

**To: Board of Directors**  
**From: Melanie Richardson, Interim CEO**

## Weeks of May 8, 2026 – May 21, 2026

### Board Executive Limitation Policy EL-7:

*The Board Appointed Officers shall inform and support the Board in its work. Further, a BAO shall 1) inform the Board of relevant trends, anticipated adverse media coverage, or material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established and 2) report in a timely manner an actual or anticipated noncompliance with any policy of the Board.*

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### 1. IRS Private Letter Ruling - Pure Water Silicon Valley

At its January 27, 2026, Board meeting, the Board adopted Resolution No. 2026-03 to facilitate the issuance of a final private letter ruling (PLR) by the Internal Revenue Service (IRS) that supports tax-exempt debt funding for the development of the Pure Water Silicon Valley project. One or more Board members requested a copy of the PLR after the IRS released it. The IRS released the PLR (with identifying information redacted) on April 24, 2026. It can be found here: [www.irs.gov/pub/irs-wd/202617001.pdf](http://www.irs.gov/pub/irs-wd/202617001.pdf).

For further information, please contact Darin Taylor at (408) 630-3068.

### 2. Safe, Clean Water Grant Closeout: Santa Clara Valley Habitat Agency's Pacheco Creek Reserve Stream and Riparian Restoration Project

In Fiscal Year 2019, Valley Water awarded Santa Clara Valley Habitat Agency (SCVHA) a \$500,000 Safe, Clean Water Program D3 Grant for their Pacheco Creek Reserve Stream and Riparian Restoration Project (Project). SCVHA completed the Project in May 2025 and submitted the final invoice items on November 24, 2025, allowing for grant closeout.

The Project was designed to support the long-term recovery of threatened and endangered species including South Central California Coast steelhead, California red-legged frog, California tiger salamander, and least Bell's vireo along the Pacheco Creek Reserve near the Pacheco Pass Highway in Santa Clara County.

The Project included floodplain reconnection through creation and reconnection of secondary channel networks, in-stream structure installation within Pacheco Creek, restoration of riparian woodland, including sycamore alluvial woodland habitat, and removal of invasive species. The Project also engaged Santa Clara County students in restoration education and implementation.

### Key Outcomes:

- Restored 9.43 acres of Central California sycamore alluvial woodland.
  - Planted 700+ native, genetically pure California sycamore trees.
- Restored or enhanced 1.02 acres of coastal and valley freshwater marsh habitat.
- Enhanced 10 acres of mixed riparian woodland through planting, invasive species control, and grazing cessation.
- Created 0.40 acres of seasonal wetland, providing new habitat for native wildlife.
- Created or reconnected 1.67 miles (8,802 linear feet) of secondary stream channels, improving floodplain function and groundwater recharge.
- Installed 34 Post-Assisted Log Structures (PALS) to promote channel diversity and aquatic habitat complexity.
- Established 4,600 native plants throughout the restoration area.
- Engaged 24 students and 1 instructor San José State University's Environmental Studies department through both a 90-minute in-class lecture and a site tour and oak tree planting.
- Hosted 453 volunteers, mostly grade school students, in planting and weed management at the Pacheco Creek Reserve.

For further information, please contact Rachael Gibson at (408) 630-2884.

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### **3. Valley Water's Public Meeting on the Rinconada Water Treatment Plant Reliability Improvement Project Phases 3-6**

On May 13, 2026, Valley Water hosted the biannual community meeting on the Rinconada Water Treatment Plant Reliability Improvement Project Phases 3-6, to provide the latest status update on the project and share responses to neighborhood concerns received to date.

Before the hybrid public event began, interested participants who signed up earlier were given a brief tour of the construction project, which was held from the upper deck of the Rinconada Water Treatment Plant.

Director Nai Hsueh attended the meeting, along with Town of Los Gatos Vice Mayor Maria Ristow and eleven community members. The presentation was followed by a question-and-answer session. A link to the recording of the public meeting is available on the project website and Valley Water's [YouTube](#) channel.

For further information, please contact Rachael Gibson at (408) 630-2884.

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