

**O'Connor Tract Co-Operative Water Co.**  
Minutes of the Annual Meeting of the Members  
Held at Cafe Zoë, 1929 Menalto Avenue, Menlo Park California  
7:30pm Thursday January 28, 2016

**1. Call to Order**

Ms. McClellan called the meeting to order at 7:30 pm.

**2. Introductions**

Ms. McClellan introduced herself, the Board of Directors, and the Alternates. All members present introduced themselves.

**3. Roll Call**

**Board Directors:**

**Present**

Kate McClellan  
Mike Frank  
Judy Windt  
Randy Dolenec  
Court Skinner

**Board Alternates:**

**Present**

Thurman Logan  
Harry Talvala  
Bill Mitch  
Todd Rosenthal  
Jane Ratchye

**Absent**

Harold Sweeney  
Neil Macneale

**Staff Present:**

**On-call Water Operator**

Manny Nathenson

**Water Operator**

Rich Pattisson

**Secretary/Treasurer**

Ana Pedreiro

**Members:**

Kathy Dolenec, Hans de Veer,  
Karen Graig, Steven Van Jepmond,  
Sandra Florstedt, James Melling,  
Vasily Belyakov, Clem Molony,  
Judith Jones, Robert & Sally Sands,  
Ruggero Castagnetti, Mahra  
Teikmanis, Jonathan Segal,

**Members**

Peter Altman, Vlae Keshner,  
Bill Ellsworth, Cole Jimison,  
Hossein Ashktorad, Liliana  
Kune Briseno,  
Mario Leventopaulos

**4. Approval of the Minutes**

Mr. Molony moved and Mr. Logan seconded that the minutes of the Annual Meeting of January 29, 2015 be approved as amended. Carried

**5- Administrative Reports**

Ms. Kate McClellan presented the 2015 Audit Report.

Ms. Ratchye moved and Mr. Sands seconded to accept the 2015 Audit Report. Carried.

Ms. Kate McClellan presented the 2016 Operating and Capital Budget.

Ms. McClellan explained the need for 5% rate increase for the next five years. An appropriate prudent reserve is \$500,000, equivalent of one year of \$200,000 operating reserve, and \$300,000 capital reserve. The reserve is to cover an emergency such as to replace a well.

Revenue is down due to water conservation efforts, expenses are not.

Mr. Dolenec moved and Mr. Logan seconded to approve the 2016 Operating and Capital Budget. Carried.

Ms. Kate McClellan presented the 2016 Slate of Board Members:

Ms. Kate McClellan, Mr. Randy Dolenec, Mr. Harri Talvala, Ms. Judy Windt, Mr. Mike Frank.

Ms. Ratchye moved, and Mr. Skinner seconded to approve the proposed 2016 Slate of Board Members. Carried.

Ms. Kate McClellan opened the nominations for Alternates to the proposed 2016 Slate of Alternates:

Mr. Thurman Logan, Mr. Bill Mitch, Ms. Jane Ratchye, Mr. Court Skinner, Mr. Todd Rosenthal. No members present added their names to the proposed slate.

Mr. Frank moved, and Ms. Sands seconded to approve the proposed 2016 Slate of Alternate Members. Carried.

## **6. Operations Report**

Mr. Manny Nathenson explained the Annual Quality Report:

- There were more tests done than is shown in the water report. If no results are listed it means the substance was not detected.
- The water is hard.
- Water members and consumers have conserved approximately 25% of water in 2015.

Mr. Pattisson explained operations in 2015:

- No major emergencies to report
- Took several water samples to test for manganese at different addresses and in most cases manganese was not detected.
- State performed a Sanitary Survey on 12/30/2015 and found only a few items that need repairing.
- Installed six curb stops on E. O'Keefe.
- Two new home connections.
- Abandoned easements at 275 Elliott Dr. (school site).
- Menlo Park School District replaced water main at 275 Elliott Dr. The existing one was too shallow.

## **7. Member Presentations and Questions**

### **Q: How do you know what to repair?**

A: Staff keeps a track of information from members, history of pipes, connections, and valves. The Company keeps a record of every main on the system and makes the necessary repairs as needed.

### **Q: What is a curb stop?**

A: It is a valve that takes water from the main to the building.

### **Q: Why is total revenue flat after 5% rate increase?**

A: Due to conservation efforts from water consumers, who have cut water usage by 25%.

### **Q: How is the water usage distributed?**

A: 50% from meter accounts and 50% non-metered accounts.

### **Q: Will the Company spend the \$239,000.00 estimated on the budget?**

A: It will depend mostly if the Menalto project will be complete in 2016.

**Q: What is the status of the Menalto project? And what does the cost imply?**

A: It is at the planning stages by West Valley Construction.

The cost includes engineering planning, City permit, labor, and material.

**Q: What level has the well dropped to, comparing to ten years ago?**

A: It has gone down about 10 feet. O'Connor Water is pumping 25% less. But the VA and Sunset have their own wells and we do not know how much water they are pumping.

**Q: Why were the monitoring requirements not met?**

A: We have 5 sampling stations. We sample for coliform 3 times a month, following State approved sampling plan. In October we had a positive result, and we follow the procedure to chlorinate and take 6 samples up and down the line. In November, the Company was supposed to take 5 samples, but it took only 3. The extra 2 samples were taken in December.

**Q: Could you give an update about the manganese issue?**

A: The Company continues with consumer education and maybe pursuing a waiver.

Treatment would require additional equipment and maintenance which would increase rates.

Sequestration is not a good option as it adds a chemical to the water with unknown effects on people.

**Q: Can we treat for hardness?**

A: No. And the study done to treat manganese does not include treating hard water, nor its cost.

**Q: What other organics were not mentioned on the CCR (Consumer Confidence Report)?**

A: We only report what is detected, following State requirements. We test for many more elements than is required by the State. If it is not on the report then it was not detected in the water. For example, there was measurable nitrate so it is reported. Benzene was tested but not detected, therefore not mentioned in the report.

**Q: Can you mention all the other test results, even though the results were non-detected?**

A: The State will not allow us to mention what has not been detected.

All sampling and results for the CCR are taken from the wells.

**Q: Why does one well have more manganese than the other?**

A: Due to depth of the wells.

Well # 1 is 500 feet deep and has lower manganese levels. Well # 2 is at 300 feet and has higher manganese levels.

**Q: Could we deepen well # 2 to lower manganese levels instead of treating the water?**

A: It is not certain that by deepening the well the levels would drop. Well # 1 has an average manganese level of 52ppb and it is above the secondary standard for the State, which is set at 50ppb.

**Q: Does one well interfere with the other?**

A: Yes, they are intrinsically connected.

**Q: Which well serves the houses?**

A: 90% flows from well # 1. We only use well #2 in emergencies.

When only well #1 is pumping, manganese levels are low or non-detected in houses and apartments.

**Q: What is the trend of manganese levels?**

A: Well # 2 went up and now is going down.

Well # 1 is pretty steady and it went down from 70 to 50ppb.

**Q: What are the choices to mitigate the manganese issue?** A: Water treatment or waiver.

**Q: What is the Company doing?**

A: We submitted a corrective action plan which was initially accepted by the State but they had further questions, so we are awaiting further communication with them.

**Q: What will be done?**

A: Board believes majority of members want the waiver process, which was demonstrated in a survey in 2014. Company and State will have to agree on the survey methodology, and will have to reach a majority of responses agreeing not to treat the water.

**Q: How long does the waiver last?**

A: Nine years; Company would have to reapply afterwards.

**Q: Can the water be diluted with Hetchy-Hetchy water?**

A: Yes, but we would need to find someone willing to share water.

**Q: When will the Company respond to the State?**

A: Our current State deadline is to have a corrective action plan by February 29, 2016.

**Q: How do we measure how much water we are conserving?**

A: We measure by how much we pump. Members should follow the drought regulations sent in 2015, which are the same as the State's. Regulations are about watering landscaping.

**Q: What if I miss the day I am supposed to water my plants?**

A: You can do it with a hose with a hand-operated nozzle, but not with sprinklers.

## **8. Adjournment**

To the Regular Board Meeting February 11, 2016 at Company Offices.