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Awards

Greg Williams, Senior Collection System Maintenance Worker, was awarded the Collection System Person of the Year Award by the California Water Environment Association - San Francisco Bay Section. This award is presented to outstanding persons in this field of service.

Elizabeth Gill, Office Assistant, was awarded the Administrative support staff member award by the American Public Works Association - San Francisco Bay Area Section. This award is given to employees who support the work done by public works professionals.

The District received an award from California Association of Public Information Officials (CAPIO) for the public outreach work performed with last year's Annual Report and Recycled Art Calendar.

The District also received an award from State Fund Workers Compensation Agency for a safety achievement of five (5) years of accident-free operation and no lost time due to on the job accidents.

ANNUAL REPORT

July 1, 2004 - June 30, 2005

Thank you for taking the time to read through our second Annual Report included with the recycled art contest calendar. We hope you find this information insightful into the many activities in which the District engages your resources.

We are proud of our accomplishments over the past year and have hi-lighted them here for your review. We are most excited to report that as of July 1, 2005, Castro Valley Sanitary District has the lowest residential sewer service charge in Alameda County.

We work hard every day to provide the very best wastewater and solid waste service and to earn your trust - that is our ultimate goal.

Thank you again for your support and I look forward to our continued good relationship with the residents and businesses of the Castro Valley Sanitary District.

Yours truly,

Roland P. Williams, Jr.
General Manager



BOARD OF DIRECTORS

Daniel M. Akagi	President
Harry Francis	President Pro Tem
Dennis M. Waespi	Secretary
Ralph Johnson	Secretary Pro Tem
Timothy McGowan	Member

STAFF

Administration Department

Roland P. Williams, Jr.	General Manager
Janette M. Stuart	Administrative Services Supervisor
Barbara C. Nagy	Administrative Assistant
Elizabeth A. Gill	Office Assistant

Collection System Maintenance Dept.

Sergio Ramirez	Collection System Maintenance Supervisor
Tim Helton	Senior Collection System Maintenance Worker
Tim Helton, Jr.	Senior Collection System Maintenance Worker
Greg Williams	Senior Collection System Maintenance Worker

Engineering Department

Bonnie P. Middleton	Associate Engineer
Elliott S. Johnson	Engineering Technician

Solid Waste Department

Noelle P. Hartshorn	Solid Waste Program Coordinator
Naomi R. Yee	Administrative Technician
Michelle Jeffery	Solid Waste Intern

Board Activities

The Board of Directors of the Castro Valley Sanitary District are responsible for setting policy for the District and its activities. While this is the Board's primary role, the members are also active participants in District functions. Directors regularly attend Chamber of Commerce Mixers, the Fall Festival, the Rowell Ranch Rodeo Parade, and support other community activities. They also actively participate in the District's Earth Day, E-waste collection, and the Recycled Art Contest. These activities are performed by a Board dedicated to the public, environmental, and economic health of Castro Valley. The Board voted not to raise it's own compensation, thus being one of the lowest in Alameda County for special districts.

Retired Member and Election Shift

In the last year, the District saw one of its Board Members, Meyer Elkaim, retire from the Board after serving for 9 years. Member Elkaim helped shape the direction of the District through his adept knowledge in engineering and finance. We wish Mr. Elkaim well in his future endeavors. The District's election cycle was shifted by one (1) year to fall on even numbered years and coincide with other elections. The election year change saved the District approximately \$75,000 in the first year alone. The then current Board members' terms were extended one (1) year to accommodate the election year change.

Staff and Teams

The District staff is an assembly of dedicated individuals who are committed to the District's mission. This year the staff has developed its own Team Mission Statement (TMS). One paragraph of the TMS reads:

"Each (team) member will work towards the common goal of the District Mission statement and to convey wastewater from the community of Castro Valley to the wastewater treatment plant without spilling a drop and to ensure that refuse is collected from each customer in a clean and efficient manner."

The team meets regularly to make sure that it is on track to meet its goals. The team takes pride in being the best in the industry. This is demonstrated in a few tangible ways (see Awards, above). One (1) award the team celebrated was from State Fund Workers Compensation Agency for a five (5) year safety achievement.



Team members working together in the field.

SOLID WASTE DEPARTMENT

Greening the Products We Buy

CVSD's Board room is host to many meetings and community functions, and saw the addition of recycled product tables and chairs.



The tables and chairs were purchased from Recycled Product Purchase Preference funds, and are made of 30-100% post-consumer content, and are up to 100% recyclable.

Funds have also been allocated for the new green building-specified Castro Valley Library, with designs to be completed January 2006.

Marshall Elementary Gets to the Core

On Earth Day 2005, Marshall Elementary embarked on a new food scrap recycling program, propelling their recycling efforts to a new level.

By taking lunchtime leftovers that previously went straight into the garbage, and separating them into liquids, food scraps, recyclables, then trash, students accomplished a 75% reduction of cafeteria waste.

The students, teachers and staff at Marshall Elementary can feel proud of their recycling efforts and know that they are doing their part to save resources, landfill space and money.



Lunchtime leftovers separated for recycling/composting.



"I'm a SPLIT-BODY TRUCK" at the May 2005 Rowell Ranch Rodeo Parade.

District Reaches Out

CVSD continued its community outreach efforts by participating in the 32nd annual Fall Festival, Chamber of Commerce Business Exchange Night and Rowell Ranch Rodeo Parade.

While booths at the Fall Festival and Business Exchange Night showcased the food scrap recycling and Green Business programs, the "split-body" truck for curbside collection of both recyclables and garbage was highlighted during the Rowell Ranch Rodeo Parade.



Worn-out Trees Collected for Composting

Holiday trees with a little less luster in January 2005 were collected by Waste Management of Alameda County (WMAC) in planning partnership with the District.

Driver teams from the on-call bulky waste pick-up were shifted to cover the tree pick-up the first two weeks in January, with 30 tons of trees gathered for composting.



Project EARTH 2005 attendees make art from materials that otherwise would have gone to the landfill.

Community Members Involved

The newly formed Community Advisory Committee (CAC) is made up of ten (10) members as a way for CVSD to involve the larger community in the thinking, planning, and implementation of select major initiatives.

- Committee members included:
- Gary Wolff, Chair
 - Anthony Graves, Vice Chair
 - George Bae
 - Aileen Chong-Jeung
 - Robert Craig
 - Wanda Davis
 - Peter Fong
 - Mary Hayashi
 - Lucille Lorge
 - Gail Waiters



One of the first projects was the distribution of a \$30,000 grant received by StopWaste.Org (Alameda County Waste Management Authority). The CAC reviewed 13 proposals from local organizations to make recommendations for distribution to the CVSD Board of Directors.

Events with a Twist

With State budget cuts, CVSD had to be careful in planning its traditionally popular E-Waste collection day and Earth Day events. A full-fledged E-Waste day was supplemented with CVSD's reuse collection week in October 2004 to recycle cellular phones that would otherwise go to a landfill. Approximately two hundred fifty (250) cell phones and their batteries, chargers, and accessories, were given a "second chance", and delivered to Alameda County Computer Resource Center in Berkeley to be reused or properly recycled.

The Project EARTH 2005 events (Festival, 5k Run/Walk, and Community Clean-Up) on April 30, 2005 were successfully carried out in partnership with Palomares Elementary School and Castro Valley High School Cross-Country Runners Club.

Annual Small Underground Repairs Project

Since the beginning of this year the District has made fifteen (15) mainline sewer repairs and replaced two (2) mainline sewers at a cost of \$90,335.

Local contractors removed obstructions and repaired other defects within the sewer mains which could have caused blockages and overflows of the sewer system.



WASTEWATER OPERATIONS

Lateral Replacement Grant Program

This year the District allocated \$75,000 towards this successful program to help homeowners and residents with the replacement of their sewer lateral.

Twenty-six (26) applicants were successful in qualifying for the program. This program is designed to eliminate a significant source of infiltration and inflow from the collection system, reduce potential sewer overflows and treatment costs, and help keep your sewer service rates one of the lowest in the state.

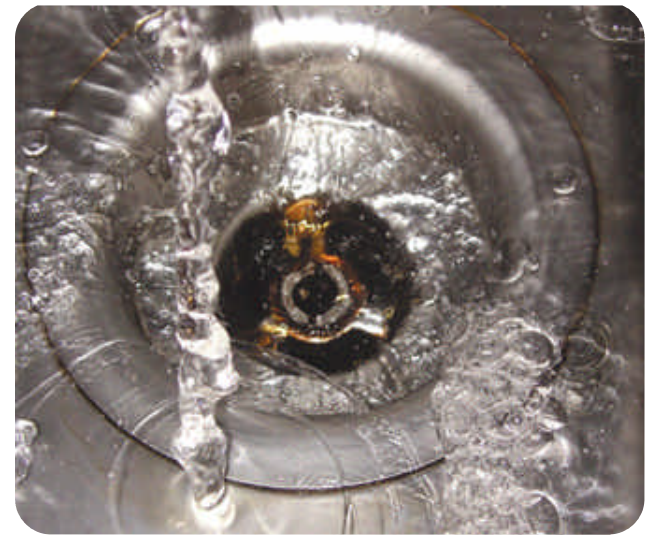
2005 Wastewater Collection System Master Plan

The District's 2005 Wastewater Collection System Master Plan, which started in October 2004, is now well underway and is expected to be complete in December 2005. The Master Plan will be an important component of the state-mandated sewer system management plan; a useful tool in continuing to prevent sanitary sewer overflows.



10-year storm model with historically surcharged manholes.

The project is currently assessing hydraulic pipeline capacities through a computerized modeling of the sewer system, which will provide input for capital improvement projects. This wet weather analysis is to determine the effect inflow and infiltration has on system capacity.



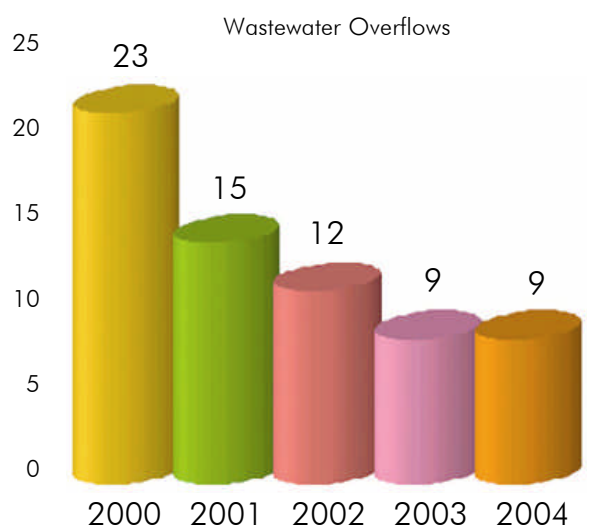
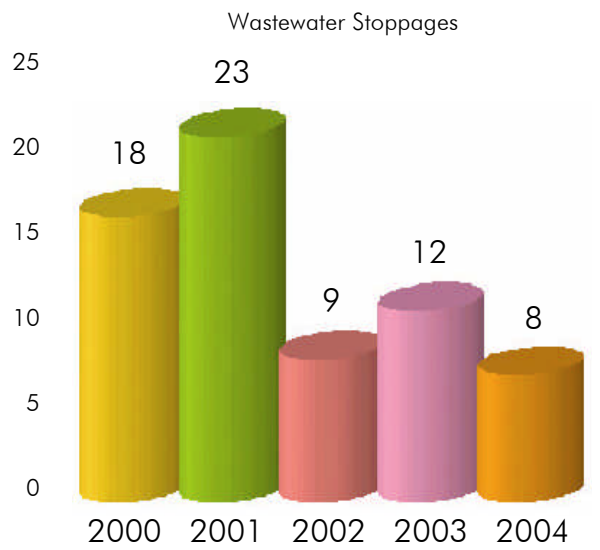
Stoppages and Overflows Down

Wastewater stoppages and overflows occur when sanitary sewer collection pipes are blocked, restricted or broken, causing wastewater to back up in the pipe and flow out through manholes or pipe breaks to the surface of the ground or creeks and lakes.

The District has over 150 miles of sanitary sewers, fortunately, most overflows are relatively small and can be relieved and cleaned up quickly. Quick and effective corrective measures prevent property damage, foul odors, environmental problems, and fish kills. In a worst-case scenario, they can create public health and safety hazards.

The District continues to implement its philosophy of preventative maintenance programs to reduce stoppages and overflows. These include an active preventive maintenance scheduling program which maintains capacity and useful life of sewer pipes, undertaking annual small underground repair projects, upgrades and expansions before failures occur, educating business and residential system users on proper disposal of oil and grease, and embarking on a wastewater collection system master plan identifying hydraulic deficiencies in the sewer system.

The charts at right give a clear understanding of the success rate in reducing stoppages and overflows since the beginning of 2001. The District continues in its efforts to improve and streamline its programs for the continued reduction in stoppages and overflows.



In 2004 the District cleaned and televised 109 miles of sewer pipe, including repeat cleanings in some places. This is a significant increase in service from the previous year with only 99 miles cleaned and televised. The District maintains a 30-minute average response time for any stoppage or overflow, which is one-fourth the response standard set forth by state regulators.

Wastewater Treatment Plant

Construction of the Oro Loma Sanitary District/ Castro Valley Sanitary District Wastewater Treatment Plant Capacity Restoration Project began July 19, 2004. Through the first twelve (12) months, the project was more than 50% complete, and well ahead of schedule. The total duration of the project is thirty-six (36) months, however; the project is due to be complete seven (7) months ahead of schedule. CVSD's portion of the construction cost is approximately 26% of the total cost, \$25 million. CVSD's portion is funded entirely through cash reserves that were established for maintaining facilities. Work completed in the first twelve (12) months includes:

1. New Bar Screens - Bar Screens are located where all flows enter the plant and remove larger material that could damage the plant's pumps and other equipment. The project installed two (2) larger and more efficient units.
2. Chemically Enhanced Primary Treatment (CEPT) - Primary treatment involves settling material not captured by the bar screen. Research showed that CEPT would increase the primary treatment and entire plant performance.
3. Digester Heating Building - Sludge is biologically broken down in digesters at a constant temperature of 98.6 degrees. The new heating building houses a new boiler system that is easier to service, will maintain an optimal temperature in the winter months, and allow for more efficient heating and methane gas recovery.

SEWER SERVICE

Classifications of use & annual charge

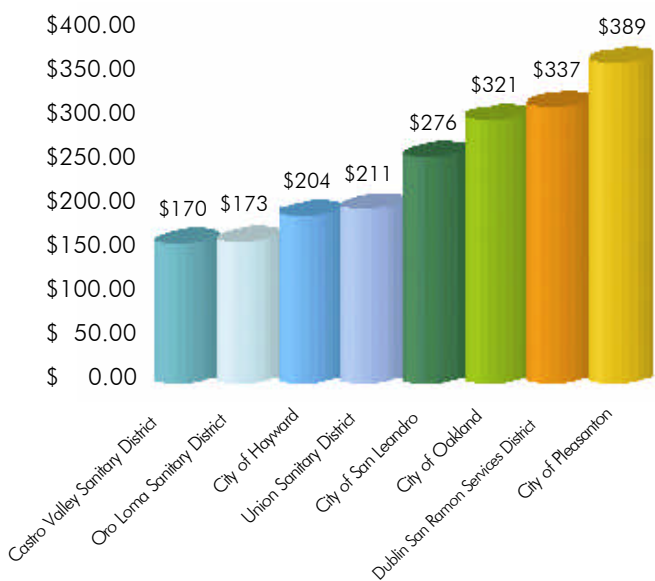
Sewer Service Charge Lowest in Alameda County

The District's rate is the lowest in Alameda County, which averages \$275.00 annually, and remains one of the lowest statewide with rates averaging \$267.00. This is despite the District increasing the residential rate by 8% to \$170.00 per year, effective July 1, 2005.

Residential

Residential Dwelling Unit - \$ 170.00 per year including condominiums, town houses, apartments, mobile homes, and secondary units.

Sewer Service Charges: Single Family Residence



Residential

Partial Dwelling Units - \$ 170.00 per year
Private, non-commercial units including garages, workshops, pool houses, and other non-habitable structures connected to the sanitary sewer not located as part of a residential complex.

Industrial

(\$ 447.00 minimum per year)
Rates for industrial users will be determined by the strength of the wastewater discharged based on chemical and biological characteristics and will be determined individually for each industrial user.

Institutional

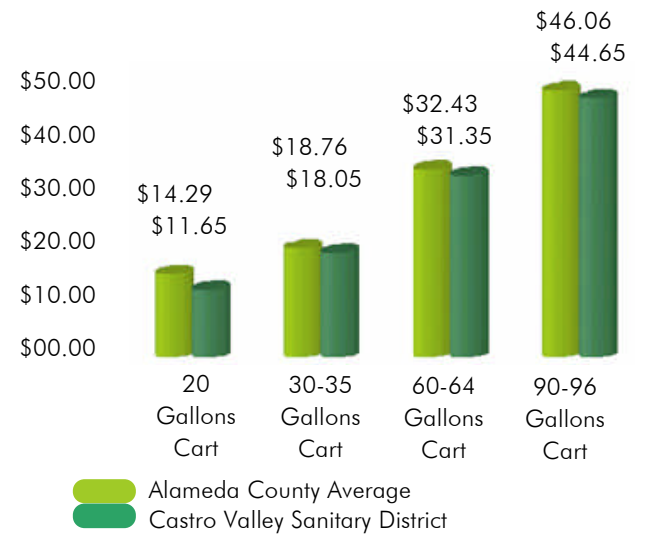
(\$ 447.00 minimum per year)
Schools, public and private. \$ 2,323.00
Convalescent Homes. \$ 1,200.00
Other. \$ 873.00

Commercial

Auto repair with steam cleaning \$ 1,127.00
Bakeries \$ 398.00
Commercial laundries \$ 1,127.00
Markets with disposals \$ 1,234.00
Mortuaries \$ 430.00
Restaurants \$ 1,760.00
Other w/domestic strength wastewater \$ 447.00

SOLID WASTE SERVICE

Residential Refuse Collection Prices



Solid Waste Services



Effective March 1, 2005 the District's rate for Recycling, Greenwaste, and Garbage including food scrap recycling is \$18.05 for standard residential service, which increased only 1.81% or \$.32 per month.

FINANCIAL POSITION

In fiscal year 04/05, the District maintained a balanced budget through reasonable rate increases, drawing down appropriate reserves, and other cost cutting measures discussed below.

Commercial User's Advisory Committee

During 2004/05 the District received information and advice from the Commercial Users' Advisory Committee (CUAC), a volunteer committee with the task of recommending the best implementation strategy for needed commercial sewer service rate increases.

The CUAC recommended spreading the increase over a two-year period and to increase community awareness of the increase by articles, press releases and public meetings. The new rates will go towards the District's daily operating costs and the \$25 million improvements at the Treatment Plant.

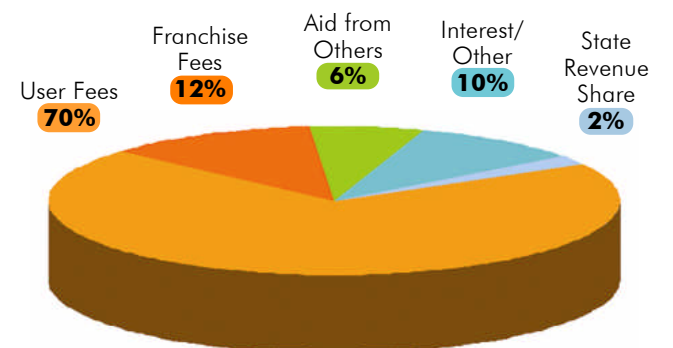
State of California ERAF III Shift

During 04/05 the District lost almost \$400,000 in revenue from the State, which is approximately 12% of the operating budget and almost 8% of the total budget. This source of funding was used by the State in an effort to balance its budget.



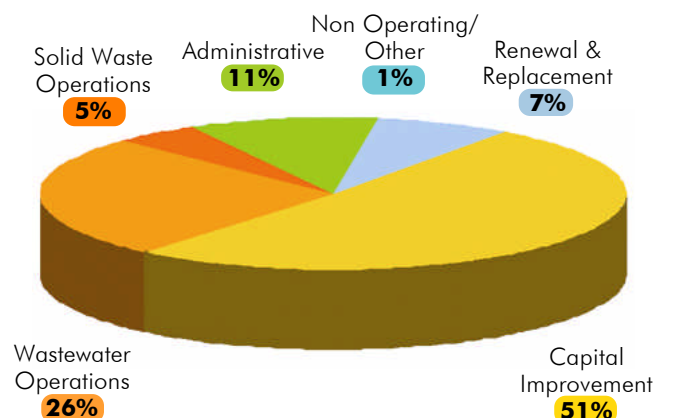
Cost Cutting Measures at the District

During 04/05 the District eliminated one (1) position in an effort to maximize savings of both salary and benefits. The District is also investigating possible savings by negotiating new contracts for landscaping and janitorial services, which are estimated to save \$10,000.00 per year. Staff is acutely aware of the economic conditions and seeks ways in saving the District funds on a daily basis.



REVENUES

User Fees	\$3,374,625
Franchise Fees	\$575,000
Aid from Others	\$300,000
Interest/Other	\$464,660
State Revenue Share	\$98,000
Total Revenues	\$4,812,285



EXPENSES

Wastewater Operations	\$2,213,340
Solid Waste Operations	\$406,375
Administrative	\$903,430
Non Operating/Other	\$5,000
Renewal & Replacement	\$622,250
Capital Improvement	\$4,361,500
Reserve Funding	-\$3,699,610
Total Expenses	\$4,812,285

