

SECTION 3.0
CITY OF PINOLE
WASTEWATER SERVICES

3.1 Overview

The City of Pinole encompasses approximately 4.7 square miles on the shores of San Pablo Bay. Incorporated in 1903, the City has an estimated population of 19,234 residents. Pinole is bounded to the north by San Pablo Bay, to the south and west by the City of Richmond and unincorporated area, and to the east by the City of Hercules. The City’s Sphere of Influence (SOI) encompasses an additional 1.7 square miles to the west and south. Pinole receives water service from the East Bay Municipal Utility District (EBMUD). The City provides wastewater services within a majority of the City’s corporate boundaries. The West County Wastewater District (WCWD) serves areas to the west and south, including approximately 477 parcels in the Crestview portion of Pinole as well as the City’s SOI areas. The City does not provide wastewater service to any parcels outside its corporate boundaries.

Pinole provides wastewater collection, conveyance, treatment, and disposal services. Treatment is provided at the Pinole-Hercules Water Pollution Control Plant (WPCP) in Pinole. Hercules and Pinole jointly share in this facility; the City of Pinole is the designated operator. Secondary effluent is conveyed to the Rodeo Sanitary District (RSD) Water Pollution Control Plant where it is combined with RSD effluent and discharged into San Pablo Bay. In 1977, RSD and the cities of Pinole and Hercules entered into a Joint Powers Agreement to provide deep water wastewater disposal facilities.

The City’s profile for wastewater service is shown in *Table 3.1*. A map of the City’s boundary and current SOI are shown in *Figure 3.1*.

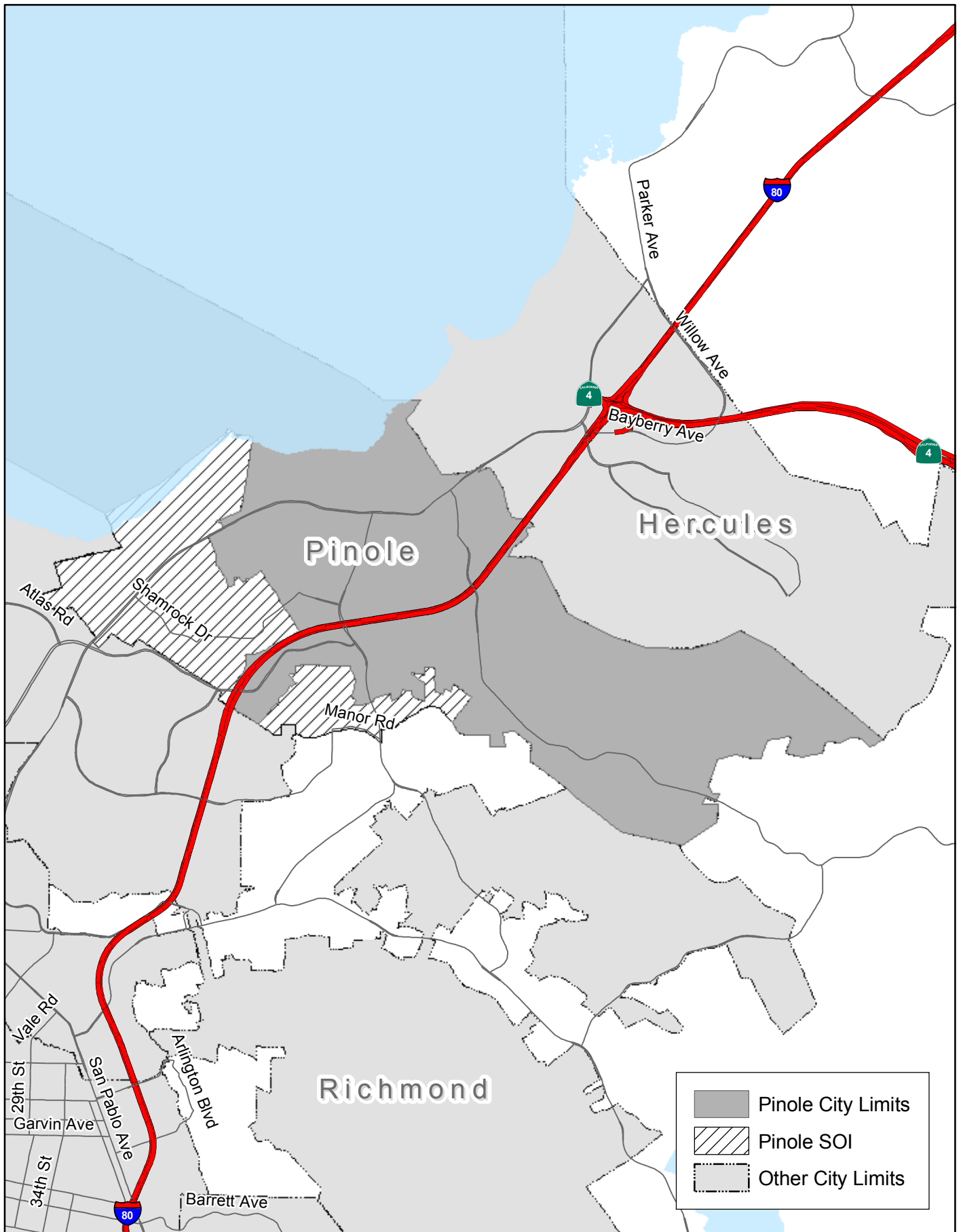
Table 3.1
City of Pinole
Wastewater Service Information

Service Area / Financial Summary	
Public Works Department:	2131 Pear Street Pinole, CA 94564 (510) 724-9000 www.ci.pinole.ca.us
Service Area:	4.7 square miles
Population:	19,234 (Year 2007) / 21,800 (Year 2030) Average Annual Growth Rate = 0.6%
Sewer Enterprise Fund Operating Budget (FY 2007/2008):	Revenues / Expenditures: \$5,235,602 / \$5,480,342

**Table 3.1
City of Pinole
Wastewater Service Information**

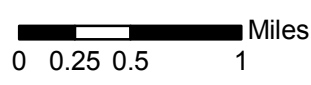
Net Assets:	Sewer Fund Net Assets 06/30/2007: \$8,742,209
Wastewater Service Data	
Services	Wastewater collection, conveyance, treatment, disposal
Number of wastewater service accounts:	Approx. 5,400
Miles of Sewer Main / Number of Lift Stations	46.5 miles / 2 lift stations
Average Age of Collection System	58 years
Average Dry Weather Flow / Peak Wet Weather Flow	Pinole: 1.5 mgd / 7.6 mgd Hercules: 1.7 mgd / 5.6 mgd
Treatment / Design Capacity	Pinole-Hercules WWTP 4.06 mgd dry weather 10.3 mgd peak wet weather
RWQCB Region	Region 2 – San Francisco Bay
Orders	Order No. R2-2007-0024 – Waste Discharge Requirements for the Pinole-Hercules WPCP Order No. 2006-0003 – Statewide General Waste Discharge Requirements for Sanitary Sewer Systems

City of Pinole Boundary and Sphere of Influence



Map created 12/31/2007
by Contra Costa County Community Development, GIS Group
651 Pine Street, 4th Floor North Wing, Martinez, CA 94553-0095
37:59:48.455N 122:06:35.384W

This map was created by the Contra Costa County Community Development Department with data from the Contra Costa County GIS Program. Some base data, primarily City Limits, is derived from the CA State Board of Equalization's tax rate areas. While obligated to use this data the County assumes no responsibility for its accuracy. This map contains copyrighted information and may not be altered. It may be reproduced in its current state if the source is cited. Users of this map agree to read and accept the County of Contra Costa disclaimer of liability for geographic information.



3.2 Growth and Population Projections

The City of Pinole has an estimated current population of 19,234 residents.¹ The Association of Bay Area Governments (ABAG) projects a population of 21,800 by 2030² reflecting an average annual growth rate of 0.6 percent. The city is primarily residential with commercial areas located near major arterials. Pinole is considered built-out; no significant changes to existing residential areas are anticipated and no large housing developments are projected. The modest increase in population over the next 22 years would result from small infill development or from increased densities on under utilized parcels.

In the introduction to the City’s FY 2007-2008 budget, the City noted that it is not anticipating a significant change in population over the next decade. Furthermore, the City is projecting minimal construction of single family residences for the next three to five fiscal years, and a shift towards more affordable multi-unit projects is anticipated. Through FY 2009-2010, the City anticipates the construction of 250,000 square feet of private commercial and industrial development in the Pinole Shores Business Park and at Gateway East and West. Even with the minimal growth projections, the current urban land uses and increasingly stringent water quality standards administered by the RWQCB will require the City to continue to plan for and implement improvements to its wastewater services to serve existing and new customers. The City will need to implement capital improvements and preventive maintenance programs to ensure adequate service levels are maintained.

3.3 Infrastructure Needs or Deficiencies

Pinole’s wastewater infrastructure consists of a collection and conveyance system, shared ownership of the Pinole-Hercules Water Pollution Control Plant (WPCP), a shallow water outfall and a shared deep water outfall. *Table 3.2* summarizes the City’s wastewater system facilities:

Table 3.2
City of Pinole
Wastewater System Overview

Facility	Quantity
Sewer Mains	46.5 miles
Lift Stations	2
Average Age of Collection System	58 years
Average Dry Weather Flow / Peak Wet Weather Flow	Pinole: 1.5 mgd / 7.6 mgd Hercules: 1.7 mgd / 5.6 mgd

¹ California Department of Finance, Population Estimates for Cities, Counties and State, 2001-2007 (Table E-4)

² Association of Bay Area Governments, Projections 2007

Table 3.2
City of Pinole
Wastewater System Overview

Facility	Quantity
Treatment /Disposal	Pinole-Hercules WPCP in Pinole Shallow water outfall at the WPCP Deep water outfall in San Pablo Bay shared by Rodeo Sanitary District, Pinole and Hercules

3.3.1 Collection and Conveyance System

Pinole provides sanitary sewer service to approximately 5,400 accounts, of which 95 percent are residential and 5 percent are commercial. The City provides preventive maintenance on the system, including hydroflushing and mechanical cleaning and inspecting for root intrusion, pipe integrity, and removal of foreign objects. The annual maintenance activities identified in the City’s Pumping and Collection Systems Reliability and Management Plan include the following: rehabilitation projects to mitigate infiltration and inflow and maintain system integrity; bi-weekly operations checks on the lift stations; quarterly training on emergency bypass pumping and generator power at the lift stations; inspections; and incorporating rehabilitation information into the City’s GIS database.

Pinole is within the jurisdictional boundaries of the San Francisco Bay Regional Water Quality Control Board (RWQCB) – Region 2. In 2006, the State Water Resources Control Board adopted the Statewide General Waste Discharge Requirements for Sanitary Sewer Systems (WQO No. 2006-003-DWQ) and Pinole must now report all sewer system overflows (SSOs) to the California Integrated Water Quality System (CIWQS). As of February 2008, the City had only one reported SSO that exceeded 500 gallons.

Pinole has prepared a Sewer System Management Plan (SSMP) in accordance with the requirements of the SWRCB’s General Waste Discharge Requirements for Sanitary Sewer Systems (Order No. 2006-0003-DWQ). This Plan also includes an Emergency SSO Response Plan and the Pumping and Collection Systems Reliability and Management Plan described above. Emergency response personnel from the City’s Public Works Department are on call 24 hours per day, 7 days per week.

The City has major issues with inflow and infiltration (I/I) due to the age of the sewer mains in the older parts of the City’s collection system. The major force main that conveys treated wastewater from the WPCP to Rodeo is aged and needs to be replaced. For FY 2007/2008, the City approved \$7,250,000 in capital project expenditures for the sanitary sewer system, including resumption of the sewer lining program at \$30,000 per year and \$600,000 in matching funding for construction of a new lift station in conjunction with a redevelopment agency project. The

City's five-year CIP (2007-2012) identifies the need for \$1,440,000 to rehabilitate the collection system, most of which will involve installation of new lining within existing sewer mains to extend the life of the existing collection system and reduce I/I. The City also plans to prepare a comprehensive Collection System Maintenance Master Plan; the Plan is anticipated to be complete by July 2008.

3.3.2 Treatment Plant

The Pinole-Hercules WPCP is located at 11 Tennent Avenue in Pinole. It is operated and maintained by the City of Pinole, and Hercules shares proportionally in all operations, maintenance, and capital costs for the plant. The treatment capacity is 4.06 million gallons per day (mgd), with 1.79 mgd allocated to Pinole and 2.27 mgd allocated to Hercules. The current average flow is 3.5 mgd. The plant was originally constructed in 1955; the last major upgrade was in 1985 when the capacity was increased to the current 4.06 mgd.

In March 2007, the San Francisco RWQCB issued Order No. R2-2007-0024 permitting the discharge from the Pinole-Hercules WPCP. The City of Pinole is the named Discharger. The Order includes requirements that Pinole undertake corrective measures to increase dry and wet weather capacity at the WPCP in order to eliminate blending at the deep water outfall and prevent discharge at the shallow outfall. Specifically, Pinole, with the participation of Hercules, must complete the following:

- By June 1, 2008: Submit a Collection System Master Plan that includes, at a minimum, a 10-year capital improvement project along with an implementation schedule to reduce inflow and infiltration (I/I). Pinole must also consider options for expanding its legal authority to reduce I/I from the portion of the collection system owned and operated by the City of Hercules.
- By June 1, 2009: Submit an Engineering Report that describes WPCP upgrades that will increase the treatment capacity of the facility.
- By August 1, 2010: Provide an Environmental Impact Report, certified by the local lead agency, on the project described above and begin securing funds for the project.
- By August 1, 2011: Secure funding for WPCP upgrades
- By August 1, 2012: Begin design
- By November 1, 2015: Complete construction
- By June 1, 2016: Ensure WPCP facilities are online and operational

As a 50-percent owner, Hercules is responsible for assisting Pinole as needed and cost sharing in these requirements.

Pinole and Hercules are working with the West County Wastewater District (WCWD) on two parallel studies to evaluate the infrastructure needs and costs for all wastewater flows to be directed from Hercules and Pinole to the WCWD WPCP. The impact to WCWD's treatment facilities and conveyance to the East Bay Municipal Utility District (EBMUD) North Richmond Water Reclamation Plant and the City of Richmond WPCP for disposal will be assessed in the studies. The studies are expected to be complete by July 2008.

In addition, the Rodeo Sanitary District (RSD) has indicated that it may be able to provide wastewater treatment for a portion of Hercules, reducing flows to the Pinole-Hercules WPCP and freeing up capacity at the facility. No studies have been conducted to evaluate this opportunity.

Pinole's FY 2007/2008 sanitary sewer capital projects budget includes funding for completion of the fourth digester component at the WPCP. It also includes funding to continue transportation of partially treated wastewater to EBMUD for overflow processing of biosolids. The fourth digester and improvements to the other three digesters should alleviate this capacity constraint and make transporting of solids to EBMUD a rare event. The City's five-year CIP includes \$30,500,000 in wastewater treatment plant projects, including \$200,000 for the capacity expansion.

3.3.3 Disposal Facilities

Pinole discharges treated wastewater through a deep water outfall that is shared with the City of Hercules and RSD. The outfall is located in Rodeo and discharges into San Pablo Bay. Management and use of the outfall is governed by a Joint Powers Agreement that the three agencies entered into in 1977. RSD manages the facility, and the agencies share proportionally in administrative and capital costs based on peak hourly wet weather flows.

In addition to the deep water outfall, there is a shallow water outfall at the Pinole-Hercules WPCP. This outfall is used when the combined flow of the WPCP and RSD exceed the capacity of the deep water outfall, when the deep water discharge is being repaired, or when wet weather flows exceed the 10 mgd capacity of the WPCP. As noted above, the City is required to complete tasks outlined in the RWQCB Order to prevent discharge to the shallow water outfall.

3.3.4 Summary

Pinole's wastewater infrastructure consists of a collection and conveyance system, a 50-percent ownership interest in the Pinole-Hercules WPCP, and two outfalls. Infiltration and inflow is a critical issue due to its impact on treatment capacity and the need to use the shallow water outfall. The San Francisco RWQCB has ordered that Pinole consider options for expanding its legal authority to reduce I/I from the Hercules system. The WPCP will have to be expanded by

2015; these issues represent significant infrastructure needs and will require capital investment. The City intends to fund its share of the WPCP expansion through rate increases and passage of bonds.

3.4 Financing Constraints and Opportunities

Pinole’s sanitary sewer services are funded through service charges, and the City accounts for its wastewater utility through an enterprise fund. Hercules reimburses Pinole for its proportional share of the Pinole-Hercules WPCP operations, maintenance and capital improvements.

For FY 2006/2007, the City had total General Fund revenues of \$11,800,000 and total expenses were \$12,250,000. For the same period sewer operating revenues were \$5,000,000 and operating expenses were \$4,800,000 million. *Table 3.3* summarizes the financial history of Pinole’s wastewater utility enterprise fund.

Table 3.3
City of Pinole
Wastewater Utility Enterprise Fund Summary

	FY 2004/2005 Actual	FY 2005/2006 Actual	FY 2006/2007 Actual	FY 2007/2008 Budgeted
Operating Revenues	\$3,227,371	\$4,008,075	\$4,978,387	\$5,235,602
Operating Expenses	\$3,693,603	\$4,477,690	\$4,768,535	\$5,480,342
Net Non-operating Revenues / (Expenses)	\$1,877	(\$19,953)	(\$19,450)	
Capital Contributions/ Transfers Out	(\$75,000)	(\$75,000)	\$1,214,897	
Change in Net Assets	(\$539,355)	(\$564,568)	\$1,405,299	
Beginning Balance	\$8,440,833	\$7,901,478	\$7,336,910	\$8,742,209
Net Assets, End of Year	\$7,901,478	\$7,336,910	\$8,742,209	

The City’s wastewater utility has been operating at a deficit due to insufficient revenues. In 2006, the City increased its wastewater service rates and has resulted in net operating revenues in excess of expenses, with the difference being allocated to establish an operating reserve in the Wastewater Utility Enterprise Fund for the first time.

Pinole has long-term debt associated with its wastewater utility. In 2006, the City issued \$10,000,000 in Wastewater Revenue Bonds to fund the construction of the fourth digester, renovate and improve the three existing digesters, and other projects. The 30-year bonds bear interest between 4.0 and 4.4%.

As noted above in *Section 3.3*, the City intends to fund its share of the WPCP expansion through rate increases and passage of a bond measure. The City has planned for its capital needs through

a five-year CIP and is implementing projects as funding allows. The City uses long-term financing to fund major capital projects. The increase in wastewater utility rates has alleviated a financing constraint and allowed for an operating reserve to be established.

3.5 Cost Avoidance Opportunities

Pinole is working with the West County Wastewater District on a study to evaluate the infrastructure needs and costs for wastewater flows to be directed from Pinole to the WCWD WPCP. There may be a long-term cost savings from this option versus expansion of the Pinole-Hercules WPCP; the effluent water quality standards for discharge to San Pablo Bay will be a factor as they determine the type of treatment necessary and the cost.

The City is implementing a collection system rehabilitation program and is planning to develop a Collection System Maintenance Master Plan. These programs will extend the life of the wastewater infrastructure, reduce flows to the WPCP, reduce I/I and reduce the risk of sanitary sewer overflows and fines. Additional cost avoidance opportunities may be available if the City were to require sewer and lateral inspections upon sale of property, with the property owner responsible for any necessary repairs.

3.6 Opportunities for Rate Restructuring

As noted in *Section 3.4*, the City’s wastewater utility had been operating at a deficit due to a rate structure that did provide adequate revenues to cover operating and capital costs. The City increased rates on July 1, 2006 based on a comprehensive rate study. Sewer user fees are collected by the Contra Costa County Tax Collector on the property tax roll.

Pinole charges a monthly service charge of \$38.15 for single family residential accounts, and \$24.20 for multifamily residential. Commercial and industrial accounts are charged based on actual water use and wastewater loading. The current service rates are summarized in *Table 3.4*.

Table 3.4
City of Pinole
2007 Wastewater Service Charge

Type	Rate
Single Family Residential	\$38.15/month (equates to \$457.80/year)
Commercial / Industrial	Based on water usage and wastewater loading High = \$ 9.35 per ccf Low = \$ 2.71 per ccf

The City’s current sewer connection fee for a single family residential unit is \$700; this fee was last increased in 1984. The City may want, in their next review of rates, to look at the sewer

connection fees as the current fee is almost 25 years old and may not cover current labor and materials cost.

3.7 Opportunities for Shared Facilities

Pinole shares facilities with the City of Hercules in the Pinole-Hercules WPCP and with Hercules and the Rodeo Sanitary District in the San Pablo Bay deep water outfall. In addition, there may be opportunities for Pinole to share treatment and disposal facilities with WCWD. WCWD has stated that the District could provide a more efficient level of service and cost to Hercules for wastewater services; this may be true for Pinole as well, depending on constraints for improving the treatment capacity and processes at the WPCP. In order to consider alternatives, WCWD, Hercules, and Pinole are conducting two parallel studies to evaluate the infrastructure needs and costs of directing all wastewater flows from Pinole and Hercules to the WCWD WPCP. The studies are expected to be complete by July 2008.

3.8 Evaluation of Management Efficiencies

Pinole's wastewater utility is managed within the City's Public Works Department. The City uses a five-year CIP, annual budget, a Pumping and Collection Systems Reliability and Management Plan, and the General Plan to plan for wastewater services. The City plans to prepare a comprehensive Collection System Maintenance Master Plan which will also guide management and operation of the utility.

3.9 Government Structure Options

Pinole is providing wastewater collection and conveyance services, and shares in the Pinole-Hercules WPCP operated by the City of Pinole. The San Francisco RWQCB has ordered that Pinole consider options for expanding its legal authority to reduce I/I from the Hercules system. The WCWD noted in its response to this MSR that the District could provide a more efficient level of service and cost efficiencies to Hercules for wastewater services; this may be true for Pinole as well, depending on constraints for improving the treatment capacity and processes at the WPCP.

The City noted that it is not serving any properties outside city boundaries. Three government structure options were identified for the City of Pinole with respect to wastewater service:

- Maintain the status quo
- Consolidate sanitary sewer service with the City of Hercules
- Consolidate sanitary sewer service with the West County Wastewater District

Maintain the Status Quo: The City is currently providing wastewater collection and treatment service for its residents and businesses within its sewer service area. The City is experiencing infrastructure challenges that may be resolved through several approaches, including the City completing the necessary capital improvements and implementing best management practices. The advantages of this option are continuity of service and economies associated with internal coordination with other city projects for water pipelines, street and sidewalk repairs, etc. The disadvantage is that the City may not be able to take advantage of some cost savings or efficiencies that might be available through one of the other options.

Consolidate sanitary sewer service with the City of Hercules: The City of Pinole manages, operates, and maintains the Pinole-Hercules WPCP. The San Francisco RWQCB has ordered that Pinole consider options for expanding its legal authority to reduce I/I from the Hercules system, with the evaluation to be complete by June 1, 2008. There is a similar government structure model in central Contra Costa County where the City of Concord provides wastewater collection and conveyance service for the City of Clayton. The advantages of consolidation may include economies of scale due to operational efficiencies. However, the cities are focused on serving the needs of the communities within their corporate boundaries. A consolidation could result in increased costs, loss of efficiency, and loss of local control over capital improvements. Further study would be required.

Consolidate sanitary sewer service with the West County Wastewater District: Studies were conducted in 1999 and 2004 regarding WCWD providing wastewater conveyance, treatment and disposal services for Hercules and Pinole. Although the studies indicated that it is feasible, they did not comprehensively evaluate the costs and benefits of a consolidation. There are two parallel studies currently underway to evaluate and determine costs to divert all wastewater flows from Hercules and Pinole to WCWD's facilities; however, similar to the previous studies these are not consolidation studies. The advantages of consolidation may include economies of scale due to operational efficiencies. However, the agencies are focused on serving the needs of the communities within their respective service areas. A consolidation could result in increased costs, loss of efficiency, and loss of local control over capital improvements. The level of benefit could vary by geographic area as well as the service (collection, conveyance, treatment, and disposal). Further study would be required to determine whether there would be real operational efficiencies, as well as the potential benefits and costs.

3.10 Local Accountability and Governance

The City of Pinole incorporated in 1903. Council members are elected at-large and serve staggered four-year terms. The City's sewer services are addressed by the City Council, which meets the second and fourth Tuesday of each month at 6:00 PM at City Hall, located at 2131

Pear Street, Pinole. Meetings are open and accessible to the public. Meeting notices and agendas are posted at least 72 hours in advance at City Hall and are available on the City’s website (www.ci.pinole.ca.us). The website includes information on the wastewater services the City provides, as well as financial information and rates.

The current City Council is identified in *Table 3.5*.

Table 3.5
Pinole City Council

Member	Title	Term Expires
Peter Murray	Mayor	November 2008
Mary Horton	Mayor Pro Tem	November 2010
Virginia Fujita	Councilmember	November 2010
Debbie Long	Councilmember	November 2010
Roy Swearingen	Councilmember	November 2011

3.11 Sphere of Influence Recommendations

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires that LAFCO review and update the sphere of influence (SOI) for each of the special districts and cities within the county at least once every five years in order to promote logical and orderly development of areas within the sphere.³ The SOI recommendations for the City of Pinole are included in the West Contra Costa County Municipal Service Review that considers the full range of services the City provides. There is a need within the City of Pinole for the wastewater services the City provides. Pinole is providing adequate service and is planning for capital improvements to its wastewater infrastructure. The City has considered future development and growth within its sewer service area. For future annexations to the city, the projected wastewater flows would need to be evaluated based on the type and location of development, existing system capacity and treatment capacity, and necessary infrastructure improvements to maintain acceptable levels of service.

3.12 Determinations

3.12.1 Growth and Population

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

³ Government Code Section 56425 et seq.

The City of Pinole provides sewer collection, conveyance, treatment and disposal services for a portion of the City's incorporated area. Pinole has an estimated current population of 19,234 residents; this is expected to reach 21,800 by 2030 with an average annual growth rate of 0.6 percent.

Pinole is considered built-out; the City is projecting minimal construction of single family residences for the next three to five fiscal years, and a shift towards more affordable multi-unit projects is anticipated. Given the current urban land uses and increasingly stringent water quality standards, there will be an increased need for comprehensive wastewater services to serve existing and new customers within the City of Pinole. The City will need to implement capital improvements and preventive maintenance programs to ensure adequate service levels are maintained.

3.12.2 Infrastructure Needs or Deficiencies

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

Pinole's wastewater infrastructure consists of a collection and conveyance system, a 50-percent ownership interest in the Pinole-Hercules WPCP, and two outfalls. Infiltration and inflow is a critical issue. The City has an aged collection and conveyance system and is implementing a rehabilitation program to improve the integrity of the system. The Pinole-Hercules WPCP will have to be expanded by 2015. These issues represent significant infrastructure needs and will require capital investment. The City plans to fund its share of the WPCP expansion through rate increases and passage of a bond measure.

3.12.3 Financing Constraints and Opportunities

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

Pinole operates its sewer utility as an enterprise activity, whereby the cost of services, including capital improvements and debt service, are recouped through service charges and fees. The City is responsible for its proportional share of the cost of operations, maintenance and capital improvements to the Pinole-Hercules WPCP as well as the San Pablo Bay outfall shared with Hercules and the Rodeo Sanitary District. The City intends to fund its share of the WPCP expansion through rate increases and passage of a bond measure. Additional capital investment will be needed to rehabilitate the collection and conveyance system.

3.12.4 Cost Avoidance Opportunities

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

The City is avoiding future costs for wastewater services by implementing a collection system rehabilitation program. The City is also planning to develop a Collection System Maintenance Master Plan. These programs will extend the life of the wastewater infrastructure, reduce flows to the WPCP, and reduce the risk of sanitary sewer overflows and fines.

The City will also avoid costs by reducing infiltration and inflow, which reduces the impact on treatment capacity and compliance with discharge requirements. The City should consider adopting an ordinance that requires sewer and lateral inspections upon sale of a property.

The City is evaluating whether there would be a long-term cost savings from directing wastewater flows from Pinole to the West County Wastewater District WPCP versus expansion of the Pinole-Hercules WPCP.

3.12.5 Opportunities for Rate Restructuring

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

The City completed a rate study in 2005 and increased its wastewater rates in July 2006. The rate increase has generated sufficient revenue to cover operational and debt service costs, and has allowed the City to recently establish operating reserves for the utility.

The City's current sewer connection fee was last changed in 1984, which is almost 25 years ago. The City in 2006 reviewed their rates but made no changes to the sewer hook up fee, the City may wish next time they review their fees review the sewer connection fees to ensure that the fees covers current labor and materials cost.

3.12.6 Opportunities for Shared Facilities

Purpose: To evaluate the opportunities for a jurisdiction to share facilities and resources to develop more efficient service delivery systems.

Pinole shares facilities with Hercules in the Pinole-Hercules WPCP and with Hercules and the Rodeo Sanitary District in the San Pablo Bay outfall. There may be opportunities for Pinole to share treatment and disposal facilities with WCWD.

3.12.7 Evaluation of Management Efficiencies

Purpose: To evaluate management efficiencies of the jurisdiction.

Pinole's wastewater utility is managed within the City's Public Works Department. The City uses a five-year CIP, annual budget, a Pumping and Collection Systems Reliability and Management Plan, and the General Plan to plan for wastewater services.

3.12.8 Government Structure Options

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

Pinole is providing wastewater collection, treatment and disposal services. The City operates the Pinole-Hercules WPCP shared with Hercules. The San Francisco RWQCB has ordered that Pinole consider options for expanding its legal authority to reduce I/I from the Hercules system. Three government structure options were identified for the City of Pinole with respect to wastewater service:

- Maintain the status quo
- Consolidate sanitary sewer service with the City of Hercules
- Consolidate sanitary sewer service with the West County Wastewater District

Maintain the Status Quo: The City is currently providing wastewater collection and treatment service for its residents and businesses. The City is experiencing infrastructure challenges that may be resolved through several approaches, including the City completing the necessary capital improvements and implementing best management practices. The advantages of this option are continuity of service and economies associated with internal coordination with other city projects for water pipelines, street and sidewalk repairs, etc. The disadvantage is that the City may not be able to take advantage of some cost savings or efficiencies that might be available through one of the other options.

Consolidate sanitary sewer service with the City of Hercules: The City of Pinole manages, operates, and maintains the Pinole-Hercules WPCP. The San Francisco RWQCB has ordered that Pinole consider options for expanding its legal authority to reduce I/I from the Hercules system, with the evaluation to be complete by June 1, 2008. The advantages of consolidation may include economies of scale due to operational efficiencies. However, the cities are focused on serving the needs of the communities within their corporate boundaries. A consolidation could result in increased costs, loss of efficiency, and loss of local control over capital improvements. Further study would be required.

Consolidate sanitary sewer service with the West County Wastewater District: There are two parallel studies currently underway to evaluate and determine costs to divert all wastewater flows

from Pinole and Hercules to WCWD's facilities; however, these are not consolidation studies. The advantages of consolidation may include economies of scale due to operational efficiencies. A consolidation could result in increased costs, loss of efficiency, and loss of local control over capital improvements. The level of benefit could vary depending on geographic area as well as the service (collection, conveyance, treatment, and disposal). Further study would be required to determine whether there would be real operational efficiencies, as well as the potential benefits and costs.

3.12.9 Local Accountability and Governance

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

Sewer services provided by the City are addressed by the City Council. The City Council meetings are open and accessible to the public. The City provides information on its wastewater services on its website.