

ANNUAL REPORT

Fiscal Year 2016-2017

**Castle Homes
County Service Area
Service Zones 1, 2, & 3**

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TABLE OF CONTENTS

Introduction	1
Scope of Service	1
Location and Vicinity Map	2
Proposed Service Charges, Zone 1	3
Proposed Service Charges, Zone 2	4
Proposed Service Charges, Zone 3	5
Zone 1, Income & Expenditure Summary 2000-01 FY - 2013-14 FY	6
Zone 1, Income & Expenditure Estimated Budget Projections	7
Zone 2, Income & Expenditure Summary 1996-97 FY - 2013-14 FY	8
Zone 2, Income & Expenditure Estimated Budget Projections	9
Zone 3, Income & Expenditure Summary 2000-01 FY - 2013-14 FY	10
Zone 3, Income & Expenditure Estimated Budget Projections	11

INTRODUCTION

The 2016-2017 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 the work programs are reviewed with each of the CSA's zones, County 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 comment, and approval. 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.

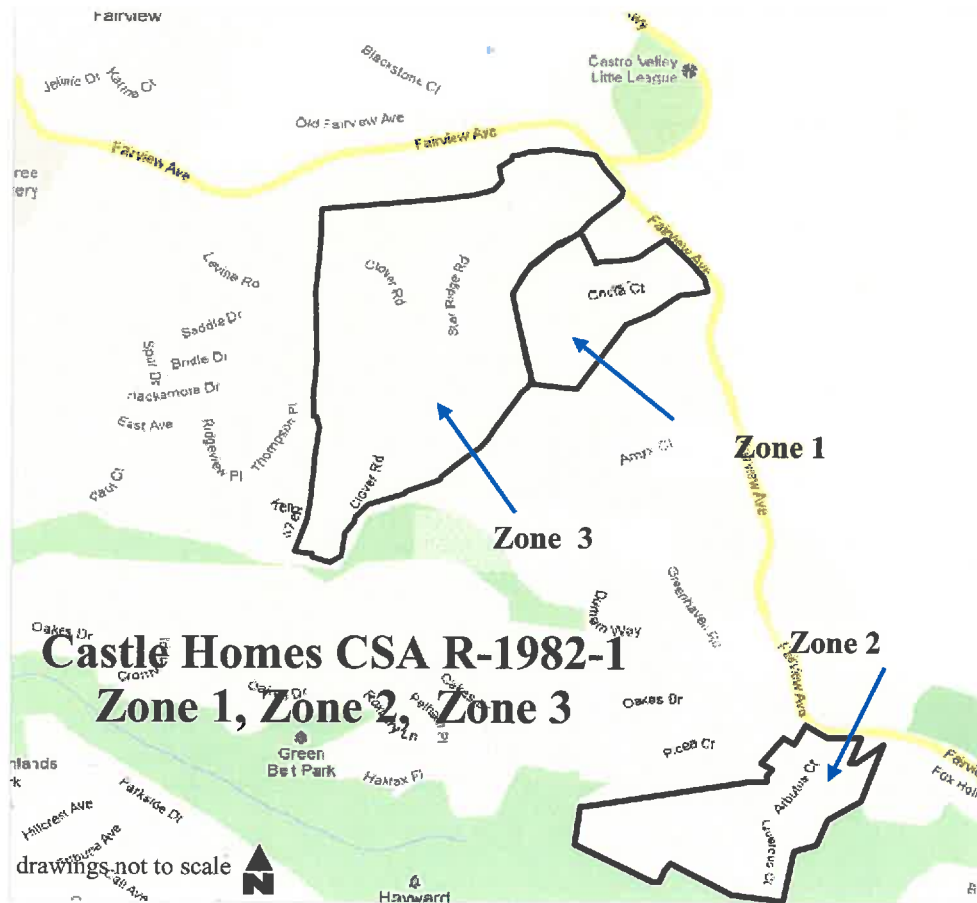
SCOPE OF SERVICE

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. In September 2010, the property owners on Star Ridge Road and Clover Road petitioned the County to separate from Zone 1 to form their own zone of service. Following numerous public meetings and hearings, the Board of Supervisors approved the formation of a Zone 3 service zone for Clover Road and Star Ridge Road in February 2012. As part of the process, the County conducted a successful ballot for property owners on China Court China Court, Zone 1, asking them to vote to increase their service charges for their smaller zone. China Court is now the remaining roadway in service Zone 1. Zone 3 was filed with the State Board of Equalization in December 2012 and will be established for Star Ridge Road and Clover Road beginning July 1, 2013.

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 three service zones are shown below.

CASTLE HOMES COUNTY SERVICE AREA



PROPOSED SERVICE CHARGES

ZONE 1 (China Court)

The Maximum Service Charge that can be charged (as approved by ballot during Fiscal Year 2011-2012 for China Court) is \$1,000.00 for Developed Parcels and \$500.00 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.

During the 2010-11 Fiscal Year, a number of property owners on Star Ridge and Clover Roads from original Zone 1 with three roadways petitioned the County to separate Star Ridge and Clover Roads into their own service zone which is now Zone 3. This allowed them to collect service charges and pay for their own level of services. It also allowed China Court to collect service charges and pay for their services separately. This was completed with a Zone 3 Formation for Star Ridge and Clover Roads by resolution of the Board of Supervisor during fiscal year 2011-2012 and a successful ballot to increase the maximum service charge for China Court in Zone 1.

At the Annual Business Meeting in the spring of 2015 for Castle Homes CSA Zone 1, the property owners in attendance recommended next year’s CSA program which included continuing the annual service charge at the maximum levels of \$1,000.00 for developed parcels and \$500.00 for undeveloped parcels, and a road service program for FY 2015/2016 in the amount of \$6,292 for a road crack seal program. The service charges and service program will be recommended to the Board of Supervisors for approval.

Zone 1 Annual Service Charge Summary

Previous Annual Service Charge (FY 2015-2016)	Approved Maximum Annual Service Charge	Proposed Annual Service Charge (FY 2016-2017)	Parcel Description
\$1,000.00	\$1,000.00	\$1,000.00	Developed
\$500.00	\$500.00	\$500.00	Undeveloped

EXCEPTIONS

Parcel 425-0060-023-00	0.	part of 425-0060-024-01 (TRA boundary split)
Parcel 425-0060-024-01	500.	improved parcel with lesser benefit
Parcel 425-0270-005-00	500.	improved parcel with lesser 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 Annual Business Meeting in the spring of 2015 for Castle Homes CSA Zone 2, property owners in attendance recommended 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 condition following the slurry seal in the fall of 2014. They would also like to build up their funds for future repairs. However a number of crack seals and small base repairs will be needed for FY 2015/2016 in the amount of \$6,656. This will be recommended to the Board of Supervisors for approval.

Zone 2 Annual Service Charge Summary

Previous Annual Service Charge (FY 2015-2016)	Approved <i>Maximum</i> Annual Service Charge	Proposed Annual Service Charge (FY 2016-2017)	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.

ZONE 3 (Clover Road and Star Ridge Road)

The property owners on Star Ridge and Clover Roads have separated from China Court into their own zone of service, Zone 3. This allows them to collect their own service charges and use those funds to pay for different levels of services. The formation of Zone 3 was completed by resolution of the Board of Supervisor during fiscal year 2011-2012. The Maximum Service Charge that can be charged 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 Annual Business Meeting in the spring of 2015 for Castle Homes CSA Zone 3, all the property owners present at the meeting recommended increasing to the Service Charges to the Approved Maximum amount to increase their revenue for expenses. This would be, \$300.00 for developed parcels and \$150.00 for undeveloped parcels. The Annual Service Charge Summary is shown in the table below. In addition, the property owners in attendance recommended the CSA service program for FY 2015/2016 in the amount of \$25,567 for base repairs and crack seals of the roads. The replacement/repair of an existing culvert on Clover Rd. which will be a bid item estimated at \$45,000 will be deferred to another year once reserves are built up a little more. The service program and service charge increase will be recommended to the Board of Supervisors for approval.

Zone 3 Annual Service Charge Summary

Previous Annual Service Charge (FY 2015-2016)	Approved Maximum Annual Service Charge	Proposed Annual Service Charge (FY 2016-2017)	Parcel Description
\$300.00	\$300.00	\$300.00	Developed
\$150.00	\$150.00	\$150.00	Undeveloped

EXCEPTIONS

Parcel 425-0060-008-00	\$125.	improved parcel with lesser benefit
Parcel 425-0230-005-01	0.	portion of Clover Road only
Parcel 425-0230-006-01	0.	portion of Clover Road only
Parcel 425-0050-010-00	250.	unimproved parcel with full benefit

CASTLE HOMES CSA, ZONE 1 - INCOME AND EXPENDITURE SUMMARY

ACTUALS 2000/01 FY through 2013/14 FY

<u>Fiscal Year</u>	<u>Income with interest</u>	<u>Expenditures</u>	<u>Balance</u>	<u>Services Provided</u>
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 grinding tree roots clover,
2004 - 2005	7,661.	27,446.	160,291.	base repairs Star Ridge an Clover, Flow Line Rest, Berm, V Ditch Clover Star Ridge drain culvert and pipe installation, and admin services
2005 - 2006	20,207.	17,767.	162,731.	base repairs Star Ridge, Clover, and China, and Admin Serv
2006 - 2007	20,183.	28,221.	154,692.	base repairs, routine maintenance and administrative services
2007 - 2008	24,530.	13,261.	165,961.	base repairs Star Ridge and Clover; China Court deferred
2008 - 2009	21,785.	16,448.	171,298.	base repairs Star Ridge and Clover; China Court deferred
2009 - 2010	19,493.	11,976.	178,816.	base repairs Star Ridge and Clover; China Court deferred
2010 - 2011	20,779.	41,667.	157,928.	base repairs Star Ridge, Clover, and China Court
2011 - 2012	19,226.	104,084.	73,070.	Chip seal with fog seal Star Ridge, Clover and China Court; funding of Zone 3 Formation for Star Ridge and Clover Rds
Zone 1, China Court beginning balance			4,657.	
2012 - 2013	2,462.	2,533.	4,587.	no repairs this year; CSA administrative services
2013 - 2014	13,280.	1,255.	16,612.	no repairs this year; CSA administrative services; spring walk thru

Beginning 7-1-13, Star Ridge and Clover separated into their own service zone, Zone 3.

Note: Final figures are updated and or corrections are made as information becomes available
DRAFT 3-6-15

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

**FIVE YEAR BUDGET
PROJECTIONS (ESTIMATES)**

Zone 1	Zone 1	Zone 1	Zone 1	Zone 1	Zone 1
Estimate	Estimate (Year To Date)	Estimate	Estimate	Estimate	Estimate
2014-15	2014-15	2015-16	2016-17	2017-18	
INCOME					
Prior Year Carryover	\$16,612.00	\$28,944.75	\$33,916.50	\$45,180.25	
Interest on Investments	\$16.65				
Service Charges (estimates after Auditor (Collection Fee-1.75% approx \$321)	\$13,263.75	\$13,263.75	\$13,263.75	\$13,263.75	
TOTAL INCOME	\$29,892.40	\$42,208.50	\$47,180.25	\$58,444.00	
EXPENSES					
Road Service Program (labor & material)*					
China Court					
Labor, spring walk through	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Crack Seal, entire rd		\$6,292.00	\$0.00	\$0.00	\$0.00
Labor and material	\$1,000.00	\$0.00			
Emergency fund for Base Repair					
Publications & Legal					
County Administrative Expenses**	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
County Counsel (YTD is estimate)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
County Risk Management	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Additional Est					
TOTAL EXPENSES	\$3,000.00	\$1,000.00	\$8,292.00	\$2,000.00	\$2,000.00
Carryover (06/30)	\$26,892.40	\$28,944.75	\$33,916.50	\$45,180.25	\$56,444.00

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

CASTLE HOMES CSA, ZONE 2 - QUERCUS & ARBUTUS - INCOME AND EXPENDITURE SUMMARY

ACTUALS 1996/97 FY through 2013/14 FY

Fiscal Year	Income	Expenditures	Balance	Services Provided
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, routine maintenance and administrative services
2007 - 2008	17,767.	14,279.	25,385.	Base Repairs and PASS Chip Seal on Arbutus Court, admin serv.
2008 - 2009	18,657.	14,191.	29,850.	Base Repairs and PASS Chip Seal on Quercus Court, admin serv.
2009 - 2010	17,441.	1,887.	45,404.	Base Repairs, admin serv.
2010 - 2011	17,517.	8,795.	54,127.	Base Repairs, admin serv.
2011 - 2012	17,794.	3,689.	68,232.	Base Repairs end Arbutus, admin serv.
2012 - 2013	17,501.	1,184.	84,549.	Base Repairs , admin serv.
2013 - 2014	17,383.	38,696.	63,236.	Base Repairs , Slurry Seal Arbutus & Quercus, admin serv.
Totals	\$ 298,182.	\$ 234,947.	\$ 63,236.	

Note: Final figures are updated and or corrections are made as information becomes available
8-year loan, (6% simple interest) was paid in full in FY 2005-06.

**CASTLE HOMES
COUNTY SERVICE AREA - ZONE 2 Quercus & Arbutus**

**BUDGET PROJECTIONS
(ESTIMATES)**

	Estimate 2014-15	Current Yr. Estimate (YTD as of 3-6-15) 2014-15	Estimate 2015-16	Estimate 2016-17	Estimate 2016-17
INCOME					
Prior Year Carryover	\$63,236.00	\$63,236.00	\$79,369.00	\$86,977.00	\$101,241.00
Interest on Investments	\$869.00	\$869.00			
Service Charges (estimates after Auditor (Collection Fee-1.75% approx \$298)	\$16,514.00	\$16,764.00	\$16,764.00	\$16,764.00	\$16,764.00
TOTAL INCOME	\$80,619.00	\$80,869.00	\$96,133.00	\$103,741.00	\$118,005.00
EXPENSES					
Road Service Program - Zone 2*	\$500.00	\$0.00	\$6,656.00	\$0.00	\$0.00
Road Service Program - Zone 2 Contractor Publications & Legal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
County Administrative Expenses**	\$2,500.00	\$1,500.00	\$2,500.00	\$2,500.00	\$2,500.00
County Counsel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
County Risk Management					
TOTAL EXPENSES	\$3,000.00	\$1,500.00	\$9,156.00	\$2,500.00	\$2,500.00
Carryover (06/30)	\$77,619.00	\$79,369.00	\$86,977.00	\$101,241.00	\$115,505.00

* County M&O Labor included as part of Road Service Program (spring walk thru, sign installation, base repairs, etc) expenses except for Slurry Seal and Road Reconstruction
 ** County Administrative Expenses: Engineering, and CSA administration

Zone 2 - Service Program:

2014-2015 Total \$6,656 Base Repairs and Slurry Seal planned
 2013-2014 Total \$44,000 est Slurry Seal by outside Contractor, Arbutus and Quercus
 2011-2012 Total of \$4,103 Base Repairs Planned at end of Arbutus Court

CASTLE HOMES CSA, ZONE 3 - INCOME AND EXPENDITURE SUMMARY

ACTUALS 2000/01 FY through 2013/14 FY

<u>Fiscal Year</u>	<u>Income</u> with interest	<u>Expenditures</u>	<u>Balance</u>	<u>Services Provided</u>
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 grinding tree roots clover,
2004 - 2005	7,661.	27,446.	160,291.	base repairs Star Ridge an Clover, Flow Line Rest, Berm, V Ditch Clover Star Ridge drain culvert and pipe installation, and admin services
2005 - 2006	20,207.	17,767.	162,731.	base repairs Star Ridge, Clover, and China, and Admin Serv
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2008 - 2009	21,785.	16,448.	171,298.	base repairs Star Ridge and Clover; China Court deferred
2009 - 2010	19,493.	11,976.	178,816.	base repairs Star Ridge and Clover; China Court deferred
2010 - 2011	20,779.	41,667.	157,928.	base repairs Star Ridge, Clover, and China Court
2011 - 2012	19,226.	104,084.	73,070.	Chip seal with fog seal Star Ridge, Clover and China Court; funding of Zone 3 Formation for Star Ridge and Clover Rds
Zone 3, Star Ridge and Clover	beginning balance		68,413.	
2012 - 2013	16,348.	40,986.	43,775.	base repairs Star Ridge, Clover; final separation charges
2013 - 2014	17,011.	18,494.	42,292.	base repairs Star Ridge, Clover; final separation charges

Beginning 7-1-13, Star Ridge and Clover separated into their own service zone, Zone 3.

Note: Final figures are updated and or corrections are made as information becomes available

**CASTLE HOMES
COUNTY SERVICE AREA - ZONE 3, STAR RIDGE & CLOVER RDS**

BUDGET PROJECTIONS (ESTIMATES)

	Zone 3	Zone 3	Zone 3	Zone 3	Zone 3	Zone 3	Zone 3	Zone 3
	Estimate 2014-15	(Current Year To Date) 2014-15	Estimate 2015-16	Estimate 2016-17	Estimate 2017-18	Estimate 2018-19		
INCOME								
Prior Year Carryover	\$42,292.00	\$42,292.00	\$48,855.47	\$40,553.47	\$43,818.47	\$47,083.47		
Interest on Investments								
Star Ridge & Clover Rd								
Service Charges (estimates after Auditor (Collection Fee-1.75% approx \$321)	\$20,625.00	\$20,625.00	\$20,265.00	\$20,265.00	\$20,265.00	\$20,265.00		
Star Ridge & Clover Rd	\$16,259.97							
Credit - Survey work	\$79,176.97	\$62,557.00	\$69,120.47	\$60,818.47	\$64,083.47	\$67,348.47		
TOTAL INCOME								
EXPENSES								
Road Service Program (labor & material)* Details Star Ridge & Clover Rd	\$19,658.00	\$12,201.53	\$21,567.00	\$14,000.00	\$14,000.00	\$14,000.00		
Base Repair Labor and material								
FY 2015-16 Base Repair Star Ridge, 4" thick in front #3759 600 SF, and #3559-#3565 293 SF								
FY 2015-16 Crack Seal, Clover from # 26145-#28137			\$4,000.00					
Future Expenses								
FY 2018-19 Culvert Repair, Clover (BID ITEM)								\$45,000.00
Additional base work request after bus mtg estimate								
Publications & Legal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
County Administrative Expenses**	\$2,200.00	\$1,500.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00		\$3,000.00
County Counsel (YTD is estimate)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
County Risk Management	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Additional Est								
TOTAL EXPENSES	\$21,858.00	\$13,701.53	\$28,567.00	\$17,000.00	\$17,000.00	\$17,000.00		\$62,000.00
Carryover (06/30)	\$57,318.97	\$48,855.47	\$40,553.47	\$43,818.47	\$47,083.47	\$53,348.47		\$53,348.47

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

* County engineering, and CSA administration

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