KEY FINDINGS: PALO ALTO PARK MUTUAL WATER COMPANY FEASIBILITY STUDY
October 2026

The Challenge: Palo Alto Park Mutual Water Company (Palo Alto Park MWC) currently does not meet the State Water Board's requirements for producing enough water for the community, resulting in the State Water Board issuing a compliance order. Palo Alto Park MWC needs a long-term solution to address this challenge.

Why doesn't Palo Alto Park MWC meet the State Water Board's requirements?

Palo Alto Park MWC operates three wells: Wells 5, 6, 7. In recent years, the amount of water produced by Wells 5 and 6 has decreased and they are now considered to be beyond their useful life. Well 7 contains iron, manganese, and aluminum at levels above the State Water Board's Secondary Maximum Contaminant Levels (SMCLs).

In the past, Palo Alto Park MWC blended water from all three wells to keep the levels below the SMCLs. However, Wells 5 and 6 now produce less water and Well 7 has been taken out of service. As a result, Palo Alto Park MWC can no longer meet the community's water requirements.

What is being done to address the capacity requirements?

To address the water requirements, the State Water Board referred Stantec, a Technical Assistance Provider, to perform a Feasibility Study through its Safe and Affordable Funding for Equity and Resilience (SAFER) Technical Assistance Program. This study evaluated options that could increase Palo Alto Park MWC capacity and address its compliance order. The study evaluated two alternatives:

Alternative 1: Evaluate a water treatment system to address the water quality concerns and evaluate developing a new well.

Alternative 2: Evaluate connecting Palo Alto Park MWC with the City of East Palo. This could be achieved in two ways:

Alternative 2A – Physical Consolidation: Connect to the City of East Palo Alto, who would assume responsibility for providing water service to Palo Alto Park MWC customers. Palo Alto Park MWC would no longer exist as a water system.

Alternative 2B – Intertie or Interconnection: Connect to the City of East Palo Alto. Palo Alto Park MWC would remain a water system and purchase water from the City of East Palo Alto to serve its customers.

The study evaluated different engineering options under each alternative and estimated their costs.

Alternative 1: New Well and Treatment

Two treatment options were evaluated. The final treatment needs would depend on the water quality of the new well. The water quality of the new well is not yet known.

Well 7 Treatment: This alternative would install treatment for Well 7. This assumes that the new well would not require treatment for iron, manganese, or aluminum.

Full System Treatment: This assumes that the new well will require treatment for iron, manganese, or aluminum. Treats water from the new well and from Well 7.

Alternative 2A and Alternative 2B: Connect to the City of East Palo Alto

Pipeline using Palo Alto Park MWC Tanks: Connects the City of East Palo Alto's distribution system to the Palo Alto Park storage tanks. Water is distributed to customers using the existing Palo Alto Park MWC pumps and distribution pipelines. Requires an additional pipeline to be constructed.

Booster pump stations: Pumps water directly from the City of East Palo Alto distribution system into the existing Palo Alto park MWC distribution pipelines without using the tanks at Palo Alto Park. Uses two points of connection (booster pump stations at interties) and does not require an additional pipeline.

Table 1. Summary of Alternatives

Alternative	What it involves	Primary benefits	Key Considerations	Estimated Costs	Annual Operation and Maintenance Costs	Percent Increase in Revenue Required to Cover Costs
1: Treatment & New Well	Treatment and drilling a new well	Keeps PAPMWC independent, provides enough water that meets water quality standards	Potential to increase costs for PAPMWC residents	$2,011,000 (Well 7 treatment) $2,734,000 (Full system treatment)	$43,000 (Well 7 treatment) $70,000 (full system treatment)	Estimated 20% monthly increase in overall rate revenue (Well 7 treatment) Estimated 30% monthly increase in overall rate revenue (full system treatment)
2A: Physical Consolidation	Connect to City of East Palo Alto and close PAPMWC	Provides water that meet water quality standards and may improve economies of scale	Depends on City of East Palo Alto's capacity to supply water to PAPMWC	$1,202,000 (Booster pump stations) $1,459,000 (Pipeline)	Not assessed; assumed to be included in the City of East Palo Alto water rates	Not assessed

2B: Intertie or Interconnection	Connect to City of East Palo Alto, and PAPMWC remains an entity	Provides water that meets water quality standards	Depends on City of East Palo Alto's capacity to supply water to PAPMWC, and potential to increase costs for PAPMWC residents	$1,202,000 (Booster pump stations) $1,459,000 (Pipeline)	$1,200,000	Potential 140% monthly increase in rate revenue based on annual water purchase cost estimate