

CEO BULLETIN



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

Weeks of June 19, 2026 – July 9, 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. Pajaro River Watershed Resilience Plan Completed April 2026

In 2024, the California Department of Water Resources selected the Pajaro Valley Water Management Agency, also known as PV Water, to lead the Pajaro River Watershed Resilience Planning Pilot Program. The program supports planning efforts to strengthen watershed resilience to climate change. The Pajaro River Watershed was one of five watersheds statewide selected for the pilot program, which the Department of Water Resources supported with a \$2 million grant. PV Water invited Valley Water to participate in developing the Pajaro River Watershed Resilience Plan (PRWRP) and to serve on the Advisory Group.

Over 18 months, public agencies, Tribal representatives, agricultural leaders, environmental organizations, community-based organizations, nonprofits, watershed residents, and regional partners worked together to address climate-related challenges, including flooding, drought, groundwater sustainability, habitat degradation, and water quality. The partners completed the Pajaro River Watershed Resilience Plan in April 2026 and submitted it to the Department of Water Resources. The plan establishes a framework for continued coordination and collaboration and identifies priority actions, with an emphasis on watershed-scale solutions.

The plan identifies priority actions such as floodplain restoration, groundwater recharge, agricultural land stewardship, voluntary land repurposing, and nature-based solutions. These actions are intended to reduce climate risks while supporting water supply reliability, ecosystem health, and thriving communities. The partners will use the plan to guide collaboration and strengthen grant applications for climate resilience projects in the watershed. For more information or to read the PRWRP, please go to <https://www.pvwater.org/prwrp>.

For further information, please contact Lisa Bankosh at (408) 630-2618.

2. Safe, Clean Water Refill Station Grant Closeout: City of Gilroy's Chestnut Fire Safety

In Fiscal Year 2025, Valley Water awarded City of Gilroy a \$5,000 Safe, Clean Water Program Refill Station Grant for their Chestnut Fire Station (Project). The City of Gilroy completed the Project and submitted the final invoice items on February 10, 2026, allowing for grant closeout.

The Chestnut Fire Station, located in Gilroy, is a fire station owned and operated by the Grantee and serves as a publicly accessible facility. The City of Gilroy installed a new water refill station inside the fire station facility to provide convenient water access to public employees as well as members of the public visiting the facility.

Key Outcomes:

- Installed a new water refill station inside the Chestnut Fire Station facility.
- Increased access to clean drinking water for members of the public visiting the station.
- Since its installation, the refill station has saved over 276 bottles of water.
- Supports the hydration of the public and residents of all ages year-round.

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

3. Safe, Clean Water Refill Station Grant Closeout: City of Gilroy's Las Animas Project

In Fiscal Year 2025, Valley Water awarded City of Gilroy a \$5,000 Safe, Clean Water Program Refill Station Grant for their Las Animas Fire Station (Project). The City of Gilroy completed the Project and submitted the final invoice items on February 10, 2026, allowing for grant closeout.

The Las Animas Fire Station, located in Gilroy, is a fire station owned and operated by the Grantee and serves as a publicly accessible facility. The City of Gilroy installed a new water refill station inside the fire station facility to provide convenient water access to public employees as well as members of the public visiting the facility.

Key Outcomes:

- Installed a new water refill station inside the Las Animas Fire Station facility.
- Increased access to clean drinking water for members of the public visiting the station.
- Since its installation, the refill station has saved over 425 bottles of water.
- Supports the hydration of the public and residents of all ages year-round.

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

4. Safe, Clean Water Refill Station Grant Closeout: City of Gilroy's Sunrise Fire Station Project

In Fiscal Year 2025, Valley Water awarded City of Gilroy a \$5,000 Safe, Clean Water Program Refill Station Grant for their Sunrise Fire Station (Project). The City of Gilroy completed the Project and submitted the final invoice items on February 10, 2026, allowing for grant closeout.

The Sunrise Fire Station, located in Gilroy, is a fire station owned and operated by the Grantee and serves as a publicly accessible facility. The City of Gilroy installed a new water refill station inside the fire station facility to provide convenient water access to public employees as well as members of the public visiting the facility.

Key Outcomes:

- Installed a new water refill station inside the Sunrise Fire Station facility.
- Increased access to clean drinking water for members of the public visiting the station.
- Since its installation, the refill station has saved over 190 bottles of water.
- Supports the hydration of the public and residents of all ages year-round.

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

5. Safe, Clean Water Refill Station Grant Closeout: City of Gilroy's Central Christian Church Refill Station Project

In Fiscal Year 2025, Valley Water awarded Central Christian Church a \$5,000 Safe, Clean Water Program Refill Station Grant for their Refill Station (Project). Central Christian Church completed the Project and submitted the final invoice items in September 2026, allowing for grant closeout.

Central Christian Church, located in San José, California, participates in supportive housing programs, hosts addiction recovery meetings, runs summer camps for children onsite, and offers scholarships to those in need. Central Christian Church has an open courtyard with 24-hour public access and nearby basketball and pickleball courts. This area is used by the San José Police Department daily, as well local youth and community members. The refill station replaced an existing water fountain located near restrooms and a multipurpose room.

Key Outcomes:

- Installed a new water refill station at Central Christian Church.
- Increased access to clean drinking water for the local community.
- Supports the hydration of the public and residents of all ages year-round.

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

6. Safe, Clean Water Refill Station Grant Closeout: Roman Catholic Bishop of San Jose's St. John Vianney Community Center Project

In Fiscal Year 2025, Valley Water awarded Roman Catholic Bishop of San Jose (Grantee) a \$5,000 Safe, Clean Water Program F9 Refill Station Grant for their St. John Vianney Community Center (Project). The Grantee completed the Project and submitted the final invoice items in February 2026, allowing for grant closeout.

St. John Vianney Community Center, located in San Jose, California, is a gymnasium with public access operated by the Grantee. Local children, youth, and their families come to play in the inter-scholastic basketball tournaments located at the facility. The Grantee installed a water refill station on the outside of the gymnasium to replace a prior non-filtered drinking fountain that was previously unusable due to vandalism. The water refill station is outside and is accessible to the public from 8AM to 9PM every day, including during food distribution, community celebrations hosted at space, and sporting events.

Key Outcomes:

- Installed a new water refill station at the St. John Vianney Community Center.
- Increased access to clean drinking water for sporting events and food program participants.
- Since its installation, the refill station has saved over 470 bottles of water.
- Supports the hydration of the public and residents of all ages year-round.

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

7. Hsueh

At the 6/9/26 Board meeting, Director Hsueh requested that staff consider continued funding for water conservation programs beyond the seven years allocated in the Safe Clean Water Program.

R-26-0003

Staff have included a memo in the July 10, 2026 Non-Agenda that contains their response.

For further information, please contact Luz Penilla at (408) 630-2228.

8. Varela

Review the Amazon project proposed in Gilroy and determine impacts on potable water supply and agriculture.

I-26-0002

Based on the completed Environmental Impact Report, Water Supply Assessment, and Architectural and Site Approval, which can be found on the City of Gilroy's website, the Amazon Web Services Gilroy Data Center Project includes two data center buildings totaling approximately 438,500 square feet on a 56-acre undeveloped parcel in Gilroy. Construction will occur in 2 phases and is expected to take approximately 6.5 years total. At full buildout, the project will have a water demand of up to 23 acre-feet per year (AFY): 18 AFY for cooling (9 AFY per building); 3 AFY for landscaping; and 2 AFY for domestic purposes. Cooling will be achieved through evaporative cooling and will primarily be needed in summer months when outside temperatures are high.

The cooling systems will initially use Gilroy's potable supply of groundwater pumped from the Llagas subbasin but are designed to accept recycled water. The City of Gilroy is requiring recycled water use for the second phase of the project, once new recycled water infrastructure is in place. Valley Water is currently constructing a critical recycled water pipeline segment that will support future data center water use. Additional infrastructure will be funded by Amazon and includes a recycled water line to the project and storage tanks on-site and at the South County Regional Wastewater Authority (SCRWA) Treatment Plant. As the recycled water wholesaler in South County, Valley Water will coordinate with the City, SCWRA and the project developer on these efforts.

The project will convert farmland to non-agricultural use and will be mitigated under the City of Gilroy's Agricultural Mitigation Policy. This policy requires 150-foot buffers adjacent to agricultural land use as well as a 1:1 ratio of additional agricultural land to be protected. The project would not substantially interfere with groundwater recharge because it is not located within a designated groundwater recharge zone.

Valley Water submitted comments on multiple stages of the project's environmental review, requesting additional information on demands and impacts to groundwater quality and supply. The comments were addressed in the final EIR and the Water Supply Assessment conducted by the developer. The WSA found there is ample groundwater supply in normal, single dry, and multiple dry years.

Valley Water's Water Supply Master Plan 2050 and Urban Water Management Plan project demands into the future. Data Centers are a portion of the 26% of water demand from the commercial, industrial and institutional sector, which is expected to remain largely stable. Valley Water estimates the additional data center would represent less than 0.1% of increase in future groundwater pumping if it were using potable water, however, as described, the full build out will be using recycled water. Valley Water's policies and efforts regarding water conservation and water recycling apply to all water users.

For further information, please contact Kirsten Struve at (408) 630-3138.
