



Public Works Agency
Alameda County

Daniel Woldesenbet, Ph.D., P.E., Director

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March 12, 2024

The Honorable Board of Supervisors
County Administration Building
1221 Oak Street
Oakland, CA 94612

Dear Board Members:

SUBJECT: ACCEPT ENGINEER’S REPORT FOR INCREASING SERVICE CHARGES FOR WATER AND SEWER MAINTENANCE SERVICES IN THE CASTLEWOOD CSA (CSA R-1967-1), SET A PUBLIC HEARING AND APPROVE GUIDELINES FOR THE SUBMISSION AND TABULATION OF PROTESTS IN CONNECTION WITH THE PUBLIC HEARING

RECOMMENDATION:

- A. Adopt a resolution to set a public hearing for May 14, 2024 and tabulate written protests, if any, to the proposed increase of service charges for the Castlewood CSA R-1967-1:
 - 1. Water Maintenance, and
 - 2. Sewer Maintenance Services; and
- B. To direct notice of the public hearing, and to approve guidelines for the submission and tabulation of protests; and
- C. Accept the Castlewood CSA R-1967-1 engineer’s report for service charge increases.

SUMMARY:

Castlewood CSA R-1967-1 was originally established by the County of Alameda in 1968 to provide road maintenance services. In 1979, the CSA services were subsequently amended to include water maintenance; water capital; sewer maintenance and sewer capital services to the residents and the country club located within the boundaries of the CSA.

Within the Castlewood CSA R-1967-1 there are 190 residential lots and a country club establishment. The CSA serves as a mechanism by which residents and the club establishment assess themselves to pay for road maintenance; water and sewer maintenance, and water and sewer capital improvement services.

The CSA operates based on full cost recovery from the assessments. It is important to underscore that, without adequate funding, the CSA will be rendered incapable of providing the mandated services through third-party providers. Increases in the cost of services has led to the need to increase the service charges currently requested.

DISCUSSION:

The proposed assessment increase for Castlewood CSA R-1967-1 is only for the Water Maintenance and Sewer Maintenance Services. Water and sewer maintenance services were provided through service contract with third party service providers such the City of Pleasanton (from 2012-to 2021), and Coleman Engineering (the current provided).

For years, service contract amounts with providers like the City of Pleasanton had remained unchanged, enabling the CSA to function without imposing higher assessments onto residents. However, as costs continue to rise in recent years, the City of Pleasanton notified the CSA in 2021 that it could no longer maintain services at historically low rates and proposed significant increases to sustain service provision. This prompted the CSA to issue an RFP and ultimately engage Coleman Engineering. While Coleman's pricing was lower than the City's proposal, it still represented a substantial increase compared to the historical charges by the City. (Refer to the attached letter sent to residents explaining this challenge, dated mid-November 2023).

In order to secure current pricing by service providers, in mid-November 2023, the CSA issued a new RFP for services for a period of five years commencing in fiscal year 2025, and received responses from two vendors. The CSA has completed its selection process and is currently negotiating with the preferred service provider.

The increase in the service charges reflect the new cost of services by the preferred vendor, and are shown in the Engineer's report, and the summary of the increases are shown in the table below.

Service Charges Over Five Years

Fiscal Year	Road Services (per Parcel)	Sewer Maintenance (per RDE)	Sewer Capital (per RDE)	Water Capital (per Meter/ Connection)	Water Maintenance (per Meter/ Connection)	Total
<i>Current - 23/24</i>	\$ 224	\$ 675	\$ 416	\$ 1,099	\$ 1,089	\$ 3,503
24/25	\$ 224	\$ 785	\$ 416	\$ 1,099	\$ 2,958	\$ 5,482
25/26	\$ 224	\$ 809	\$ 416	\$ 1,099	\$ 3,047	\$ 5,595
26/27	\$ 224	\$ 833	\$ 416	\$ 1,099	\$ 3,138	\$ 5,710
27/28	\$ 224	\$ 858	\$ 416	\$ 1,099	\$ 3,232	\$ 5,829
28/29	\$ 224	\$ 884	\$ 416	\$ 1,099	\$ 3,329	\$ 5,952

General Ordinance Code 13.20.070 requires that service charge increases are presented at a Public Hearing at which any property owner or tenant may submit a written protest. If 50% or more of parcels submit a written protest, the service charge increase will not be implemented. If less than 50% of parcels submit a protest, the service charge increase can be adopted by the Board of Supervisors (BOS).

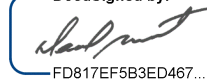
FINANCING:

As Castlewood CSA R-1967-1 is self-supporting, no General Fund monies have been required to finance its operations. It is necessary to establish the recommended service charges within the CSAs for Fiscal Year 2025-2029 to cover the costs of providing the required services and CSA Administration, which could not otherwise be provided.

VISION 2026 GOAL:

The submission of the Annual report is a requirement that is consistent with the County's Operating Principle of **Fiscal Stewardship**, and reflects programmatic, financial and operational activities of the CSA's in a transparent manner

Yours truly,

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Daniel Woldesenbet, Ph.D., P.E.
Director of Public Works

DW:la

c: Auditor-Controller
Treasurer-Tax Collector
County Counsel