

SECTION 1.0 EXECUTIVE SUMMARY WASTEWATER SERVICE

1.1 Overview

The Water and Wastewater Municipal Services Review for West Contra Costa County focuses on the cities and special districts providing these services within the western portion of the county. California state law authorizes the Local Agency Formation Commission (LAFCO) within each county to establish boundaries and spheres of influence (SOI) for cities and special districts under their purview, and to authorize the provision of services within the approved service areas. In fulfillment of this responsibility, LAFCO is required to conduct periodic reviews of each service provider, and to adopt determinations with respect to the need for, and adequacy of, each current services agency's ability to provide adequate levels of service in the future.

The agencies included in this review are shown in Table 1.1, and their current boundaries are depicted in the overview maps at the end of this section (see Figure 1.1, Water Service Providers in Contra Costa County and Figure 1.2, Wastewater Service Providers in Contra Costa County).

**Table 1.1
Water and Wastewater Service Providers in Western Contra Costa County**

Service Provider	Size of Service Area (sq. Mi)	# of Water Service Connections	# Wastewater Service Connections
City of Hercules	8.1	0	8,600
City of Pinole	4.7	0	5,400
City of Richmond	13.5	0	68,300
Crockett Community Services District	1.1	0	Crockett 1,623 Port Costa 86
Rodeo Sanitary District	1.4	0	2,500
Steger Sanitary District	5.3	0	13,000
West County Wastewater District	16.9	0	31,776
East Bay Municipal Utilities District	146	381,415	0

East Bay Municipal Utilities District's (EBMUD) principal county for purposes of LAFCO is Alameda County, and EBMUD was reviewed in Alameda County LAFCO's MSR, *volume II – Utility Services*, adopted November 2005. Because EBMUD was reviewed under the aforementioned MSR, the district is not included as part of this MSR's discussions and determinations, although a section with information about EBMUD is included for reference purposes.

EBMUD is a multi-county services district with territory in both Alameda and Contra Costa counties. The district was formed in 1923 under the provisions of the Municipal Utilities Act to provide potable water services for the East Bay region. In 1944 the collection and treatment of wastewater was added to the services which the district provides, with the new division being called Sanitary District No.1 or SD-1. No direct wastewater collection services are provided within Contra Costa County by EBMUD, those services are provided by the Stege Sanitary District. EBMUD's water service territory in Contra Costa County includes the cities of Richmond, San Pablo, El Cerrito, Pinole, Hercules, Orinda, Lafayette, Moraga, Walnut Creek, Danville and San Ramon, as well as unincorporated areas such as Alamo and Kensington. Stege Sanitary District which is within SD-1, provides wastewater services into the City of El Cerrito, a portion of the City of Richmond and the unincorporated community of Kensington.

The MSR program initiated by Contra Costa County has broken the county up regionally and by service provision type. Because this MSR is focused on Water and Wastewater services, cities and districts which provide services which are beyond the scope of this MSR, will have their services reviewed and SOI recommendations made in the forth coming Western Sub-regional MSR which will presented in the near future.

1.2 STATUTORY REQUIREMENTS

In 2000, the California State Legislature broadened the authority of LAFCO's by directing the Commission of each LAFCO to conduct comprehensive reviews of the delivery of municipal services provided within the county and any other area deemed appropriate by the Commission. Additionally, legislators directed LAFCO's to complete sphere of influence reviews and updates of agencies under LAFCO's jurisdiction not less than every five years.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires that LAFCO review municipal services before updating the spheres of influence and to prepare a written statement of determination with respect to each of the following:

- 1) Infrastructure needs or deficiencies.
- 2) Growth and population projections for the affected area.
- 3) Financing constraints and opportunities.
- 4) Cost avoidance opportunities.
- 5) Opportunities for rate restructuring.
- 6) Opportunities for shared facilities.
- 7) Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers.
- 8) Evaluation of management efficiencies; and
- 9) Local accountability and governance.

The Municipal Services Review (MSR) process does not require LAFCO to initiate changes of organization based on service review findings; it only requires that LAFCO make determinations regarding the provision of public services per Government Code Section 56430. MSR's are not subject to the provisions of the California Environmental Quality Act (CEQA) because they are only feasibility or planning studies for possible future action that LAFCO has not approved (California Public Resource Code Section 21150). The ultimate outcome of conducting a service review, however, may result in LAFCO taking discretionary action on a change of organization or reorganization.

Recently enacted Assembly Bill 1744 (AB 1744) consolidates the nine determinations above into six determinations, for Municipal Service Reviews initiated after January 1, 2008. The new six determinations are:

- 1) Growth and population projections for the affected area.
- 2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs and deficiencies.
- 3) Financial ability of agencies to provide services.
- 4) Status of and opportunities for shared facilities.
- 5) Accountability for community service needs, including government structure and operational efficiencies.
- 6) Any other matter related to effective or efficient service delivery as required by commission policy.

This MSR was begun prior to January 2008 and therefore utilizes the nine determinations.

1.3 SERVICE REVIEW PROCESS

A collaborative approach has been used for the preparation of this MSR. The input of the public agencies is highly valued, and multiple opportunities were provided for their involvement. At the outset, a kick off meeting was held with the agencies to explain the process and request information. A service review questionnaire was distributed to the agencies for their completion. Agency data was collected and forwarded to the consulting team for review; follow-up discussions were held with agency staff for clarification. Agencies were provided an opportunity to review the administrative draft of their individual sections to provide clarification and address data gaps. Changes and comments were incorporated as appropriate in preparation for release of the Public Review Draft.

Upon direction from the Commission, this MSR will be released for public review and comment. The Commission will consider public comments at an upcoming public hearing and adopt the determinations accordingly.

1.4 SERVICE RELATED ISSUES

The western portion of Contra Costa County, like most of California will continue to experience growth. The rate of growth in West County will remain less than 1% (or below) annually. Growth will be restricted primarily to existing cities or urbanized unincorporated areas within the voter approved Urban Limit Lines (ULL). Within the existing communities, this growth will occur through land use changes and increased densities, which will increase service demands. Several of the cities providing wastewater collection also face the issue of serving older areas with often old collection systems. The agencies are addressing the need to renovate or replace aging infrastructure. Regulatory requirements are becoming increasingly more stringent, and agencies are challenged to anticipate and prepare for those future regulations to ensure that treatment processes and facilities continue to meet standards.

Funding will also continue to be a challenge, requiring agencies to regularly evaluate rate structures and capital facility fees to ensure that rates and fees are equitable and generate sufficient revenues to pay for the services. Revenues must cover the cost of adequate, reliable wastewater infrastructure, or the cost of rehabilitation or replacement when systems reach the end of their useful life.

The following sections provide a brief synopsis of the primary issues for wastewater services within western Contra Costa County.

1.4.1 GROWTH AND INFRASTRUCTURE NEEDS

Western Contra Costa County is generally considered nearing build-out, as most incorporated cities and unincorporated areas have few large undeveloped parcels of land available. This is further established by the adoption of the county Urban Limit Line, which could have the effect of promoting infill development and up-zoning existing properties. The Association of Bay Area Governments (ABAG) estimates that growth within this area between now and 2030 will be approximately .6 percent annually.

Even though projected growth in the future is not anticipated to match past growth rates, the average annual growth will still require that existing wastewater infrastructure be maintained, improved and upgraded. Other improvements will be required as a result of regulatory changes and infrastructure that is reaching the end of its useful life. The agencies covered within this MSR have planned for growth based upon adopted land use plans and are addressing the infrastructure needs through their Capital Improvement Plans, Facility Reserve Charges (or connection fees) and service rate structures.

1.4.2 SERVICE BOUNDARIES AND OUT OF AGENCY SERVICE

Service boundaries and out of agency service extensions are an issue throughout Contra Costa County. Some of the agencies reviewed in this MSR acknowledge that they are providing service outside of their approved service boundaries, although they have not received approval

from LAFCO. Government Code Section 56133 states that a city or special district may provide new or extended services by contract or agreement outside of its jurisdictional boundaries only if it first requests and receives written approval from LAFCO (This does not apply to an extended service that a city or special district was providing on or before January 1, 2001). Out of agency service is intended as a temporary measure to remedy a public health and safety situation (e.g. failing septic system) and in anticipation of a future annexation.

LAFCO is responsible for carrying out the State’s policy that encourages orderly growth and development through logical formation and determination of local agency boundaries. Through this service review process and updates to the respective spheres of influence, the local agencies should continue to work with LAFCO to correct boundary issues in accordance with State Law.

1.5 METHODOLOGY AND APPROACH

Each agency was contacted by LAFCO staff which provided a request for documents. The request for documents contained a list of documents that were to be submitted to LAFCO for review. LAFCO then sent the materials to the consultant which prepared a draft MSR. The Consultant also utilized the agencies websites for additional information not provided in documents provided by each entity. Finally as necessary, calls were made and emails were sent to agency staff requesting any additional materials or information.

After a section was prepared in draft form, a copy of that section was forwarded to the agency for review. The agency provided any missing information, provided comments and corrected errors or omissions. The updated information was incorporated into a revised draft that was submitted to LAFCO for discussion at an advertised public workshop where public input was solicited as well as any direction from the LAFCO Commission. Two months following the public workshop the MSR will be brought back to the LAFCO Commission for acceptance and adoption of the determinations.

1.6 SERVICE RATE COMPARISON

Agencies adopt rates for service based upon a number of factors, including the following: wastewater loading, operational cost, rate stability, regulatory-driven infrastructure needs, age of the system and rehabilitation needs, reserves and policies regarding pay as you go or financing for capital projects, and contractual requirements for debt service coverage, among others. Average usage rates for residential accounts is summarized in table 1.5

Table 1.5
Residential Water and Waste Water Service Residential Rate Comparison

Service Provider	Monthly	Yearly	Connection Fee	Other Charges
City of Hercules	\$19.17	\$230.04	\$2,000.00	0
City of Pinole	\$38.15	\$457.80	\$700.00	0
City of Richmond	\$39.08	\$469.00	\$2,556.00	0

Service Provider	Monthly	Yearly	Connection Fee	Other Charges
Crockett Community Services District	\$39.42 \$90.08	\$473.04 \$1,080.96	\$2,425 \$0	Crockett Port Costa
Rodeo Sanitary District	\$46.53	\$558.36	\$5,000.00	0
Stege Sanitary District	\$9.92 \$14.93 \$4.90	\$119.04 \$179.16 \$58.80	\$1,324.00	SSD EBMUD Wet Month
West County Wastewater District	\$15.00	\$180.00	\$2,357.00	WCWD
East Bay Municipal Utilities District				0

The wastewater service rates include collection, treatment and disposal. None of the agencies have special area wide special assessments for wastewater service that are paid separately through the property tax bill in addition to the service charge.

EBMUD is the regional and wholesale water supplier within Contra Costa County to the cities of Richmond, San Pablo, El Cerrito, Pinole, Hercules, Orinda, Lafayette, Moraga, and Walnut Creek, Danville and San Ramon as well as the unincorporated community of Alamo.

1.7 SUMMARY OF DETERMINATIONS AND KEY ISSUES

The following summarizes the determinations included in the chapters on the water and wastewater service providers.

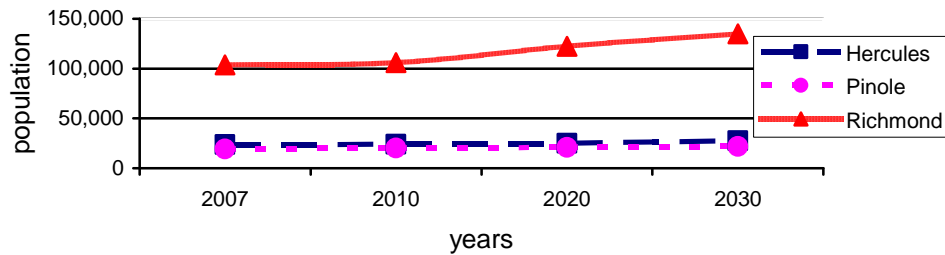
1.7.1 GROWTH AND POPULATION

Purpose: To evaluate service needs based upon existing and anticipated growth patterns and population projections.

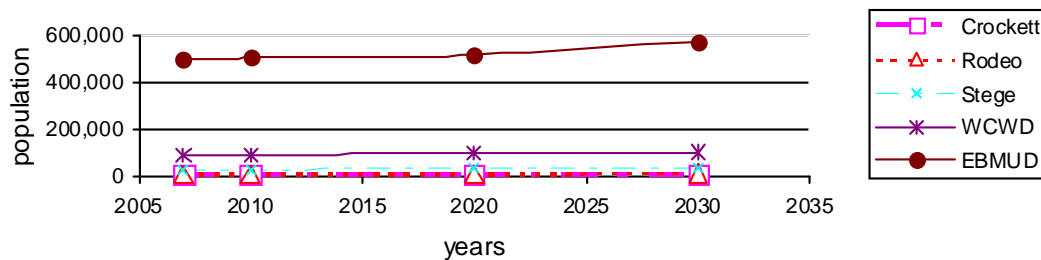
According to the projections prepared by the Association of Bay Area Governments (ABAG), the population within the three cities illustrated in this MSR is expected to increase from 146,774 (2007) to 170,000 by 2030, reflecting an annual rate of increase of approximately .65 percent over the 2007 population. The City of Richmond is expected to show the highest growth rate of approximately .8 percent annually.

There will be a continuing need for cost effective water and wastewater services within this area, given the current urban land uses, anticipated growth, aging wastewater collection systems and increasingly stringent water quality and environmental standards. These factors will impact and challenge the service providers in this MSR. Agencies will need to continue to maintain and improve the water and wastewater systems to ensure sustained service levels while minimizing impacts to existing customers.

City Population 2007-2030



District Population 2007-2030



1.7.2 INFRASTRUCTURE NEEDS OR DEFICIENCIES

Purpose: To evaluate the infrastructure needs and deficiencies in terms of supply, capacity, condition of facilities and service quality

The primary source of potable water supply for western Contra Costa County is the Mokelumne River and the Pardee Reservoir through EBMUD. Any new additional water services may require supplies from the U.S. Bureau of Reclamation’s (USBR) Central Valley Project (CVP). Any CVP water allocations to EBMUD are based upon hydrologic projections and are subject to a 25 percent reduction in dry years in accordance with the USBR Municipal and Industrial water shortage policy. The 2005 Urban Water Management Plan adopted by EBMUD indicate that water supplies will be adequate to meet projected demands in normal yearly conditions as well as a single and multiple year dry conditions through 2030.

With regard to CVP water supplies, EBMUD looks at using CVP water supplies only for growth in demand. Should the need arise LAFCO, EBMUD and the USBR should coordinate with regard to any potential future approvals, recognizing that LAFCO must make a determination regarding the available and timely supply of water.

Long range planning for infrastructure needs is based on a combination of projected growth, existing infrastructure including age and condition, changing regulatory and environmental requirements and the fiscal condition of the agency.

Infrastructure needs were identified for several agencies as discussed in this report. Agencies will need to implement phased improvements and pursue other system improvements to ensure that there are no service impacts to existing customers. Water and sewer system improvements will be required to maintain adequate service levels with future development.

Long term wastewater service planning may require the agencies to explore large scale consolidation of services to ensure their ability to provide cost effective service while continuing to meet increasingly restrictive regulatory requirements. One such solution may be to consolidate wastewater treatment services by expanding EBMUD's SD-1 to include all of the agencies covered within this MSR. It may be more cost effective to build a large wastewater interceptor line running from Crockett south through Richmond and connecting with the existing EBMUD system utilized by Stege Sanitary District. EBMUD has the current capacity to treat the additional effluent. This approach would have the added benefit of closing four or five existing treatment facilities with their associated outfalls.

1.7.3 FINANCING CONSTRAINTS AND OPPORTUNITIES

Purpose: To evaluate a jurisdiction's capacity to finance services and needed improvements

Each of the service providers charge fees for services, based on usage with cost factors included to cover upkeep and maintenance of the system infrastructure. For long term capital needs, agencies may use a pay as you go approach for new development, seek governmental grants and loans or borrow from private capital markets through voter approved bond issues.

The cities and special districts operate their water and wastewater services as enterprise activities, meaning that service charges are intended to cover operating cost. Some agencies receive a portion of the one percent ad valorem property tax. Special Districts receiving some of their funding through property tax include: Rodeo Sanitary District, Stege Sanitary District, West County Wastewater District and EBMUD.

1.7.4 COST AVOIDANCE OPORTUNITIES

Purpose: To identify practices or opportunities that may help eliminate unnecessary cost.

Each of the cities and districts reviewed within this MSR attempt to control costs through the use of master planning studies, capital planning and service related studies on shared or joint facilities. Additionally the cities of Hercules and Pinole along with the WCWD are studying consolidation of service provision as a cost saving measure. Although those studies are not yet complete, they may find that consolidation is not cost effective.

All of the agencies are involved in system improvements and rehabilitation to their wastewater collection systems. Each of the agencies has set up programs to reduce FOG (deposits of Fat, Oil and Grease) blockages within the systems and use technology to improve the operations of the Wastewater Treatment Plants.

1.7.5 OPPORTUNITIES FOR RATE RESTRUCTURING

Purpose: To identify opportunities to impact rates positively without decreasing service levels.

The agencies evaluate their water and sewer rates annually factoring in operational costs and infrastructure needs. Additionally the agencies have developed capital facility plans to assure that new development pays its share of the capital improvement cost associated with serving their development. Fees, including connection fees, are periodically reviewed.

1.7.6 OPPORTUNITIES FOR SHARED FACILITIES

Purpose: To evaluate the opportunities for jurisdictions to share facilities and resources to develop more efficient and cost effective service delivery.

The cities of Hercules and Pinole share and jointly operate a Wastewater Treatment Plant located within the City of Pinole. Although located within the City of Pinole, Hercules provides for half of the operational cost of the facility. Both cities and WCWD are studying the fiscal impacts of consolidation. Additionally the cities of Hercules and Pinole have a Joint Powers Agreement with Rodeo Sanitary District for use of a combined deep water outfall.

The City of Richmond through the West County Agency (WCA, a Joint Powers Authority (JPA)) with WCWD, accepts the treated WCWD effluent for discharge into the jointly owned deep water outfall maintained by WCA into San Francisco Bay. The City of Richmond dechlorinates the effluent from WCWD and blends it with their treated effluent before it is discharged into the outfall.

The Stege SD utilizes EBMUD's north sewer interceptor line to transport wastewater for treatment at EBMUD's regional Waste Water Treatment Plant located in the City of Oakland.

As mentioned above in section 1.7.2 there may be an additional opportunity for shared facilities by expansion of EBMUD's SD-1 to include all of western Contra Costa County.

1.7.7 EVALUATION OF MANAGEMENT EFFICIENCIES

Purpose: To evaluate the internal organizational structure of the agency.

Each of the agencies is overseen by elected governing boards and appointed managers. The agencies manage these water and wastewater utilities through the use of a number of planning and management tools to ensure that services are delivered in an efficient, cost effective manner.

These plans include Master Service Plans, Urban Water Management Plans, Sewer System Master Plans, Capital Improvement Plans, city and county General Plans. These plans help to ensure that the systems are managed and funded in a transparent fashion for greater accountability. All agencies appear to be functioning well; no structural management issues are identified in this MSR.

However, one of the significant issues identified in this service review is that several of the agencies are providing service outside of their existing boundaries or sphere and are not in compliance with Government Code Section 56133. For example West County Wastewater District has been providing service into North Richmond since 1958 by agreements with the City of Richmond. Stege Sanitary District has been providing service to an area in southeastern Richmond since 1982. These out of area services should be reviewed and brought before LAFCO to ensure compliance with the Government Code to the extent possible.

1.7.8 GOVERNMENT STRUCTURE OPTIONS

Purpose: To consider the advantages and disadvantages of various governmental structures to provide public services.

The MSR discusses various governmental structure options for several of the wastewater agencies. These include annexation of areas being served that are currently outside the agencies boundaries and or SOI and/or consolidation of services.

Crockett Sanitary District is providing LAFCO approved out of agency service to a single parcel outside of its current service boundary with annexation of that parcel into the District recommended in the MSR.

Stege Sanitary District is providing service to an estimated 97 parcels that are outside of its current service boundary and within the City of Richmond via contract. The contract was established because of a landslide in 1982 which destroyed the City of Richmond's existing sewer mains providing service into this area. This service area is remote from the City and requires the lengthy extension of service mains and several lift stations to transport the wastewater up the hills and across the ridgelines to reach the existing service mains of the City. It was decided that in the interest of expediting services into this area that SDD could provide the fastest service into this area from El Cerrito which is contiguous to this area. The District is not interested in annexing this area because of the high risk of landslides and the liability that may impose upon the District. Additional study will be required which may include engineering studies and review of other municipal services provided into this area before any determination can be made on long term service delivery or SOI options.

WCWD is providing service to an estimated 45 parcels outside of its service boundaries. Annexation of these areas would improve accountability by entitling the rate payers to vote for the District directors.

The City of Hercules is facing challenges to its wastewater collection system in both capacity and Inflow/Infiltration (I/I) issues. The San Francisco RWQCB has ordered that Pinole which operates the joint wastewater treatment facility to consider options for expanding its legal authority to reduce I/I from the Hercules system.

The MSR suggest three possible government structure options available to the City of Hercules. These include:

- a) Maintaining the status quo, which means requiring the City to resolve current I/I issues and completing necessary CIP repairs;
- b) Consolidate sanitary sewer service with the City of Pinole; or,
- c) Consolidate sanitary service with WCWD.

The MSR suggests the same three possible government structure options for the City of Pinole.

Reviewing Rodeo Sanitary District's boundaries and service area it was discovered that the District is providing services outside of its current boundaries to two inhabited areas. One area is the Bayo Vista apartment complex and the other area is a portion of a tract of single family homes located along Viewpoint Blvd. No changes are recommended at this time to the District's SOI to include these two areas. Amending the District's SOI to include these two areas will require CEQA review which is not available at this time. It is recommended that RSD pursue annexation of these two areas, and as part of the annexation process include the amendment to the SOI. The District as lead agency would review the annexation under CEQA, which would include the SOI amendment.

1.7.9 LOCAL ACCOUNTABILITY AND GOVERNANCE

Purpose: To evaluate the accessibility and levels of public participation associated with the agency's decision making and management process.

Each of the agencies operates under the direction of an elected governing board. An elected board is generally considered to be accountable to the public, as each of the board members must be elected by the public. Each of the agencies reviewed in this MSR encourages public participation by informing customers about services, rates, conservation, problem reporting and by providing contact information on their websites. Each of the agencies also provides information as handouts. Additionally, they hold noticed public meetings that are open and accessible to the public.

1.8 SPHERE OF INFLUENCE RECOMMENDATIONS

Based on the analysis completed for the nine areas discussed above, this MSR contains recommendations for updating the spheres of influence for each service provider. Below is a brief summation of the recommendations found within this review.

CITY OF HERCULES: The City provides wastewater collection services to the entirety of the City. At this time the City is supplying adequate wastewater collection and treatment services to

the rate payers within their service area. The City shares the ownership and operational cost of the Wastewater Treatment Plan (WWTP) with the City of Pinole. The WWTP is located in the City of Pinole. However the WWTP will need future expansion and updates to meet increasingly stringent water quality and environmental standards of the RWQCB. The City is evaluating the infrastructure needs and cost of directing all wastewater flows to the West County Wastewater District's treatment facility to determine if that might be more cost effective than expanding the existing shared facility with the City of Pinole. In this regard the City is reviewing its future options which might include both the City of Pinole and the WCWD. SOI recommendations regarding wastewater services for the City of Hercules are not included with this MSR but will be included in the West Contra Costa County Sub Regional MSR to be presented later this year which will review all of the municipal services provided by the City of Hercules.

CITY OF PINOLE: The City provides wastewater collection services only to portions of the City. The southwestern portion of the City is serviced by WCWD. Like the City of Hercules, the City of Pinole is reviewing and studying future opportunities and cost savings for its wastewater collection and treatment system. Expansion of the existing WWTP will be expensive, and the City is exploring alternatives to determine which would be the most cost effective. SOI recommendations regarding wastewater services are not included with this MSR but will be included in the West Contra Costa County Sub Regional MSR, to be presented later this year which will review all municipal services provided by the City of Pinole.

CITY OF RICHMOND: The City of Richmond provides wastewater collection and treatment services for the older central core of the City. Northern portions of the City receive wastewater collection services from the WCWD and treatment services from EBMUD. Additionally a southeastern portion of the City is provided wastewater collection and treatment services from the Stege Sanitary District. The City's wastewater collection system is aging and in many areas approaching the end of its useful service life. The City has been experiencing problems with sewer spills and has been involved in a lawsuit filed by an environmental group. In settlement of the lawsuit, the City will expend approximately \$20 million over the next five years on its wastewater collection and treatment system to be funded by two bond measures approved in 2007. SOI recommendations regarding wastewater services are not included with this MSR, but will be included with in the West Contra Costa County Sub Regional MSR, to be presented later this year which will review all municipal services provided by the City of Richmond.

CROCKETT COMMUNITY SERVICES DISTRICT: The Crockett Community Services District (CCSD) was formed in 2006 by reorganization of the Crockett-Valona Sanitary District, County Sanitation District No. 5 (Port Costa) and County Service Area P-1. The CCSD has a service area of a little over one square mile and provides wastewater collection, treatment and disposal, recreation, street lighting, landscape maintenance, graffiti abatement and provides for the construction and maintenance of the library building. CCSD serves the unincorporated communities of Crockett and Port Costa which lies approximately one mile east of the community of Crockett. Currently the SOI and the District's service boundaries are coterminous. A review of the other services provided by the District will be covered in the West Contra Costa County Sub Regional MSR, to be presented later this year. While fairly new, The

CCSD provides an adequate level of service to its customers and has planned for future growth through its budgeting and improvement planning. Currently the District is providing service with LAFCO approval to a single parcel outside of the District's existing service boundary and sphere. Both the landowner and the District plan to seek annexation of this parcel but have been waiting for the final consolidation of Sanitation District No. 5 (Port Costa) which is part of the reorganization forming CCSD, and is just now being completed. It is recommended that the SOI of the CCSD not be expanded to include this parcel, APN 354-290-004 at this time. When the District seeks annexation of this parcel, the application should include a request to amend the SOI to match the annexation.

RODEO SANITARY DISTRICT: The Rodeo Sanitary District (RSD) was formed in 1939 under the provisions contained in the Sanitary District Act of 1923. The District service area includes the unincorporated communities of Rodeo and Tormey, and covers an area of approximately 1.4 square miles. The District owns its own Wastewater Treatment Plant which is rated at approximately 1.2 million gallons per day of treatment, with current flow of approximately half of the rated capacity. The District has an aging collection system and is implementing local ordinances to require homeowners to replace old and inadequate sewer laterals at the time of a property transfer. Additionally the District has implemented technology improvements to the WWTP which have improved efficiency and reduced operational costs. Presently the District's SOI is coterminous with the District's service boundary. In review of the District's boundaries it has been discovered that the District is providing service into two inhabited areas. One of the areas is the Bayo Vista apartments located southeast of San Pablo Avenue and northeast of the District's boundaries. The Bayo Vista development lies between the District and the Conoco-Phillips refinery. The second area is portion of a tract, consisting of single family homes along Viewpoint Blvd. It is recommended that the District retain the existing SOI at this time. Expansion of the existing SOI at this time is not possible without CEQA review. The District however is encouraged to submit an application to LAFCO for both an SOI amendment and annexation for these areas in the future.

STEGE SANITARY DISTRICT: The Stege Sanitary District was initially formed in 1913, and reorganized under the provisions of the Sanitary District Act of 1923. The District serves an area of approximately 5.3 square miles in size which includes the City of El Cerrito, the unincorporated community of Kensington and an area known as the Richmond Annex within the City of Richmond. The District owns a wastewater collection system consisting of approximately 148 miles of mains which tie into the EBMUD's north interceptor line at Point Isabel. The District is actively working on implementing its Collection System Rehabilitation Program, that has thus far has replaced 7 percent of the District's mains and completed 997 repairs. Currently the District's SOI is coterminous with its service boundaries. However the District is providing service to an area containing 97 homes located within the City of Richmond (east of the City of El Cerrito), via contract with the City of Richmond. This area is outside of the District's boundaries and SOI. The District began service this area in 1982 after a local landslide severed the City's sewer mains serving this area. It was determined that service could be provided more expediently into this area from Stege SD than by the City. SDD is opposed to any future annexation of this area as the high potential of additional landslides and the liability those risks would impose upon the district. It is not recommended that the District's SOI be

amended to include the 97 homes receiving out of territorial services from the District at this time. Service delivery into this area will require additional in depth review, and may need to include engineering studies in order to determine the long term service provision and provider for this area.

WEST COUNTY WASTEWATER DISTRICT: The West County Water District provides wastewater collection, treatment and disposal services (including disposal of the residual solids generated in the treatment process) to an area of approximately 16.9 square miles. The service area includes the City of San Pablo, the northern portion of the City of Richmond, the Crestview area of the City of Pinole, and the unincorporated communities of El Sobrante, Tara Hills, Rollingswood and Bayview. The District also provides contract service to the Crockett SD for system wide maintenance. The District utilizes the City of Richmond's deepwater outfall facilities located at Richmond's wastewater treatment facility. WCWD is also providing out of area service to an estimated 45 parcels in East Richmond Heights, which is also outside of the existing SOI. The current district SOI is coterminous with its outermost exterior boundaries. Current District boundaries contains many islands, however all of these islands are within the existing SOI. No changes are recommended for the WCWD SOI at this time as any addition to the existing SOI would require CEQA review. It is recommended that the District seek annexation of the 45 parcels currently being served by the District in East Richmond Heights.