimates)	16,519.	16,519.	16,519.	16,519.
TOTAL INCOME	\$41,658.	\$41,658.	\$41,390.	\$47,068.
EXPENSES				
Service Program - Zone 2*	12,420.	8,742.	10,000.	0.
Publications & Legal	25.	25.	25.	25.
County Labor**	5,000.	3,000.	5,000.	5,000.
County Counsel	25.	25.	25.	25.
Auditor's Fee (1.67%)	276.	276.	276.	276.
County Risk Management	42.	42.	42.	42.
TOTAL EXPENSES	17,788.	12,109.	15,368.	5,368.
Carryover (06/30)	\$23,871.	\$29,549.	\$26,022.	\$41,700.

County M&O Labor usually included as part of Service Program cost except for Slurry Seal and Road

* Reconstruction

** County Labor engineering, and CSA administration

Note: 8-year loan, (6% simple interest) was paid in full in FY 2005-06.

Zone 2 - Service Program:

2008-2009 Total \$12,420: Base Repairs Quercus Court estimates \$4,720 and Quercus Court Chip Seal \$7,700

2009-2010 No planned repairs; \$10,000 approved as contingency for emergency repairs