

# **ANNUAL REPORT**

**Fiscal Year 2009-2010**

**Castlewood  
County Service Area**

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## TABLES

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## INTRODUCTION

### Purpose of Report

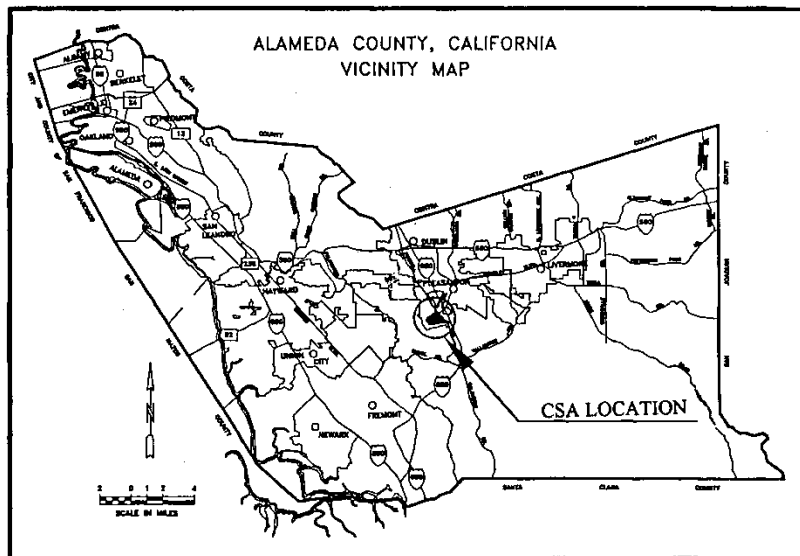
This Annual Report for County Service Area, CSA R-1967-1, Castlewood, is presented to the Alameda County Board of Supervisors in compliance with CSA Law and the Alameda County Ordinance Code. This report provides a history of the CSA, a description of proposed service programs, summaries of anticipated income and expenses, and recommended service charges for properties within the CSA. Agency staff worked with property owner volunteers, including representatives of the Castlewood Country Club (Club) and the Castlewood Property Owners Association (CPOA) to develop this report.

### Scope of Services

CSA's are formed pursuant to the State of California Government Code, County Service Area Law (CSA Law) to provide specific services, which the County could not otherwise provide and are governed by the Board of Supervisors. The Castlewood CSA was established in September 1968 to provide for the improvement, maintenance and drainage of the areas private roads. In May 1979, the scope of services was extended to include provision of sewer and water services.

### Location Description and Vicinity Map

The Castlewood CSA consists of 587 acres in the unincorporated area of Alameda County. It is located southwesterly of the City of Pleasanton, adjacent to the Arroyo de la Laguna (Arroyo). Elevations within the CSA are ranging from 250 feet along the Arroyo to 1500 feet at the CSA's western boundary. The CSA bounds encompass the Club buildings and facilities, including two 18-hole golf courses, and over 200 home sites.



## **CSA ESTABLISHED FOR ROAD SERVICES**

On September 17, 1968, the Board established the CSA in response to the request of the Club and property owners in the Club area west of Foothill Road. The CSA was established for the improvement, maintenance and drainage of roads within the CSA bounds.

## **CSA ADDS SEWER AND WATER SERVICES**

In the early 1970's, the Club began to experience problems with its wastewater treatment plant operations and associated ponds. Despite system improvements in 1974, the problems continued, leading to treatment ponds overflowing into the Arroyo. In October 1977, the Board imposed a sewer connection moratorium; and in March 1978, the California Regional Water Quality Control Board (RWQCB) officially recognized the pollution problems caused by the wastewater treatment plant.

On May 22, 1979, in response to a request of the Club and CSA property owners, the Board authorized the addition of sewer services within the CSA, including the evaluation and correction of the privately owned sewer system problems. At the same time, at the request of the Club, the Board added water service as an extended service the CSA could provide although improvements to the water system did not begin until 1994.

### **Sewer and Water Systems Improvements**

In order to connect to the Dublin San Ramon Service District (DSRSD) treatment plant, the CSA had to purchase treatment capacity from the capacity allotment of the City of Pleasanton (City). A contract for the purchase of 92,000 GPD, or 308 Residential Discharge Equivalents (RDEs), of capacity was negotiated between the CSA and the City. A condition of this purchase was that the CSA had to agree to develop a program to replace and/or repair portions of the old facilities, with priority emphasis on replacing and repairing high frequency maintenance areas and areas of highest inflow and infiltration.

Upon completion of the sanitary sewer pump station and pipeline (from the pump station to the West Pleasanton Interceptor), the Board repealed the sewer connection moratorium. The City, by contract with the CSA, operates and maintains the pump station and pipeline, and is reimbursed by CSA for its services.

The Castlewood Country Club and the Castlewood Property Owners Association agreed to have engineering evaluations made of both the sewer collection system and the private water systems. By Fiscal Year 1995 consultants were hired to develop construction plans and specifications for improvements to both systems, and the Club pursued a design for the replacement of its golf course's irrigation system. Sewer system improvements were completed in August 1997. The complete separation of the domestic water system and irrigation system were completed in March 1998.

### **Assessment District Formation**

An Assessment District was formed in Fiscal Year 1996-1997 to fund system improvements. The financing was processed through a credit pool program of the Association of Bay Area Government.

## **SERVICES PROGRAMS AND SERVICE CHARGES BASES**

### **Overview**

Maintenance and operation of the domestic system are provided by California Water Service (Calwater) through a contract with Alameda County on behalf of the Castlewood County Service Area. The Castlewood Country Club continues to maintain their irrigation system.

Recommended Service Charges for the 2009-2010 Fiscal Year are listed in Table 1, Service Charge Spreads. All Service Charges are subject to a 1.7% collection fee charged by the County Auditor's Office. This fee is authorized by State Law, to cover costs associated with collecting, accounting for and distributing CSA funds. Table 2 provides a service charge history from the formation of the CSA to present. Table 3 is a Four Year Revenue and Expenditure Summary with a Budget Estimate for the next fiscal year.

### **Administration and Engineering Services**

Agency Administration and Engineering services include guidance relating to road, sewer and water systems improvements, design criterion and applicable law, and field and office investigations. Agency staff respond to Club and CPOA questions and concerns, meet with property owners, CPOA and Club representatives, conduct public meetings and workshops, and related mailings. Services also include maintenance of CSA budgets and accounts, payment of bills, responding to tax bill and real estate inquiries, and preparation of service charges. Staff maintains CSA records, such as maps, computer databases and files, including sewerage capacity, service provider information and various mailing lists.

Agency staff prepares reports and related legal documents required by local, State or Federal laws; conduct property owner surveys and ballots; negotiate, prepare, coordinate and administer provision of routine and emergency services. Staff also coordinates activities with other County offices, including the Planning Department, County Counsel, Assessor's Office, Auditor's Office, the Board of Supervisors, County Fire Department, the Risk Manager's Office, and other Agencies such as the City of Pleasanton and the City and County of San Francisco.

### **Road Program Costs and Service Charges**

Road service costs include routine road maintenance, such as repair of pot holes, striping and signing, small emergency road repairs and a contingency fund. Road service charges are computed by dividing the total road service costs by the number of benefited properties. Club facilities count as 31 of the 212 benefited parcels. Foothill Road and Castlewood Drive (between Foothill and Pleasanton-Sunol Roads) are County roads within the CSA bounds. Their maintenance is funded by the Alameda County Road Fund; no CSA funds are used. Parcels located on Country Lane and Oak Lane are not charged for road services, as the property owners on these roads have elected private maintenance options. Approved work program for new year is included in the Work Programs and Improvements section of Report.

## **Sewer Maintenance and Operation Program Costs and Service Charges**

Costs include routine maintenance of the sewerage pump station, emergency sewerage system repairs, field inspections, monitoring sewerage capacity and related sewerage system data. This also includes PG&E costs for the Foothill Pump Station and water for the Foothill Pump Station from the City of Pleasanton. The single most costly item for this program is the Sewer Use & Demand. It is for the treatment cost at the Dublin San Ramon Services District (DSRSD) treatment plant. The cost is paid through the City of Pleasanton on a bi-monthly basis. Maintenance of the pump station will continue to be maintained by the City of Pleasanton under contract with the CSA. Maintenance of the rest of the sewerage system is contracted out to California Water Service on an as-needed basis.

Service Charges for sewer maintenance and operations are based on the number of Residential Discharge Equivalents (RDEs) connected to the sewerage system. Club facilities count as 41 of the 243 connected RDEs.

## **Sewer Capital Improvement Program Costs and Service Charges**

These charges are levied on all parcels that have purchased sewerage RDEs (243 Connected RDEs and 13 RDEs Purchased but not connected for a total of 256 “Purchased” RDEs). The program cost includes a portion of the Sewer Use and Demand reserved for future use (uncommitted). Program costs will also include sewerage system improvements.

### **RDE Purchase Calculations (TABLE 4)**

The purchase price represents the accumulation of the sewer capital service charges for each fiscal year, including a one parcel cash lump some amount attributable to the sewer portion of the Assessment District for the system improvements, plus accrued interest. Properties within the CSA that have not reserved sewerage capacity will need to pay this one-time fee to reserve sewerage capacity prior to any sewer connection or parcel split.

### **RDE Capacity**

In 1984, 308 Residential Discharge Equivalents (RDEs) of sewer capacity were purchased from the City of Pleasanton based on a joint study between the Planning Department and a volunteer citizen advisory committee of build-out in the CSA. An Agreement was entered into between the City of Pleasanton and the County of Alameda on behalf of the CSA based on the outcome of this joint study.

To date 243 RDEs have been purchased by property owners and connected to the City of Pleasanton. A Bi-monthly user fee is paid to the City of Pleasanton for the connected RDEs. An additional Bi-monthly fee is paid to the City of Pleasanton for the remaining 65 RDEs. It is considered a fee for future connections and makes up the remainder of the 308 agreed upon RDEs.

Of the 65 “future” RDEs, 13 RDEs have been purchased by property owners for future use. Not all property owners who have purchased sewerage capacity have connected to the sewerage system. This leaves 52 RDEs of future uncommitted sewerage capacity available for purchase. Sewer capacity is sold on a first come, first served basis. Capacity runs with the parcel for which it was purchased; it is not transferable. Members of the Castlewood Property Owners Association would like to reduce the numbers of 52 future uncommitted RDE’s available for purchase because they cost property owners money every year to have them available for future development. They will be proposing what they feel is a more equitable solution in the new year.

Periodically, developments outside the CSA want to connect their sewer systems to the CSA sewer system. This allows the developments to pump their sewage through the CSA pump station and force main in order to discharge to the City’s sewer system. These developers are required to demonstrate the impact on the pump station and to compensate the CSA for the pro rata share of capital improvement costs to the CSA’s pump station and the force main to the City system. Developers must also purchase sewerage capacity from the City.

### **Water Capital Improvement Program Costs and Service Charges**

These charges are levied on all parcels that have either purchased water capacity or are currently connected to the water system (190 plus Club). The distribution of the service charges based on domestic water use is 8% allocated against the Club and 92 percent allocated against the property owners.

### **Water Capacity Purchase Calculations (TABLE 5)**

In prior years, there were no fees for any new connection to the water system. Since there were substantial investment made in the water system, new users beginning in Fiscal Year 1996-1997 were required to buy in to the system. Computation of the water capacity purchase calculation charge is shown in Table 5. The charge represents the amount equal to the water capital service charges for each fiscal year, including a one parcel cash lump some amount attributable to the water portion of the Assessment District for the system improvements, plus accrued interest. Properties within the CSA that have not made the capacity purchase will need to pay this one-time charge prior to any water connection.

### **Water Maintenance and Operation Program Costs and Service Charges**

Program costs include routine maintenance of the water pump stations, emergency water system repairs, field inspections, monitoring of water quality data, and calculation and payment of usage over the 90 million gallons provided free of charge from the City and County of San Francisco. Addition expenditures include PG&E costs to operate water pump station and maintenance contract with California Water Service for maintenance and operations.

Based on an agreement between the property owners and the Club, the property owners are responsible for their domestic water usage cost above 46.8 million gallons of free water. Meters are read by both California Water and the Club to determine usage.

## **WORK PROGRAMS AND IMPROVEMENTS**

Annually, Agency staff review all CSA revenues and expenditures at the close of each fiscal year. Service Charges and their spread for the various programs and parcels for Castlewood are listed on Table 1. They are adjusted to reflect the actual program expenditures and yearly increases in utility costs. This information is provided to the Castlewood Property Owners Association (CPOA) and discussed at the Annual Business Meetings which are noticed by mail to property owners.

The Recommended Projects and Service Charge for the next fiscal year are presented at the Annual Business Meeting each spring. Property owners who attend the Annual Business Meeting will reach a consensus by a show of hands for the Recommended Projects they support, the Service Charges for the Road Program, and the Proposed Road Budget for the upcoming fiscal year. This Proposed Service Charge Budget will then be submitted to the Board of Supervisors for their approval as part of their budget hearings in late June.

### **March 2009 Annual Business Meeting**

#### **Annual Report**

At the March 2009 Castlewood Annual CSA Business Meeting, property owners were presented with the recommended projects, service charges, and budget estimate for the next Fiscal Year. Inserts for the 2009-2010 Annual Report were discussed. A draft of Table 3 Revenue and Expenditure Summary was provided as was a draft of the Table 1 Service Charge Spread for FY 09-10.

#### **Work Programs and Improvements.**

**The Sewer and Water Maintenance Program.** Two items were maintenance items from the previous year which were cited as level C Order of Hazards by the State Department of Public Health following an inspection of the water system in the spring of 2008. (Level C Order of Hazard: Potential Health Hazard – Must be corrected as Work Load Permits). The two projects were: 1) Mid-level Water Tank Cleaning, and associated repairs, and 2) lower pump station generator and auto-transfer switch.

California Water Service (Calwater) representatives Dan Armendariz and John Freeman were available at the meeting to provide an update regarding the mid-level water tank. Calwater had been in the process of taking it off-line over the last few months, opening it up, cleaning it, making required repairs and are now in the process of disinfecting it. They should have it back together shortly and back on-line once water samples are returned from the lab. The tank did not have what is called cathodic protection which some tanks have to help prevent corrosion. There was a sealant at one time but that had worn away and there was some corrosion of the tank. There was sediment and what could be described as muck at the bottom of the tank. A report of their findings will be provided upon completion of their work.

The lower pump station generator and auto-transfer switch was also discussed. I explained that this was deferred to this year at the property owners request but that I had included enough money in the Water Capital Revenue service charge per parcel to pay for this repair. I reminded the property owners of the State Department of Public Health's level C rating and read the description of the rating to them (Level C Order of Hazard: Potential Health Hazard – Must be corrected as Work Load Permits). Some property owners questioned whether they (the State) had the authority to make them correct something like this. I told them it was my understanding they did based on water works or drinking water standards. California Water Service agreed that they did have this authority. The property owners were told they could be fined if they did not follow through with a repair that the State requested. They then discussed whether a generator at the lower pump station would do any good in an emergency because it wouldn't keep water supplied to everyone. They said they didn't want it until I had more information from the inspector or until the inspector talked to them himself. Meanwhile they asked me to pursue whether or not it was possible to put in a metered emergency connection with the City of Pleasanton instead of the generator. I told them I would remove the increase in the Water Capital Service charge while we were gathering more information or pursuing other alternatives.

It was mentioned at the meeting that the CPOA is pursuing a water meter installation program and if anyone had any questions they were to contact the CPOA.

**Redwood Water Tank Replacement update.** At the request of property owners at the 2007 Annual Business meeting, the County pursued replacement costs for the (2) 100,000 gallon redwood water tanks. California Water Service was asked to developed costs estimates to replace the tanks with (2) steel tanks. A new foundation for the tanks and a geotechnical investigation of the site were included with the cost estimates which were developed by a geotechnical engineering firm. The cost estimates of approximately \$1.7 million were presented at the 2008 Annual Business meeting. The County's plan was to send a ballot to property owner's to vote on moving forward with the project and paying for the project by service charges on the tax bill.

Since last summer further discussions were held with the Castlewood Property Owners' Association, the Castlewood Country Club and the County as to whether or not the tanks had to be replaced at this time. An engineering assessment of the condition of the two existing redwood tanks was completed recently which looked at the tanks, their foundations, and immediate surrounding site. It was concluded that per the structural seismic evaluation, the existing tanks are structurally deficient based on the current code prescribed design for earthquakes. Strong seismic ground motions would likely damage or destroy the tanks. The County has applied for Stimulus Grant funding from the Federal Government on behalf of the Castlewood property owners. As soon as the County has an answer late spring or early summer as to any available funding, a mailed ballot will be sent to property owners asking them to vote to replace the tanks and to agree to pay for the tanks through service charges on their tax bills. The mailed ballot will mostly likely take place during the summer or fall once all details affecting the ballot are confirmed. The County will develop a FAQ sheet to provide information to property owners regarding the ballot once all the information in known.

**The Road Service Program.** The following is a list of projects upon which consensus was reached by property owners present at the Annual Business Meeting by a show of hands. The projects are scheduled for completion by end of 09-10 Fiscal Year. Work can begin July 1, 2009:

| Identified Maintenance Needs<br>Field Review - County Maintenance and CPOA Road<br>Advisory Chair |   |                                      |
|---|---|--------------------------------------|
| Cost Est.   | Castlewood CSA - Proposed FY 09-10 YTD  |                                      |
| \$33,242  | Road Program Projects   |                                      |
|   | Fairlane Drive<br>#10-12 Small Base Repair  | Crack seal (all)                     |
|   | Castlewood Drive<br>#23- Place asphalt swale along shoulder<br>#35- Asphalt skin patch along road edge<br>#82- Asphalt base repair 15'x10'  | Crack Seal (all)                     |
|   | Castlewood Dr @ Castlewood Place-   | Base repair & skin utility cut areas |
|   | Upper Golf Road<br>#33- Small base repair<br>#49- Base repair (12'x6')<br>#51- Repair in front of driveway<br>#53- Base repair Note: can possibly wait one more year if crack sealed. | Crack seal (all)                     |
|   | Lower Golf Road<br>#20- Base repair along shoulder 35'x 3'<br>#30- Tree Trimming  | Crack seal (all)                     |
|   | Castlewood Place  | Crack seal (all)                     |
|   | Greens Lane   | Crack seal (all)                     |
|   | Upper Castledown<br>#10- Clean drains at grates<br>#27- Shoulder erosion needed (small gabion rock)   | Crack seal                           |
|   | Lower Castledown<br>#35- Asphalt patch small hole in road.  | Crack seal                           |
| Note: Cost Estimates do not include County Administrative Costs                                   |   |                                      |

### MAJOR VARIANCES IN PROPOSED BUDGET

The major variances in the proposed budget are due to capital improvement projects to both the water, sewer, and roadway systems.

## **TABLES**

**TABLE 1 -- 2009-2010 SERVICE CHARGE SPREADS**

|                                       | <b>ROAD SERVICE</b> | <b>SEWER M &amp; O</b> | <b>SEWER CAPITAL</b> | <b>WATER CAPITAL</b> | <b>WATER M &amp; O</b> |
|---------------------------------------|---------------------|------------------------|----------------------|----------------------|------------------------|
| Total Service Charge                  | \$45,057.           | \$91,198.              | \$15,000.            | \$12,000.            | \$371,231.             |
| 1.7% Collection Fee                   | 766.                | 1,550.                 | 255.                 | 204.                 | 6,311.                 |
| <b>Service Charge Basis--FY 09-10</b> | <b>\$45,823.</b>    | <b>\$92,748.</b>       | <b>\$15,255.</b>     | <b>\$12,204.</b>     | <b>\$377,542.</b>      |

|                              |                |             |             |                             |                             |
|------------------------------|----------------|-------------|-------------|-----------------------------|-----------------------------|
| No. of Benefitted<br>Parcels | 212<br>PARCELS | 243<br>RDEs | 256<br>RDEs | 190<br>PARCELS<br>Plus Club | 190<br>PARCELS<br>Plus Club |
|------------------------------|----------------|-------------|-------------|-----------------------------|-----------------------------|

|                                  |               |               |              |              |                 |
|----------------------------------|---------------|---------------|--------------|--------------|-----------------|
| <b>Service Charge per Parcel</b> | <b>\$216.</b> | <b>\$382.</b> | <b>\$60.</b> | <b>\$59.</b> | <b>\$1,857.</b> |
|----------------------------------|---------------|---------------|--------------|--------------|-----------------|

(Add. Funds/No. of Parcels)

|                            |                        |                       |                      |                       |                          |
|----------------------------|------------------------|-----------------------|----------------------|-----------------------|--------------------------|
| Castlewood Country<br>Club | \$6,701.<br>31 Parcels | \$15,649.<br>41 RDE's | \$2,562.<br>43 RDE's | \$976.<br>8% of Total | \$30,203.<br>8% of Total |
|----------------------------|------------------------|-----------------------|----------------------|-----------------------|--------------------------|

|                              |        |                   |                  |                            |                               |
|------------------------------|--------|-------------------|------------------|----------------------------|-------------------------------|
| Individual Property<br>Owner | \$216. | \$382.<br>per RDE | \$60.<br>per RDE | \$59.<br>per<br>Connection | \$1,857.<br>per<br>Connection |
|------------------------------|--------|-------------------|------------------|----------------------------|-------------------------------|

Estimated Total Service Charge Income \$543,572

All total amounts have been rounded to the nearest dollar.

**\*Note: Service Charges are re-evaluated yearly. Per Parcel charges may increase or decrease due to changes in programs, increased costs in Water Consumption Charges from SFPUC, and/or an increase in charges for service contract with California Water Service Company and/or a change in utility charges.**

**TABLE 2 -- SERVICE CHARGE HISTORY**

| <b>Fiscal Year</b> | <b>Road Service</b> | <b>Sewer M &amp; O</b> | <b>Sewer Capital</b> | <b>Water Capital</b> | <b>Water M &amp; O</b> | <b>Totals</b> |
|--------------------|---------------------|------------------------|----------------------|----------------------|------------------------|---------------|
| 1982-83            | \$0.                | \$0.                   | \$149.               | \$0.                 | \$0.                   | \$149.        |
| 1983-84            | \$210.              | \$0.                   | \$53.                | \$0.                 | \$0.                   | \$263.        |
| 1984-85            | \$263.              | \$75.                  | \$2,125.             | \$0.                 | \$0.                   | \$2,463.      |
| 1985-86            | \$110.              | \$528.                 | \$553.               | \$0.                 | \$0.                   | \$1,191.      |
| 1986-87            | \$361.              | \$390.                 | \$75.                | \$0.                 | \$0.                   | \$826.        |
| 1987-88            | \$143.              | \$258.                 | \$406.               | \$0.                 | \$0.                   | \$807.        |
| 1988-89            | \$143.              | \$257.                 | \$0.                 | \$0.                 | \$0.                   | \$400.        |
| 1989-90            | \$199.              | \$191.                 | \$227.               | \$0.                 | \$0.                   | \$617.        |
| 1990-91            | \$127.              | \$217.                 | \$0.                 | \$159.               | \$0.                   | \$503.        |
| 1991-92            | \$56.               | \$265.                 | \$0.                 | \$0.                 | \$0.                   | \$321.        |
| 1992-93            | \$0.                | \$386.                 | \$0.                 | \$0.                 | \$0.                   | \$386.        |
| 1993-94            | \$153.              | \$242.                 | \$0.                 | \$0.                 | \$0.                   | \$395.        |
| 1994-95            | \$112.              | \$240.                 | \$435.               | \$687.               | \$0.                   | \$1,474.      |
| 1995-96            | \$0.                | \$425.                 | \$0.                 | \$125.               | \$0.                   | \$550.        |
| 1996-97            | \$0.                | \$249.                 | \$18.                | \$6.                 | \$0.                   | \$273.        |
| 1997-98            | \$266.              | \$363.                 | \$15.                | \$25.                | \$274.                 | \$943.        |
| 1998-99            | \$0                 | \$349                  | \$72                 | \$146                | \$217                  | \$784         |
| 1999-00            | \$206.              | \$374.                 | \$65.                | \$51.                | \$369.                 | \$1,065       |
| 2000-01            | 83.                 | 377.                   | 94.                  | 880.                 | 380.                   | \$1,814       |
| 2001-02            | 83.                 | 387.                   | 90.                  | 880.                 | 390.                   | \$1,830       |
| 2002-03            | 151.                | 397.                   | 114.                 | 126.                 | 659.                   | \$1,447       |
| 2003-04            | 190.                | 399.                   | 114.                 | 126.                 | 767.                   | \$1,596       |
| 2004-05            | 262.                | 418.                   | 160.                 | 176.                 | 704.                   | \$1,720       |
| 2005-06            | 262.                | 448.                   | 121.                 | 176.                 | 860.                   | \$1,867       |
| 2006-07            | 266.                | 540.                   | 140.                 | 175.                 | 893.                   | \$2,014       |
| 2007-08            | 266.                | 540.                   | 139.                 | 172.                 | 1,053.                 | \$2,171       |
| 2008-09            | 192.                | 540.                   | 139.                 | 172.                 | 1,485.                 | \$2,528       |
| 2009-10            | 216.                | 382.                   | 60.                  | 59.                  | 1,857.                 | \$2,574       |

**NOTES:**

In 1984-85 and 1985-86, Sewer Maintenance and Operations Service Charges were utilized for Sewer Capital improvements.

All of the above listed service charges have been rounded to the nearest dollar.

Amounts listed in "Totals" column are representative only. They do not reflect actual total service charges per property in any Fiscal Year. Actual costs are benefit related.



**TABLE 4 -- SEWER CAPACITY PURCHASE CALCULATIONS**

| <b>Fiscal Year</b> | <b>Capital Service Charge</b> | <b>Capital &amp; Interest to Date</b> | <b>Interest Accumulated to Date**</b> | <b>Capital Plus All Interest</b> |
|--------------------|-------------------------------|---------------------------------------|---------------------------------------|----------------------------------|
| 1982-83            | \$148.50                      | \$385.04                              | \$17.33                               | \$402.37                         |
| 1983-84            | \$52.60                       | \$123.99                              | \$5.58                                | \$129.57                         |
| 1984-85            | \$2,125.00                    | \$4,553.51                            | \$204.91                              | \$4,758.42                       |
| 1984-85 M&O *      | \$75.00                       | \$160.72                              | \$7.23                                | \$167.95                         |
| 1985-86            | \$553.00                      | \$1,098.83                            | \$49.45                               | \$1,148.28                       |
| 1985-86 M&O *      | \$528.00                      | \$1,049.17                            | \$47.21                               | \$1,096.38                       |
| 1986-87            | \$75.00                       | \$140.38                              | \$6.32                                | \$146.70                         |
| 1987-88            | \$406.35                      | \$713.68                              | \$32.12                               | \$745.80                         |
| 1988-89            | \$0.00                        | \$0.00                                | \$0.00                                | \$0.00                           |
| 1989-90            | \$226.98                      | \$340.36                              | \$15.32                               | \$355.68                         |
| 1990-91            | \$0.00                        | \$0.00                                | \$0.00                                | \$0.00                           |
| 1991-92            | \$0.00                        | \$0.00                                | \$0.00                                | \$0.00                           |
| 1992-93            | \$0.00                        | \$0.00                                | \$0.00                                | \$0.00                           |
| 1993-94            | \$0.00                        | \$0.00                                | \$0.00                                | \$0.00                           |
| 1994-95            | \$435.00                      | \$496.23                              | \$22.33                               | \$518.56                         |
| 1995-96            | \$90.44                       | \$97.81                               | \$4.40                                | \$102.21                         |
| 1996-97            | \$18.00                       | \$18.68                               | \$0.84                                | \$19.52                          |
| 1996-97 AD***      | \$7,560.00                    | \$7,843.50                            | \$352.96                              | \$8,196.46                       |
| 1997-98            | \$15.00                       | \$15.00                               | \$0.68                                | \$15.68                          |
| 1998-99            | \$72.00                       | \$72.00                               | \$0.00                                | \$72.00                          |
| 1999-00            | \$83.00                       | \$83.00                               | \$0.00                                | \$83.00                          |
| 2000-01            | \$110.00                      | \$110.00                              | \$0.00                                | \$110.00                         |
| 2001-02            | \$90.00                       | \$90.00                               | \$4.05                                | \$94.05                          |
| 2002-03            | \$114.00                      | \$114.00                              | \$5.13                                | \$119.13                         |
| 2003-2004          | \$114.00                      | \$114.00                              | \$5.13                                | \$119.13                         |
| 2004-2005          | \$160.00                      | \$160.00                              | \$7.20                                | \$167.20                         |
| 2005-2006          | \$121.00                      | \$121.00                              | \$5.45                                | \$126.45                         |
| 2006-2007          | \$140.00                      | \$140.00                              | \$6.30                                | \$146.30                         |
| 2007-2008          | \$139.00                      | \$139.00                              | \$6.26                                | \$145.26                         |
| 2008-2009          | \$139.00                      | \$139.00                              | \$6.26                                | \$145.26                         |
| 2009-2010          | \$59.59                       | \$59.59                               | \$2.68                                | \$62.27                          |
| <b>TOTALS</b>      | <b>\$13,590.87</b>            | <b>\$18,318.90</b>                    | <b>\$812.45</b>                       | <b>\$19,131.35</b>               |

**RDE Purchase Price for the 2009- 2010 Fiscal Year is:           \$19,131.**

\* Maintenance and Operations Service Charge used for capital improvements.

\*\* The interest rate is applied to all capital & interest accumulated to date at 4.50%.

\*\*\* A one parcel cash lump some amount attributable to the sewer portion of the Assessment District for the system improvements

**TABLE 5 -- WATER CAPACITY PURCHASE CALCULATIONS**

(SFRE - Single Family Residence Equivalence Purchase in  
Castlewood County Service Area Water Distribution System)

| <b>Fiscal Year</b> | <b>Original Capital Service Charge</b> | <b>Capital &amp; Interest to Date</b> | <b>Interest Accumulated to Date*</b> | <b>Capital Plus All Interest</b> |
|--------------------|--|---------------------------------------|--------------------------------------|----------------------------------|
| 1994-95            | \$687.00                               | \$783.71                              | \$35.27                              | \$818.98                         |
| 1995-96            | \$125.00                               | \$135.19                              | \$6.08                               | \$141.27                         |
| 1996-97            | \$6.00                                 | \$6.23                                | \$0.28                               | \$6.51                           |
| 1996-97 AD**       | \$8,945.00                             | \$9,280.44                            | \$417.62                             | \$9,698.06                       |
| 1997-98            | \$25.00                                | \$25.00                               | \$1.13                               | \$26.13                          |
| 1998-99            | \$146.00                               | \$146.00                              | \$0.00                               | \$146.00                         |
| 1999-00            | \$51.00                                | \$51.00                               | \$0.00                               | \$51.00                          |
| 2000-01            | \$880.00                               | \$880.00                              | \$0.00                               | \$880.00                         |
| 2001-02            | \$880.00                               | \$880.00                              | \$44.00                              | \$924.00                         |
| 2002-03            | \$126.00                               | \$126.00                              | \$6.30                               | \$132.30                         |
| 2003-04            | \$126.00                               | \$126.00                              | \$6.30                               | \$132.30                         |
| 2004-05            | \$176.00                               | \$176.00                              | \$8.80                               | \$184.80                         |
| 2005-06            | \$176.00                               | \$176.00                              | \$8.80                               | \$184.80                         |
| 2006-07            | \$175.00                               | \$175.00                              | \$8.75                               | \$183.75                         |
| 2007-08            | \$172.00                               | \$172.00                              | \$8.60                               | \$180.60                         |
| 2008-09            | \$172.00                               | \$172.00                              | \$8.60                               | \$180.60                         |
| 2009-10            | \$59.09                                | \$59.09                               | \$2.95                               | \$62.05                          |
| <b>TOTALS</b>      | <b>\$12,868.00</b>                     | <b>\$13,310.57</b>                    | <b>\$560.53</b>                      | <b>\$13,933.15</b>               |

**Water Capacity Purchase Charge for the 2009 - 2010 Fiscal Year is: \$13,933.**

\* The interest rate is applied to all capital and interest accumulated to date at 5.00%.

\*\*\* A one parcel cash lump some amount attributable to the water portion of the Assessment District for the system improvements