

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

Weeks of September 5, 2025 – September 18, 2025

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. Results of the Sale of Water Utility Bonds

On September 10, 2025, Valley Water closed on \$200 million of bond issuances, comprised of \$109.4 million of tax-exempt bonds and \$90.7 million of taxable bonds for the Water Utility capital program. The financing was authorized by the Board at its regular Board meeting on May 16, 2025, and the Preliminary Official Statement was approved by the Board on August 12, 2025 (Resolutions 25-03 and 25-52). The bond proceeds were primarily used to refund outstanding short-term debt issued for Water Utility capital projects and refund the Series 2016A and 2016C bonds for debt service savings. Valley Water received 'AA+' and 'Aa1' credit ratings from Fitch and Moody's, respectively. The debt was sold in a competitive sale to the lowest cost bidders, with a total of seven bids submitted for the tax-exempt debt and six bids submitted for the taxable debt. The tax-exempt low bid was at 3.66% vs. high bid at 3.79% and the taxable debt low bid was at 5.45% vs. high bid of 5.51%. The tax-exempt bonds were sold to professional investors, bond funds, professional investment accounts and trading accounts through J.P. Morgan Securities LLC and the taxable bonds were sold to large financial institutions, municipalities and other California water districts through Raymond James & Associates, Inc. Both banks are currently qualified in the State of California Underwriter Pool and meet the "medium" Environmental, Social and Governance (ESG) ranking per Board Policy (Executive Limitation 4.7.7).

Valley Water achieved very favorable pricing with an aggregate true interest cost of 4.54% vs. 4.80% which was estimated in the May 16, 2025, Board Agenda Memo and achieved total debt service savings of approximately \$14 million from the refunding of the 2016A and 2016C bonds.

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

2. Safe, Clean Water Mini-Grant Closeout: Latimer Home and School Club's Latimer Garden and Outdoor Classroom Project

In Fiscal Year 2021, Valley Water awarded Latimer Home and School Club (Grantee) a \$4,959 Safe, Clean Water Program D3 Mini-Grant for their Latimer Garden and Outdoor Classroom (Project). Latimer Home and School Club completed the Project on April 5, 2023, and submitted the final invoice items in June 2025, allowing for grant closeout.

Latimer Home and School Club is a volunteer-led, nonprofit team of parents, teachers, students, school administrators, district officials, and community partners that organizes activities and events, and raises money to support students, staff, and the Latimer School community. The grantee designed a 30' x 95', water-efficient garden space at Latimer School in San José. Students learned to conserve water through building irrigated raised beds, implementing a grey water system, planting drought-tolerant/native plants, and spreading mulch. The Project influenced the broader community by serving as a model garden, with referrals to visit by the Master Gardeners of Santa Clara and the Santa Clara County Office of Education. The school partnered with the California Native Plant Society to host neighborhood events, including the annual plant swap.

Key Outcomes:

- Replaced invasive weeds with a garden that now supports 12+ species including bees, butterflies, hummingbirds, lizards, and opossums, which allows students to engage in regular wildlife observation and studies.
- Delivered hands-on instruction to all 500 students across nine grade levels, from planting bulbs, to composting, to building grey water systems.
- Engaged over 100 students and 10 adults through weekly events open to the public.
 - Students established the Student Garden Club consisting of 15 students and three adults every Monday.
 - The Harvest Hop, Coffee in the Garden, and Spring Open House events attracted 100+ attendees each.
 - The garden provided staff and teachers with a relaxation space and a student reward activity.

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

3. Valley Water's pre-construction meeting on the Palo Alto Flood Basin Tide Gate Seismic Retrofit and Rehabilitation Project

On August 21, 2025, Valley Water held a public meeting to present and gather feedback on the Palo Alto Flood Basin Tide Gate Seismic Retrofit and Rehabilitation Project. The hybrid event was held at the Mitchell Park Community Center and attracted a total of 30 participants, including Valley Water Director Nai Hsueh, who provided opening comments. Vice Chair Santos joined via Zoom, along with 17 people, including Mountain View city staff. Thirteen people attended in person, including Director Rebecca Eisenberg.

The presentation covered a project overview, scope of work and was followed by a question-and-answer session, where staff engaged with community members.

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.