General Manager’s Message

Time flies when you believe in what you are doing. CVSan has been serving the community of Castro Valley for the past 75 years. That’s right, CVSan turned 75 in 2014. We have seen Castro Valley change from a mostly agrarian community in 1939 to the highly desirable, mainly residential area it is today. We have seen the construction of the I-580 freeway through town as well as the modernization of the library, hospital, and many streets and roadways in Castro Valley.

Throughout these changes and growth, CVSan has provided the very best wastewater and solid waste services to this community we call home. We have led the way in wastewater projects by partnering with East Bay Municipal Utility District (EBMUD), the County of Alameda, Caltrans, and Livermore-Amador Valley Water Management Agency (LAWMA). CVSan also has innovated in solid waste programs, such as being the first agency in Alameda County to have curbside organics collection.

We believe we play a role in the high quality of life we enjoy in Castro Valley through proper removal of solid waste and wastewater, and we take these responsibilities very seriously. We look forward to at least another 75 years of service to this great community.

Ecotone Pilot Project to Improve Wastewater Treatment

An ecotone is a transitional area of ecosystems, such as tidal marshland and grassland. Anticipating the effects of climate change on the environment, The Oro Loma Ecotone Pilot Project, at the Treatment Plant that CVSan owns 25% of, looks to:

- Improve wastewater treatment by using natural marsh habitats to pre-treat pollutants;
- Extract valuable nutrients from the treated wastewater;
- Protect wastewater treatment plants and adjacent shorelines from rising sea levels; and
- Incorporate the restoration of adjacent tidal wetlands into natural barriers against regional flooding and rising sea level.

The project site consists of a fifteen-acre parcel located at 2536 Grant Avenue in the community of San Lorenzo.
Fiscal Year 2013/2014 Milestones, Advancements & Awards

- CVSan celebrated eight years of Safe Working Days. That’s 2,920 days with no injuries!
- CVSan received a Program Innovation award for the Filter Exchange Program at the annual Used Oil/Household Hazardous Waste Conference (population of 100,000 or less).
- CVSan received third place at the Rowell Ranch Rodeo Parade in the commercial float category.
- CVSan’s Solid Waste Department (Naomi Lue, Jordan Figueiredo, and Michelle Wu) presented at the Northern California Recycling Association’s Recycling Update on School Programs.
- Christine Summers, Administrative Technician, completed five years of service.
- Naomi Lue, Solid Waste Supervisor, received her Certificate in Public Information from the CAPIO J. Lindsey Wolf PIO Institute.
- Stacy Marcoux, Administrative Assistant, completed the California Special Districts Association’s Board Secretary/Clerk Certificate Program.
- Roland Williams, General Manager, was named Vice President of the Alameda County Special Districts Association (ACSDA).
- Roland Williams, General Manager, was the California Water Environment Association (CWEA) Safety Day Co-Chair.

Asset Management

CVSan’s Board and General Manager provide executive and administrative oversight of all design, construction, operation, and maintenance of over 6,500 publicly owned hard assets. These assets include pipes, manholes, pumping stations, vehicles; and office and storage buildings. Establishment of service fees for more than 17,000 individual commercial and residential service connections is also under their executive authority.

Transparency Certificate of Excellence

On November 18, 2013, CVSan received the District Transparency Certificate of Excellence from the Special District Leadership Foundation (SDLF) in recognition of its “outstanding efforts to promote transparency and good governance.” The requirements include training all Board members in ethics, properly conducting open and public meetings, and filing financial transactions and compensation reports with the State Controller in a timely manner.
Construction Updates

CVSan completed another repair and rehabilitation project that addressed many of our system’s aging and defective pipes. Approximately 2,400 feet of pipe was replaced throughout Castro Valley. The repairs addressed some of the defects that are bound to come as infrastructure ages. In this case, some pipes have been in use for close to 75 years.

Drought Tolerance - O&M Efficiencies Reduce Water Use

CVSan’s hydro-jetting machines use up to 50 gallons of water per minute to scour pipes and move debris through the system. Maintenance and inspection activities use an average 900 gallons each day. By using partially treated wastewater from the pipeline and switching to sewer cleaning tools that require less water to operate — or, in some instances, no water at all — CVSan has reduced its water consumption by over 14 percent. These efforts have significantly reduced water consumption for sewer maintenance and have moved CVSan closer to meeting its 20 percent reduction goal by June 2015.

The Real Cost of Flushable Wipes

Although they can be flushed, “flushable” wipes don’t disintegrate quickly and can clog sewer pipes and pumps. Crews have to unclog them, which costs money and wear and tear on the system. Unfortunately, that cost has to be passed on to you, the customer. Remember, only flush the 3 Ps: pee, poop and (toilet) paper.
CVSan's Lateral Replacement Grant Program (LRGP) completed its 15th year in 2013/14 and was in such high demand that an additional $50,000 was added during the Fiscal Year. Since the program’s inception in 1998, CVSan has granted over $925,000 in funding to nearly 525 property owners, resulting in a community investment of well over $1.85 million into our sewer system.

CVSan’s Flume - Where the Flows Come Together

CVSan’s Flume is located at the end of North 3rd St. in Castro Valley. It is the merging point of CVSan’s entire collection system and discharges to the Oro Loma Treatment Plant. Constructed in 1972, the Flume’s 36-inch pipe has an average peak daily flow of 4.5 million gallons of wastewater.

Pipeline Maintenance & Inspection Program Highlights

CVSan continued its aggressive approach to maintaining and inspecting sewer pipelines over the past fiscal year. Maintenance operations have remained steady and saw a 2 percent increase in total length of pipeline cleaned over the twelve-month period. Over that same period, CVSan’s pipeline inspection program posted a dramatic 81 percent increase in productivity. This was largely the result of refurbished inspection equipment and a rig that was deployed in mid-June 2013.

With this new equipment, CVSan has been able to identify and repair a large number of damaged pipes.
Used Oil Wins Program Innovation Award

CVSan’s Filter Exchange Program received a Program Innovation award from CalRecycle. CalRecycle recognized effective program innovations, including the best recycling strategies and “thinking outside the box” creativity. To increase residential curbside recycling of used oil filters, CVSan offers the Filter Exchange Program twice a year for six weeks. Single-family residents who call WMAC 24 hours before placing a filter at the curb for recycling receive a coupon for a free new filter.

Environmental Leadership in Waste Reduction Scholarship

In 2013, CVSan developed the Environmental Leader in Waste Reduction Scholarship as a way to recognize students who are taking action and encouraging environmental awareness through waste reduction within their school and community. The two 2013/14 scholarship recipients are CVHS graduates Madeline Hahn and Suzanna Chak, who demonstrated environmental leadership through participation in CVSan’s Community Advisory Committee and in environmental clubs at Castro Valley High School.

Green Hearts Team

At the 2013 Fall Festival, over 85 Green Hearts Team hours were logged, as volunteers monitored recycling and composting (organics) stations during the two-day event. Green Hearts also monitored recycling and composting stations at the Valley Blues Festival in September 2013, the Meet in the Street event in November 2013, and the Rowell Ranch Chili Cook Off and Rodeo events in May 2014. For more on the program, please visit cvsancal.com/greenhearts.
CVHS and CMS Save Big

Over the past few years, Castro Valley High School (CVHS) and Canyon Middle School (CMS) have made great strides with food scrap recycling to reduce waste, save resources, and save their schools money.

CVHS has reduced its garbage by 40 percent, saving approximately $20,000 a year. CMS has cut its trash by about 50 percent, saving approximately $10,000 annually! To learn more about CVSan Schools Programs, please visit cvsan.org/schools. •

The Path to Zero Waste

On August 5, 2014 the Board of Directors approved CVSan’s Zero Waste Strategic Plan, which includes strategies for maximizing diversion from landfill over the next 15 years.

Through a stakeholder and community participation process, CVSan developed 75 options with a goal of Zero Waste (at least 90 percent diversion) by the year 2029. All options will be further reviewed for approval. CVSan has provided leadership in Alameda County through the implementation of innovative recycling and organics diversion programs, and looks forward to continuing to partner with the community to achieve Zero Waste. •

Businesses Certified as 4R Stars

A total of 28 new businesses became CVSan certified 4R Stars during the 2013/14 fiscal year. New additions included: B.A. Morrison, Castro Valley Companion Animal Hospital, Castro Valley Library, Cornerstone Coffee, Dampa Filipino Food, Eden Bicycles, Fern Lodge, First Presbyterian Church, Mountain Mike’s, Redwood Convalescent Hospital, Rita’s Bay Area LLC, the Solar Company, Subway #5816, Transfiguration Church, Valley Java, and many more. To browse the entire directory of over 90 businesses, please visit cvsan.org/4RStarDirectory. •
CVSan continues to have the second lowest Sewer Service Charge in Alameda County. For several years, CVSan has received a “clean audit” of our financial statements from our external auditor. Reserve funds have grown over the past several years, enabling CVSan to budget for capital improvement projects on a pay-as-you-go basis where feasible. While earning our Transparency Certification from the Special District Leadership Foundation, we have increased the financial documentation available on cvsan.org.

FY 13/14 Revenues & Expenses

2013/14 Revenues

- Service Charges and Fees: $6,262,257 (73.7%)
- Permits and Inspection Fees: $10,000 (0.1%)
- Contract Administration Fees: $1,117,378 (13.1%)
- Aid From Others/Grants: $283,452 (3.3%)
- Connection/Annexation Fees: $37,500 (0.4%)
- Property Taxes: $590,000 (6.9%)
- Interest Income/Other: $200,851 (2.4%)
- **Total Revenues**: $8,501,438 (100%)

2013/14 Expenses

- Wastewater Collection: $3,431,038 (32.1%)
- Wastewater Treatment: $1,598,836 (15.0%)
- Wastewater Disposal: $288,219 (2.7%)
- Solid Waste Disposal: $1,421,151 (13.3%)
- Administration and General: $1,847,274 (17.3%)
- Renewal and Replacements: $944,098 (8.8%)
- Other Nonoperating Expenses: $5,000 (0.0%)
- Surplus to Reserves: $1,141,503 (10.9%)
- Capital Improvement Projects: $5,079,310 (44.8%)
- Funded From Reserves: $5,079,310 (44.8%)
- **Total Expenses**: $10,677,119 (100%)
Garbage & Recycling Rates

Effective July 1, 2014, monthly single-family residential solid waste rates for curbside cart services are as follows:

|                | Garbage | Recycling
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>20-gal.</td>
<td>$23.80</td>
<td>$261.83</td>
</tr>
<tr>
<td>32-gal.</td>
<td>$36.92</td>
<td>$485.06</td>
</tr>
<tr>
<td>64-gal.</td>
<td>$64.11</td>
<td>$696.78</td>
</tr>
<tr>
<td>96-gal.</td>
<td>$91.33</td>
<td>$585.50</td>
</tr>
</tbody>
</table>

In addition to the selected garbage cart, services include a 64- or 96-gallon recycling cart and a 64- or 96-gallon organics cart, all serviced once per week.

Monthly multi-family residential and commercial solid waste rates for once per week bin services are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Recycling</th>
<th>Garbage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 cu yd</td>
<td>$261.83</td>
<td>$23.80</td>
</tr>
<tr>
<td>2 cu yd</td>
<td>$485.06</td>
<td>$36.92</td>
</tr>
<tr>
<td>3 cu yd</td>
<td>$696.78</td>
<td>$64.11</td>
</tr>
<tr>
<td>4 cu yd</td>
<td>$585.50</td>
<td>$91.33</td>
</tr>
</tbody>
</table>

Wastewater Rate Study - By the Numbers

CVSan’s wastewater system includes: 147 miles of sanitary sewer pipe, 1,000 sewer manholes, 9 sewage pump stations, 25% ownership of the CVSan/Oro Loma Sanitary District’s Wastewater Treatment Facility, 4 miles of outfall to receiving waters in the San Francisco Bay, and 1 Administrative Headquarters Building. Wastewater is collected from the thousands of CVSan customers, transported for treatment, and subsequently discharged into the San Francisco Bay.

SRF Loan Update

CVSan received funds from the State Water Resources Control Board, totaling $3,763,130. This money was used to improve the sewer system infrastructure at various locations throughout Castro Valley. CVSan also performed two single audits in the 2013/14 fiscal year. These audits are part of our ongoing accountability processes.