

O'Connor Tract Co-Operative Water Co.

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Dear Members,

January 10, 2017

The annual membership meeting is Thursday evening January 26, 2017 at 7:30pm in the Library at the new Laurel School Upper Campus at 275 Elliott Drive. Below is the Agenda as well as important information about the proxy and contact form included with this letter.

The **Agenda** for the 93rd annual meeting of the members of the O'Connor Tract Co-Operative Water Company is:

- Review Audited Financial Statements for the year ended December 31, 2016.
- Review activities of 2016.
- Present proposed 2017 budget for approval, which will include discussion of proposed rate increase of approximately 100% which means paying twice as much in 2017 as was paid in 2016.
- Nominate and Elect Board of Directors and Alternates of the Board of Directors.

If you are unable to attend, *it is essential that you **return your proxy** to the Company Secretary Ms. Ana Pedreiro* so that the Company can conduct its business at this meeting.

Please call the office at 650-321-2723 if you see water leaks, need a water shut-off or have other concerns.

The company is required to maintain up-to-date contact information in case of an emergency. Please provide your phone number and street address on the **enclosed contact form** and either mail it back with your proxy or bring it to the annual meeting. The **contact form includes** a *Special Opinion Question* about a possible merger of the co-op with a neighboring agency. This is **not a vote or in any way binding**. Background information is on the next page.

The **enclosed contact form also includes** a space for your email address if you wish to be added to the **email distribution list** to notify consumers of scheduled and emergency water shut offs and other important information. You may also be added to the list by sending an email to oconnorwater@gmail.com with the word "subscribe" in the subject line.

For new members and anyone wanting to know more about your Water Company, please review the information available on the website, www.oconnorwater.org .

Before digging for construction, homeowners or their contractors should call **Underground Service Alert (1-800-227-2600)** so the area may be marked by utilities, including your water company. This is to prevent breaking any lines while excavating. Also, homeowners must be sure not to cover the water shut-off valve with concrete or asphalt.

The Board and staff look forward to seeing you at 7:30pm on Thursday evening January 26, 2017. The annual meeting will be held in the library of the School at the end of Elliott Drive.

Board of Directors: Kate McClellan, President
 Judy Windt, Vice President
 Mike Frank, Board Member
 Randy Dolenec, Board Member
 Harri Talvala, Board Member

BACKGROUND INFORMATION ON THE SPECIAL OPINION QUESTION

The enclosed Contact Form includes a question about the future of O'Connor Water. This question is an opportunity for you to express your opinion about the State's suggestion (see below); it is not in any way a binding vote. We are asking the question to get an idea of what the membership would prefer; we understand that a lot more discussion and information gathering would be required before any decision could be made. We are just at the beginning of the process and no recommendation from the Board is being made.

There will be further discussion at the annual meeting on January 26, 2017 at the school at 275 Elliott Drive.

Additional detail about the survey, manganese and other related information is available on the O'Connor Water website at <http://www.oconnorwater.org>

In 2016 you received a survey in accordance with state regulations about the manganese in the water. You should also have received the Member Letter on Survey Results. The results were that O'Connor Tract Co-Operative Water Company (OTCWC) will have to install manganese removal treatment facilities.

The survey results were also submitted to the State along with a plan to proceed toward installing treatment. This plan begins with hiring an engineering firm to do a detailed analysis to determine the best treatment option and the cost of installation and operation.

The State was in agreement with this approach. The State's response included the following:

“...the survey did not support an application for a waiver of the manganese secondary maximum contaminant level (SMCL). [O'Connor Water] indicated that it will now move forward with installation of a manganese removal treatment system ...However, the Division [of Drinking Water] strongly encourages [O'Connor Water] to consider consolidation with a nearby water system as an alternative to pursuing treatment independently.”

Please include your initial thoughts about the State's comment on the back of the enclosed contact form and return it to the Secretary/Treasurer as instructed along with your proxy form or bring it with you to the Annual Meeting on January 26th at 7:30pm in the Library at the newly constructed Laurel School Upper Campus.