



Santa Clara Valley Water District Board of Directors Meeting

HQ. Bldg. Boardroom, 5700 Almaden Expressway, San Jose, California
301 E. Beaumont Ave., Apt 203, Whitefish Bay, Wisconsin, 53217

***AMENDED/APPENDED CLOSED SESSION AND REGULAR MEETING AGENDA**

**Tuesday, April 14, 2026
11:00 AM**

***ITEMS AMENDED AND/OR APPENDED SINCE THE ORIGINAL PUBLICATION OF THIS AGENDA
ARE IDENTIFIED BY AN ASTERISK (*) HEREIN**

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

DISTRICT BOARD OF DIRECTORS
Tony Estremera, Chair-District 6
Richard P. Santos, Vice Chair-District
3
John L. Varela-District 1
Shiloh Ballard-District 2
Jim Beall-District 4
Nai Hsueh-District 5
Rebecca Eisenberg-District 7

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body, will be available to the public through the legislative body agenda web page at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to participate in the legislative body's meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 630-2277.

MELANIE RICHARDSON
Interim Chief Executive
Officer

CANDICE KWOK-SMITH
Clerk, Board of the Directors
(408) 630-3193
www.valleywater.org

Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

**Santa Clara Valley Water District
Board of Directors**

***AMENDED/APPEDED
AGENDA**

***ITEMS AMENDED AND/OR APPEDED SINCE THE ORIGINAL PUBLICATION OF THIS AGENDA
ARE IDENTIFIED BY AN ASTERISK (*) HEREIN**

Tuesday, April 14, 2026

11:00 AM

HQ. Bldg. Boardroom, 5700 Almaden
Expressway, San Jose, California
301 E. Beaumont Ave., Apt 203, Whitefish Bay,
Wisconsin, 53217

Join Zoom Meeting:

<https://valleywater.zoom.us/j/84454515597>

IMPORTANT NOTICES AND PARTICIPATION INSTRUCTIONS

Santa Clara Valley Water District (Valley Water) Board of Directors/Board Committee meetings are held as hybrid meetings, conducted in-person as well as by telecommunication, and are compliant with the provisions of the Ralph M. Brown Act.

To maximize public safety while maintaining transparency and public access, members of the public have the option to participate via teleconference/video conference or attend in person. To participate in the meeting via teleconference/video conference, please refer to the meeting link located at the top of the agenda. If attending in-person, you are required to comply with Ordinance 22-03 - AN ORDINANCE OF THE SANTA CLARA VALLEY WATER DISTRICT SPECIFYING RULES OF DECORUM FOR PARTICIPATION IN BOARD AND COMMITTEE MEETINGS located at <https://s3.us-west-2.amazonaws.com/valleywater.org.if-us-west-2/f2-live/s3fs-public/Ord.pdf>

In accordance with the requirements of Gov. Code Section 54954.3(a), members of the public wishing to address the Board/Committee during public comment or on any item listed on the agenda, may do so by filling out a Speaker Card and submitting it to the Clerk or using the "Raise Hand" tool located in the Zoom meeting application to identify yourself in order to speak, at the time the item is called. Speakers will be acknowledged by the Board/Committee Chair in the order that requests are received and granted speaking access to address the Board. Written comments on any item on the agenda may be submitted to clerkoftheboard@valleywater.org or board@valleywater.org.

- Members of the Public may test their connection to Zoom Meetings at: <https://zoom.us/test>
- Members of the Public are encouraged to review our overview on joining Valley Water Board Meetings at: <https://www.youtube.com/watch?v=TojJpYCxXm0>

Valley Water, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Board of Directors/Board Committee meetings to please contact the Clerk of the Board's office at (408) 630-2277, at least 3 business days before the scheduled meeting to ensure that Valley Water may assist you.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq., and has not been prepared with a view to informing an investment decision in any of Valley Water's bonds, notes, or other obligations. Any projections, plans, or other forward-looking statements included in the information on this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water's bonds, notes or other obligations and

investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at <http://emmas.msrb.org/> and <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

Under the Brown Act, members of the public are not required to provide identifying information in order to attend public meetings. Through the link below, the Zoom webinar program requests entry of a name and email address, and Valley Water is unable to modify this requirement. Members of the public not wishing to provide such identifying information are encouraged to enter "Anonymous" or some other reference under name and to enter a fictional email address (e.g., attendee@valleywater.org) in lieu of their actual address. Inputting such values will not impact your ability to access the meeting through Zoom.

Join Zoom Meeting:
<https://valleywater.zoom.us/j/84454515597>
Meeting ID: 844 5451 5597
Join by Phone:
1 (669) 900-9128, 84454515597#

1. CALL TO ORDER/ROLL CALL:

1.1. Roll Call.

2. 11:00 AM - CLOSED SESSION:

Notice to the Public: The Board of Directors meets in Closed Session in accordance with the Ralph M. Brown Act. Following the conclusion of Closed Session discussion, the Board will return for the remaining items on the regular meeting agenda.

- *2.1. CLOSED SESSION [26-0369](#)
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54957(b)(1)
Title: District Counsel
- *2.2. CLOSED SESSION [26-0338](#)
PUBLIC EMPLOYEE APPOINTMENT
Pursuant to Government Code Section 54957(b)(1)
Title: Chief Executive Officer
(*Previously Listed as Item 2.1)
- *2.3. CLOSED SESSION [26-0386](#)
CONFERENCE WITH LEGAL COUNSEL, EXISTING LITIGATION
Pursuant to Govt. Code Section 54956.9(d)(1)
Santa Clara Valley Water District v. Eisenberg
Santa Clara Co. Superior Court, No. 24CV436448
- *2.4. District Counsel Report on Closed Session.
(*Previously Listed as Item 2.2)

3. 1:00 PM - TIME CERTAIN:

3.1. Pledge of Allegiance/National Anthem.

3.2. Orders of the Day.

A. *Approximate Discussion Time (Board); and*

B. *Adjustments to the Order of Agenda Items.*

3.3. Time Open for Public Comment on any Item not on the Agenda.

Notice to the public: Members of the public who wish to address the Board/Committee on matters not listed on the agenda may do so by completing a Speaker Card and submitting it to the Clerk, or by using the “Raise Hand” feature within the Zoom meeting application to request recognition. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and, when recognized, will be granted speaking access to address the Board/Committee.

Public comments shall be limited to three (3) minutes per speaker, or such other time as determined by the Chair. State law does not permit the Board/Committee to take action on, or engage in extended discussion of, any item not appearing on the posted agenda, except as otherwise authorized under applicable law. If Board/Committee action is requested, the matter may be scheduled for consideration at a future meeting.

All public comments requiring a response will be referred to staff for a written reply. The Board/Committee may take action on any item of business appearing on the posted agenda.

3.4. Conduct a Public Hearing on the February 2026 Annual Report on the Protection and Augmentation of Water Supplies and Recommended Increases in Groundwater Production Charges, Surface Water Charges, and Recycled Water Charges for Fiscal Year 2026-27.

[25-0873](#)

Recommendation:

- A. Open and Conduct a Public Hearing pursuant to Section 26.6 of the District Act to consider Santa Clara Valley Water District’s Fiscal Year (FY) 2026-27 Annual Report on the Protection and Augmentation of Water Supplies and recommended increases to groundwater production charges (between 6.6% to 9.4%), surface water charges (between 6.9% to 9.4%) and recycled water charges (between 4.8% to 6.8%);
- B. Hear public comments from groundwater producers and any interested persons regarding the Report and recommendations;
- C. Consider any written protests to proposed surface water rate increases;
- D. Consider staff’s recommendation to set the State Water Project tax in an amount sufficient to pay next year’s State Water Project costs (excluding Delta Conveyance Project costs) to avoid severe water rate impacts and keep rates

feasible;

- E. Direct staff to review such Report with, and solicit comments from, Santa Clara Valley Water District's advisory committees; and
- F. Continue the Public Hearing regarding this Report to the April 22, 2026, Special meeting at the Morgan Hill Council Chamber Building, 17555 Peak Ave, Morgan Hill, California at 7:00 pm, pending Board approval.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: Staff Report](#)
[Attachment 2: PowerPoint](#)
[Attachment 3: Resolution No. 12-10](#)
[Attachment 4: Notice of Public Hearing](#)

Est. Staff Time: 30 Minutes.

REGULAR AGENDA:

4. CONSENT CALENDAR: (4.1 - *4.8) (Est. Time: 5 Minutes)

Notice to the public: There is no separate discussion of individual consent calendar items. Recommended actions are voted on in one motion. If an item is approved on the consent vote, the specific action recommended by staff is adopted. Items listed in this section of the agenda are considered to be routine by the Board, or delegated to the Board Appointed Officers (BAOs) yet required by law or contract to be Board approved (EL-7.10). Any item may be removed for separate consideration at the request of a Board member. Whenever a resolution is on the consent calendar, a roll call vote will be taken on the entire calendar. Members of the public wishing to address the Board on any consent items may do so by filling out a Speaker Card and submitting it to the Clerk or using the "Raise Hand" tool located in the Zoom meeting application to identify themselves to speak.

- 4.1. Adopt a Resolution Recognizing Wednesday, April 22, 2026, as Earth Day. [26-0229](#)

Recommendation: Adopt the Resolution RECOGNIZING APRIL 22, 2026, AS EARTH DAY.

Manager: Kirsten Struve, 408-630-3138
Lisa Bankosh, 408-630-2618
Bhavani Yerrapotu, 408-630-2735

Attachments: [Attachment 1: Resolution](#)

- 4.2. Adopt a Resolution Expressing Appreciation of the Santa Clara Valley Water District Volunteers and Their Contributions During 2026 National Volunteer Week. [26-0287](#)

Recommendation: Adopt the Resolution EXPRESSING APPRECIATION OF THE SANTA CLARA VALLEY WATER DISTRICT VOLUNTEERS

AND THEIR CONTRIBUTIONS DURING 2026 NATIONAL VOLUNTEER WEEK.

Manager: Rachael Gibson, 408-630-2884

Attachments: [Attachment 1: Resolution](#)

- 4.3. Adopt Plans and Specifications and Authorize Advertisement for Bids for the Federal Energy Regulatory Commission Order Compliance Project Live Oak Restoration Reach Project, as part of the Anderson Dam Seismic Retrofit Project, Project No. 91864005, Contract No. C0726 (Morgan Hill, District No.1) [26-0269](#)

Recommendation: A. Adopt the Plans and Specifications and Authorize Advertisement for Bids for Construction of the FERC Order Compliance Project (FOCP) Live Oak Restoration Reach Project (LORRP) per the Notice to Bidders; and
B. Authorize the Designated Engineer to issue addenda, as necessary, during the bidding process.

Manager: Ryan McCarter, 408-630-2983

Attachments: [Attachment 1: Notice to Bidders](#)
[Attachment 2: Project Delivery Process Chart](#)
[Attachment 3: Map](#)

- 4.4. Adopt Plans and Specifications and Authorize Advertisement for Bids for Construction of the Coyote Creek Flood Protection Project, Project No. 26174043, Contract No. C0724, (San Jose, Districts 2, 3, and 6). [26-0275](#)

Recommendation: A. Consider the First Addendum to the Final Environmental Impact Report for the Coyote Creek Flood Protection Project, along with the Final Environmental Impact Report;
B. Adopt Plans and Specifications and Authorize Advertisement for Bids for Construction of the Coyote Creek Flood Protection Project, per the Notice to Bidders; and
C. Authorize the Designated Engineer to issue addenda, as necessary, during the bidding process.

Manager: Bhavani Yerrapotu, 408-630-2735

Attachments: [Attachment 1: Location Map](#)
[Attachment 2: Notice to Bidders](#)
[Attachment 3: First Addendum to the Final EIR](#)
[Attachment 4: Project Delivery Process](#)
[Attachment 5: Plans](#)
[Attachment 6: Specifications](#)

- 4.5. Accept the Work as Complete and Direct the Clerk to File the Notice of Completion of Contract and Acceptance of Work for the Hale Creek Enhancement Pilot Project, Stage 2, Milestone 3, McGuire and Hester, Project No. 26164001, Contract No. C0667 (Mountain View, Los Altos, District 7). [26-0053](#)

Recommendation: A. Accept the work on the Hale Creek Enhancement Pilot Project, Stage 2, Milestone 3, Project No. 26164001, Contract No. C0667 as complete; and
 B. Direct the Clerk of the Board to sign the Notice of Completion of Contract and Acceptance of Work and submit for recording to the Santa Clara County Clerk-Recorder.

Manager: Bhavani Yerrapotu, 408-630-2735

Attachments: [Attachment 1: Notice of Completion and Acceptance of Work](#)
 [Attachment 2: Construction Contract Acceptance](#)
 [Attachment 3: Project Completion Letter](#)
 [Attachment 4: Construction Photos](#)
 [Attachment 5: Project Delivery Process Chart](#)

- 4.6. Set the Time and Date for a Public Hearing on the Fiscal Year 2026-2027 Flood Control Benefit Assessments on May 12, 2026 at 1:00 p.m. [25-0874](#)

Recommendation: Set the time and date for a Public Hearing on the Fiscal Year 2026-2027 (FY 2026-27) Flood Control Benefit Assessments for 1:00 p.m. on May 12, 2026, at the Santa Clara Valley Water District Boardroom, 5700 Almaden Expressway, San Jose, California, and via Teleconference Zoom Board Meeting.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: Flood Control Benefit Assessments Report](#)
 [Attachment 2: Notice of Public Hearing](#)

- *4.7. Approval of Minutes from March 10, 2026. [26-0083](#)

Recommendation: Approve the minutes from March 10, 2026.

Manager: Candice Kwok-Smith, 408-630-3193

Attachments: [*Attachment 1: 03102026 CS and Regular Meeting Minutes](#)

- *4.8. Accept the CEO Bulletin for the Weeks of March 20, Through April 9, 2026. [26-0325](#)

Recommendation: Accept the CEO Bulletin.

Manager: Melanie Richardson, 408-630-2017
Attachments: [*Attachment 1: 04092026 CEO Bulletin](#)

5. BOARD OF DIRECTORS:

5.1. Complaint Against a Board Member. [26-0344](#)

Recommendation: Pursuant to GP-6.5.7.1, consider the request of Chair Estremera to form an Ethics and Conduct Ad Hoc Committee to timely address a complaint against a Board Member.

Manager: Chairperson Tony Estremera
Attachments: [Attachment 1: GP-6](#)
[Attachment 2: Board Code of Conduct](#)

Est. Staff Time: 5 Minutes.

*5.2. Consider the March 17, 2026, Board Policy and Monitoring Committee Recommendation to Update the Board Member Travel Policy. [26-0321](#)

Recommendation: Consider the March 17, 2026, Board Policy and Monitoring Committee recommendation to update the Board Member travel policy to include language related to cancellations.

Manager: Candice Kwok-Smith, 408-630-3193
Attachments: [Attachment 1: Board Governance Process 10, Redlined](#)

Est. Staff Time: 5 Minutes.

*5.3. Board Committee Reports. [26-0324](#)

Attachments: [*Handout 5.3-A: 01262026 CIP, Summary](#)
[*Handout 5.3-B: 03172026 BPMC, Summary](#)
[*Handout 5.3-C: 03232026 WSDMC, Summary](#)
[*Handout 5.3-D: 04152026 BAC, Agenda](#)
[*Handout 5.3-E: 04162026 JRWPAC, Agenda](#)

Est. Staff Time: 5 Minutes.

6. WATER UTILITY ENTERPRISE:

7. WATERSHEDS:

8. ASSISTANT CHIEF EXECUTIVE OFFICER:

9. EXTERNAL AFFAIRS:

10. CHIEF EXECUTIVE OFFICER:

*10.1 CEO and Chiefs' Reports.

[26-0326](#)

Attachments: [*Handout 10.1-A: OCE, Monthly Update](#)

[*Handout 10.1-B: OGR, Summary](#)

Est. Staff Time: 5 Minutes.

11. ADMINISTRATION:

12. DISTRICT COUNSEL:

13. BOARD POLICY PLANNING CALENDAR/PROPOSED FUTURE BOARD AGENDA ITEMS:

*13.1 Review the Fiscal Year 2026 Board Policy Planning Calendar.

[25-0920](#)

Recommendation: Review the Fiscal Year 2026 Board Policy Planning Calendar.

Manager: Candice Kwok-Smith, 408-630-3139

Attachments: [*Attachment 1: FY26 Board Calendar](#)

Est. Staff Time: 5 Minutes.

14. BOARD MEMBER REPORTS/ANNOUNCEMENTS:

15. CLERK REVIEW AND CLARIFICATION OF BOARD REQUESTS:

16. ADJOURN:

16.1 The Board will convene for a Special Closed Session meeting at 11:00 a.m. on Friday, April 17, 2026, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California, and via Zoom teleconference.



Santa Clara Valley Water District

File No.: 26-0369

Agenda Date: 4/14/2026
Item No.: *2.1.

NON-EXHIBIT/CLOSED SESSION ITEM

SUBJECT:
CLOSED SESSION
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54957(b)(1)
Title: District Counsel



Santa Clara Valley Water District

File No.: 26-0338

Agenda Date: 4/14/2026
Item No.: *2.2.

NON-EXHIBIT/CLOSED SESSION ITEM

SUBJECT:

CLOSED SESSION

PUBLIC EMPLOYEE APPOINTMENT

Pursuant to Government Code Section 54957(b)(1)

Title: Chief Executive Officer

(*Previously Listed as Item 2.1)



Santa Clara Valley Water District

File No.: 26-0386

Agenda Date: 4/14/2026
Item No.: *2.3.

NON-EXHIBIT/CLOSED SESSION ITEM

SUBJECT:

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL, EXISTING LITIGATION

Pursuant to Govt. Code Section 54956.9(d)(1)

Santa Clara Valley Water District v. Eisenberg

Santa Clara Co. Superior Court, No. 24CV436448



Santa Clara Valley Water District

File No.: 25-0873

Agenda Date: 4/14/2026

Item No.: 3.4.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Conduct a Public Hearing on the February 2026 Annual Report on the Protection and Augmentation of Water Supplies and Recommended Increases in Groundwater Production Charges, Surface Water Charges, and Recycled Water Charges for Fiscal Year 2026-27.

RECOMMENDATION:

- A. Open and Conduct a Public Hearing pursuant to Section 26.6 of the District Act to consider Santa Clara Valley Water District's Fiscal Year (FY) 2026-27 Annual Report on the Protection and Augmentation of Water Supplies and recommended increases to groundwater production charges (between 6.6% to 9.4%), surface water charges (between 6.9% to 9.4%) and recycled water charges (between 4.8% to 6.8%);
- B. Hear public comments from groundwater producers and any interested persons regarding the Report and recommendations;
- C. Consider any written protests to proposed surface water rate increases;
- D. Consider staff's recommendation to set the State Water Project tax in an amount sufficient to pay next year's State Water Project costs (excluding Delta Conveyance Project costs) to avoid severe water rate impacts and keep rates feasible;
- E. Direct staff to review such Report with, and solicit comments from, Santa Clara Valley Water District's advisory committees; and
- F. Continue the Public Hearing regarding this Report to the April 22, 2026, Special meeting at the Morgan Hill Council Chamber Building, 17555 Peak Ave, Morgan Hill, California at 7:00 pm, pending Board approval.

SUMMARY:

Section 26.5 of Santa Clara Valley Water District's (Valley Water) District Act requires that Valley Water annually prepare a "written report upon the District's activities in the protection and augmentation of the water supplies of the District." Section 26.6 of the District Act requires Valley Water to hold a Public Hearing regarding this annual "Protection and Augmentation of Water Supplies" report on or before the fourth Tuesday of April.

This Public Hearing is conducted to inform the community of the activities performed by Valley Water to ensure a reliable water supply and staff's recommended groundwater production charges and

other water charges needed to pay for those activities. The Hearing provides opportunity for any interested person to submit comments to the Board. This year's groundwater production charge setting process is being conducted consistent with the District Act and Board Resolution 99-21. The raw surface water charge setting process includes a formal protest procedure consistent with Board Resolution 12-10 (See attachment 3). If written protests are filed by a majority of surface water operators, the surface water charge cannot be increased.

The Protection and Augmentation of Water Supplies (PAWS) Report can be found at www.valleywater.org <<http://www.valleywater.org>>.

Need for Water Charges and State Water Project Tax

Groundwater production charges are necessary to pay for ongoing operations and maintenance of the existing water utility system, investments in water supply infrastructure rehabilitation and upgrades, and new water supply reliability investments. Investing in key rehabilitation and upgrade projects and securing new water supply has resulted in a multi-year era of investment for the water utility. Investing now remains the prudent path to ensure that our water utility projects continue to do their job of providing safe, clean, and reliable water to all of Santa Clara County.

The proposed maximum groundwater production charges for FY 2026-27 are necessary to (1) advance the Anderson Dam Seismic Retrofit, which will improve public safety and restore operational capacity; (2) to fund key baseline projects such as the Rinconada Water Treatment Plant reliability improvement and the 10-year Pipeline Rehabilitation Program; (3) to participate in the B.F. Sisk Dam Raise and Sites Reservoir projects, which would provide additional water storage capacity; and, (4) to pay for general inflation.

Groundwater Production and Treated Water Charge Recommendations

Staff proposes a 9.1% increase in the North County Zone W-2 Municipal and Industrial (M&I) groundwater production charge, from \$2,450.00 per acre foot (AF) to \$2,673.00/AF. Staff recommends maintaining the treated water surcharge on treated water delivered under the contracts with retail agencies at \$115.00/AF, and maintaining the non-contract treated water surcharge at \$200.00/AF. The proposal equates to a monthly bill increase for the average household of \$5.63 or about 19 cents a day.

In the South County Zone W-5, staff proposes a 6.6% increase in the M&I groundwater production charge from \$624.50/AF to \$665.50/AF. The proposal equates to a monthly bill increase for the average household of \$1.04 or about 3 cents per day.

In the South County Zone W-7, staff proposes a 9.4% increase in the M&I groundwater production charge from \$834.50/AF to \$913.00/AF. The proposal equates to a monthly bill increase for the average household of \$1.98 or about 7 cents per day.

In the South County Zone W-8, staff proposes an 8% increase in the M&I groundwater production charge from \$464.00/AF to \$501.00/AF. The proposal equates to a monthly bill increase for the average household of \$0.93 or about 3 cents per day.

Customers in both areas of North and South County may also experience additional charge increases enacted by their retail water providers.

For agricultural groundwater users, staff proposes an increase of 8 percent from the prior year, which equates to setting the agricultural groundwater charge at 9.25 percent of the lowest M&I rate (Zone W-8). The proposed agricultural groundwater production charge in any groundwater benefit zone would change from \$43.00/AF to \$46.50/AF, or roughly a \$0.58 increase per month per acre, assuming two acre-feet of water usage per acre per year.

Surface Water and Recycled Water Charge Recommendations

Staff recommends a 9.1% increase to the surface water master charge from \$67.00/AF to \$73.00/AF to align revenues with costs related to managing, operating and billing for surface water diversions. This increase results in a proposed 9.1% increase to the North County (Zone W-2) M&I surface water charge, to \$2,746.00/AF.

For South County zones, staff proposes the following M&I surface water charge increases: for Zone W-5, a 6.8 percent increase to \$738.50/AF; for Zone W-7, a 9.4 percent increase to \$986.00/AF; for Zone W-8, an 8.1 percent increase to \$574.00/AF.

Staff recommends that the total agricultural surface water charge be increased 8.6 percent in all zones, to \$119.50/AF.

For recycled water (Zone W-5), staff recommends increasing the M&I charge by 6.8 percent, to \$645.50/AF, and increasing the agricultural charge by 4.8 percent, to \$76.85/AF. The increase maximizes cost recovery while concurrently providing an economic incentive to use recycled water. This pricing is consistent with the provisions of the "Wholesale-Retailer Agreement for Supply of Recycled Water Between Santa Clara Valley Water District and City of Gilroy."

Other Water Utility Costs

Staff also recommends setting the State Water Project (SWP) Tax at \$28 million for FY 2026-27 to pay all anticipated FY 2026-2027 SWP costs other than Delta Conveyance Project costs. This translates to a property tax bill for the average single-family residence of roughly \$46.00 per year. A SWP tax in this amount is necessary to avoid severe increases to Valley Water's water rates and rate payors, keeping them feasible. If the recommended FY 2026-27 State Water Project Tax is not approved, the impact translates to a needed increase in the M&I groundwater production charge of an additional \$158/AF in North County Zone W-2 and in South County an additional \$37/AF in Zone W-5, \$49/AF in Zone W-7 and \$38/AF in Zone W-8 in South County. The open space credit would increase by roughly \$962,533.

Valley Water's 55th Annual Report on the Protection and Augmentation of Water Supplies, among other information, contains a financial analysis of the Valley Water's water utility system and additional details about the above recommendations. This report can be found at www.valleywater.org <<http://www.valleywater.org>>.

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice impacts associated with this item.

FINANCIAL IMPACT:

If the Board approves the recommended groundwater production and other water charges, the Water Utility should have sufficient funding for planned operations and capital improvement projects for FY 2026-27.

CEQA:

The establishment of groundwater production charges and other water charges is not a project under CEQA Guidelines Section 15273(a) (CEQA does not apply to establishment or modification of charges by public agencies which the public agency finds are for the purpose of meeting operating expenses; purchasing or leasing supplies, equipment and materials; meeting financial reserve needs/requirements; and obtaining funds for capital projects needed to maintain service within existing service areas).

ATTACHMENTS:

- Attachment 1: Staff Report
- Attachment 2: PowerPoint
- Attachment 3: Resolution No. 12-10
- Attachment 4: Notice of Public Hearing

UNCLASSIFIED MANAGER:

Darin Taylor, 408-630-3068

Staff Report

In accordance with the District Act, District staff has prepared an annual report on the Protection and Augmentation of Water Supplies (PAWS), which was filed with the Clerk of the Board on February 27, 2026.

The Report is the 55th annual report on the Santa Clara Valley Water District's (Valley Water) activities in the protection and augmentation of the water supplies. This Report is prepared in accordance with the requirements of the District Act, section 26.5. The Report provides information on water requirements and water supply availability, and financial analysis of Valley Water's water utility system. The financial analysis includes future capital improvement and maintenance requirements, operating requirements, financing methods and staff's recommended groundwater production and other water charges by zone for fiscal year (FY) 2026-27.

The PAWS Report can be found at www.valleywater.org.

The Rate Setting Process

According to Section 26.3 of the District Act, proceeds from groundwater production charges can be used for the following purposes:

1. Pay for construction, operation and maintenance of imported water facilities
2. Pay for imported water purchases
3. Pay for constructing, maintaining and operating facilities which will conserve or distribute water including facilities for groundwater recharge, surface distribution, and purification and treatment
4. Pay for debt incurred for purposes 1, 2 and 3.

This year, as in past years, staff has carefully evaluated the activities that can be paid for by groundwater production charges. The work of Valley Water is divided into projects. Every project has a detailed description including objectives, milestones, and an estimate of resources needed to deliver the project. To ensure compliance with the District Act, each project manager must justify whether or not groundwater production charges can be used to pay for the activities associated with their project. The financial analysis presented in the annual report is based on the financial forecasts for these vetted projects.

Resolution 99-21 guides staff in the development of the overall pricing structure based on principles established in 1971. The general approach is to charge the recipients of the various benefits for the benefits received. More specifically, pricing is structured to manage surface water, groundwater supplies and recycled water conjunctively to prevent the over use or under use of the groundwater basin. Consequently, staff is very careful to recommend pricing for groundwater production charges, treated water charges, surface water charges and recycled water charges that work in concert to achieve the effective use of available resources.

This year's rate setting process is being conducted consistent with Board Resolutions 99-21 and 12-10. The rate setting process for both groundwater and surface water is consistent with Proposition 26 requirements that the groundwater production and surface water charges are no more than necessary to cover reasonable costs and bear a fair or reasonable relationship to the rate payor's burdens on or benefits received from the groundwater and surface water programs. The surface water charge setting process mirrors the process described in Proposition 218 for property-related fees for water services. As in the past, the Board will continue to hold public hearings and seek input from its advisory committees and the public before rendering a final decision on groundwater production and other water charges for FY 2026-27.

Staff Recommendations

Exhibit 1 shows the recommended groundwater production charges and other charges for FY 2026-27.

Exhibit 1 **Summary of Charges (Dollars Per Acre Foot, \$/AF)**

		Dollars Per Acre Foot			
	Basic User/Groundwater Production Charge	FY 2024-25	FY 2025-26	Recommended FY 2026-27	
Zone W-2 (North County)	Municipal and Industrial	2,229.00	2,450.00	2,673.00	
	Agricultural	39.80	43.00	46.50	
	Surface Water Charge				
	Surface Water Master Charge	61.00	67.00	73.00	
	Total Surface Water, Municipal and Industrial*	2,290.00	2,517.00	2,746.00	
	Total Surface Water, Agricultural*	100.80	110.00	119.50	
	Treated Water Charges				
	Contract Surcharge	115.00	115.00	115.00	
	Total Treated Water Contract Charge**	2,344.00	2,565.00	2,788.00	
	Non-Contract Surcharge	200.00	200.00	200.00	
Total Treated Water Non-Contract Charge***	2,429.00	2,650.00	2,873.00		
Zone W-5 (Llagas Subbasin)	Basic User/Groundwater Production Charge				
	Municipal and Industrial	579.00	624.50	665.50	
	Agricultural	39.80	43.00	46.50	
	Surface Water Charge				
	Surface Water Master Charge	61.00	67.00	73.00	
	Total Surface Water, Municipal and Industrial*	640.00	691.50	738.50	
	Total Surface Water, Agricultural*	100.80	110.00	119.50	
	Recycled Water Charges				
	Municipal and Industrial	559.00	604.50	645.50	
	Agricultural	70.15	73.35	76.85	
Zone W-7 (Coyote Valley)	Basic User/Groundwater Production Charge				
	Municipal and Industrial	750.50	834.50	913.00	
	Agricultural	39.80	43.00	46.50	
	Surface Water Charge				
	Surface Water Master Charge	61.00	67.00	73.00	
	Total Surface Water, Municipal and Industrial*	811.50	901.50	986.00	
	Total Surface Water, Agricultural*	100.80	110.00	119.50	
Zone W-8 (Uvas/ Chesbro)	Basic User/Groundwater Production Charge				
	Municipal and Industrial	430.00	464.00	501.00	
	Agricultural	39.80	43.00	46.50	
	Surface Water Charge				
	Surface Water Master Charge	61.00	67.00	73.00	
	Total Surface Water, Municipal and Industrial*	491.00	531.00	574.00	
Total Surface Water, Agricultural*	100.80	110.00	119.50		

*Note: The total surface water charge is the sum of the basic user charge (which equals the groundwater production charge) plus the water master charge
 **Note: The total treated water contract charge is the sum of the basic user charge (which equals the groundwater production charge) plus the contract surcharge
 ***Note: The total treated water non-contract charge is the sum of the basic user charge (which equals the groundwater production charge) plus the non-contract surcharge

Staff proposes a 9.1% increase in the North County Zone W-2 Municipal and Industrial groundwater production charge from \$2,450.00 per acre foot (AF) to \$2,673.00/AF. Staff recommends maintaining the treated water surcharge on treated water delivered under the contracts with retail agencies at \$115.00/AF, and maintaining the non-contract treated water surcharge at \$200.00/AF. The proposal equates to a monthly bill increase for the average household of \$5.63 or about 19 cents a day.

In the South County Zone W-5, staff proposes a 6.6% increase in the M&I groundwater production charge from \$642.50/AF to \$665.50/AF. The proposal equates to a monthly bill increase for the average household of \$1.04 or about 3 cents per day.

In the South County Zone W-7, staff proposes a 9.4% increase in the M&I groundwater production charge from \$834.50/AF to \$913.00/AF. The proposal equates to a monthly bill increase for the average household of \$1.98 or about 7 cents per day.

In the South County Zone W-8, staff proposes an 8% increase in the M&I groundwater production charge from \$464.00/AF to \$501.00/AF. The proposal equates to a monthly bill increase for the average household of \$0.93 or about 3 cents per day.

Customers in both areas of North and South County may also experience additional charge increases enacted by their retail water providers.

Staff proposes an 8% increase in the agricultural groundwater production charge, which would mean an increase from \$43.00/AF to \$46.50/AF. The proposed groundwater production charge equates to 9.25% of the lowest M&I rate (Zone W-8) and would translate to an increase of \$0.58 per month per acre, assuming 2 (two) acre-feet of water usage per acre per year.

Staff recommends a 9.1% increase to the surface water master charge from \$67.00/AF to \$73.00/AF to align revenues with the costs related to managing, operating and billing for surface water diversions. This increase results in an 8.7% increase in the overall North County municipal and industrial surface water charge, to \$2,788.00/AF. For South County, the overall increases in the basic user charge and surface water master charge result in a total surface water charge for M&I water as follows: \$738.50/AF, or a 6.8% increase for Zone W-5; \$986.00/AF, or a 9.4% increase for Zone W-7; and \$574.00/AF, or an 8.1% increase for Zone W-8. The total agricultural surface water charge in any zone represents up to an 8.6% increase at \$119.50/AF.

For recycled water, staff recommends increasing the M&I charge by 6.8% to \$645.50/AF. For agricultural recycled water, the proposed increase is 4.8% to \$76.85/AF. The increase maximizes cost recovery while concurrently providing an economic incentive to use recycled water. This pricing is consistent with the provisions of the "Wholesale-Retailer Agreement for Supply of Recycled Water Between Santa Clara Valley Water District and City of Gilroy." The proposed rate changes maximize cost recovery while concurrently providing an economic incentive to use recycled water.

The proposed groundwater production charges for FY 2026-27 are necessary to pay ongoing operations and maintenance of the existing water utility system, investments in water supply infrastructure rehabilitation and upgrades, and new water supply reliability investments. Valley Water remains in an era of investment driven by infrastructure rehabilitation needs.

Staff recommends setting the State Water Project Tax at \$28 million for FY 2026-27. This translates to a property tax bill for the average single-family residence of roughly \$46.00 per year. Valley Water incurs an annual indebtedness to the State of California pursuant to its Water Supply Contract dated November 20, 1961. Such indebtedness is proportional to Valley Water's allocation of water from the State Water Project and pays for construction, maintenance and operation of state water project infrastructure and facilities. Staff anticipates that Valley Water's contractual indebtedness to the State under the State Water Supply Contract for FY 2026-27 will be at least \$35.5 million. Staff's

recommendation regarding the State Water Project tax is consistent with Valley Water’s past practice and with the approach of other water districts and agencies that maintain State Water Project supply contracts.

Projections

Exhibit 2 shows actual and projected District-managed water use. Water usage in FY 2024-25 was estimated at approximately 219,000 AF, which is roughly 3,000 AF lower than budgeted. For the current year, FY 2025-26, water use was budgeted at 219,000 AF, reflecting relatively flat use when compared to FY 2024-25 actuals. FY 2025-26 actuals are anticipated to come in lower than budget due to lower treated water deliveries from a pipeline maintenance project; staff anticipates there will be some higher groundwater pumping to offset the reduced treated water deliveries to certain Water Retailers. Water use for FY 2026-27 is projected at 221,500 AF reflecting slightly increased usage due to continued rebound from the 2023 drought.

Exhibit 2 **District-managed Water Use Projection (1,000’s AF)**

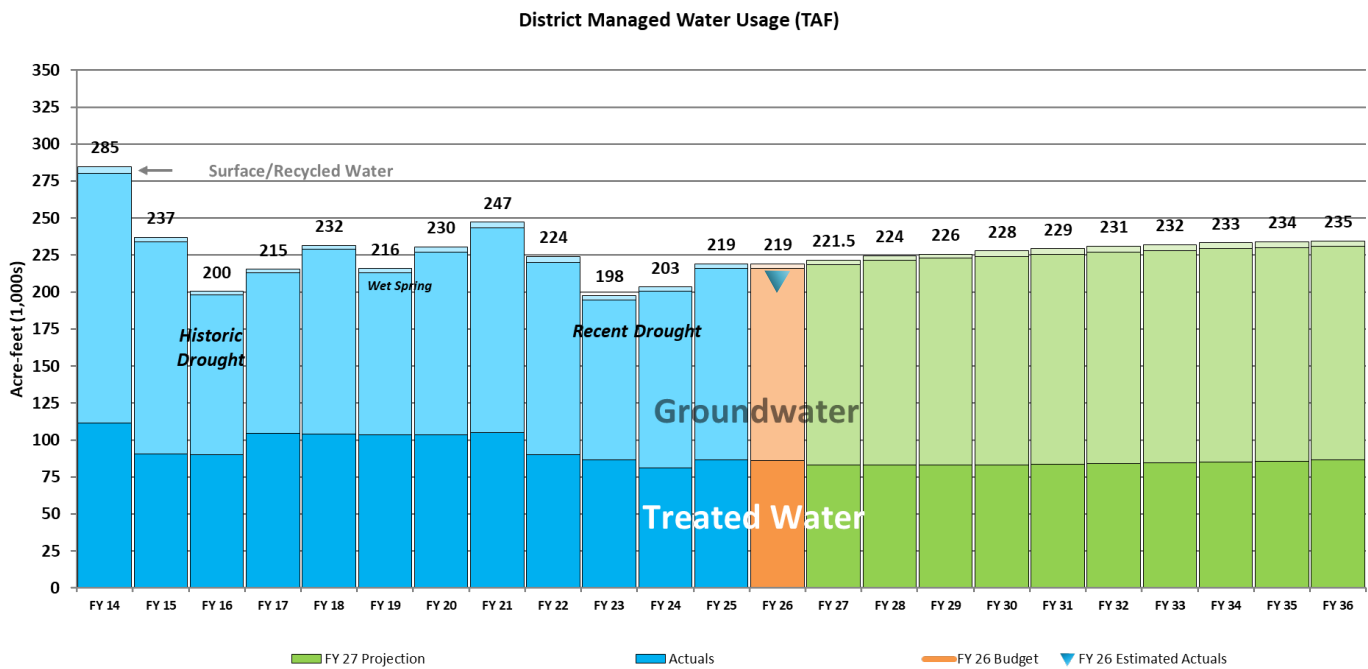


Exhibit 3 shows key financial indicators with staff’s recommendation projected to FY 2031-32. The debt service coverage ratio, which is a ratio of revenue less operations expenses divided by annual debt service, is targeted at 2.0 or better which helps to ensure financial stability and continued high credit ratings keeping cost to borrow low.

Exhibit 3 **5-Year Water Charge and Financial Indicator Projection**

Base Case	Adopted						
	Budget						
	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32
No. County (W-2) M&I GWP charge (\$/AF)	\$2,450	\$2,673	\$2,916	\$3,181.50	\$3,471	\$4,004	\$4,300.50
Y-Y Growth %	9.9%	9.1%	9.1%	9.1%	9.1%	7.4%	7.4%
So. County (W-5) M&I GWP charge (\$/AF)	\$624.50	\$665.50	\$709.50	\$756.50	\$806.50	\$859.50	\$916
Y-Y Growth %	7.9%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%
So. County (W-7) M&I GWP charge (\$/AF)	\$834.50	\$913	\$999	\$1,093	\$1,195.50	\$1,308	\$1,431
Y-Y Growth %	11.2%	9.4%	9.4%	9.4%	9.4%	9.4%	9.4%
So. County (W-8) M&I GWP charge (\$/AF)	\$464	\$501	\$541	\$584	\$631	\$681	\$735
Y-Y Growth %	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Operating & Capital Reserve	\$74,567	\$60,588	\$66,653	\$71,205	\$74,686	\$77,742	\$83,017
Supplemental Water Supply Reserve (\$K)	\$8,677	\$12,077	\$15,477	\$18,877	\$19,277	\$19,677	\$20,077
Drought Contingency Reserve (\$K)	\$1,000	\$4,000	\$8,000	\$12,000	\$16,000	\$20,000	\$20,000
Sr. Lien Debt Service Coverage Ratio (1.25 min)	2.09	2.27	2.16	2.24	2.37	2.49	2.62
South County (Deficit)/Reserves (\$K)	\$9,044	\$8,914	\$4,810	\$931	\$661	\$769	\$3,283

A significant portion of the projected increases in the groundwater production charge are driven by the capital improvement program as shown in Exhibit 4. Around \$7.0 billion in capital investments are planned for the next 10 years. Approximately \$1.7 billion of the program is allocated to seismically retrofit Anderson Dam, our county’s largest reservoir. Roughly \$600 million in preliminary costs is for the Dam Safety Program for Almaden, Calero, Coyote and Guadalupe Dams.

Two new projects were approved by the Board to be included in the Capital Improvement Plan (CIP) FY 2027-31 Five-Year Plan in January 2026. Pure Water Silicon Valley Project Full-Scale Facility, which previously had project costs as a placeholder, is now in the CIP FY 2027–31 Five-Year Plan, with an estimated cost of \$2.45 billion. The first step in this project is the development of the Pure Water Silicon Valley Project –Demonstration Facility, which is in the currently adopted CIP and has already begun. The Full-Scale Facility will be able to produce up to 24,000 AF of water per year, providing a locally controlled, drought-resilient water supply upon completion, which is estimated in 2036. The Santa Teresa Water Treatment Plant Infrastructure Rehabilitation project was recommended from the Water Treatment Plant Master Plan Implementation effort currently underway and will replace aging assets throughout the plant while increasing plant reliability. This project is anticipated to be completed in 2034 with an estimated cost of \$243 million.

The remaining portion of the capital program is primarily dedicated to asset management of Water Utility Enterprise facilities throughout the county. Staff annually conducts a validation process examining the business case for capital solutions in comparison with alternative operations, maintenance, and non-asset based solutions to ensure that Valley Water invests in the right solutions or projects at the right time for the right costs and for the right reasons. All newly proposed projects undergo the validation process prior to being proposed for inclusion in the CIP.

Over the next 10 years, operating outlays are projected to increase an average of 5.0% per year driven by: 1) the ramp up of payments associated with both the Delta Conveyance Project; and 2) the inclusion of the B.F. Sisk Dam Raise Project at San Luis Reservoir. Operations cost increases are also driven by inflation including cost increases associated with employee salaries and benefits. Debt service is projected to rise from \$108.6 million in FY 2026-27 to \$300.8 million in FY 2035-36 as a result of periodic debt issuances to fund the capital program.

Exhibit 4 Cost Projection by Cost Center (\$M)

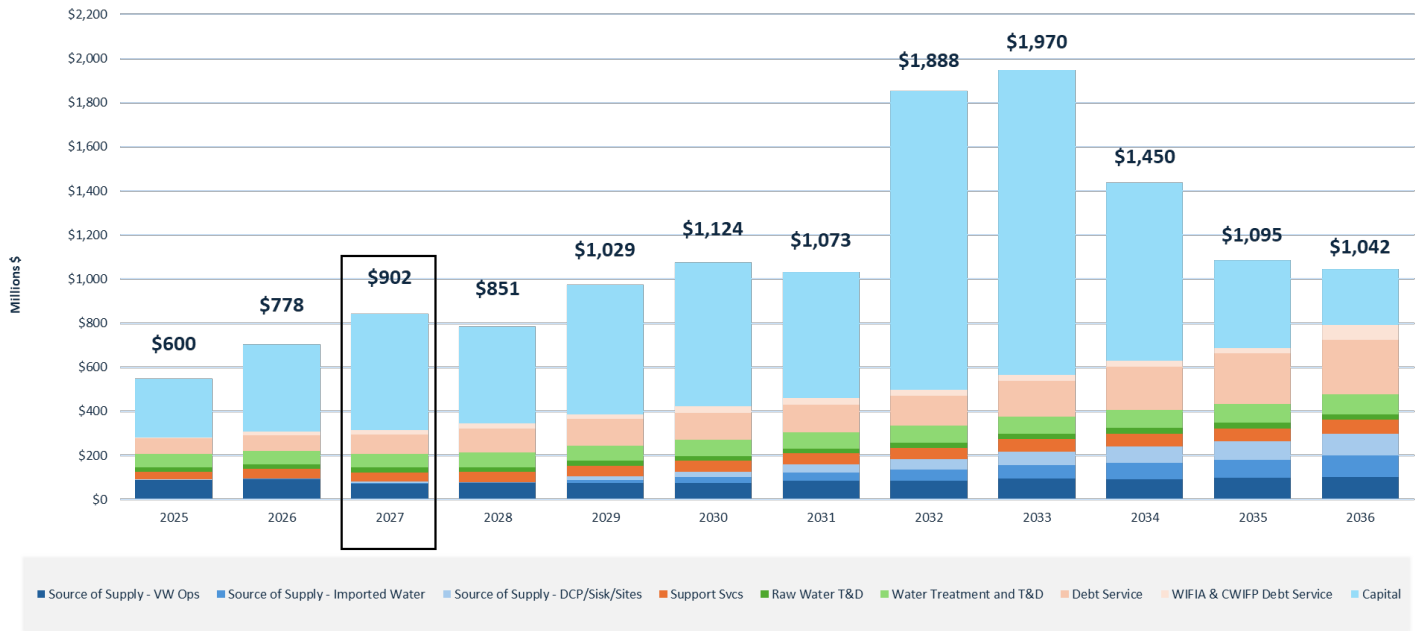


Exhibit 5 shows the groundwater production charge projection for the next 10 years and assumes a continuation of the level of service provided in FY 2025-26 and funding of the draft CIP FY 2027-31 Five-Year Plan. Note that there are initiatives and potential uncertainties that could result in the identification of additional capital or operations projects that are not reflected in the projection.

Exhibit 5 10-Year Groundwater Charge Projection

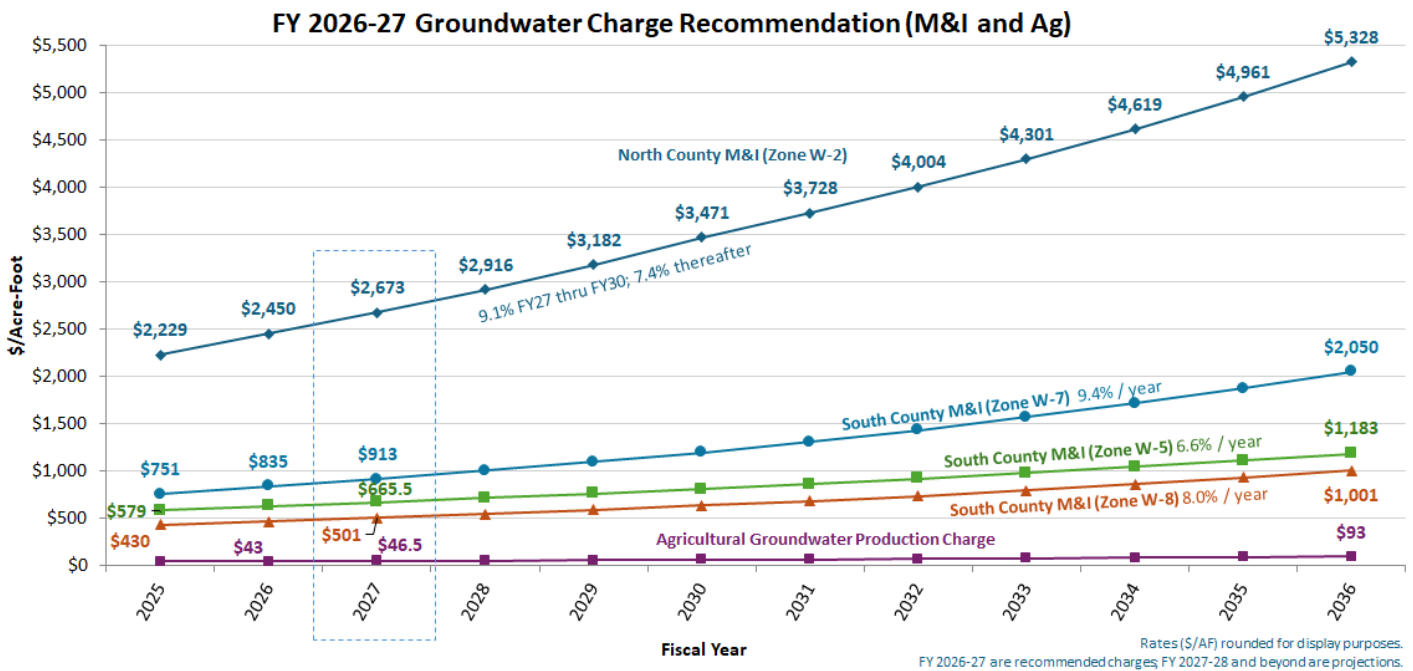


Exhibit 6 shows a comparison of the adjusted proposed groundwater production and treated water charges relative to the anticipated increases for the following similar agencies: Metropolitan Water District, Orange County Water District, San Diego County Water Authority, San Francisco PUC (Hetch Hetchy), and Zone 7.

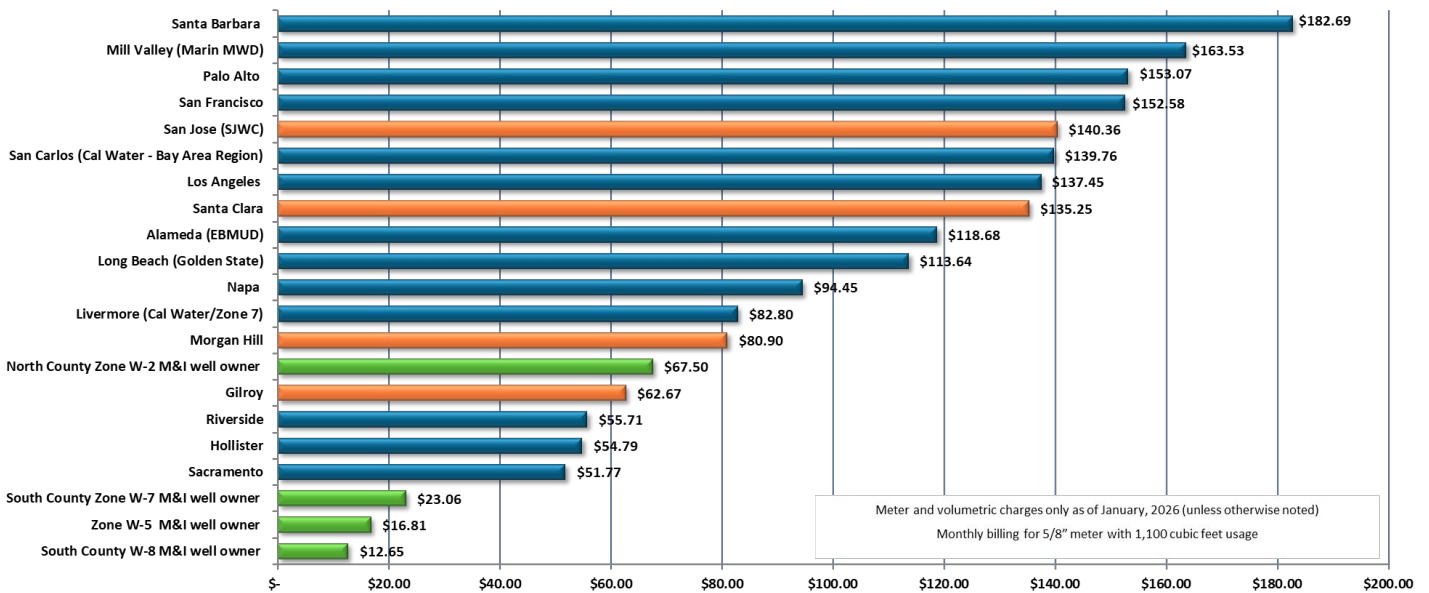
Anticipated FY 2025-26 Water Charge Increases for Similar Agencies

Agency			% inc.				% inc.	
	FY 24	FY24 to FY25	FY 25	FY25 to FY26	FY 26	FY26 to FY27	FY 27	
SCVWD North W-2 (Groundwater prdctn per AF) ¹	\$1,974	12.9%	\$2,229	9.9%	\$2,450	9.1%	\$2,673	
SCVWD North W-2 (Treated Water per AF) ¹	\$2,089	12.2%	\$2,344	9.4%	\$2,565	8.7%	\$2,788	
SCVWD South W-5 (Groundwater prdctn per AF) ¹	\$544	6.6%	\$579	6.6%	\$625	6.6%	\$665.5	
SCVWD South W-7 (Groundwater prdctn per AF) ¹	\$658	14.2%	\$751	14.2%	\$835	9.4%	\$913	
SCVWD South W-8 (Groundwater prdctn per AF) ¹	\$398	8.0%	\$430	8.0%	\$464	8.0%	\$501	
Metropolitan WD (Untreated Water per AF) ²	\$1,070	2.5%	\$1,097	7.6%	\$1,181	0.7%	\$1,189	
Metropolitan WD (Treated Water per AF) ²	\$1,423	11.0%	\$1,580	9.1%	\$1,725	0.5%	\$1,733	
Orange County WD (Groundwater per AF)	\$624	10.3%	\$688	3.3%	\$711	0.0%	\$711	
San Diego County WA (Treated Water per AF) ²	\$2,147	10.4%	\$2,369	11.7%	\$2,647	1.7%	\$2,691	
San Francisco PUC (Treated Water per AF) ^{3,3}	\$2,430	8.0%	\$2,625	2.7%	\$2,696	7.4%	\$2,895	
Zone 7 (Treated Water per AF) ²	\$1,853	4.3%	\$1,932	1.2%	\$1,956	0.0%	\$1,956	

1. Amounts may be rounded to the nearest dollar.
2. MWD, SDCWA and Zone 7 rates based on calendar year (i.e., 2026 rate would be effective on 1/1/2026)
3. SFPUC rate includes BAWSCA bond surcharge

Exhibit 7 shows a comparison of the average monthly bill for several of Valley Water’s retail customers (e.g., San Jose Water Company, City of Santa Clara, City of Morgan Hill, and City of Gilroy) relative to Valley Water’s perennial list of retail agency comparators across the state. SCVWD retailer rates shown include the staff recommended increase for FY 2026-27. North County and South County well owner rates are also shown, which exclude pumping costs (e.g., electricity) and well maintenance costs.

Exhibit 7 Retail Agency Benchmarks



Cost of Service

The cost-of-service analyses for FY 2026-27 are shown in Exhibit 8 for North County and Exhibit 9 for South County. The exhibits are laid out in a format that follows six industry standard rate making steps.

1. Identify utility pricing objectives and constraints
2. Identify revenue requirements
3. Allocate costs to customer classes
4. Reduce costs by revenue offsets or non-rate related funding sources
5. Develop unit costs by customer class or net revenue requirements by customer class
6. Develop unit rates by customer class

Water Utility pricing objectives and constraints representing rate making step 1 are identified in Resolution 99-21, the District Act, Proposition 218, Proposition 26, and existing contracts.

Step 2 includes identifying and segregating Water Utility Fund costs from Watershed and Administrative Funds and allocating Water Utility costs between zones W-2 (North County) and W-5, W-7, and W-8 (South County) according to benefits provided in each zone. Step 3 involves allocating costs by customer class either directly or based on water usage. Steps 4 and 5 result in unit costs by customer class after applying non-rate related offsets.

Step 6 includes two adjustments. The first adjustment is the application of 1% ad valorem property taxes, to offset the costs of agricultural water in accordance with Board Resolution 99- 21, also known as the "Open Space Credit." For FY 2026-27, staff is proposing a transfer of \$4.35M in 1% ad valorem property taxes from the General Fund and the Watershed Stream Stewardship Fund into the Water Utility Fund. The true-up adjustments related to FY 2023-24 increased the amount of Open Space Credit needed in FY 2026-27.

The second adjustment involves reallocating a portion of the cost of treated water (or recycled water in the case of South County) to groundwater and surface water users. Treated and recycled water offsets the need to pump groundwater and therefore increases the volume of stored groundwater and improves reliability. The reallocation of a portion of the treated water cost for example represents the value of treated water to groundwater and surface water users and facilitates a pricing structure that prevents the over use of the groundwater basin. Preventing over use not only preserves groundwater for use in times of drought, but also prevents land subsidence or sinking of the land, which can cause serious infrastructure issues.

Another aspect of the second adjustment is related to setting the basic user charge for surface water equal to the groundwater production charge. Surface water use is effectively in-lieu groundwater use permitted by Valley Water to help preserve the groundwater basin. As such, the costs related to preserving the groundwater basin provide value to surface water users because it makes available District surface water, which otherwise would only be used for groundwater recharge. Similarly, the costs related to providing surface water benefit groundwater users because surface water usage helps preserve the groundwater basin. The second adjustment reallocates costs between surface water and groundwater customers in order to set the basic user charge for surface water equal to the groundwater production charge in recognition of this conjunctive use relationship, and in accordance with board policy. A 2015 study was conducted by Raftelis Financial Consultants, Inc (RFC) that confirms the reasonableness of such an adjustment. The report titled "Report Documenting the Reasonableness of the Conjunctive Use Benefit of Surface Water and Recycled Water to Groundwater Customers" documents the support and justification for the water district's cost of service methodology and can be found on Valley Water's website.

Cost of Service North County Zone W-2 (\$K)

FY 27 Projection (\$ in Thousands)	Zone W-2					Total W-2
	Groundwater		Treated Water	Surface Water		
	M&I	AG	M&I	M&I	Ag	
1 Operating Outlays						
2 Operations/Operating Projects	66,029	546	132,521	1,035	0	200,132
3 SWP Imported Water Costs	9,252	77	26,123	396	0	35,848
4 Debt Service	26,843	225	81,250	309	0	108,627
5 Total Operating Outlays	102,124	849	239,894	1,740	0	344,607
6 Capital & Transfers						
7 Operating Transfers Out	8,412	70	8,980	65	0	17,527
8 Capital Outlays excl. carryforward	155,882	1,305	343,988	1,199	0	502,375
9 Total Capital & Transfers	164,294	1,376	352,968	1,264	0	519,902
10 Total Annual Program Costs	266,417	2,225	592,862	3,005	0	864,509
11 Revenue Requirement Offsets	Step 3 - Allocate costs to customer classes					
12 Capital Cost Recovery	(5,636)	(47)	(6,017)	(44)	(0)	(11,745)
13 Debt Proceeds	(125,729)	(1,053)	(277,449)	(967)	(0)	(405,198)
14 Inter-governmental Services	(629)	(5)	(672)	(5)	(0)	(1,311)
15 SWP Property Tax	(6,793)	(57)	(19,179)	(291)	(0)	(26,320)
16 South County Deficit/Reserve	(2,161)	(18)	(2,307)	(17)	(0)	(4,503)
17 Interest Earnings	(3,768)	(32)	(4,022)	(29)	(0)	(7,851)
18 Inter-zone Interest	50	0	54	0	0	105
19 Capital Contributions	(242)	(2)	(258)	(2)	(0)	(504)
20 Transfers In	(519)	(4)	(554)	(4)	(0)	(1,081)
21 Other	(771)	(6)	(762)	(11)	(0)	(1,551)
22 Reserve Requirements	16,517	86	40,008	127	0	56,738
23 Adjusted Revenue Requirement (FY 27)	136,736	1,086	321,703	1,763	0	461,289
24 Adjusted Revenue Requirement (FY 24 adj)	8,337	-	(27,696)	(711)	-	(20,070)
25 Total Adjusted Revenue Requirement	145,073	1,086	294,007	1,052	0	441,218
26 Volume (KAF)	77.6	0.7	82.9	0.6	0.0	161.7
27 Revenue Requirement (\$ per AF)	\$ 1,869	\$ 1,671	\$ 3,548	\$ 1,753	\$ 2,847	\$ -
28 Adjustments for Agricultural Preservation	Step 5 - Develop unit costs by customer class					
29 Allocate WU 1% Ad Valorem Prop Tax	-	(1,056)	-	-	(0)	(1,056)
30 Transfer GF 1% Ad valorem Prop Tax	-	-	-	-	-	-
31 Transfer WS 1% Ad Valorem Prop Tax	-	-	-	-	-	-
32 Revenue Requirement (\$ per AF)	\$ 1,869	\$ 46	\$ 3,548	\$ 1,753	\$ 120	\$ -
33 Adjustments to Facilitate Conjunctive Use	Step 6 - Rate Design					
34 Reallocate TW/SW/RW costs	62,395	-	(62,990)	596	-	0
35 Water Charge (\$ per AF)	\$ 2,673.00	\$ 46.50	\$ 2,788.00	\$ 2,746.00	\$ 119.50	\$ -
36 Total Revenue (\$K)	\$ 207,468	\$ 30	\$ 231,016	\$ 1,648	\$ 0	\$ 440,162

Cost of Service South County Zone W-5 (\$K)

FY 27 Projection (\$ in Thousands)	Zone W-5							Total W-5
	Groundwater		Surface Water		Recycled Water			
	M&I	AG	M&I	AG	M&I	AG		
1 Operating Outlays								
2 Operations/Operating Projects	9,319	10,763	201	342	263	225	21,113	
3 SWP Imported Water Costs	-	-	-	-	-	-	-	
4 Debt Service	-	-	-	-	-	-	-	
5 Total Operating Outlays	9,319	10,763	201	342	263	225	21,113	
6 Capital & Transfers								
7 Operating Transfers Out	-	-	-	-	-	-	-	
8 Capital Outlays excl. carryforward	-	-	-	-	-	-	-	
9 Total Capital & Transfers	-	-	-	-	-	-	-	
10 Total Annual Program Costs	9,319	10,763	201	342	263	225	21,113	
11 Revenue Requirement Offsets								
12 Capital Cost Recovery	2,513	2,936	37	64	838	718	7,106	
13 Debt Proceeds	-	-	-	-	-	-	-	
14 Inter-governmental Services	(34)	(40)	(1)	(1)	-	-	(75)	
15 SWP Property Tax	(561)	(655)	(8)	(14)	(21)	(18)	(1,277)	
16 South County Deficit/Reserve	1,111	711	(8)	16	369	19	2,218	
17 Interest Earnings	-	-	-	-	-	-	-	
18 Inter-zone Interest	(33)	(38)	(0)	(1)	(1)	(1)	(75)	
19 Capital Contributions	-	-	-	-	-	-	-	
20 Transfers In	(46)	(53)	(1)	(1)	(2)	(1)	(104)	
21 Other	(63)	(73)	(0)	(1)	(1)	(1)	(140)	
22 Reserve Requirements	-	-	-	-	-	-	-	
23 Adjusted Revenue Requirement (FY 27)	12,207	13,549	220	404	1,445	941	28,767	
24 Adjusted Revenue Requirement (FY 24 adj)	(381)	201	17	(199)	(347)	(165)	(874)	
25 Total Adjusted Revenue Requirement	11,826	13,750	237	204	1,098	777	27,892	
26 Volume (KAF)	18.8	21.9	0.3	0.5	0.7	0.6	42.8	
27 Revenue Requirement (\$ per AF)	\$ 629	\$ 627	\$ 846	\$ 426	\$ 1,569	\$ 1,294		
28 Adjustments for Agricultural Preservation								
29 Allocate WU 1% Ad Valorem Prop Tax	-	(11,636)	-	-	-	-	(11,636)	
30 Transfer GF 1% Ad valorem Prop Tax	-	(547)	-	(74)	-	(365)	(986)	
31 Transfer WS 1% Ad Valorem Prop Tax	-	(547)	-	(74)	-	(365)	(986)	
32 Revenue Requirement (\$ per AF)	\$ 629	\$ 47	\$ 846	\$ 120	\$ 1,569	\$ 77		
33 Adjustments to Facilitate Conjunctive Use								
34 Reallocate TW/SW/RW costs	677	-	(30)	-	(646)	-	-	
35 Water Charge (\$ per AF)	\$ 665.50	\$ 46.50	\$ 738.50	\$ 119.50	\$ 645.50	\$ 76.85		
36 Total Revenue (\$K)	\$12,503	\$1,020	\$207	\$57	\$452	\$46	\$14,285	

Exhibit 9, continued **Cost of Service South County Zone W-7 (\$K)**

FY 27 Projection (\$ in Thousands)	Zone W-7				Total W-7
	Groundwater		Surface Water		
	M&I	AG	M&I	AG	
1 Operating Outlays					
2 Operations/Operating Projects	7,925	1,894	160	236	10,216
3 SWP Imported Water Costs	-	-	-	-	-
4 Debt Service	-	-	-	-	-
5 Total Operating Outlays	7,925	1,894	160	236	10,216
6 Capital & Transfers					
7 Operating Transfers Out	-	-	-	-	-
8 Capital Outlays excl. carryforward	-	-	-	-	-
9 Total Capital & Transfers	-	-	-	-	-
10 Total Annual Program Costs	7,925	1,894	160	236	10,216
11 Revenue Requirement Offsets	Step 3 - Allocate costs to customer classes				
12 Capital Cost Recovery	3,620	917	23	34	4,594
13 Debt Proceeds	-	-	-	-	-
14 Inter-governmental Services	(60)	(15)	(0)	(1)	(76)
15 SWP Property Tax	(291)	(74)	(2)	(3)	(370)
16 South County Deficit/Reserve	2,379	105	(114)	4	2,373
17 Interest Earnings	-	-	-	-	-
18 Inter-zone Interest	(22)	(6)	(0)	(0)	(28)
19 Capital Contributions	-	-	-	-	-
20 Perchlorate Response	(4)	(1)	(0)	(0)	(5)
21 Other	(23)	(6)	(0)	(0)	(29)
22 Reserve Requirements	-	-	-	-	-
23 Adjusted Revenue Requirement (FY 27)	13,523	2,815	66	271	16,675
24 Adjusted Revenue Requirement (FY 24 adj)	(2,001)	(591)	117	(264)	(2,738)
25 Total Adjusted Revenue Requirement	11,522	2,224	183	7	13,937
26 Volume (KAF)	12.7	3.2	0.1	0.1	16.2
27 Revenue Requirement (\$ per AF)	\$ 905	\$ 689	\$ 2,292	\$ 58	
28	Step 5 - Develop unit costs by customer				
29 Allocate WU 1% Ad Valorem Prop Tax	-	-	-	7	7
30 Transfer GF 1% Ad valorem Prop Tax	-	(1,037)	-	-	(1,037)
31 Transfer WS 1% Ad Valorem Prop Tax	-	(1,037)	-	-	(1,037)
32 Revenue Requirement (\$ per AF)	\$ 905	\$ 47	\$ 2,292	\$ 120	
33 Adjustments to Facilitate Conjunctive Use	Step 6 - Rate Design				
34 Reallocate TW/SW/RW costs	104	-	(104)	-	-
35 Water Charge (\$ per AF)	\$ 913.00	\$ 46.50	\$ 986.00	\$ 119.50	
36 Total Revenue (\$K)	\$11,627	\$150	\$79	\$14	\$11,870

Exhibit 9, continued **Cost of Service South County Zone W-8 (\$K)**

FY 27 Projection (\$ in Thousands)	Zone W-8				Total W-8	Total South County
	Groundwater		Surface Water			
	M&I	AG	M&I	AG		
1 Operating Outlays						
2 Operations/Operating Projects	259	293	23	-	575	31,904
3 SWP Imported Water Costs	-	-	-	-	-	-
4 Debt Service	-	-	-	-	-	-
5 Total Operating Outlays	259	293	23	-	575	31,904
6 Capital & Transfers						
7 Operating Transfers Out	-	-	-	-	-	-
8 Capital Outlays excl. carryforward	-	-	-	-	-	-
9 Total Capital & Transfers	-	-	-	-	-	-
10 Total Annual Program Costs	259	293	23	-	575	31,904
11 Revenue Requirement Offsets						
12 Capital Cost Recovery	20	22	2	-	44	11,745
13 Debt Proceeds	-	-	-	-	-	-
14 Inter-governmental Services	(0)	(0)	(0)	-	(0)	(152)
15 SWP Property Tax	(15)	(17)	(2)	-	(34)	(1,680)
16 South County Deficit/Reserve	(103)	14	1	-	(88)	4,503
17 Interest Earnings	-	-	-	-	-	-
18 Inter-zone Interest	(1)	(1)	(0)	-	(1)	(105)
19 Capital Contributions	-	-	-	-	-	-
20 Perchlorate Response	(2)	(2)	(0)	-	(5)	(113)
21 Other	(1)	(1)	(0)	-	(2)	(171)
22 Reserve Requirements	-	-	-	-	-	-
23 Adjusted Revenue Requirement (FY 27)	157	307	25	-	489	45,930
24 Adjusted Revenue Requirement (FY 24 adj)	28	49	-	(26)	52	(3,561)
25 Total Adjusted Revenue Requirement	185	356	25	(26)	541	42,370
26 Volume (KAF)	0.4	0.4	0.0	0.0	0.8	59.8
27 Revenue Requirement (\$ per AF)	\$ 496	\$ 847	\$ 618	\$ -		
28						
29 Allocate WU 1% Ad Valorem Prop Tax	-	(7)	-	-	(7)	(11,636)
30 Transfer GF 1% Ad valorem Prop Tax	-	(165)	-	13	(152)	(2,175)
31 Transfer WS 1% Ad Valorem Prop Tax	-	(165)	-	13	(152)	(2,175)
32 Revenue Requirement (\$ per AF)	\$ 496	\$ 47	\$ 618	\$ 120		
33 Adjustments to Facilitate Conjunctive Use						
34 Reallocate TW/SW/RW costs	2	-	(2)	-	-	-
35 Water Charge (\$ per AF)	\$ 501.00	\$ 46.50	\$ 574.00	\$ 119.50		
36 Total Revenue (\$K)	\$187	\$20	\$23	\$0	\$229	\$26,385

Open Space Credit

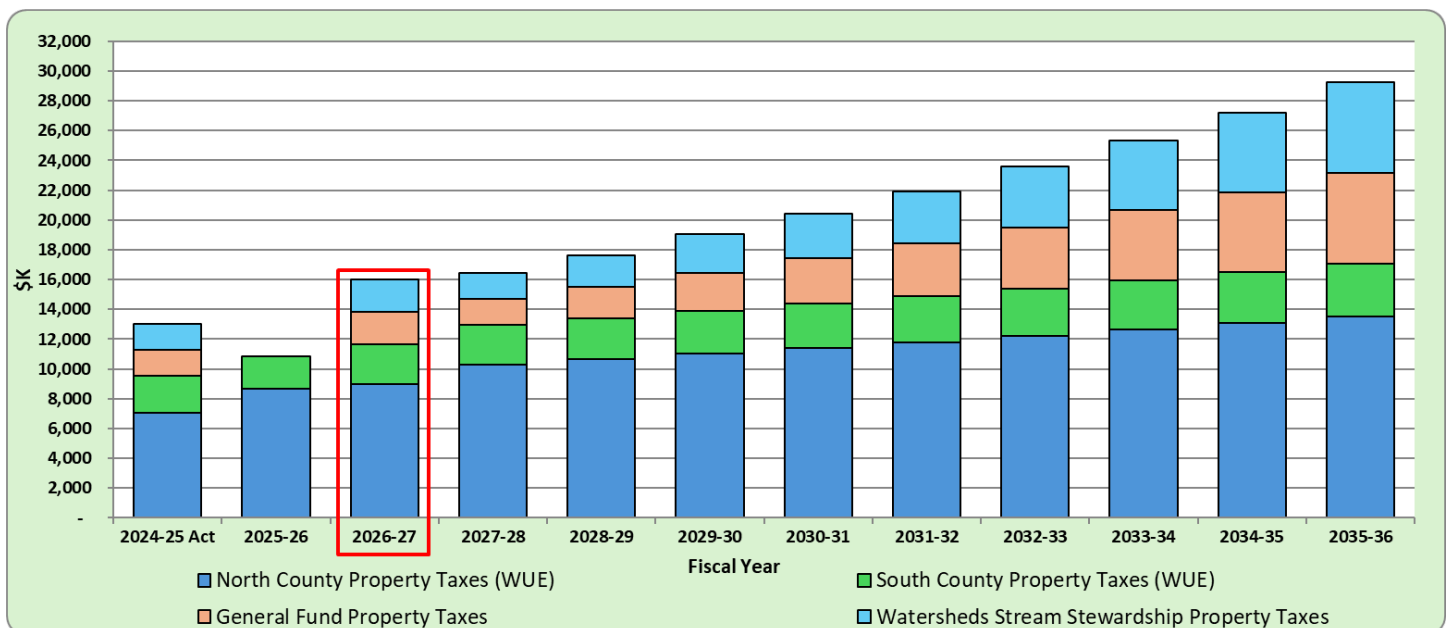
The District Act limits agricultural groundwater production charges to a maximum of 25% of the M&I groundwater production charges. Current board policy adds an “open space” credit to agricultural revenues. The purpose of the credit is to preserve the open space benefits provided by agricultural lands by keeping agricultural groundwater production charges low. While the Supreme Court found Proposition 218 inapplicable to groundwater production charges, the Court determined that Proposition 26 does apply, which means that in order for the groundwater production charge to qualify as a nontax fee, costs to end users must be proportional such that one class of users is not subsidizing another.

The agricultural community currently benefits from low groundwater charges that are 1.7% of M&I charges in North County Zone W-2, 7.0% of M&I charges in South County Zone W-5, and 5.1% of M&I charges in South County Zone W-7. The current FY 2025-26 agricultural groundwater production charge is \$43.00/AF, or 9.25% of the South County Zone W-8 M&I charge of \$464/AF. The FY 2026-27 proposed agricultural groundwater production charge is 9.25% of M&I for Zone W-8, or an increase from \$43.00/AF in FY 2025-26 to \$46.50/AF in FY 2026-27, translating to an increase of up to \$0.58 per month per acre, assuming 2 (two) acre-feet of water usage per acre per year.

The credit to agricultural water users has become known as an “Open Space Credit.” It is paid for by fungible, non-rate related revenue. To offset lost revenue that results from the difference between the adopted agricultural groundwater production charge and the agricultural charge that would have resulted at the full cost of service, Valley Water redirects a portion of the 1% ad valorem property taxes generated in the Water Utility, General and Watershed Stream Stewardship Funds.

To comply with the current agricultural groundwater production charge setting policy, staff recommends the open space credit received by South County be \$16 million in FY 2026-27 (funded by 1% ad valorem property taxes). This incorporates an adjustment that reconciles FY 2023-24 actuals against what was projected for that year. The \$16 million is comprised of an \$8.9 million transfer from North County Water Utility 1% ad valorem property taxes, a \$2.7 million transfer from South County Water Utility 1% ad valorem property taxes, and \$2.175 million transfer from both the General Fund and the Watersheds Stream Stewardship Fund % ad valorem property taxes. As shown in Exhibit 10, the Open Space Credit is projected to grow to \$29.0 million by FY 2034-35.

Exhibit 10 Open Space Credit Trend



Hearings and Meetings Schedule

Exhibit 11 presents the schedule for the annual groundwater production charge setting process.

Exhibit 11 Hearings and Meetings Schedule – 2026

Date	Hearing/Meeting
January 5	Agricultural Water Advisory Committee Meeting
January 13	Board Meeting: Preliminary Groundwater Charge Analysis
January 21	Water Retailers Meeting: Preliminary Groundwater Charge Analysis
January 28	Water Commission Meeting: Prelim Groundwater Charge Analysis
February 10	Board Meeting: Set time and place of Public Hearing
February 27	Mail notice of public hearing and file PAWS report
March 10	Board Meeting: Budget development update
March 11	Water Retailers Meeting: FY 27 Groundwater Charge Recommendation
April 6	Agricultural Water Advisory Committee Meeting
April 8	Water Commission Meeting
April 14	Open Public Hearing
April 22	Continue Public Hearing (Informational Open House with South County focus)
April 28	Conclude Public Hearing
April 29-30	Board Meeting: Budget work study session
May 12	Adopt Biennial Budget & Groundwater Production and Other Water Charges



FISCAL YEAR 2026-27

Public Hearing: Water Charge Recommendations

Presented by: **Carmen Narayanan**, Financial Planning & Revenue Manager
April 14, 2026

Public Hearing has Three Specific Objectives

2

- 1. Present annual report on Valley Water’s activities and recommended ground water production charges**
- 2. Provide opportunity for any interested person to “...appear and submit evidence concerning the subject of the written report” to the Board of Directors**
- 3. Determine and affix Groundwater Production and Other Water Charges for FY 2026-27**

55th Annual Report Released

**Annual Protection and Augmentation of
Water Supplies Report provides
information & accountability**

Filed February 27, 2026

Available Online:

www.valleywater.org/ProposedWaterCharges



FEBRUARY 2026
55th Annual Report
FY 2026-27

**Protection and Augmentation
of Water Supplies**

Topics for Today's Public Hearing

Background

Water Usage

Cost Projections

Key Assumptions for FY 2026-27

Groundwater Production Charges

State Water Project Tax

Schedule/Wrap up

A comprehensive, flexible water system serving over 2 million people

5

Santa Clara Valley Water District Infrastructure



Rinconada Water Treatment Plant



Water Quality Lab



Coyote Pump Plant



Silicon Valley Advanced Water Purification Center



Anderson Dam Tunnel and Seismic Retrofit Projects

Water Sources
 55% Imported
 30% Local
 5% Recycled
 10% Conservation

Water Utility:

- 393 ACRES OF RECHARGE PONDS
- 142 MILES OF PIPELINES
- 10 RESERVOIRS
- 3 WATER TREATMENT PLANTS
- 3 PUMP STATIONS
- 1 WATER PURIFICATION CENTER

Legend

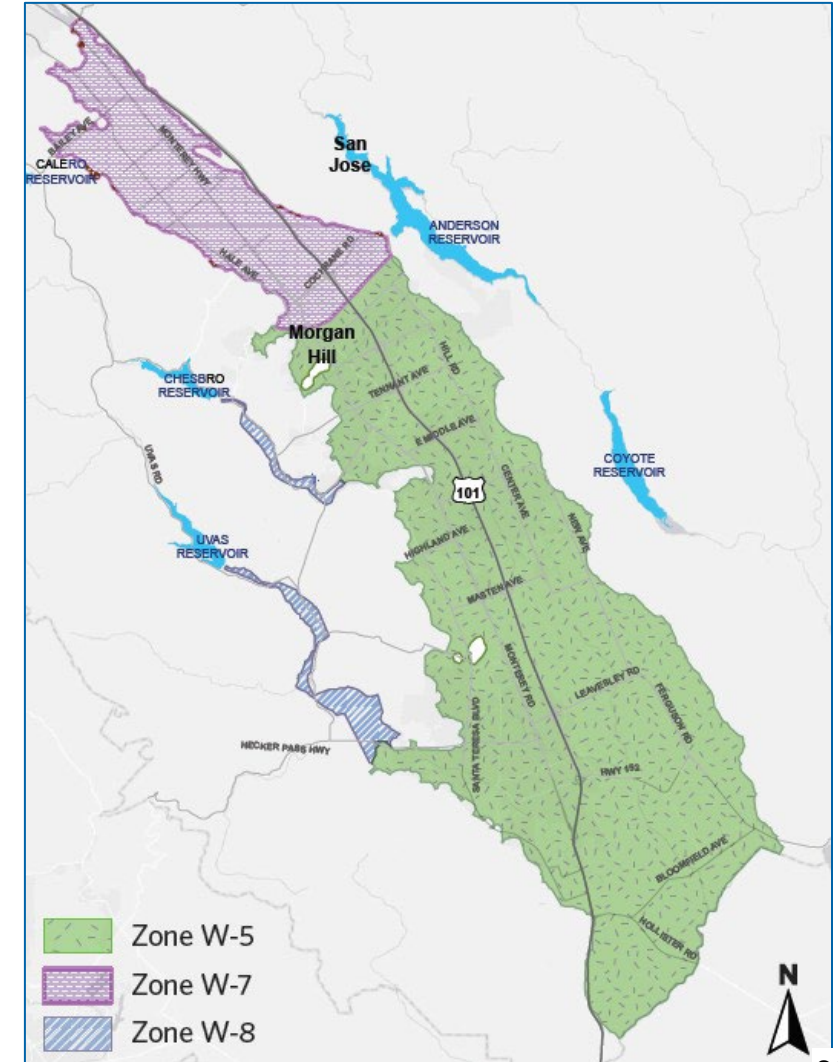
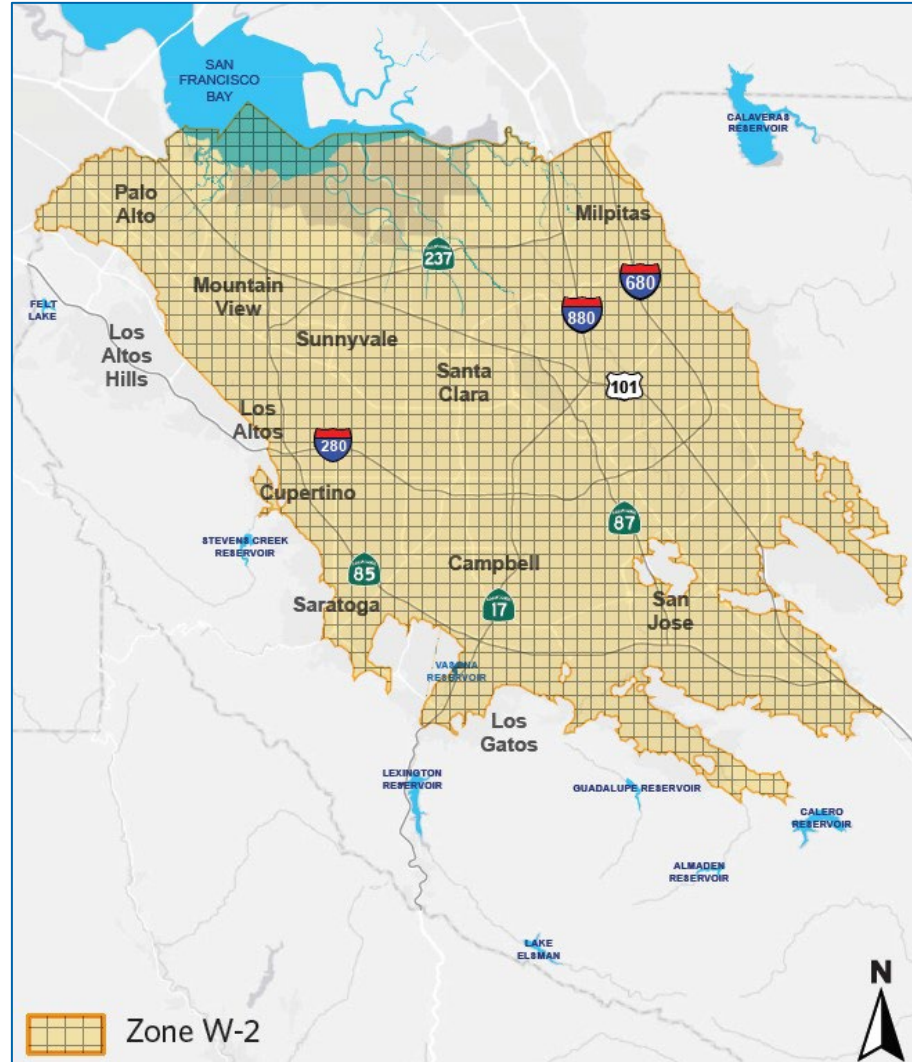
- Lakes, reservoirs, rivers, creeks, & bays
- Raw water pipeline
- Drinking water pipeline
- Pump Plants
- Drinking Water Treatment Plants
- South County Regional Wastewater Authority
- Silicon Valley Advanced Water Purification Center
- Percolation Ponds

Valley Water Groundwater Charge Zones of Benefit

6

Board Pricing Policy Summary

- Groundwater charges are levied within a zone for benefits received
- All water sources and water facilities contribute to common benefit within a zone regardless of cost, known as “pooling” concept
 - Helps maximize effective use of available resources
- Agricultural water charge shall not exceed 10% of M&I water charge



Rate setting process is consistent with Props 218 & 26

7

- **Groundwater charge setting process is consistent with Prop 26**
 - Certain Prop 218 requirements continue, like holding a public hearing, and noticing well owners, which are consistent with District Act

- **Surface Water Charge setting process is consistent with Prop 218**
 - Includes protest procedure as defined in Board Resolution 12-10

Strategic Outlook

8

- **Valley Water remains in an era of investment**
 - **To upgrade, rehabilitate, replace existing water supply infrastructure that was built decades ago**
 - **To invest in new infrastructure in response to changing weather patterns**
- **Focus on securing water supplies through regional projects participation**
- **Baseline water rate case investment assumptions**
 - **Maintain alignment with Draft CIP FY27-31 5-Year Plan**
 - **Reflect lower rate projections driven by August 26, 2025 decision by the Board to suspend development of the Pacheco Reservoir Expansion Project**

FY 2026-27 Rate Setting Assumptions

Baseline Case

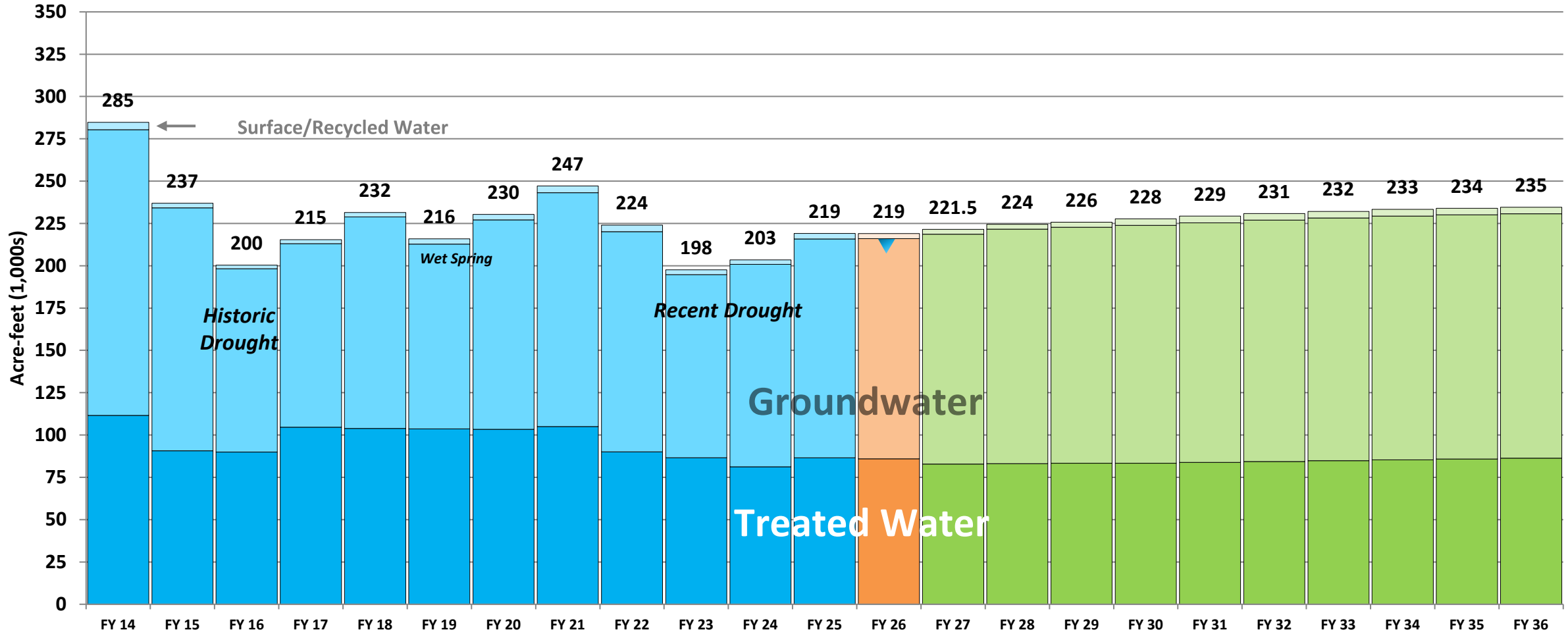
9

- Plan for slightly increased District-managed water use of 221,500 AF
- Maintain current level of service and ongoing operations and maintenance
- Anderson Dam Seismic Retrofit
- Master Plan projects: SCADA, Water Treatment Plants & Distribution
- Dam Safety Program: Almaden, Calero, Coyote, & Guadalupe
- Pure Water Silicon Valley *Demonstration Facility & Full-Scale Direct Potable Reuse (DPR) Facility*
- Delta Conveyance project participation *
- San Luis Reservoir: B.F. Sisk Dam Raise with up to 63 TAF Storage *
- Sites Reservoir project participation *
- State Water Project Tax pays for 100% of State Water Project costs *Excludes SWP portion of Delta Conveyance*
- Maintain Agricultural Rate set at 9.25% of lowest M&I rate (Zone W-8)

District Managed Water Usage

Reflects Lower Water User Projections Post 2023 Drought Rebound

District Managed Water Usage (TAF)



FY 27 Projection

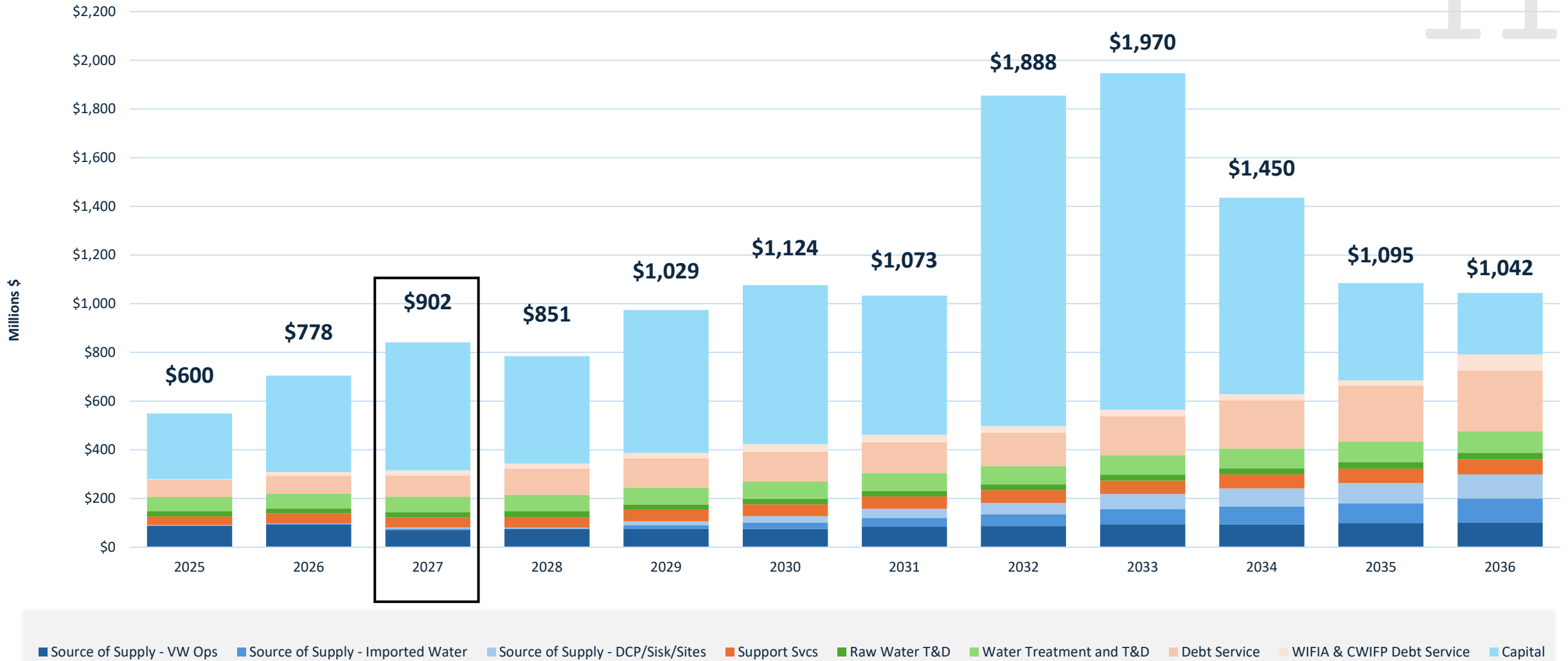
Actuals

FY 26 Budget

FY 26 Estimated Actuals

Water Utility Cost Projection

11



Recommended Groundwater Production Charges

Infrastructure

DRIVES DIFFERENT GROUNDWATER PRODUCTION CHARGES IN EACH ZONE

13

North County

- 3 water treatment plants
- Reservoirs –
 - Almaden
 - Calero
 - Guadalupe
 - Lexington
 - Stevens Creek
 - Vasona
- Silicon Valley Advanced Water Purification Center
- Imported Water – State Water Project

Shared

- Reservoirs –
 - Anderson
 - Coyote
 - Pacheco
- Imported Water –
 - Central Valley Project
- *Shared facilities do not benefit Zone W-8*

South County

- Reservoirs –
 - Chesbro
 - Uvas
 - *Does not benefit Zone W-7*
- SCRWA Recycled Water System
 - *Benefits Zone W-5 only*

FY 2026-27 Groundwater Production Charge Projection

14

Municipal & Industrial Rate by Zone	FY 2025-26 GW Production Charge	Recommended % Increase FY 2026-27	FY 2026-27 Recommended GW Production Charge	Increase to Average Monthly Bill (11 HCF/month)
North County W-2	\$2,450.00	9.9%* 9.1%	\$2,673.00	\$5.63
South County W-5	\$624.50	7.9%* 6.6%	\$665.50	\$1.04
South County W-7	\$834.50	11.2%* 9.4%	\$913.00	\$1.98
South County W-8	\$464.00	8.0%	\$501.00	\$0.93
Agricultural	\$43.00	8.0%	\$46.50	\$0.58 **

* Reflects prior rate increases (%) projected during the FY2025-26 planning cycle.

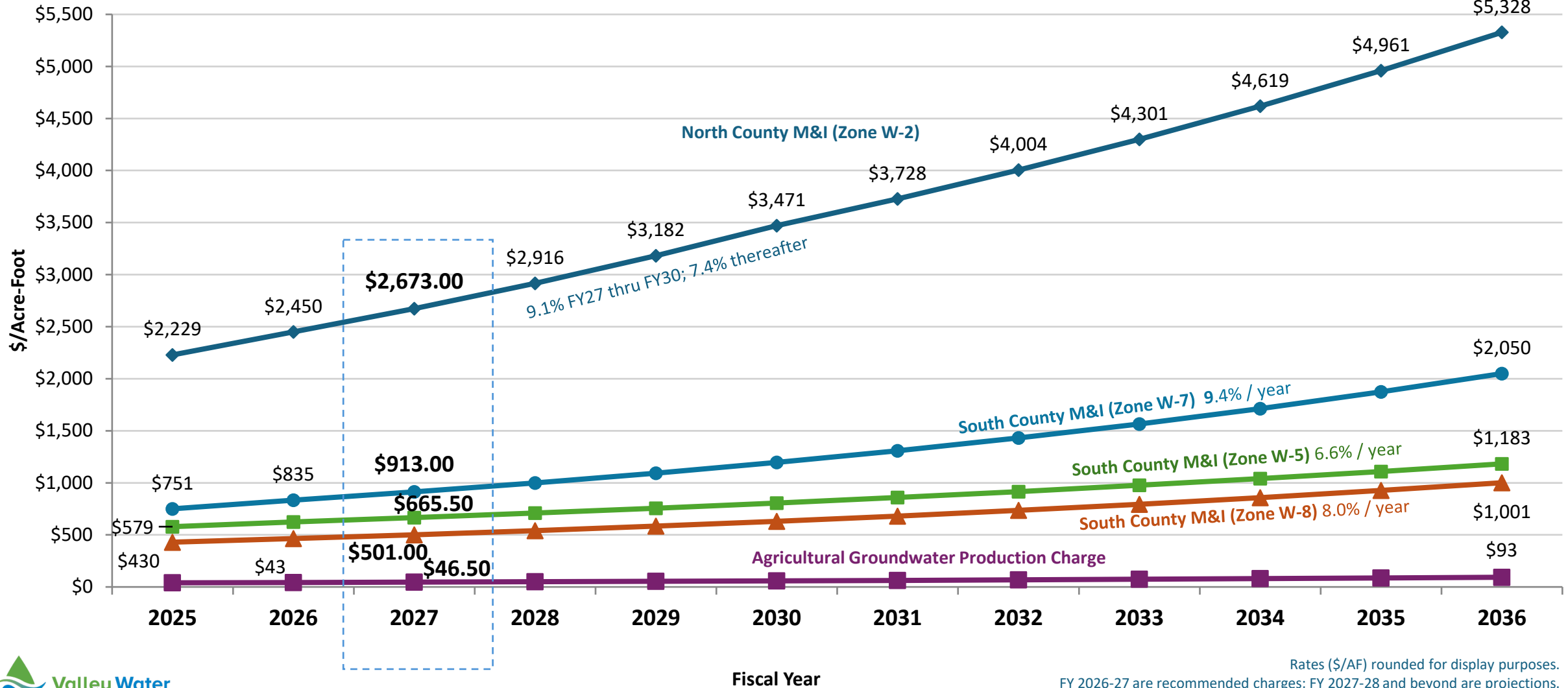
** Assumes Agricultural users who pump 2 AF of water, per acre, per year.

Groundwater Production Charge Recommendation

As published in the PAWS Report February 27, 2026

15

FY 2026-27 Groundwater Charge Recommendation (M&I and Ag)



Rates (\$/AF) rounded for display purposes.
FY 2026-27 are recommended charges; FY 2027-28 and beyond are projections.

Groundwater Charge Increase Projection

As published in the PAWS Report February 27, 2026

Municipal & Industrial Groundwater Charge Year to Year Growth %

Baseline Scenario 1	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36
North County Zone W-2	9.1%	9.1%	9.1%	9.1%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%
<i>Prior Year</i>	<i>9.9%</i>	<i>9.9%</i>	<i>9.9%</i>	<i>9.9%</i>	<i>9.9%</i>	<i>9.9%</i>	<i>9.9%</i>	<i>9.9%</i>	<i>7.0%</i>	
South County Zone W-5	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%
<i>Prior Year</i>	<i>7.9%</i>	<i>7.9%</i>	<i>7.9%</i>	<i>7.9%</i>	<i>7.9%</i>	<i>7.9%</i>	<i>7.9%</i>	<i>7.9%</i>	<i>7.9%</i>	
South County Zone W-7	9.4%	9.4%	9.4%	9.4%	9.4%	9.4%	9.4%	9.4%	9.4%	9.4%
<i>Prior Year</i>	<i>11.2%</i>	<i>11.2%</i>	<i>11.2%</i>	<i>11.2%</i>	<i>11.2%</i>	<i>11.2%</i>	<i>11.2%</i>	<i>11.2%</i>	<i>11.2%</i>	
South County Zone W-8	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
<i>Prior Year</i>	<i>8.0%</i>	<i>8.0%</i>	<i>8.0%</i>	<i>8.0%</i>	<i>8.0%</i>	<i>8.0%</i>	<i>8.0%</i>	<i>8.0%</i>	<i>8.0%</i>	



Groundwater Charge Increase Projection

As published in the PAWS Report February 27, 2026

Municipal & Industrial Groundwater Charge
 Monthly Impact to Average Household (11 HCF/Month)

Baseline Scenario 1	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36
North County Zone W-2	\$5.63	\$6.14	\$6.70	\$7.31	\$6.49	\$6.97	\$7.49	\$8.03	\$8.64	\$9.27
South County Zone W-5	\$1.04	\$1.11	\$1.19	\$1.26	\$1.34	\$1.43	\$1.53	\$1.63	\$1.73	\$1.84
South County Zone W-7	\$1.98	\$2.17	\$2.37	\$2.59	\$2.84	\$3.11	\$3.40	\$3.71	\$4.07	\$4.44
South County Zone W-8	\$0.93	\$1.01	\$1.09	\$1.19	\$1.26	\$1.36	\$1.49	\$1.62	\$1.74	\$1.87

Note: Does not include any increase that a retailer would layer on top



FY 2026-27 North County Zone W-2 Proposed Charges

Zone W-2 (North County)	Dollars Per Acre Foot		
	FY 2024-25	FY 2025-26	Proposed FY 2026-27
Basic User/Groundwater Production Charge			
Municipal & Industrial	2,229.00	2,450.00	2,673.00
Agricultural	39.80	43.00	46.50
Surface Water Charge			
Surface Water Master Charge	61.00	67.00	73.00
Total Surface Water, Municipal & Industrial*	2,290.00	2,517.00	2,746.00
Total Surface Water, Agricultural*	100.80	110.00	119.50
Treated Water Charges			
Contract Surcharge	115.00	115.00	115.00
Total Treated Water Contract Charge**	2,344.00	2,565.00	2,788.00
Non-Contract Surcharge	200.00	200.00	200.00
Total Treated Water Non-Contract Charge***	2,429.00	2,650.00	2,873.00



* The total surface water charge is the sum of the basic user charge (which equals the groundwater production charge) plus the water master charge

** The total treated water contract charge is the sum of the basic user charge (which equals the groundwater production charge) plus the contract surcharge

*** The total treated water non-contract charge is the sum of the basic user charge (which equals the groundwater production charge) plus the non-contract surcharge



M&I Increase approximately \$5.63 per month increase to the average household user.
 Note: Does not include any increase that a retailer would layer on top

FY 2026-27 South County Zone W-5 Proposed Charges

19

Zone W-5 (Llagas Subbasin)	Dollars Per Acre Foot		
	FY 2024-25	FY 2025-26	Proposed FY 2026-27
Basic User/Groundwater Production Charge			
Municipal & Industrial	579.00	624.50	665.50
Agricultural	39.80	43.00	46.50
Surface Water Charge			
Surface Water Master Charge	61.00	67.00	73.00
Total Surface Water, Municipal & Industrial*	640.00	691.50	738.50
Total Surface Water, Agricultural*	100.80	110.00	119.50
Recycled Water Charges			
Municipal & Industrial	559.00	604.50	645.50
Agricultural	70.15	73.35	76.85



* The total surface water charge is the sum of the basic user charge (which equals the groundwater production charge) plus the water master charge



M&I Increase approximately \$1.04 per month increase to the average household user.
 Note: Does not include any increase that a retailer would layer on top

FY 2026-27 South County Zone W-7 Proposed Charges

20

Zone W-7 (Coyote Valley)	Dollars Per Acre Foot		
	FY 2024-25	FY 2025-26	Proposed FY 2026-27
Basic User/Groundwater Production Charge			
Municipal & Industrial	750.50	834.50	913.00
Agricultural	39.80	43.00	46.50
Surface Water Charge			
Surface Water Master Charge	61.00	67.00	73.00
Total Surface Water, Municipal & Industrial*	811.50	901.50	986.00
Total Surface Water, Agricultural*	100.80	110.00	119.50



* The total surface water charge is the sum of the basic user charge (which equals the groundwater production charge) plus the water master charge

M&I Increase approximately \$1.98 per month increase to the average household user.

Note: Does not include any increase that a retailer would layer on top



FY 2026-27 South County Zone W-8 Proposed Charges

21

Zone W-8 (Uvas / Chesbro)	Dollars Per Acre Foot		
	FY 2024–25	FY 2025-26	Proposed FY 2026–27
Basic User/Groundwater Production Charge			
Municipal & Industrial	430.00	464.00	501.00
Agricultural	39.80	43.00	46.50
Surface Water Charge			
Surface Water Master Charge	61.00	67.00	73.00
Total Surface Water, Municipal & Industrial*	491.00	531.00	574.00
Total Surface Water, Agricultural*	100.80	110.00	119.50



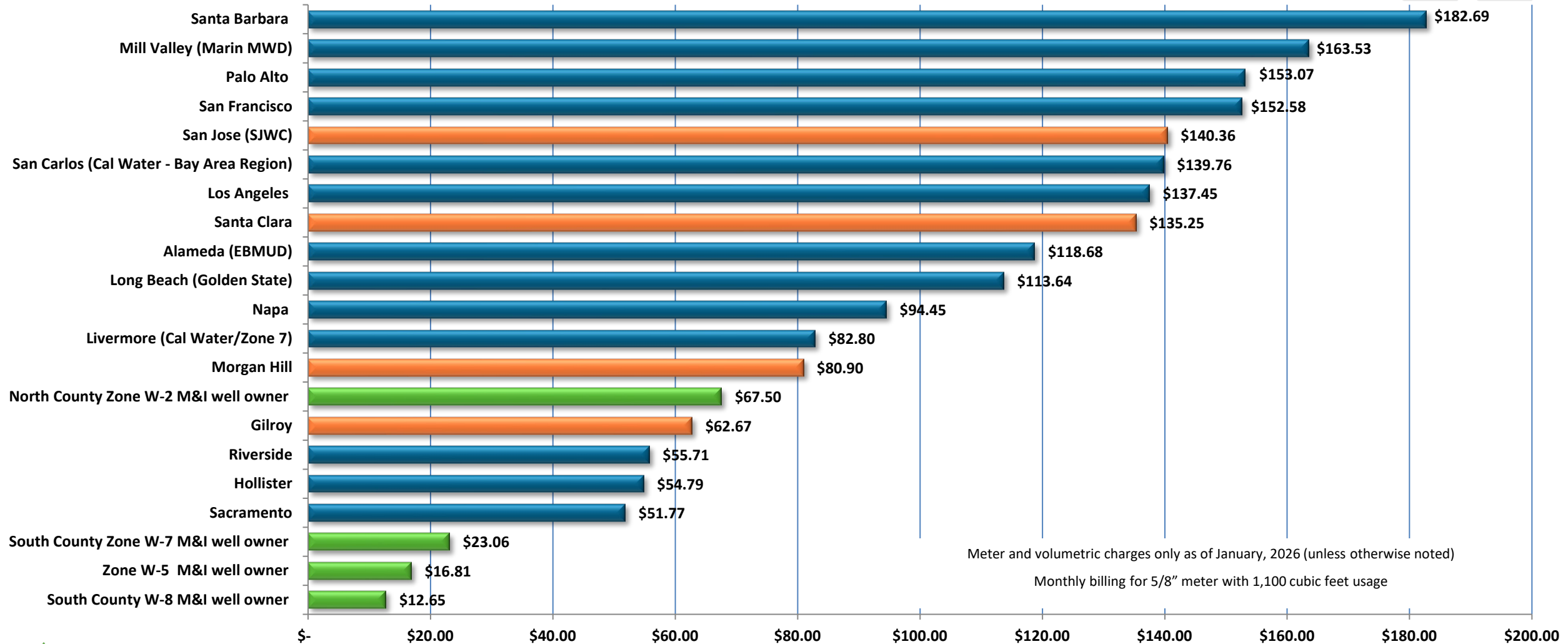
* The total surface water charge is the sum of the basic user charge (which equals the groundwater production charge) plus the water master charge

M&I Increase approximately \$0.93 per month increase to the average household user.

Note: Does not include any increase that a retailer would layer on top



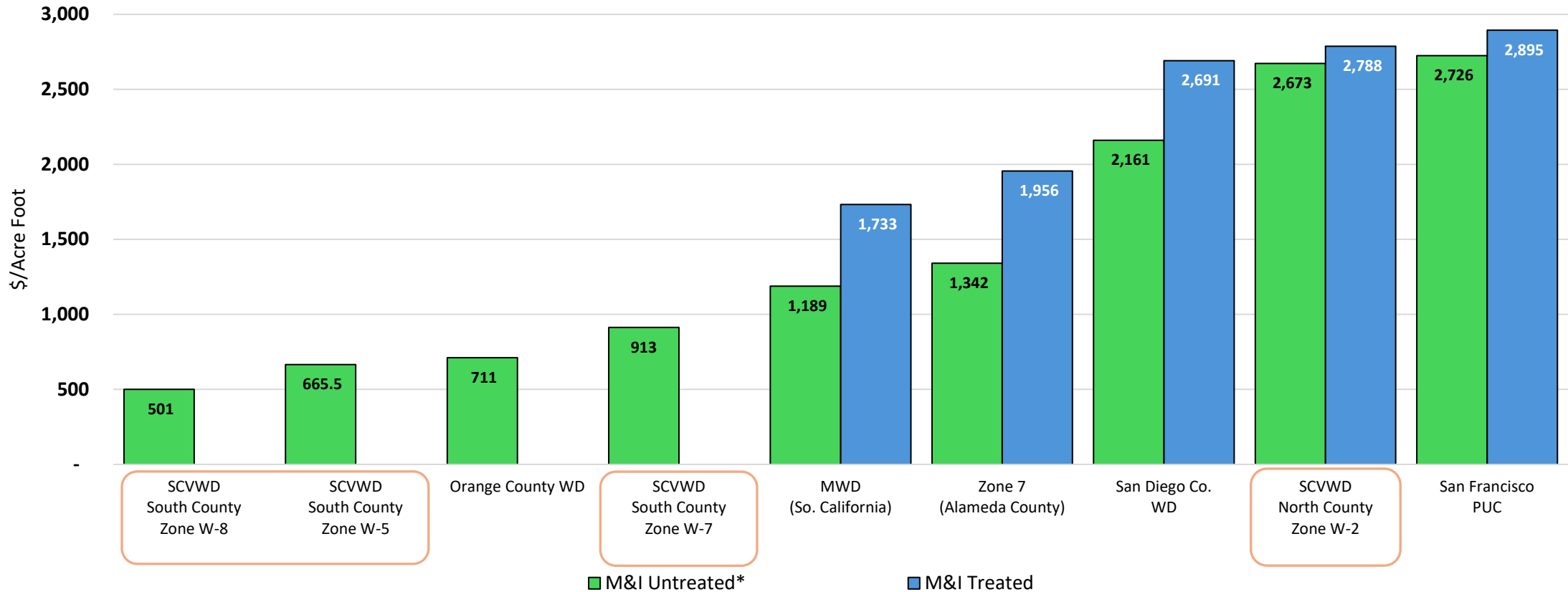
Retail Agency Benchmarks



Wholesale Agency Rate Comparison

23

Wholesale Agency Rate Comparison
Municipal & Industrial (M&I) Water



* SCVWD groundwater production charge is equivalent to SCVWD raw surface water basic user charge

Note: some rates rounded to the nearest dollar.

FY 2026-27 State Water Project Tax Recommendation

24

- Staff recommends maintaining the SWP tax at \$28M (current FY 2026-27 SWP tax is \$28M)
- The annual SWP tax bill for the average single-family residence would be about \$46.00
- Impact if SWP tax not approved:
 - \$158/AF additional increase in terms of North County M&I groundwater production charge
 - In terms of South County M&I groundwater production charge, additional increases of:
 - \$37/AF for Zone W-5
 - \$49/AF for Zone W-7
 - \$38/AF for Zone W-8
 - Placing all SWP expenses on groundwater rates would impact affordability
 - \$962,533 additional increase in terms of Open Space Credit

DETAIL OF TAXES			
TAXING AGENCY	VALUE	RATES (%)	AMOUNT
LAND, IMPROVEMENTS, PERSONAL PROPERTY			
1% MAXIMUM LEVY	1,139,059	1.000000	11,390.59
CO BOND 2008 HOSP FAC	1,139,059	0.005200	59.23
CO RETIREMENT LEVY	1,139,059	0.038800	441.95
CO. HOUSING BOND 2016	1,139,059	0.005600	63.78
COMM COLLEGE BONDS	1,139,059	0.019200	218.68
ELEM OR UNIF SCH BONDS	1,139,059	0.091600	1,043.37
HIGH SCHOOL BONDS	1,139,059	0.057600	656.07
SAN JOSE CITY G O BONDS	1,139,059	0.019700	224.39
TOTAL ASSESSED VALUE TAXES		1.237700	14,098.06
LAND AND IMPROVEMENTS			
SCVWD-STATE WATER PROJ	1,139,059	0.003900	44.42
TOTAL LAND & IMPROVEMENT TAXES		0.003900	44.42
TAXES DUE			\$14,142.48

Water Rate Assistance Program

25

Valley Water's Water Rate Assistance Program (WRAP) has been renewed with \$1 million in annual funding from non-rate revenues.

What is WRAP?

The Water Rate Assistance Program (WRAP) provides direct financial assistance to income-eligible households to pay their water bills. Through a partnership between Valley Water and Sacred Heart Community Service, qualifying households can receive up to \$1,000 in assistance once per program year. Funds are paid directly to the water provider to prevent service disconnection and maintain access to safe, clean drinking water.

How to Qualify

1. Reside in Santa Clara County.
2. Be responsible for paying a residential water bill (either directly to a water utility or through rent that includes a water charge).
3. Meet the household income limits.

www.valleywater.org/WRAP

Rate Setting Schedule FY 2026-27

26

- Jan 5 Agricultural Water Advisory Committee
- Jan 13 Board Meeting: Preliminary Groundwater Charge Analysis
- Jan 21 Water Retailers Meeting: Preliminary Groundwater Charge Analysis
- Jan 28 Water Commission Meeting: Preliminary Groundwater Charge Analysis

- Feb 10 Board Meeting: Set time & place of Public Hearing
- Feb 27 Mail notice of public hearing and file PAWS report

- Mar 10 Board Meeting: Budget development update
- Mar 11 Water Retailers Meeting: FY 27 Groundwater Charge Recommendation

- Apr 6 Agricultural Water Advisory Committee
- Apr 8 Water Commission Meeting
- Apr 14 **Open Public Hearing**
- Apr 22 **Continue Public Hearing in South County (Morgan Hill)**
- Apr 28 **Conclude Public Hearing**
- Apr 29-30 **Board Meeting: Budget work study session**

- May 12 **Adopt budget, 5-Year CIP & groundwater production and other water charges**

Feedback from Advisory Committees and Community

27

Water Retailers

Agricultural Water Advisory Committee

Santa Clara Valley Water Commission

Members of the Public

Summary & Next Steps

28

Valley Water remains in an era of investment:

- Upgrading, rehabilitating, & replacing existing water supply infrastructure that was built decades ago
- Actively participating in regional infrastructure projects to secure additional water storage and supply

Proposed FY 27 Groundwater Production Charge for North County in terms of average household increase are:

- Increase of \$5.63 per month in Zone W-2 for groundwater and treated water

Proposed FY 27 Groundwater Projection Charges for South County in terms of average household increase are:

- Increase of \$1.04 per month in Zone W-5
- Increase of \$1.98 per month in Zone W-7
- Increase of \$0.93 per month in Zone W-8

Next Steps

- Continue Public Hearing on April 22nd Morgan Hill City Hall, including Open House at 6:00 PM



Valley Water

Clean Water • Healthy Environment • Flood Protection

Backup Slides

Groundwater Benefit Zones

North County Zone W2

- Santa Clara County north of Metcalf Road

South County Zone W5

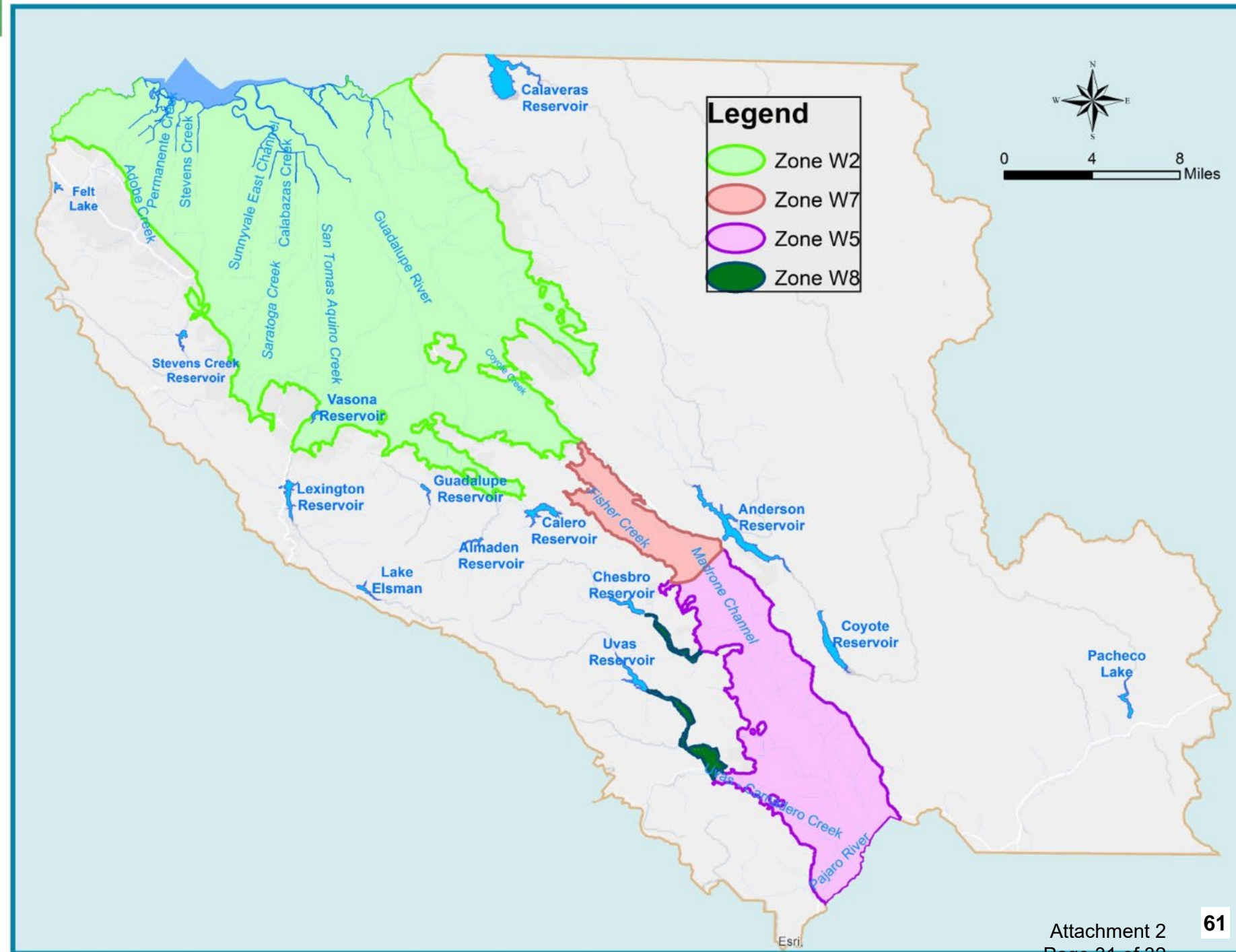
- Morgan Hill to Pajaro River

South County Zone W7

- Coyote Valley

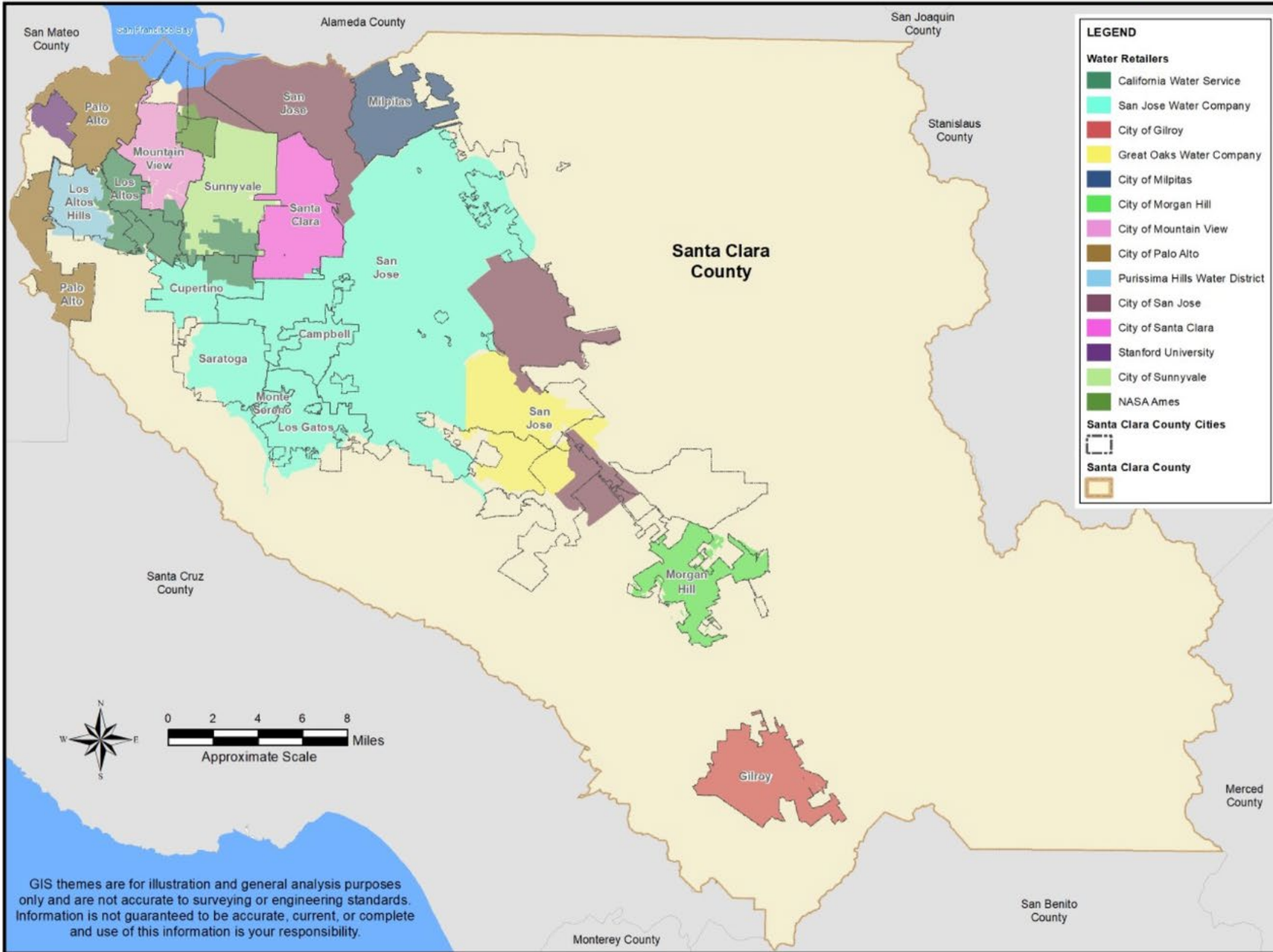
South County Zone W8

- Foothills below Uvas & Chesbro Reservoirs



Water Retailers in Santa Clara County

Water Retailers in Santa Clara County



RESOLUTION NO. 12- 10

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SANTA CLARA VALLEY WATER DISTRICT ADOPTING PROCEDURES
FOR THE IMPOSITION OF SURFACE WATER CHARGES

WHEREAS, pursuant to Section 4 of the District Act, the purposes of the District Act are to authorize the District to provide comprehensive water management for all beneficial uses within Santa Clara County; and

WHEREAS, Section 5(5) of the District Act authorizes District to do any and every lawful act necessary to be done that sufficient water may be available for beneficial uses within Santa Clara County; and

WHEREAS, Section 5(12) authorizes the District to make contracts and do all acts necessary for the full exercise of all powers vested in the District; and

WHEREAS, Proposition 218, adopted on November 6, 1996, added Articles XIIC and XIID to the California Constitution which impose certain procedural and substantive requirements with respect to the imposition of certain new or increased fees and charges; and

WHEREAS, whether legally required or not, the District Board believes it to be in the best interest of the community to align its practices with respect to the imposition of surface water charges to mirror the majority protest requirements of Article XIII D, section 6 applicable to charges for water services to the extent possible; and

WHEREAS, the District Board believes it to be in the best interest of the community to record its decisions regarding implementation of the provisions relating to imposition of surface water charges and to provide the community with a guide to those decisions and how they have been made; and

NOW, THEREFORE, the Board of Directors of Santa Clara Valley Water District does hereby resolve as follows:

SECTION 1. Statement of Legislative Intent. It is the Board of Directors' intent in adopting this resolution, to adopt the notice, hearing, and majority protest procedure proceedings that are consistent, and in conformance with, Articles XIIC and XIID of the California Constitution and with the Proposition 218 Omnibus Implementation Act and the provisions of other statutes authorizing imposition of surface water charges. To the extent that these requirements are legally required to supercede the requirements set forth in the District Act, these provisions are intended to prevail.

SECTION 2. Definitions.

- A. Record Owner.** The District will provide the required notice to the Record Owner. "Record Owner" means the record owner of the property on which the surface water use-facility is present, and the tenant(s) who are District surface water permittees liable for the payment of the surface water charge.

A Resolution of the Board of Directors of the Santa Clara Valley Water District Adopting
Procedures for the Imposition of Surface Water Charges

- B. Charge Zone.** "Charge Zone" means the District zone (i.e. Zone W-2 or Zone W-5) that a surface water user's turnout is located, which is applicable in identifying the proposed surface water charge. Surface water users that receive surface water outside of either Zone W-2 or Zone W-5 are deemed to be located in the zone to which the surface water user's turnout is most nearly located.

SECTION 3. Surface Water Charge Proceeding. The following procedures will be used:

- A. Those Subject to the charge.** The Record Owners of the existing surface use-facilities.
- B. Amount of Charge.** A formula or schedule of charges by which the customer can easily calculate the potential surface water charge will be included in the notice. The surface water charge is comprised of a basic user charge and a surface water master charge. The surface water charge must comply with the following substantive requirements:
1. Revenues derived from the surface water charge will not be used for any purpose other than that for which the charge is imposed.
 2. Revenues derived from the surface water charge will not exceed the direct and indirect costs required to provide the service.
 3. The amount of the surface water charge must not exceed the proportional cost of the service attributable to the property.
 4. No charge may be imposed for a service unless the service is actually used by, or immediately available to the property owner (or, if applicable, the tenant).
 5. No charge can be imposed for general governmental services where the service is available to the public at large in substantially the same manner as it is to property owners.
- C. Notice.** The following guidelines apply to giving notice of the surface water charge.
1. Record Owner(s) of each parcel subject to the surface water charge, meaning any parcel with a surface water use-facility, will be determined from the last equalized property tax roll. If the property tax roll indicates more than one owner, each owner will be sent the notice. District surface water permittees liable for the payment of the surface water charge will also be provided with the notice.
 2. The notice must be sent at least forty-five (45) days prior to the date set for the public hearing on the surface water charge.
 3. Failure of any person to receive the notice will not invalidate the proceedings.

A Resolution of the Board of Directors of the Santa Clara Valley Water District Adopting
Procedures for the Imposition of Surface Water Charges

D. Surface Water Charge Protest. The following guidelines apply to the surface water charge protest procedure:

1. The notice will be mailed to all affected Record Owners at least forty-five (45) days prior to the date of the public hearing on the proposed surface water charge.
2. Written protests must be forwarded to the Clerk of the Board by mail or in person, sealed in an envelope which conceals the contents, with the property address or APN written on the outside of the envelope. To be counted, protests must be received no later than the date for return of protests stated on the notice, or the close of the public hearing, whichever is later.
3. A protest must be signed under penalty of perjury. For properties with more than one Record Owner, a protest from any one surface water user-facility will count as a protest for the property. No more than one protest will be counted for any given property.
4. Only protests with original signatures will be accepted. Photocopied signatures will not be accepted. Protests will not be accepted via e-mail. Protests must be submitted in sealed envelopes identifying the property on which the surface water user-facility is located, and include the legibly printed name of the signator. Protests not submitted as required by this Resolution will not be counted.
5. This proceeding is not an election.
6. Written Protests must remain sealed until the tabulation of protests commences at the conclusion of the public hearing. A written protest may be submitted or changed by the person who submitted the protest prior to the conclusion of the public testimony on the proposed charge at the public hearing.
7. Prior to the public hearing, neither the protest nor the envelope in which it is submitted will be treated as a public record, pursuant to the Government Code section 6254(c) and any other applicable law, in order to prevent potential unwarranted invasions of the submitter's privacy and to protect the integrity of the protest process.

E. Tabulating Protests. The following guidelines apply to tabulating protests:

1. It will be the responsibility of the Clerk of the Board to determine the validity of all protests. The Clerk will accept as valid all protests except those in the following categories:
 - a. A photocopy which does not contain an original signature;
 - b. An unsigned protest;
 - c. A protest without a legible printed name;
 - d. A protest which appears to be tampered with or otherwise invalid based upon its appearance or method of delivery or other circumstances;

A Resolution of the Board of Directors of the Santa Clara Valley Water District Adopting Procedures for the Imposition of Surface Water Charges

- e. A protest submitted to the District via e-mail;
- f. A protest submitted in an envelope that does not have the address or APN written on the outside of the envelope;
- g. A protest signed by someone other than the Record Owner for the APN.

The Clerk's decision, after consultation with the District Counsel, that a protest is invalid is final.

- 2. An impartial person, designated by the governing board, who does not have a vested interest in the outcome of the proposed charge will tabulate the written protests submitted, and not withdrawn. The impartial person may be a member of the Clerk of the Board Office.
- 3. A Record Owner who has submitted a protest may withdraw that protest at any time up until the conclusion of the final public hearing on the surface water charge.
- 4. A property owner's failure to receive notice of the surface water charge will not invalidate the proceedings conducted under this procedure.

F. Public Hearing.

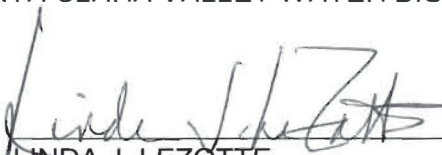
- 1. At the public hearing, the District Board will hear and consider all public testimony regarding the proposed surface water charge and accept written protests until the close of the public hearing, which hearing may be continued from time to time.
- 2. The District Board may impose reasonable time limits on both the length of the entire hearing and the length of each speaker's testimony.
- 3. At the conclusion of the hearing, the Clerk of the Board, or other neutral person designated to do the tabulation will complete tabulation of the protests from Record Owners, including those received during public hearing.
- 4. If it is not possible to tabulate the protests on the same day as the public hearing, or if additional time is necessary for public testimony, the District Board may continue the public hearing to a later date to receive additional testimony, information or to finish tabulating the protests; or may close the public hearing and continue the item to a future meeting to finish tabulating the protests.
- 5. If according to the final tabulation of the protests from Record Owners, the number of protests submitted against the proposed surface water charge (or increase of the surface water charge) within a Charge Zone exceeds 50% plus one of either: (i) the identified number of parcels within that Charge Zone, or (ii) the identified number of owners and tenants who are subject to the surface water charge within that Charge Zone, then a "majority protest" exists and the District Board of Directors will not impose the surface water charge within that Charge Zone.

A Resolution of the Board of Directors of the Santa Clara Valley Water District Adopting
Procedures for the Imposition of Surface Water Charges

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the
following vote on February 14, 2012.

AYES: Directors T. Estremera, D. Gage, J. Judge, P. Kwok, R. Santos, B. Schmidt,
L. LeZotte
NOES: Directors None
ABSENT: Directors None
ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: 
LINDA J. LEZOTTE
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC


Clerk/Board of Directors

This page intentionally left blank.

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT RESOLUTION NO. 2026-11**

**CALLING A PUBLIC HEARING TO CONSIDER COMMENTS FROM
MEMBERS OF THE PUBLIC ON THE REPORT ON THE ACTIVITIES IN
THE PROTECTION AND AUGMENTATION OF THE WATER SUPPLIES OF
THE SANTA CLARA VALLEY WATER DISTRICT, FISCAL YEAR 2026-2027**

WHEREAS, Section 26.6 of the Santa Clara Valley Water District Act (District Act) requires that the Clerk of the Board of the Santa Clara Valley Water District (Valley Water) publish a notice of the receipt of the "Annual Report on the Protection and Augmentation of Water Supplies" (PAWS Report) in a newspaper of general circulation printed and published within the Santa Clara Valley Water District, at least 10 days prior to the date at which the public hearing regarding the report shall be held; and

WHEREAS, Section 26.6 of the District Act requires that such public hearing be held on or before the fourth Tuesday of April.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

1. The Public Hearing shall be held at the time and place provided in the notice attached hereto as Exhibit A (Notice) and incorporated herein by this reference.
2. Clerk of the Board shall publish the Notice pursuant to California Government Code Section 6061.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on February 10, 2026:

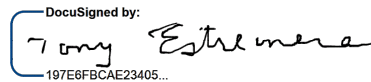
AYES: Directors: Santos, Varela, Ballard, Beall, Eisenberg, Hsueh, Estremera

NOES: Directors: None

ABSENT: Directors: None

ABSTAIN: Directors: None

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:

 197E8FBCAE23405...

TONY ESTREMERA
Chair, Board of Directors

ATTEST

DocuSigned by:

 6FDFB93282E449B...

MAXIMILLION OVERLAND, CMC
Acting Clerk, Board of Directors

Calling a Public Hearing to Consider Comments from Members of the Public on the Report on the Activities in the Protection and Augmentation of the Water Supplies of the Santa Clara Valley Water District, Fiscal Year 2026-2027 Resolution No. 2026-11

EXHIBIT A COVERSHEET

NOTICE

No. of Pages: 2

Exhibit Attachments: 1

Public Hearing Notice
Fiscal Year 2026/2027 Groundwater Production
And Surface Water Charges



- Topic:** Fiscal Year 2026/2027 Groundwater Production and Surface Water Charges
- Who:** Santa Clara Valley Water District (Valley Water)
- What:** Public Hearing on proposed fiscal year 2026/2027 Groundwater Production and Surface Water Charges
- When:** April 14, 2026 at 1:00 p.m. - Open Public Hearing
April 22, 2026 at 6:00 p.m. - Open house, focus on South County
April 22, 2026 at 7:00 p.m. - Continued Public Hearing, focus on South County
April 28, 2026 at 1:00 p.m. - Conclude Public Hearing
- Where:** April 14 and April 28, 2026
Santa Clara Valley Water District Board Chambers
5700 Almaden Expressway, San Jose, CA and
<https://valleywater.zoom.us/j/84454515597>
- April 22, 2026 (6 p.m.) – Open house focused on South County (in-person only)
City of Morgan Hill
Council Chamber Building
17555 Peak Avenue, Morgan Hill, CA and
- April 22, 2026 (7 p.m.) – Continued Public Hearing
City of Morgan Hill
Council Chamber Building
17555 Peak Avenue, Morgan Hill, CA and
<https://valleywater.zoom.us/j/84454515597>

Valley Water invites you to a Public Hearing regarding Fiscal Year 2026/2027 Groundwater Production and Surface Water Charges.

Valley Water has prepared an annual report on the Protection and Augmentation of Water Supplies documenting financial and water supply information, which provides the basis for recommended groundwater production and surface water charges for fiscal year 2026/2027.

The report includes financial analyses of Valley Water’s water utility system; supply and demand forecasts; future capital improvement, maintenance and operating requirements; and method to finance such requirements.

Valley Water will hold a Public Hearing to obtain public comments on the report, which will be available at the hearing.

Based upon findings and determinations made at the public hearing, including the results of the surface water protest procedure, Valley Water Board of Directors will decide whether or not groundwater production and surface water charges should be increased, and if so, to what level, in each charge zone or zones for the fiscal year beginning July 1, 2026.

This meeting is being held in accordance with the Brown Act. The public hearing will be held during multiple Board Meetings and are accessible for public in-person participation at the times, dates, and locations shown above, or by public virtual participation at the Zoom links above. Document(s) associated with this hearing are available for public inspection prior to the meeting in the Clerk of the Board’s Office or online at www.valleywater.org and will be available at the meeting.

For more information, contact Carmen Narayanan, Financial Planning and Revenue Manager at 408-630-3041 or WaterRevenue@valleywater.org.

IMPORTANT NOTICES:

Valley Water, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Board meetings to please contact the Clerk of the Board's office at (408) 630-2277, at least 3 business days before the scheduled Valley Water Board meeting to ensure that Valley Water may assist you. Reasonable efforts will be made to accommodate persons with disabilities.

重要通知：

Valley Water 遵守美國殘疾人法案 (ADA)，要求需要特殊便利才能訪問和/或參加 Valley Water 委員會會議的個人請致電 (408) 630-2277 聯繫委員會辦公室的書記員，網址為在預定的 Valley Water 委員會會議召開前至少 3 個工作日，以確保 Valley Water 可以為您提供幫助。將做出合理的努力以容納殘疾人。

Thông báo quan trọng:

Valley Water, để tuân thủ Đạo luật Người Mỹ Khuyết tật (ADA), yêu cầu những cá nhân cần điều chỉnh đặc biệt để tiếp cận và/hoặc tham gia các cuộc họp của Hội đồng Valley Water vui lòng liên hệ với Văn phòng Thư ký của Hội đồng theo số (408) 630-2277, tại ít nhất 3 ngày làm việc trước cuộc họp đã lên lịch của Hội đồng Valley Water để đảm bảo rằng Valley Water có thể hỗ trợ bạn. Những nỗ lực hợp lý sẽ được thực hiện để hỗ trợ người khuyết tật.

Aviso Importantes:

Valley Water, en cumplimiento de la Ley de Estadounidenses con Discapacidades (ADA), solicita a las personas que requieren adaptaciones especiales para acceder y/o participar en las reuniones de la Junta de Valley Water que se comuniquen con la oficina del Secretario de la Junta al (408) 630-2277, al menos 3 días hábiles antes de la reunión programada de la Junta de Valley Water para asegurarse de que Valley Water pueda ayudarlo. Se harán esfuerzos razonables para acomodar a las personas con discapacidades.



Santa Clara Valley Water District

File No.: 26-0229

Agenda Date: 4/14/2026

Item No.: 4.1.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Adopt a Resolution Recognizing Wednesday, April 22, 2026, as Earth Day.

RECOMMENDATION:

Adopt the Resolution RECOGNIZING APRIL 22, 2026, AS EARTH DAY.

SUMMARY:

Every year on April 22, over a billion people worldwide celebrate Earth Day to raise awareness and appreciation for the natural environment. The concept of Earth Day first began in 1969 at a United Nations Educational, Scientific and Cultural Organization (UNESCO) Conference in San Francisco, where peace activist John McConnell proposed a day to honor Earth and the concept of peace. Later in 1970, U.S. Senator Gaylord Nelson, along with young activist Denis Hayes, organized a nationwide environmental teach-in on April 22 and formally called the event "Earth Day." On that day, 20 million people (10% of the U.S. population at the time) participated in rallies across the country to demonstrate against the impacts of 150 years of industrial development and advocate for legislation to protect the environment. The Earth Day movement of 1970 ultimately led to the creation of the Environmental Protection Agency and the passing of the Clean Air, Clean Water, and Endangered Species Acts.

Earth Day continues to serve as a platform to promote responsible, caring actions for the environment, thereby improving the quality of life. It is celebrated in more than 192 countries each year and promoted by the non-profit Earth Day Network. According to the Earth Day Network, the theme for Earth Day 2026 is "Our Power, Our Planet," which calls on people of all backgrounds and generations to take action in support of clean air, clean water, clean energy, protected natural resources, and a stable climate.

With this Resolution, Valley Water can further promote its mission for flood protection, environmental stewardship, and providing Silicon Valley with safe, clean water for a healthy life, environment, and economy. Valley Water provides an array of services that align with Earth Day values, including numerous habitat restoration projects, a carbon neutrality goal, water conservation programs, the development of recycled and purified water supplies, and a Climate Change Action Plan.

This year, Valley Water will recognize and celebrate Earth Day with an in-person event on Wednesday, April 22, 2026, hosted by the Green Team employee resource group (ERG). The Green Team ERG serves as a resource to all employees to promote sustainable best practices, to support Valley Water's sustainability mission, and to help generate new sustainable ideas and solutions in the workplace.

ENVIRONMENTAL JUSTICE IMPACT:

This action is not subject to environmental justice analysis because no human health or environmental impacts are expected to result.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Resolution

UNCLASSIFIED MANAGER:

Kirsten Struve, 408-630-3138
Lisa Bankosh, 408-630-2618
Bhavani Yerrapotu, 408-630-2735

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 2026-

RECOGNIZING APRIL 22, 2026, AS EARTH DAY

WHEREAS, Earth Day began on April 22, 1970, in the United States and helped lead to the formation of the United States Environmental Protection Agency and the passage of the Clean Air, Clean Water and Endangered Species Acts; and

WHEREAS, every year on April 22, over one billion people worldwide take action, celebrate, and support Earth Day through various environmental stewardship activities; and

WHEREAS, the mission of the Santa Clara Valley Water District (Valley Water) is to provide Silicon Valley safe, clean water for a healthy life, environment, and economy; and

WHEREAS, Valley Water continues to support Earth Day goals through a carbon neutrality policy, development of a Climate Change Action Plan, water conservation, community engagement, the Green Business Program, habitat restoration/enhancements and energy optimization efforts; and

WHEREAS, Valley Water further commits to environmental stewardship through policies, partnerships, projects, programs, actions, community services, and education; and

WHEREAS, Valley Water works to restore tidal, riparian, and stream habitats and cleans up trash in creeks; and

WHEREAS, Valley Water stewardship will encourage the community of Santa Clara County to take actions to help protect the environment on Earth Day and year-round; and

WHEREAS, the Green Team employee resource group serves as a resource for all employees on sustainable best practices, supports Valley Water's sustainability mission, and helps generate new ideas and solutions for sustainability in the workplace.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District does hereby recognize April 22, 2026, as Earth Day.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on April 14, 2026:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

TONY ESTREMER
Chair, Board of Directors

ATTEST

CANDICE KWOK-SMITH
Clerk, Board of Directors

THIS PAGE INTENTIONALLY LEFT BLANK



Santa Clara Valley Water District

File No.: 26-0287

Agenda Date: 4/14/2026

Item No.: 4.2.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Adopt a Resolution Expressing Appreciation of the Santa Clara Valley Water District Volunteers and Their Contributions During 2026 National Volunteer Week.

RECOMMENDATION:

Adopt the Resolution EXPRESSING APPRECIATION OF THE SANTA CLARA VALLEY WATER DISTRICT VOLUNTEERS AND THEIR CONTRIBUTIONS DURING 2026 NATIONAL VOLUNTEER WEEK.

SUMMARY:

Volunteers play an essential role in advancing the mission of the Santa Clara Valley Water District (Valley Water) to provide Santa Clara County with safe, clean water for a healthy life, environment, and economy. Through year-round stewardship activities, countywide cleanup events, and community education and leadership initiatives, volunteers actively protect local waterways and promote public understanding and engagement in Valley Water's work.

National Volunteer Week, established in 1974 by the nonprofit Points of Light, is observed annually during the third week of April to recognize and celebrate volunteers nationwide. In 2026, National Volunteer Week runs from April 19 to April 25 and provides the Board of Directors with a special opportunity to formally acknowledge the contributions of Valley Water volunteers and to express appreciation for their ongoing year-round service.

In 2025, volunteers made significant contributions in advancing Valley Water's mission of environmental stewardship through multiple programs. More than 70 organizations and individuals participated in the year-round Adopt-A-Creek Program and contributed 1,192 volunteer hours, removing 17,033 pounds of litter from 52 miles of waterways throughout Santa Clara County. During the 2025 National River Cleanup and California Coastal Cleanup Days, community members contributed a combined 8,067 hours to remove 48,384 pounds of litter from 146 miles of waterways.

In addition to cleanup activities, Valley Water's Water 101 Academy and Water Ambassador Program continued to educate community members about water-related items. To date, more than 100 community leaders have completed the Water 101 Academy and continue serving as Water

Ambassadors. Program participants support Valley Water projects and initiatives while fostering stronger community connections and helping to build long-term public understanding of and support for local water issues.

In 2025 alone, volunteers across all programs contributed 9,259 hours of service. Based on the latest Independent Sector estimate for the value of volunteer time, this represents approximately \$322,120 in community benefit supporting Valley Water’s mission. These efforts enhance water quality, reduce pollution, and strengthen community stewardship throughout Santa Clara County.

Volunteer engagement is a year-round effort that extends beyond the accomplishments of Calendar Year 2025. Valley Water will continue to support stewardship programs, countywide cleanup events, and community education initiatives in 2026 and beyond as part of its ongoing commitment to community involvement.

ENVIRONMENTAL JUSTICE IMPACT:

This action is not subject to environmental justice analysis because it is ceremonial in nature and it is unlikely to result in any human health or environmental impacts.

FINANCIAL IMPACT:

There is no fiscal impact associated with adoption of this resolution.

CEQA:

This action is not a ‘project’ under CEQA pursuant to CEQA Guidelines section 15378 because it does not result in a direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Resolution

UNCLASSIFIED MANAGER:

Rachael Gibson, 408-630-2884

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 2026-

**EXPRESSING APPRECIATION OF THE
SANTA CLARA VALLEY WATER DISTRICT VOLUNTEERS
AND THEIR CONTRIBUTIONS DURING 2026 NATIONAL VOLUNTEER WEEK**

WHEREAS, it is the mission of the Santa Clara Valley Water District (Valley Water) to provide Santa Clara County with safe, clean water for a healthy life, environment, and economy; and

WHEREAS, volunteers play a critical role in advancing this mission through environmental stewardship, community education, and public engagement that enhance water quality, reduce pollution, and strengthen community stewardship throughout Santa Clara County; and

WHEREAS, National Volunteer Week, observed annually during the third week of April, provides an opportunity to recognize and celebrate the contributions of volunteers nationwide; and

WHEREAS, in calendar year 2025, more than 70 organizations and individuals participated in Valley Water's year-round Adopt-A-Creek Program and contributed 1,192 volunteer hours to remove 17,033 pounds of litter from 52 miles of waterways throughout Santa Clara County; and

WHEREAS, during National River Cleanup Day and California Coastal Cleanup Day in 2025, community members contributed a combined 8,067 volunteer hours to remove 48,384 pounds of litter from 146 miles of waterways across Santa Clara County; and

WHEREAS, Valley Water's Water 101 Academy and Water Ambassador Program continued to educate community members about water supply reliability, conservation, sustainability, and flood protection. To date, more than 100 community leaders have completed the Water 101 Academy and continue serving as Water Ambassadors supporting Valley Water projects through community engagement and volunteer service; and

WHEREAS, in 2025, volunteers across all programs contributed 9,259 hours of service, representing an estimated community value of \$322,120 toward advancing Valley Water's mission; and

WHEREAS, volunteer engagement is a year-round effort and Valley Water remains committed to supporting stewardship programs, cleanup events, and community education initiatives in 2026 and beyond; and

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District hereby expresses its sincere appreciation for the accomplishments and continued year-round service of Valley Water volunteers and recognizes their vital contributions to the protection and stewardship of Santa Clara County's water resources.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on April 14, 2026:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

TONY ESTREMER
Chair, Board of Directors

ATTEST

CANDICE KWOK-SMITH
Clerk, Board of Directors



Santa Clara Valley Water District

File No.: 26-0269

Agenda Date: 4/14/2026

Item No.: 4.3.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Adopt Plans and Specifications and Authorize Advertisement for Bids for the Federal Energy Regulatory Commission Order Compliance Project Live Oak Restoration Reach Project, as part of the Anderson Dam Seismic Retrofit Project, Project No. 91864005, Contract No. C0726 (Morgan Hill, District No.1).

RECOMMENDATION:

- A. Adopt the Plans and Specifications and Authorize Advertisement for Bids for Construction of the FERC Order Compliance Project (FOCP) Live Oak Restoration Reach Project (LORRP) per the Notice to Bidders; and
- B. Authorize the Designated Engineer to issue addenda, as necessary, during the bidding process.

SUMMARY:

The FOCP Live Oak Restoration Reach Project (Project) serves as compensatory mitigation for impacts associated with other Federal Energy Regulatory Commission (FERC) Order Compliance Projects (FERC Project No. P-5737-007 or FOCP).

The Project will enhance steelhead (*Oncorhynchus mykiss*) spawning and rearing habitat along an approximately 2,600-foot section of Coyote Creek, extending from the Coyote discharge line (CDL) outlet on the South Channel downstream along the Live Oak Area of Anderson Lake County Park. Project features such as spawning gravel augmentation sites, large woody debris and boulder placement, and vegetated gravel bars will enhance approximately 2.6 acres of creek habitat.

Project construction is expected to take approximately seven (7) months to complete. In-channel work will be limited to the dry season, from June 15, 2026, through October 15, 2026. The estimated construction cost for the Project ranges from \$5 million to \$6 million.

Project Background

Anderson Dam is under the jurisdiction of FERC and California Department of Water Resources, Division of Safety of Dams (DSOD) and must meet their dam safety design standards. FERC has

jurisdiction over Anderson Dam safety measures and operations due to licensing a small hydroelectric facility on this reservoir.

Pursuant to FERC's authority, for public health and safety reasons, on February 20, 2020, Santa Clara Valley Water District (Valley Water) received an Order from FERC to immediately implement the following interim risk reduction measures: (a) immediately lower and maintain the reservoir operating level no higher than elevation 565 feet; (b) lower the reservoir to elevation 488 feet (deadpool) beginning no later than October 1, 2020, as safely and quickly as possible and maintain deadpool to the extent feasible; (c) immediately design and construct the low-level outlet tunnel (Anderson Dam Tunnel) to more reliably and quickly drawdown the reservoir after an earthquake and/or to better maintain deadpool during significant precipitation; and (d) implement the dam safety directives, including design and construction of the proposed low-level outlet, while securing alternative water supplies and working with FERC staff, and federal, state and local resource agencies to minimize environmental effects.

Pursuant to FERC's Order, Valley Water immediately restricted the reservoir operating level to 565 feet elevation; began defining the interim risk reduction measures; and initiated emergency consultation processes regarding adverse environmental impacts of these interim risk reduction measures with the regulatory agencies, as appropriate.

The FOCP is a set of proposed interim risk-reduction measures, as set forth in the FERC Order, during the interim period prior to construction and operation of the Anderson Dam Seismic Retrofit Project (ADSRP). The Project restores aquatic habitat within Coyote Creek, directly downstream of Anderson Dam at Live Oak Park. This Project serves as a mitigation project for the FOCP. It was identified in the FOCP Habitat Mitigation and Monitoring Plan and designated as a mitigation project to address the potential effects of reservoir dewatering and sediment deposition on steelhead spawning and rearing habitat associated with the FOCP and Anderson Dam Seismic Retrofit Project.

Relevant Prior Board Actions

On June 23, 2020, the Board adopted a resolution approving the Engineer's Report, approved the CEQA Exemption determination for the FOCP, and approved the Project.

On October 10, 2023, the Board approved Agreement No. A4932A with Stillwater Sciences for planning and permitting services to provide creek restoration modeling and design support for Project conservation measures, federal Endangered Species Act Section 7 consultation for fisheries resources, biological monitoring of fisheries resources for FERC Order Compliance Project environmental compliance, and general environmental support services for fisheries resources topics, as needed.

On June 24, 2025, the Board approved Amendment No. 1 to Agreement No. A4932A with Stillwater Sciences for continued support on regulatory permitting and compliance for the Anderson Dam Seismic Retrofit Project and FOCP.

Pre-Qualification of Bidders

Because of the complex creek improvements and the complexity of water control for the Project, contractors were prequalified in accordance with Valley Water's procurement authority under California Public Contract Code Section 20101. The Request for Prequalification Application (RFPA) was published on Valley Water's vendor portal at PlanetBids, and five applications were received on December 30, 2025.

Applications were evaluated through a pass/fail process that considered both financial capacity and three core technical qualifications:

- Experience controlling water on projects requiring diversion, dewatering, and pumping;
- Creek channel construction experience using gravels and boulders; and
- Large wood habitat structure construction experience.

Following technical and financial review, reference checks, and internal approvals, Valley Water finalized and published the list of prequalified contractors on March 16, 2026. The applicants meeting the established criteria are the following five firms, which are invited to proceed to the next stage of procurement:

- Teichert & Son, Inc.
- Granite Rock Company
- Ground Control, Inc.
- Hanford Applied Restoration & Conservation
- Mountain Cascade, Inc.

Board Adoption of Plans and Specifications and Addenda Authorization

Board adoption of plans and specifications and Board authorization to advertise is recommended in order to proceed to bid the Project for construction. Authorizing the Designated Engineer to issue addenda during the bidding period allows for modifications to the construction Contract Documents, if necessary, during the bidding period and before the contract is awarded.

Rights of Way

This Project will be constructed within Valley Water's existing rights-of-way, the City of Morgan Hill rights-of-way, and County of Santa Clara rights-of-way.

Staff is working with the County of Santa Clara to obtain a lease agreement. The County of Santa Clara anticipates executing this agreement prior to May 2026.

Public Outreach

Staff has coordinated with the County of Santa Clara for the planned implementation of the Project.

Prior to construction, Valley Water will inform the surrounding neighborhood about the upcoming Project and potential construction impacts. A mailer and social media will be used to reach out to neighbors, and construction signs will be installed at the Project site. Project construction and

updates will be shared at Anderson Dam public meetings. A project and construction update will be provided at the next Anderson Dam Seismic Retrofit Project meeting scheduled on March 26.

Residents, commercial businesses, and visitors will be informed of potential temporary impacts, as appropriate. Construction contract documents include requirements and measures to minimize impacts during the construction.

Permits

Environmental permits and other approvals necessary for the construction of the Project are included in the contractor bid package. Permits already obtained for the project include:

- U.S. Fish and Wildlife Service, Biological Opinion
- National Marine Fisheries Service Final, Biological Opinion
- Section 106 National Historic Preservation Act Compliance
- State Water Resources Control Board, 401 Water Quality Certification/Waste Discharge Requirements
- California Department of Fish and Wildlife, Lake and Streambed Alteration Agreement
- Valley Habitat Plan Certificate of Compliance

Forthcoming approvals are still pending:

- U.S. Army Corps of Engineers, 404 permit modification
- SWRCB approval of the LORRP Plan in partial fulfillment of the FOCP HMMP
- CDFW approval of the LORRP Plan in partial fulfillment of the FOCP HMMP

The Contractor will be required to obtain encroachment permits from the City of Morgan Hill and the County of Santa Clara for use of the public right-of-way for hauling and traffic control.

Next Steps

If the Board approves the recommendations, staff will proceed to advertise the Project for construction bids. Staff anticipates recommending the Board award a construction contract in May 2026. The Project Delivery Process Chart (Attachment 2) highlights the current Project phase and the staff recommendations before the Board.

ENVIRONMENTAL JUSTICE IMPACT:

There is no environmental justice impact anticipated with the Live Oak Restoration Reach Project. This action is unlikely to or will not result in disproportionate impacts on any specific communities relative to the general population from the implementation of this project.

FINANCIAL IMPACT:

There is no financial impact associated with adopting the plans and specifications and authorizing

advertisement for bids for construction. The Live Oak Restoration Reach Project is part of the Anderson Dam Seismic Retrofit Project, Project No. 91864005, and is included in the Capital Improvement Program (CIP) Fiscal Years (FY) 2026-30 Five-Year Plan and in the FY 2025-26 (FY26) Adopted Budget. The estimated construction contract costs are included in the estimated total project cost (TPC) and there are adequate funds in the ADSRP's FY26 Adopted Budget to encumber the planned expenditures for construction to be incurred during this fiscal year. The estimated cost of the Project is between \$5 and \$6 million.

Budget for this project is included as part of the FY 2026-27 biennial budget process. If the contract award amount exceeds the estimated costs, it will be addressed through the next CIP and biennial budget cycles and through budget adjustment(s), if needed.

The ADSRP is forecasted to receive up to \$54.1 million from the renewed Safe, Clean Water & Natural Flood Protection Program (Fund 26), with the remainder of the total project cost funded by the Water Utility Enterprise Fund (Fund 61), with 81.7% of the costs allocated to North County Zone W-2, 7.5% to South County Zone W-5 and 10.8% to South County Zone W-7.

The Live Oak Restoration Reach Project is receiving \$80,000 from the Fish Habitat Improvement Project, Project No. 26042002, within the Safe, Clean Water and Natural Flood Protection Program's Project D4: Fish Habitat and Passage Improvement. This funding supports key performance indicator (KPI) #5 "Complete five (5) habitat enhancement projects based on studies that identify high-priority locations for large wood, boulders, gravel, and/or other habitat enhancement features."

CEQA:

The Project is part of the mitigation strategy for impacts of the FOCPP and supports the implementation of the FOCPP Habitat Mitigation and Monitoring Plan. Since the project serves as a mitigation to offset FOCPP impacts, implementation of the LORRP is required to help complete FOCPP. CEQA provides a statutory exemption for emergency projects, which includes specific actions necessary to prevent or mitigate an emergency (Public Resources Code §21080(b)(4) and CEQA Guidelines §15269(c)). After analysis of the facts and applicable law, on June 23, 2020, following a public hearing, the Board determined that the FOCPP, inclusive of the Live Oak Restoration Reach Project, qualifies for the statutory exemption for emergency projects. Valley Water filed a Notice of Exemption with the County of Santa Clara Clerk/Recorder on June 29, 2020.

ATTACHMENTS:

- Attachment 1: Notice to Bidders
- Attachment 2: Project Delivery Process Chart
- Attachment 3: Map

UNCLASSIFIED MANAGER:

Ryan McCarter, 408-630-2983

C0726 –LIVE OAK RESTORATION REACH PROJECT**Project No. 91864005****Invitation No. VW0669****1. Notice.**

Notice is hereby given that electronic Bids (eBids) will be received by the Santa Clara Valley Water District (Valley Water) submitted through Valley Water's Vendor Portal in PlanetBids (PlanetBids) as indicated in Section 2. Valley Water's Vendor Portal in PlanetBids, on Wednesday, May 13, 2026, by 2 p.m., for furnishing all material and performing all Work necessary for the construction of the Live Oak Restoration Reach Project located in the City of Morgan Hill California.

Valley Water previously prequalified general contractors to bid on Live Oak Restoration Reach Project in a prequalification process completed on March 16, 2026. As a result of that prequalification process, the following contractors were determined to be prequalified and eligible to bid on this Project:

1. A. Teichert & Son, Inc.
2. Granite Rock Company
3. Ground Control, Inc.
4. Hanford Applied Restoration & Conservation
5. Mountain Cascade, Inc.

Only the above-identified prequalified contractors are eligible to submit bids for the Project.

2. Valley Water's Vendor Portal in PlanetBids.

<https://vendors.planetbids.com/portal/48397/portal-home>

3. Availability of Bid Documents.

- A. The Notice to Bidders (NTB) documents specifying the requirements of the Work and the details of the NTB procedures, Project Plans, Specifications, and Contract Documents, including the Instructions to Bidders and Bid Documents, can be downloaded at PlanetBids.
- B. To download these documents, prospective Bidders must first register as a vendor at PlanetBids indicated above. By registering as a vendor, Bidder will automatically receive notifications of upcoming Valley Water bidding opportunities. Once registered, Bidder can download the documents and the Bidder will be automatically included in the planholders list. There is no charge for downloading these documents.
- C. It is highly recommended that prospective Bidders acquire the Contract Documents directly through PlanetBids in order to bid on this Project and be assured that their Bids include all Addenda. All Addenda must be acknowledged online before selecting "Place eBid" to start the electronic submission process. PlanetBids will direct the prospective bidder to the Addenda tab if at least one acknowledgment is missing prior to entering the submission area.

- D. For questions or assistance regarding the vendor registration, please select the “Help” section within PlanetBids or contact the Valley Water Planroom by sending an email to scvwdplanroom@valleywater.org.

4. California State Department of Industrial Relations Contractor and Subcontractor Registration Requirements.

- A. California Labor Code Section 1771.1 requires:
1. A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, unless currently registered and qualified to perform public work pursuant to Section 1725.5 of the California Labor Code.
- B. An inadvertent error in listing a subcontractor who is not registered pursuant to Section 1725.5 in a bid proposal shall not be grounds for filing a bid protest or grounds for considering the bid nonresponsive, provided that any of the following apply:
1. The subcontractor is registered prior to the bid opening.
 2. Within 24 hours after the bid opening, the subcontractor is registered and has paid the penalty registration fee.
 3. The subcontractor is replaced by another registered subcontractor pursuant to Section 4107 of the Public Contract Code within 24 hours after the bid opening.

5. Summary of Work.

A. Project Description

Scope of Work to be completed includes, but is not limited to, the following major components:

1. Compliance with the Project regulatory permits, including the California Department of Fish and Wildlife Streambed Alteration Agreement; State Water Resources Control Board Water Quality Certification; U.S. Army Corps of Engineers Individual Permit; National Marine Fisheries Service Biological Opinion; and Santa Clara Valley Habitat Plan compliance (including avoidance measures and BMPs);
2. Developing a Storm Water Pollution and Prevention Plan (SWPPP) and implementing the approved best management practices before, during and after construction, in accordance with the NPDES Construction General Permit requirements;
3. Preparing the project site, including setting up staging areas, a construction trailer, site security, traffic control, installing construction fencing, and preservation fences to protect vegetation and culturally sensitive areas;

4. Protection of trees and roots identified on the Drawings during creek access, clearing and grubbing, demolition, and grading operations; The Contractor shall hire and coordinate an on-site arborist during construction;
5. Controlling water at the project site including developing a Creek Diversion and Dewatering Plan and implementing the approved plan to ensure the work is constructed in dry conditions;
6. Constructing temporary access ramps;
7. Clearing and grubbing within the project limits, including the removal and legal disposal of the designated trees, tree and brush trimming, and miscellaneous downed trees and limbs within the creek bed, as specified in these Specifications and as shown on the Drawings;
8. Demolition, removal, and disposal/recycle of existing concrete structures, rubble, debris, and other miscellaneous items in the creek bed, and cutting of (1) existing steel pipe at approximately STA 17+55, and (2) existing stormwater outfall at approximately STA 20+00.
9. Performing channel excavation, removal, disposal or salvage creek bed materials, removal and replacement of unsuitable material; as shown on the Drawings;
10. Furnishing and installing a combined 360 cubic yards of spawning gravel, 21 logs, and 124 Tons of large boulders to construct Features 1-6 in the Downstream Sub-reach as shown on the Drawings;
11. Salvaging and temporarily stockpiling 365 cubic yards of existing soil and rock; reusing existing soil and rock and furnishing new soil and rock to construct Feature 7 in the Middle Sub-reach, including about 720 lineal feet of low flow channel with pools and riffles, vegetated soil and gravel bars, and elevated side channels as shown on the Drawings.
12. Furnishing and installing a combined 4,253 cubic yards of coarse gravel, spawning gravel, soil/gravel mixture, 33 logs, and 494 Tons of large boulders to construct Feature 7 in the Middle Sub-reach as shown on the Drawings.
13. Installing a combined 210 cubic yards of spawning gravel, 11 logs, and 61 Tons of large boulders to construct Features 8-14 in the South Channel Sub-reach as shown on the Drawings;
14. Furnishing and installing hydroseeding and/or erosion control blankets on reconstructed banks and disturbed ground surfaces in accordance with the approved SWPPP;
15. Hydroseeding on vegetated gravel bars, reconstructed banks, temporarily disturbed areas, and areas of removed temporary access ramps; a total of 3.2 acres. Installation of approximately 750 sf of shallow cuttings on creek benches.

The scope of Work is comprised of 4 Milestones:

- a. **Milestone #1:** Furnishing and installing all excavation and grading work within the creek and creek banks to complete the riffle pool structures, slope protection, benches, installation of spawning gravels, installation of log structures, complete removal of all equipment from the creek including creek diversion/dewatering facilities, removal of creek access ramps and restoration of banks. The Contractor shall complete Milestone #1 by **October 15, 2026**.
- b. **Milestone #2:** Install Project site post-construction BMPs such as hydroseeding, erosion control blanket, and willow and mule fat staking as shown on the Plans, in the Specifications, in the SWPPP, and as directed by the Engineer. The Contractor shall complete Milestone #2 by **October 15, 2026**.
- c. **Milestone #3:** Demobilize the work area including site cleanup, removal of all equipment and materials from the Work area except for that required for Establishment Maintenance and receive approval of resolution of deficiency list items and all work outside of the creek channel such as the restoration of staging areas. The Contractor shall complete Milestone #3 by **December 1, 2026**.
- d. **Milestone #4:** Complete Establishment Maintenance, removal of all remaining material and equipment from the Work area, and any additional site cleanup. The Contractor shall complete Milestone #4 by **December 31, 2026**.

B. Preference for Materials. **NOT USED**.

6. Contract Time.

Time limit for completion of the Work is **205** calendar days. See Contract Documents, Special Provisions, Section 12. Work and Contract Time(s), Article 12.03. Contract Time(s), for Milestones and Contract Times.

7. Liquidated Damages.

See Contract Documents, Standard Provisions, Section 5. Prosecution and Progress of Work, Article 5.08. Liquidated Damages, and Special Provisions, Section 12. Work and Contract Time(s), Article 12.05. Liquidated Damages, for requirements regarding Liquidated Damages.

8. Estimated Cost.

The estimated cost of the Project is between **\$5** million to **\$6** million. This estimate is intended to serve merely as an indication of the magnitude of the Work. Neither the Bidder(s) nor the Contractor will be entitled to pursue a claim or be compensated due to variance in the stated estimated cost range.

A. Supplemental Bid Items.

1. These Bid Items, as listed in PlanetBids, may or may not be required. They may be deleted entirely or in part, by deductive change order(s), at the sole discretion of Valley Water. The sum of the Total Base Bid and the Total Supplemental Bid Items will be used to determine the lowest Bid price.

B. Additive/Deductive Bid Items. **NOT USED.**

9. Contractor's License Requirement.

The Bidder must possess a current Class A Contractor's license issued by the California Department of Consumer Affairs, Contractor's State License Board when the Bid is submitted. Regardless of whether a subcontractor must be identified at the time of Bid, each subcontractor must also be properly licensed to perform its scope of Work.

10. Pre-Bid Meeting and Site Visit.

- A. A Pre-Bid meeting and site visit will be conducted by Valley Water on **WEDNESDAY, APRIL 22, 2026**. The Pre-Bid meeting and site visit will convene at **10 a.m.** (Pacific Standard Time), at **2280B COCHRANE ROAD, MORGAN HILL, CA 95037**.

Anyone not in attendance at the meeting by **10:05 a.m./p.m.** will be considered late and as having not attended this **MANDATORY** Pre-Bid meeting and site visit. A Bid submitted by any Bidder not represented at the entire mandatory Pre-Bid meeting and site visit will not be considered and its Bid will not be accepted. Attendance at the Pre-Bid meeting and site visit by subcontractors is not required.

- B. Attendance by the Bidder at the Pre-Bid meeting/site visit is:

1. Mandatory
2. Optional

- C. The objective of the Pre-Bid meeting/site is to familiarize prospective Bidders with the site. Please confirm your intent to attend the Pre-Bid meeting/site visit 24 hours in advance by registering at the Valley Water Vendor Portal. Additional information regarding the Pre-Bid meeting/site visit will be sent to all prospective Bidders who confirm their intention to attend.
- D. Valley Water will require all participants to bring and wear the appropriate Personal Protection Equipment (PPE) in order to be allowed entrance onto the site and to remain on the site.
- E. Reasonable efforts will be made to accommodate persons with disabilities wishing to attend the Pre-Bid meeting. Please send an email to scvwdplanroom@valleywater.org to request accommodations at least two (2) business days before the Pre-Bid meeting.

11. Inquiries.

- A. The Bidder must submit all requests for clarification, or interpretation of the Bid Documents in accordance with the requirements stated in Instructions to Bidders, paragraph #8. Questions During Bidding. Written questions must be submitted in PlanetBids no later than nine (9) calendar days before the deadline for receipt of Bids.
- B. Valley Water may issue written Addenda as appropriate for clarification or other purposes during the bidding period. Addenda will be posted on PlanetBids and each planholder will be notified automatically.

12. Project Labor Agreement.

- A. Valley Water and the Santa Clara and San Benito Counties Building and Construction Trades Council have entered into a Project Labor Agreement (PLA) approved by Valley Water's Board of Directors on January 11, 2022. A Project Labor Agreement is a multi-union pre-hire agreement that governs wages, benefits, work rules, and other terms and conditions of employment at a construction site. The PLA is an agency-wide agreement applicable to all Covered Projects as defined in the PLA, Article 1 Definitions. 1.7, Covered Project.
- B. A copy of the executed PLA is in the Contract Documents in Appendix A, Project Labor Agreement.
- C. The Contractor must execute Project Labor Agreement, Addendum A - Agreement to be Bound and submit in accordance with the deadline stated in the Instructions to Bidders. Submission of Addendum A - Agreement to be Bound is not required at the time of Bid submittal.
- D. The Bidder must complete and submit Bid Form No. 11, Project Labor Agreement Acknowledgement, at the time of Bid in order for its Bid to be considered responsive.
- E. It is the responsibility of the Contractor to coordinate and schedule a Pre-Construction Conference with the Santa Clara and San Benito Counties Building and Construction Trades Council (Council) prior to starting work at the Project site. The Contractor must provide the Council with the documentation required for the Council to schedule and host a Pre-Construction Conference within 2 weeks after a Notice to Proceed is issued by Valley Water. The Contractor will be subject to the requirements stated in the Special Provisions, Article 12.05 Liquidated Damages, if the Pre-Construction Conference does not occur within this time frame due to late submission of the required documentation by the Contractor.

13. Prevailing Wage Requirements.

- A. Workers employed on this Project must be paid at rates at least equal to the prevailing wage rates as determined by the State of California Department of Industrial Relations pursuant to Section 1770 et seq. of the Labor Code. Said wage rates are incorporated herein by reference and may be inspected upon request. Visit <https://www.dir.ca.gov/oprl/DPreWageDetermination.htm> to view the rates available on the State of California Department of Industrial Relations website. See Contract Documents, Standard Provisions, Section 4. Legal

Regulations and Responsibilities, Article 4.04. Prevailing Wages, through Article 4.06. Apprentices, for related requirements.

- B. This Project is subject to compliance monitoring and enforcement by the State of California Department of Industrial Relations. The Contractor and subcontractors must furnish the records specified in California Labor Code Section 1776 directly to the Labor Commissioner, in the following manner: monthly, in a format prescribed by the Labor Commissioner.

14. Bid Proposal Submittal.

Electronic Bid submittal must be at the Valley Water Vendor Portal. The Proposal must be submitted in time for all information to be transferred to PlanetBids before the Bid submission deadline. If the transfer is not completed before the Bid closes, it will be considered submitted late and the Bid Proposal will not be accepted.

15. Bid Opening.

The Bids shall be made available to the public to view in PlanetBids on the date and time stated in this Notice to Bidders, Section 1. Notice.

16. Errors or Discrepancies in the Bids.

Valley Water reserves the right to reject any and all Bid Proposals. Valley Water also reserves the right to waive minor defect(s) or irregularities in any Bid received.

17. Bidder's Security.

- A. Each Proposal must be submitted electronically through PlanetBids and accompanied by a Bidder's Bond in the sum of not less than 10 percent of the total aggregate of the Proposal including all additive and Supplemental Bid items, if any.
- B. Bids shall be presented with an electronic Bidder's Bond (e-Bond) executed and verified by an admitted surety, made payable to Valley Water.
- C. Bidder's Security must be submitted in the form of a verified e-Bond through either Surety2000 at <https://www.surety2000.com> or Tinubu at <https://www.tinubu.com/ebonding> in PlanetBids before the latest date and time for submitting Bid Proposals as specified in Section 1. Notice. The PlanetBids Contract ID for this Project is VW0669.
1. Bidders are solely responsible for completing Surety2000 or Tinubu registration, and payment of associated fees and charges.
 2. Valley Water is not responsible to Bidders for (a) Surety2000 or Tinubu acts or omissions; (b) the completeness or timely verification of the authenticity of the issued e-Bond; or (c) any other errors by third parties in the issuance of the e-Bond.

- D. Paper originals of Bidder's Bond that are physically delivered to Valley Water will not be accepted.

18. Contract Retention.

- A. The Contract Retention for this Project is established at five (5) percent of the Contract Price.
- B. The Contract Retention for this Project is established at ten (10) percent of the Contract Price. The Board of Directors has made a finding that the Project is substantially complex and therefore requires retention higher than five (5) percent.

19. Substitution of Securities.

The Contractor may, at the Contractor's request and expense, substitute securities equivalent to the amount withheld by Valley Water to ensure the performance of the contract, in accordance with Public Contract Code §22300.

20. Small Business Preference.

Valley Water has elected to implement the small business preference provisions of Public Contract Code §2002(a)(1). For purposes of Valley Water's program, a small business is as defined in Government Code §14837. See <http://www.valleywater.org/construction> to view the Small Business Enterprise Outreach Program Policy.

21. Rights of Way.

- A. This Project will be constructed within Valley Water's existing rights-of-way, the City of Morgan Hill rights-of-way, and County of Santa Clara rights-of-way.
- B. Please refer to Contract Document, Special Provisions, Section 18. Permits and Regulations, Article(s) 18.01.01. District-Obtained Permits and 18.01.02. Contractor Obtained Permits and Regulatory Deliverables.

22. Permits.

- A. It is anticipated that all permits necessary for construction of the Project will be finalized before May 2026. The construction contract will not be awarded by Valley Water until all required Permits are obtained.
- B. The Contractor will be required to obtain permits from the City of **MORGAN HILL AND THE COUNTY OF SANTA CLARA** for use of the public right away for hauling and traffic control. The contractor will be required to provide certificates of insurance naming the City of Morgan Hill and the County of Santa Clara as additionally insured, as part of the permits.

- C. See Contract Documents, Special Provisions, Section 18. Permits and Regulations, Article 18.01.02. Contractor Obtained Permits and Regulatory Deliverables, for permits obtained by the Contractor.

23. Escrow Bid Documents..

- A. Escrow Bid Documents must be submitted by the Bidders submitting the three apparent low Bids. The Escrow Bid Documents must be submitted in a sealed container, separate from the Bidder's Bid proposal, no later than 5 p.m. on the third business day following the Bid opening. Each container shall be clearly marked on the outside with the Bidder's name, date of submittal, Project name, and the words "Escrow Bid Documents." Timely submission of these Documents and Bid Form 10 is considered material by Valley Water.
- B. The Escrow Bid Documents must be accompanied by a separate certification, **FC 1897 "Bid Form 10, Escrow Bid Documents Certification of Completeness,"** signed by an individual authorized by the bidder to execute the Bid Proposal. The Bidder certifies that the material in the Escrow Bid Documents constitutes all of the documentary information used in preparation of this Bid, and that the Bidder's authorized individual has personally examined the contents of the Escrow Bid Documents container and has determined that the Documents in the container are complete.

24. Equal Opportunity.

Valley Water is an equal opportunity employer, and all Contractors of Valley Water are to have and follow a policy of equal opportunity including adherence to all state and federal laws and regulations, including the Federal Equal Opportunity Clause.

By order of the Board of Directors of the Santa Clara Valley Water District, San Jose, California, on **APRIL 14, 2026.**

ATTEST: CANDICE KWOK-SMITH

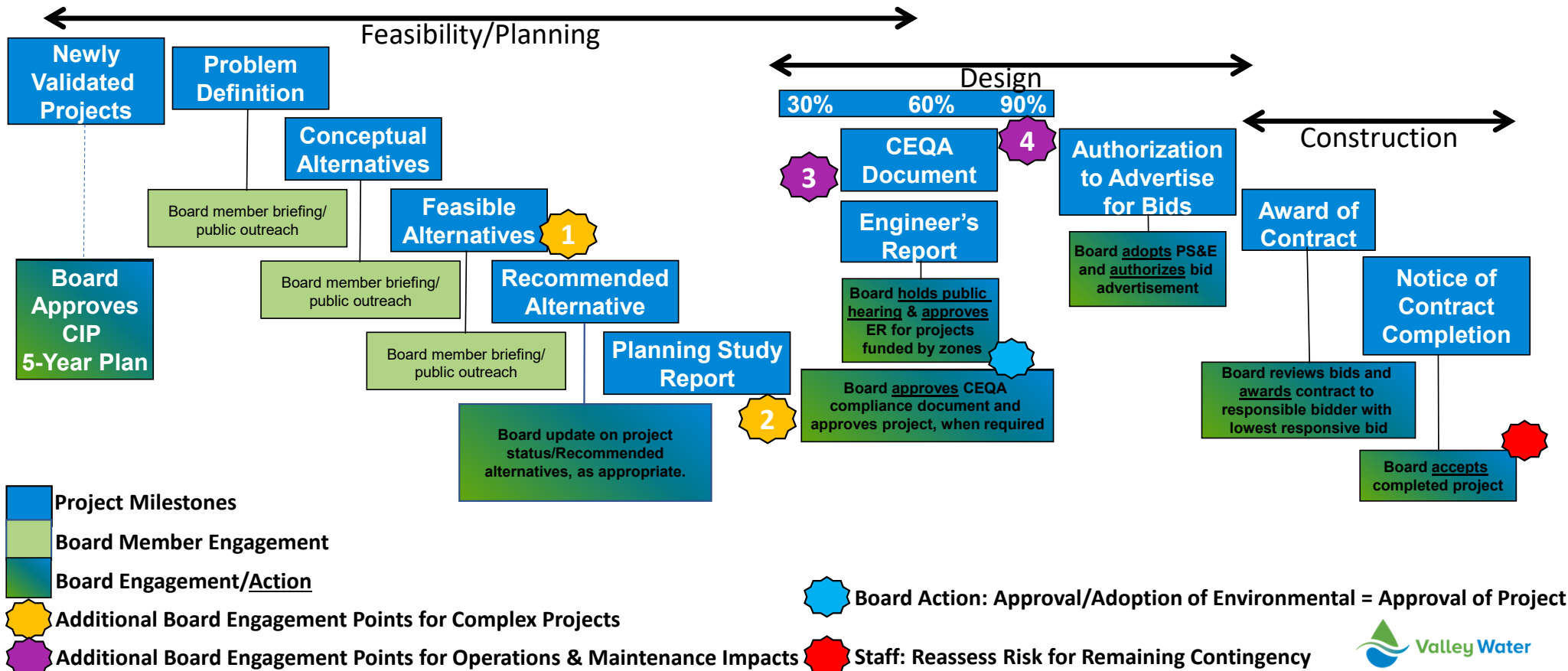
Clerk, Board of Directors

THIS PAGE INTENTIONALLY LEFT BLANK

CIP Processes Overview

BOARD ACTION & ENGAGEMENT: CAPITAL PROJECT DELIVERY PROCESS*

* This is an example of the Project Delivery Process that may be followed and may not apply to all capital projects.



F-751-093 Project Delivery Process Chart for Board Agenda Items Revision: F Effective Date: 02/16/2024



THIS PAGE INTENTIONALLY LEFT BLANK



THIS PAGE INTENTIONALLY LEFT BLANK



Santa Clara Valley Water District

File No.: 26-0275

Agenda Date: 4/14/2026

Item No.: 4.4.

BOARD AGENDA MEMORANDUM

Government Code Section 84308 Applies: Yes No
(If "YES" Refer to Attachment A)

SUBJECT:

Adopt Plans and Specifications and Authorize Advertisement for Bids for Construction of the Coyote Creek Flood Protection Project, Project No. 26174043, Contract No. C0724, (San Jose, Districts 2, 3, and 6).

RECOMMENDATION:

- A. Consider the First Addendum to the Final Environmental Impact Report for the Coyote Creek Flood Protection Project, along with the Final Environmental Impact Report;
- B. Adopt Plans and Specifications and Authorize Advertisement for Bids for Construction of the Coyote Creek Flood Protection Project, per the Notice to Bidders; and
- C. Authorize the Designated Engineer to issue addenda, as necessary, during the bidding process.

SUMMARY:

The Santa Clara Valley Water District (Valley Water) is undertaking the Coyote Creek Flood Protection Project (CCFPP or Project) to provide flood risk reduction measures against a flood event equivalent to the February 2017 flood or approximately a 20-year flood event. The CCFPP is approximately nine (9) miles long and located within the city of San Jose. The Project is part of the Safe, Clean Water and Natural Flood Program that voters renewed in November 2020.

Staff is recommending the Board adopt the Project's plans and specifications and authorize staff to advertise for construction bids, per the Notice to Bidders (Attachment 2), exclusively to the list of Valley Water Pre-Qualified Bidders.

PROJECT BACKGROUND

The CCFPP's primary objective is to provide protection from floods up to the level that occurred on February 21, 2017, equivalent to a flood level with a 5% risk of occurring in any given year (also referred to as a 20-year event), along Coyote Creek, between Montague Expressway and Tully Road, in San Jose. The CCFPP involves construction of multiple floodwalls, passive barriers and earthen berms along a nine (9) mile stretch of Coyote Creek.

Following a February 2020 order from the Federal Energy Regulatory Commission (FERC) regarding

Anderson Dam, the original Coyote Creek Flood Protection Project was split into two projects to accommodate the construction of a new outlet tunnel at Anderson Dam. As a result, Valley Water accelerated the design and construction of an initial project, the Coyote Creek Flood Management Measures Project (CCFMMP), representing 40% of the original Coyote Creek Flood Protection Project, so the creek can handle the potential release of higher flows from the larger outlet tunnel from the Anderson Dam Tunnel Project. The Board awarded the CCFMMP construction contract in May 2023 and accepted the work as completed in June 2025.

Construction of the remaining components of the original CCFPP, the current CCFPP, is planned for completion before the Anderson Dam Seismic Retrofit Project (ADSRP) Stage 2 Diversion is in operation (estimated in 2028). In total, the Project includes constructing approximately 17,060 feet of improvements along the 9-mile stretch of Coyote Creek from Montague Expressway to Tully Road. The Project will result in flood risk reduction benefits to homes, businesses, schools, and transportation infrastructure, including disadvantaged communities along Coyote Creek.

Rights-Of-Way

- A. Phased Notices to Proceed.** Right-of-way transactions are still pending, which will impact the contractor's access to certain geographic areas of the Project. Consequently, to commence Project construction in a few months, staff intends to utilize phased Notices to Proceed (NTP) approvals to authorize the contractor to proceed with building the Project in a certain sequence, as real property rights are secured.

- B. Right-of-Way Status.** CCFPP will be built in five reaches of Coyote Creek: Reaches 4, 5, 6, 7, and 8. The first phase of NTP approval (first phase) is to authorize the Contractor to proceed with construction in portions of Reaches 4, 5, 6, 7, and 8, which consist of approximately two-thirds of the proposed CCFPP improvements. Issuing phased NTP approvals allows staff additional time to acquire the remaining necessary rights-of-way. Staff anticipates acquiring the right-of-way necessary to construct the first phase of the Project by July 2026. Staff will not recommend the Board award a construction contract until all required real property rights for the first phase are secured.

Regulatory and other Permits

Valley Water is currently in the process of obtaining the regulatory permits from the San Francisco Bay Regional Water Quality Control Board and the California Department of Fish and Wildlife (CDFW). Valley Water is already in receipt of the draft Lake and Streambed Alteration Agreement from CDFW and is negotiating the final permit conditions. It is anticipated that these permits will be acquired prior to the start of construction.

Valley Water is also coordinating with the City of San Jose to secure approval for the proposed work within public right-of-way and on the City's storm drain system for backflow prevention. It is anticipated that the City approval will be obtained prior to the start of construction. In addition, the operations and maintenance agreement, outlining roles and responsibilities of the proposed improvements within City's owned property, public right-of-way and storm drain network will be finalized by the end of this year.

Addendum to the Final Environmental Impact Report

Design for CCFPP has been updated from the version approved by the Board in March 2025, necessitating Board consideration before taking any further action on the Project. Changes in the design were necessary to effectively drain stormwater runoff and also prevent backflow into the City of San Jose storm drain system. Staff has prepared an Addendum to the Final Environmental Impact Report (EIR) (Attachment 3) to evaluate the environmental impacts associated with the above described Project changes. The Addendum describes changes to the Project, evaluates the potential impacts, and concludes that the proposed Project modifications would not result in any new significant environmental impacts or substantially increase the severity of significant impacts beyond those identified in the Final EIR.

Board Adoption of Plans and Specifications and Addenda Authorization

Board adoption of plans and specifications and Board authorization to advertise are recommended in order to proceed to bid the Project for construction. Authorizing the Designated Engineer to issue addenda during bidding allows for modifications to the construction Contract Documents, if necessary, during the bidding period and before the contract is awarded.

Relevant Prior Board Action(s)

On March 11, 2025, the Board adopted a resolution certifying the Final EIR for the Project, adopted the California Environmental Quality Act (CEQA) Findings of Fact, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program for the Project, and approved the Project.

Public Outreach

Valley Water will use a variety of outreach strategies to keep the community informed of the Project's progress and important milestones. During the Project's design phase, numerous public meetings were held, both virtual and in-person, within the adjacent neighborhoods. Valley Water also utilized physical mailers and Nextdoor social media posts to inform the community.

During construction, public outreach will be targeted to the surrounding neighborhoods and include pre-construction and construction update public meetings. In addition to the outreach tactics used during the design phase, construction phase outreach will include regular email updates and construction site signage.

Contractor Pre-Qualification Process & Outreach to Bidders

Because of the size and complexity of the CCFPP, staff prequalified contractors wishing to bid on this Project. The prequalification questionnaire required contractors to demonstrate they have successfully completed projects of similar size and scope as the CCFPP.

Prior to the pre-qualification process, Valley Water did extensive industry outreach through PlanetBids to ensure broad awareness and participation, with the Request for Prequalification Application (RFPA) outreach going out to local and regional firms that have the appropriate license for this type of work, and the Santa Clara and San Benito Counties Building and Construction Trades Council, which maintains contacts with at least 100 union representatives, for distribution to their

members.

The notice of RFPA was published on Valley Water's vendor portal at PlanetBids on July 22, 2025, and an optional prequalification conference for contractors was held via Zoom on August 12, 2025. Six (6) contractors submitted the prequalification application by the October 8, 2025, deadline.

Prequalification applications were reviewed by staff and list of final prequalified contractors was posted on Valley Water's website on November 26, 2025. The following six (6) contractors met the prequalification requirements and will be the only contractors eligible to bid on the Project.

- Anvil Builders, Inc.
- Gordon N. Ball, Inc.
- Granite Construction Company
- Granite Rock Company
- Mountain Cascade, Inc.
- Shimmick Construction Company, Inc.

Next Steps

Upon Board approval of the recommendations, staff will proceed to advertise the Project for construction bids. The next Board action needed is to award the construction contract, tentatively scheduled for July 28, 2026. The Project Delivery Process (Attachment 4) highlights the current Project phase and the staff recommendations before the Board.

ENVIRONMENTAL JUSTICE IMPACT:

This action is unlikely to or will not result in disproportionate impacts on any specific community (ies) relative to the general population from the implementation of this project. However, CCFPP will have beneficial Environmental Justice impacts. The intent of the CCFPP is to protect the public, including disadvantaged communities from dangers associated with flooding similar to the flooding event that occurred in February 2017. Construction of the Project does not disproportionately impact undeserved or disadvantaged communities.

FINANCIAL IMPACT:

There is no financial impact associated with the recommendation to Adopt Plans and Specifications and Authorize Advertisement for Bids. The CCFPP, Project No. 26174043 is included in the Capital Improvement Program (CIP) Fiscal Years (FY) 2026-30 Five-Year Plan and in the FY 2025-26 Adopted Budget. The estimated construction cost of the Project is \$140 million to \$160 million and does not increase the total Project cost reflected in the CIP Draft FY 2027-31 Five-Year Plan. Construction contract costs are anticipated to begin in FY 2026-27 and will be included in the biennial budget process. If the contract award amount exceeds the estimated costs, it will be addressed through the next CIP and biennial budget cycles and through budget adjustment(s), if needed. The Project is funded through the Safe, Clean Water and Natural Flood Protection Program Fund (Fund 26).

The Department of Water Resources (DWR) has awarded Valley Water \$3.8 million in Integrated Regional Water Management Program (IRWMP) grant funding for a portion of CCFPP construction work.

On February 14, 2023, the U.S. Environmental Protection Agency (EPA) and Valley Water entered into a Master Agreement for the Safe Clean Water program pursuant to the Water Infrastructure Finance and Innovation Act (WIFIA) Loan Program. Through WIFIA, the EPA will provide up to \$147 million in low-cost loans to Valley Water to support crucial flood control initiatives, including CCFPP.

CEQA:

Valley Water is the lead agency under the CEQA for the implementation of the Project. On March 11, 2025, the Board adopted a Resolution (Resolution No. 2025-16) certifying the Final EIR, adopting the Mitigation Monitoring and Reporting Program and approved the CCFPP. The Final EIR is available for review through this link: <https://fta.valleywater.org/fl/3707stZEOx>

An Addendum to the certified Final EIR (Attachment 3) has been prepared and is part of this Board item as a recommendation for the Board's consideration. The Addendum concludes that the proposed Project modifications would not result in any new significant environmental impacts or substantially increase the severity of significant impacts beyond those identified in the Final EIR.

ATTACHMENTS:

- Attachment 1: Location Map
- Attachment 2: Notice to Bidders
- Attachment 3: First Addendum to the Final EIR
- Attachment 4: Project Delivery Process
- Attachment 5: Plans
- Attachment 6: Specifications

UNCLASSIFIED MANAGER:

Bhavani Yerrapotu, 408-630-2735

To view the First Addendum to the Final Environmental Impact Report, please click this link: <https://fta.valleywater.org/fl/CkfKhwWbyDxH>

Coyote Creek Flood Protection Project

First Addendum to the Final Environmental Impact Report

State Clearinghouse No. 2023110513

Project No. 26174043

March 2026

Prepared By:

Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3614



Valley Water Board of Directors

John L. Varela	District 1	Nai Hsueh	District 5
Shiloh Ballard	District 2	Tony Estremera, Chair	District 6
Richard P. Santos, Vice Chair	District 3	Rebecca Eisenberg	District 7
Jim Beall	District 4		

C0724 – COYOTE CREEK FLOOD PROTECTION PROJECTProject No. **26174043**Invitation No. **VW0593****1. Notice.**

Notice is hereby given that electronic Bids (eBids) will be received by the Santa Clara Valley Water District (Valley Water) submitted through Valley Water's Vendor Portal in PlanetBids (PlanetBids) as indicated in Section 2. Valley Water's Vendor Portal in PlanetBids, on **WEDNESDAY, JUNE 24, 2026**, by **2:00 p.m.**, for furnishing all material and performing all Work necessary for the construction of the **Coyote Creek Flood Protection Project** (Project) located in City of San José, California.

Valley Water previously prequalified general contractors to bid on the Project in a prequalification process completed on November 26, 2025. As a result of that prequalification process, the following contractors are determined to be prequalified and eligible to bid on this Project:

- A. Anvil Builders
- B. Granite Rock Company
- C. Gordon N. Ball, Inc.
- D. Mountain Cascade, Inc.
- E. Granite Construction Company
- F. Shimmick Construction Company, Inc.

Only the above-identified prequalified contractors are eligible to submit bids for the Project.

2. Valley Water's Vendor Portal in PlanetBids:

<https://vendors.planetbids.com/portal/48397/portal-home>

3. Availability of Bid Documents.

- A. The Notice to Bidders (NTB) documents specifying the requirements of the Work and the details of the NTB procedures, Project Plans, Specifications, and Contract Documents, including the Instructions to Bidders and Bid Documents, can be downloaded at PlanetBids.
- B. To download these documents, prospective Bidders must first register as a vendor at PlanetBids indicated above. By registering as a vendor, Bidder will automatically receive notifications of upcoming Valley Water bidding opportunities. Once registered, Bidder can download the documents and the

Bidder will be automatically included in the planholders list. There is no charge for downloading these documents.

- C. It is highly recommended that prospective Bidders acquire the Contract Documents directly through PlanetBids in order to bid on this Project and be assured that their Bids include all Addenda. All Addenda must be acknowledged online before selecting “Place eBid” to start the electronic submission process. PlanetBids will direct the prospective bidder to the Addenda tab if at least one acknowledgment is missing prior to entering the submission area.
- D. For questions or assistance regarding the vendor registration, please select the “Help” section within PlanetBids or contact the Valley Water Planroom by sending an email to scvwdplanroom@valleywater.org.

4. California State Department of Industrial Relations Contractor and Subcontractor Registration Requirements.

- A. California Labor Code Section 1771.1 requires:
 - 1. A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, unless currently registered and qualified to perform public work pursuant to Section 1725.5 of the California Labor Code.
- B. An inadvertent error in listing a subcontractor who is not registered pursuant to Section 1725.5 in a bid proposal shall not be grounds for filing a bid protest or grounds for considering the bid nonresponsive, provided that any of the following apply:
 - 1. The subcontractor is registered prior to the bid opening.
 - 2. Within 24 hours after the bid opening, the subcontractor is registered and has paid the penalty registration fee.
 - 3. The subcontractor is replaced by another registered subcontractor pursuant to Section 4107 of the Public Contract Code within 24 hours after the bid opening.

5. Summary of Work.

- A. Project Description:
 - 1. The Project scope includes, but is not limited to the following:
 - a. Full compliance with the National Pollutant Discharge Elimination System (NPDES) Construction General Permit, including Storm Water Pollution Prevention Plan (SWPPP) preparation, installation, and monitoring of Best Management Practices (BMPs).

- b. Full compliance with Project regulatory permits including the Lake or Streambed Alteration (LSA) Agreement, the San Francisco Bay Regional Water Quality Control Board (SFBRWQCB) Water Discharge Requirements, the California State Water Resources Control Board (Construction General Permit), and local and municipal permits.
- c. Full compliance with federal, state, and local laws, ordinances, permits, as required to construct the Project.
- d. Construction site reviews and site condition monitoring, including preconstruction surveys and investigations within the Project limits and site investigations and surveys of properties in the vicinity of the work in accordance with Special Provisions 16.04.01 and 16.04.02, respectively. No drone surveys shall be performed for any survey, inspection, or monitoring necessary to complete the construction of the Project.
- e. Develop Contractor's quality control program and implement quality control for the project.
- f. Mobilization and de-mobilization from staging areas, laydown areas, and Project feature locations.
- g. Conduct noise and vibration monitoring generated from construction.
- h. Develop traffic control plans and, upon approval by the City of San Jose, implement traffic control for the Project.
- i. Develop and restore all Staging Areas.
- j. Demolition of existing structures, fences, and other miscellaneous items shown on the Drawings.
- k. Clearing, grubbing, and stripping topsoil within the project limits and required for construction.
- l. Tree and plant protection and tree and root removal, trimming, or cutting within the project limits and required for construction of temporary or permanent work as shown on the Drawings.
- m. Excavation, general fill, and hauling and disposal of unsuitable materials.
- n. Construct concrete floodwalls.
- o. Construct and install steel sheet pile floodwalls including concrete encasement.

- p. Construct earthen embankments.
- q. Install sandbags for temporary flood protection.
- r. Furnish, construct, install, and test Vehicular and Pedestrian Passive Flood Barriers.
- s. Furnish and install rock slope and erosion protection.
- t. Construct improvements to Charcot Ave Bridge including installing Carbon Fiber Reinforced Polymer sheets, constructing new concrete barriers and headwalls, and other miscellaneous work.
- u. Install stop log gates and flood doors.
- v. Construct and surface aggregate base maintenance roads.
- w. Construct and surface asphalt pavement roads and trails.
- x. Construct and install local drainage outfalls and storm sewers and structures.
 - i. Installation of Drainage features, including PVC, CMP, RCP, and round steel pipe, Catch Basins/Sumps, Manholes, Inlets, headwalls, level spreaders, swales, and other drainage related facilities; and
 - ii. Flap gates, in-line check valves, valve boxes, cleanouts and vertical risers, trash racks, and appurtenances necessary for their construction, including, but not limited to, riprap and geotextile separator fabric.
- y. Utility relocation performed during construction, including coordination with affected utility companies or owners.
- z. Furnish and install seeding and erosion control blankets.
- aa. Restore native riparian habitat and conduct three (3) year establishment maintenance, including temporary irrigation and construction of a permanent irrigation system. Conduct a three (3) year vegetation maintenance program to prevent any vegetation growth within any aggregate base surfaces, riprap outfalls, and slope armor constructed within the project permanent easements and on Valley Water owned properties.
- ab. Restoring City of San Jose parks affected by construction work to pre-existing conditions and complying with the Contract Specifications and Drawings.

- ac. Perform other miscellaneous construction work and items necessary to complete the work included in the Drawings and Specifications.
2. The scope of Work is comprised of 3 Milestones:
- a. Milestone 1: Completion of all civil, special structures, plantings and all associated work within the Reach 7 FW11 project area. The estimated completion date is December 31, 2027.
 - b. Milestone 2: Completion of all civil, special structures, plantings and all associated work within the remaining project area. The estimated completion date is September 30, 2028.
 - c. Milestone 3: Completion of the three-year landscaping and plant establishment maintenance period. The estimated completion date is September 30, 2031.
- B. Preference for Materials: NOT USED.
- 6. Contract Time.**
- A. The date of completion shall be as specified in the Special Provisions, Article 12.03. Contract Time(s), for Milestones and Contract Times. The anticipated issuance of Notice of Proceed (NTP-1) will be in August 2026.
 - B. Right-of-way transactions are pending which will impact the Contractor's access to certain geographic areas of the Project. Consequently, Valley Water intends to utilize phased approvals to authorize the Contractor to proceed with building the Project in a certain sequence, as real property rights are secured. See Contract Documents, Standard Provisions, Article 12.03. Contract Time(s), for information regarding phased approvals.
- 7. Liquidated Damages.**
- See Contract Documents, Standard Provisions, Section 5. Prosecution and Progress of Work, Article 5.08. Liquidated Damages, and Special Provisions, Section 12. Work and Contract Time(s), Article 12.05. Liquidated Damages, for requirements regarding Liquidated Damages.
- 8. Estimated Cost.**
- The estimated cost of the Project is between **\$140** million to **\$160** million. This estimate is intended to serve merely as an indication of the magnitude of the Work. Neither the Bidder(s) nor the Contractor will be entitled to pursue a claim or be compensated due to variance in the stated estimated cost range.
- A. Supplemental Bid Items. **NOT USED.**
 - B. Additive/Deductive Bid Items. **NOT USED.**

9. Contractor's License Requirement.

The Bidder MUST possess a current Class A Contractor's license issued by the California Department of Consumer Affairs, Contractor's State License Board, when the contract is awarded. Regardless of whether a subcontractor must be identified at the time of Bid, each subcontractor must also be properly licensed to perform its scope of Work. However, listed subcontractors must be licensed at the time of Award.

10. Pre-Bid Meeting and Site Visit.

- A. A Pre-Bid meeting and site visit will be conducted by Valley Water on **TUESDAY, APRIL 28, 2026**. The Pre-Bid meeting and site visit will convene at **9:00 a.m.** (Pacific Standard Time), at Valley Water's Brokaw Yard, located at 37.384649, - 121.909504, in San José, CA. Access will be off Charcot Avenue, near the southwestern corner of Charcot Bridge.

Anyone not in attendance at the meeting by **9:05 a.m.** will be considered late and as having not attended this **MANDATORY** Pre-Bid meeting and site visit. A Bid submitted by any Bidder not represented at the entire mandatory Pre-Bid meeting and site visit will not be considered and its Bid will not be accepted. Attendance at the Pre-Bid meeting and site visit by subcontractors is not required.

Attendance by the Bidder at the Pre-Bid meeting/site visit is:

1. Mandatory
 2. Optional
- B. The objective of the Pre-Bid meeting and site visit is to familiarize prospective Bidders with the site. Please confirm your intent to attend the Pre-Bid meeting and site visit 24 hours in advance by registering at the Valley Water Vendor Portal. Additional information regarding the Pre-Bid meeting and site visit will be sent to all prospective Bidders who confirm their intention to attend.
- C. Valley Water will require all participants to bring and wear the appropriate Personal Protection Equipment (PPE) in order to be allowed entrance onto the site and to remain on the site.
- D. Reasonable efforts will be made to accommodate persons with disabilities wishing to attend the Pre-Bid meeting. Please send an email to scvwdplanroom@valleywater.org to request accommodations at least two (2) business days before the Pre-Bid meeting.

11. Inquiries.

- A. The Bidder must submit all requests for clarification, or interpretation of the Bid Documents in accordance with the requirements stated in Instructions to Bidders, paragraph #8. Questions During Bidding. Written questions must be submitted in PlanetBids no later than nine (9) calendar days before the deadline for receipt of Bids.

- B. Valley Water may issue written Addenda as appropriate for clarification or other purposes during the bidding period. Addenda will be posted on PlanetBids and each planholder will be notified automatically.

12. Project Labor Agreement.

- A. Valley Water and the Santa Clara and San Benito Counties Building and Construction Trades Council have entered into a Project Labor Agreement (PLA) approved by Valley Water's Board of Directors on January 11, 2022. The PLA is an agency-wide, multi-union pre-hire agreement that governs wages, benefits, work rules, and other terms and conditions of employment at a construction site. The PLA applies to Covered Projects (as defined in PLA section 1.7) and shall apply to this Project and the Contract if either (1) the engineer's estimate in Section 8 of this NTB or (2) the Total Bid Price of the successful Bidder exceeds two million dollars (\$2,000,000). A copy of the executed PLA is in the Contract Documents in Appendix A, Project Labor Agreement, and at the following weblink <https://www.valleywater.org/contractors/doing-businesses-with-the-district/construction-administration/project-labor-agreement-pla>.
- B. All Bidders must complete and submit Bid Form No. 11, Project Labor Agreement Acknowledgement, with their Bid to be considered responsive.
- C. Bidders that submit a Proposal with a Total Bid Price exceeding \$2,000,000 must execute PLA Addendum A - Agreement to be Bound by the deadline stated in the Instructions to Bidders. Submission of Addendum A - Agreement to be Bound is **not** required at the time of Bid submittal.
- D. The Bidder must complete and submit Bid Form No. 11, Project Labor Agreement Acknowledgement, at the time of Bid in order for its Bid to be considered responsive.
- E. The Contractor on a Covered Project must coordinate and schedule a Pre-Construction Conference with the Santa Clara and San Benito Counties Building and Construction Trades Council (Council) prior to starting work at the Project site. The Contractor must provide the Council with the documentation required for the Council to schedule and host a Pre-Construction Conference within 2 weeks after a Notice to Proceed is issued by Valley Water. The Contractor will be subject to the requirements stated in the Special Provisions, Article 12.05 Liquidated Damages, if the Pre-Construction Conference does not occur within this time frame due to late submission of the required documentation by the Contractor.

13. Prevailing Wage Requirements.

This Contract is subject to state and federal (Davis-Bacon) requirements for payment of prevailing wages. Complying with federal prevailing wage laws is a requirement of the United States Environmental Protection Agency, Water Infrastructure Finance and Innovation Act (WIFIA) funding Valley Water will receive for this Project. See this Notice to Bidders, Section 25. Water Infrastructure Finance and Innovation Act (WIFIA) Requirements established by the Environmental Protection Agency.

- A. Additional information is provided in the Contract Documents, Appendix M, EPA/WIFIA Federal Requirements.
- B. The Federal minimum wage rates for this Project as predetermined by the United States Secretary of Labor are available at <https://sam.gov/content/wagedeterminations>. The applicable Federal Wage Determination for this Contract will be based on **CA 20260018 Modification 4 dated JANUARY 30, 2026**. A copy of the Federal Wage Determination is also provided in the Contract Documents, Appendix M.

Pursuant to Federal Labor Standards Provisions, Valley Water must notify Prospective Bidders of any modifications to Federal Wage Determinations 10 days prior to Bid opening. Valley Water will issue an addendum to include updated Federal Wage Determinations, if necessary.

- C. Workers employed on this Project must be paid at rates at least equal to the prevailing wage rates as determined by the State of California Department of Industrial Relations pursuant to Section 1770 et seq. of the Labor Code. Said wage rates are incorporated herein by reference and may be inspected upon request. Visit <https://www.dir.ca.gov/oprl/DPreWageDetermination.htm> to view the rates available on the State of California Department of Industrial Relations website. See Contract Documents, Standard Provisions, Section 4. Legal Regulations and Responsibilities, Article 4.04. Prevailing Wages, through Article 4.06. Apprentices, for related requirements.
- D. If there is a difference between the Federal Wage Determination and prevailing wage rates as determined by the Secretary of Labor and by the Director of the California Department of Industrial Relations for similar classifications of labor, the Contractor shall pay not less than the higher wage rate.
- E. This Project is also a “Public Works” as defined in Sections 1720 through 1720.6 of the California Labor Code. The Contractor will be required to comply with the prevailing wage, hour and labor requirements set forth in California Labor Code Sections 1720 through 1861 (collectively “State Wage, Hour and Labor Requirements”) to the extent that such requirements do not conflict with the Federal Wage, Hour and Labor Requirements and to the extent the Federal Wage, Hour and Labor requirements are not otherwise applicable.
- F. This Project is subject to compliance monitoring and enforcement by the State of California Department of Industrial Relations. The Contractor and subcontractors must furnish the records specified in California Labor Code Section 1776 directly to the Labor Commissioner, in the following manner: monthly, in a format prescribed by the Labor Commissioner.

14. Bid Proposal Submittal.

Electronic Bid submittal must be at the Valley Water Vendor Portal. The Proposal must be submitted in time for all information to be transferred to PlanetBids before the Bid submission deadline. If the transfer is not completed before the Bid closes, it will be considered submitted late and the Bid Proposal will not be accepted.

15. Bid Opening.

The Bids shall be made available to the public to view in PlanetBids on the date and time stated in this Notice to Bidders, Section 1. Notice.

16. Errors or Discrepancies in the Bids.

Valley Water reserves the right to reject any and all Bid Proposals. Valley Water also reserves the right to waive minor defect(s) or irregularities in any Bid received.

17. Bidder's Security.

- A. Each Proposal must be submitted electronically through PlanetBids and accompanied by a Bidder's Bond in the sum of not less than 10 percent of the total aggregate of the Proposal including all additive and Supplemental Bid items, if any.
- B. Bids shall be presented with an electronic Bidder's Bond (e-Bond) executed and verified by an admitted surety, made payable to Valley Water.
- C. Bidder's Security must be submitted in the form of a verified e-Bond through either Surety2000 at <https://www.surety2000.com> or Tinubu at <https://www.tinubu.com/ebonding> in PlanetBids before the latest date and time for submitting Bid Proposals as specified in Section 1. Notice. The PlanetBids Contract ID for this Project is VW0593.
 - 1. Bidders are solely responsible for completing Surety2000 or Tinubu registration, and payment of associated fees and charges.
 - 2. Valley Water is not responsible to Bidders for (a) Surety2000 or Tinubu acts or omissions; (b) the completeness or timely verification of the authenticity of the issued e-Bond; or (c) any other errors by third parties in the issuance of the e-Bond.
- D. Paper originals of Bidder's Bond that are physically delivered to Valley Water will not be accepted.

18. Contract Retention.

- A. The Contract Retention for this Project is established at five (5) percent of the Contract Price.
- B. The Contract Retention for this Project is established at ten (10) percent of the Contract Price. The Board of Directors has made a finding that the Project is substantially complex and therefore requires retention higher than five (5) percent.

19. Substitution of Securities.

The Contractor may, at the Contractor's request and expense, substitute securities equivalent to the amount withheld by Valley Water to ensure the performance of the contract, in accordance with Public Contract Code §22300.

20. Small Business Preference.

Valley Water has elected to implement the small business preference provisions of Public Contract Code §2002(a)(1). For purposes of Valley Water's program, a small business is as defined in Government Code §14837. See <http://www.valleywater.org/construction> to view the Small Business Enterprise Outreach Program Policy.

21. Rights of Way.

Right-of-way transactions are still pending, which will impact the Contractor's access to certain geographic areas of the Project. Consequently, Notices to Proceed (NTP) will be phased as real property rights are secured. Phased NTP schedule is outlined in Specification Section 12.03. Contract Time(s).

22. Permits.

- A. It is anticipated that all permits necessary for construction of the Project will be acquired prior to start of construction.
- B. The Contractor will be required to obtain permits from City of San Jose for use of public right-of-way for hauling and traffic control.
- C. See Contract Documents, Special Provisions, Article 18.01.02. Contractor Obtained Permits and Regulatory Deliverables, for permits obtained by Contractor.

23. Escrow Bid Documents.

- A. Escrow Bid Documents must be submitted by the Bidders submitting the three apparent low Bids. The Escrow Bid Documents must be submitted in a sealed container, separate from the Bidder's Bid proposal, no later than 5 p.m. on the third business day following the Bid opening. Each container shall be clearly marked on the outside with the Bidder's name, date of submittal, Project name, and the words "Escrow Bid Documents." Timely submission of these Documents and Bid Form 10 is considered material by Valley Water.
- B. The Escrow Bid Documents must be accompanied by a separate certification, **FC 1897 "Bid Form 10, Escrow Bid Documents Certification of Completeness,"** signed by an individual authorized by the bidder to execute the Bid Proposal. The Bidder certifies that the material in the Escrow Bid Documents constitutes all of the documentary information used in preparation of this Bid, and that the Bidder's authorized individual has personally examined the contents of the Escrow Bid Documents container and has determined that the Documents in the container are complete.

24. Equal Opportunity.

Valley Water is an equal opportunity employer, and all Contractors of Valley Water are to have and follow a policy of equal opportunity including adherence to all state and federal laws and regulations, including the Federal Equal Opportunity Clause.

25. External Funding Requirements. Valley Water plans to use proceeds from a Water Infrastructure Finance and Innovation Act (WIFIA) loan to pay for this Project. WIFIA loans are funded by the United States Environmental Protection Agency (EPA) which imposes certain requirements on borrowers as a condition of receiving a loan.

- A. The EPA WIFIA loan requirements applicable to the Contractor are provided in the Contract Documents, Special Provisions, Section 14 Special Requirements, specifically, Article 14.17. Water Infrastructure Finance and Innovation Act Requirements and included in the Contract Documents, Appendix M, EPA/WIFIA Federal Requirements.
- B. Terminology used in Article 14.17. and Appendix M shall be interpreted as used in the corresponding Federal law, regulation, or Executive Order. Some, but not all, WIFIA requirements have been highlighted in this Notice to Bidders. Contractors shall refer to Article 14.17. and the Contract Documents, Appendix M EPA/WIFIA Federal Requirements for additional information.
- C. EPA WIFIA requirements applicable to the Contractor and its subcontractors include:
 - 1. Ensure compliance with WIFIA program requirements to the extent each requirement applies to a company's services;
 - 2. Ensure compliance with WIFIA program requirements by all of a company's subcontractors, at all tiers, to the extent each requirement applies to a subcontracted company's services for Valley Water; and
 - 3. Ensure the goods and services provided are compliant with, and support Valley Water in compliance with, WIFIA program requirements.
- D. **California Department of Water Resources' Grant Requirements Including Labor Compliance Program**

This Project is partially funded by a Proposition 1E Integrated Regional Water Management Stormwater Flood Management Grant from the California Department of Water Resources. The Contractor must comply with all Grant mandated requirements, including the California Department of Industrial Relations Labor Compliance Program, which requires electronic submission of certified payroll. The California Department of Water Resources Grant requirements applicable to the Contractor are provided in the Contract Documents, Special Provisions, Section 14 Special Requirements, specifically, Article 14.19. Proposition 1 Integrated Regional Water Management Grant Requirements.

26. American Iron and Steel.

- A. A construction contract awarded as a result of this bid advertisement will be subject to American Iron and Steel requirements as a condition of Valley Water's EPA WIFIA funding. All of the iron and steel products used in the Project are required to be produced in the United States, including iron and steel products provided by the Contractor.
- B. The Contractor shall:
1. Review and understand the American Iron and Steel Requirement;
 2. Ensure all of the iron and steel products used in the Project will be and/or have been produced in the United States in a manner that complies with the American Iron and Steel Requirement unless a waiver of the requirement is approved by EPA;
 3. Provide verified information, certification, or assurance of compliance necessary to demonstrate compliance; and
 4. Provide any further verified information, certification, or assurance of compliance necessary to support a waiver of the American Iron and Steel Requirement as may be requested by Valley Water or the U.S. Environmental Protection Agency.

27. Government-wide Debarment and Suspension. No construction contract will be awarded by Valley Water nor subcontract awarded by the Contractor to any party ineligible under 2 CFR 180 and 2 CFR 1532, or who is prohibited under Section 306 of the Clean Air Act or Section 508 of the Clean Water Act.

By order of the Board of Directors of the Santa Clara Valley Water District, San Jose, California, on **APRIL 14, 2026**.

ATTEST: CANDICE KWOK-SMITH

Clerk, Board of Directors

To view the First Addendum to the Final Environmental Impact Report, please click this link: <https://fta.valleywater.org/fl/CkfKhwWbyDxH>

Coyote Creek Flood Protection Project

First Addendum to the Final Environmental Impact Report

State Clearinghouse No. 2023110513

Project No. 26174043

March 2026

Prepared By:

Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3614

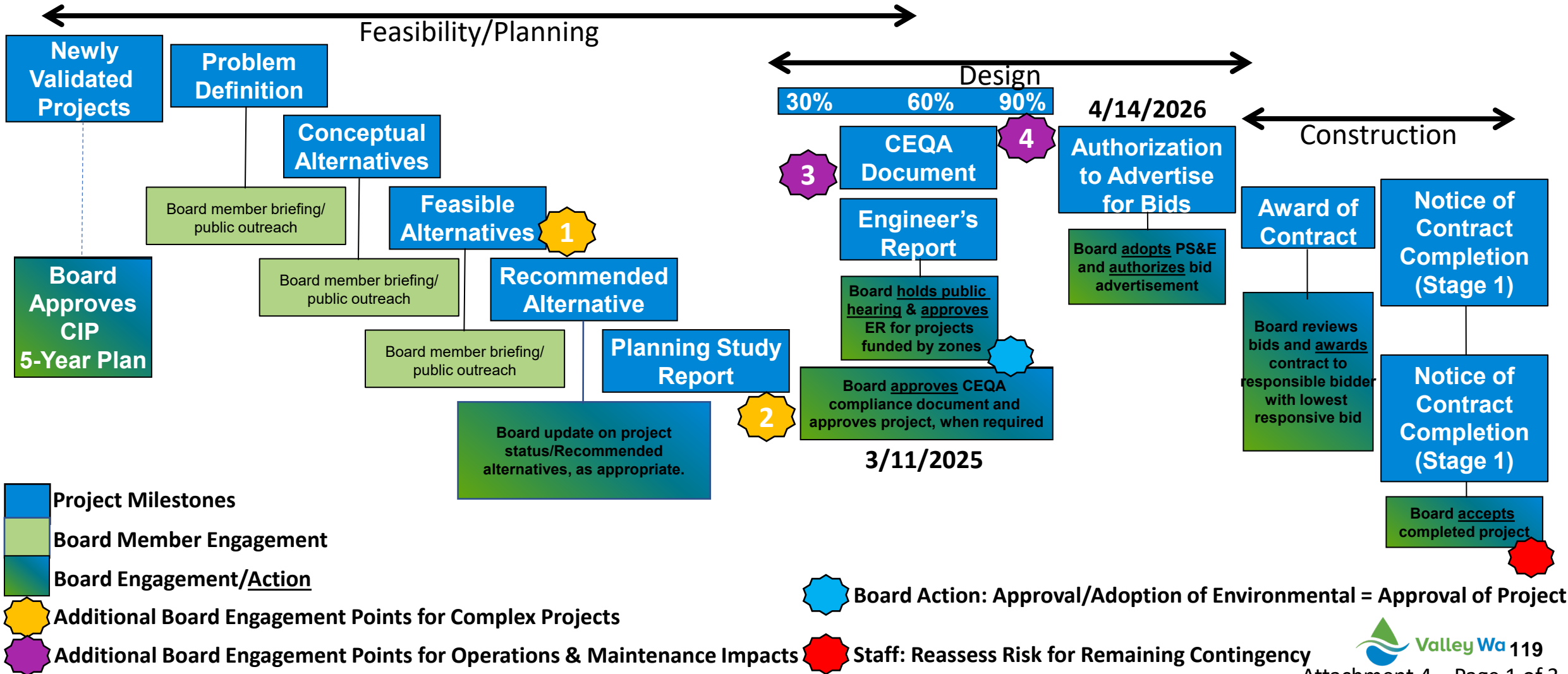


Valley Water Board of Directors

John L. Varela	District 1	Nai Hsueh	District 5
Shiloh Ballard	District 2	Tony Estremera, Chair	District 6
Richard P. Santos, Vice Chair	District 3	Rebecca Eisenberg	District 7
Jim Beall	District 4		

Coyote Creek Flood Protection Project Project No. 26174043

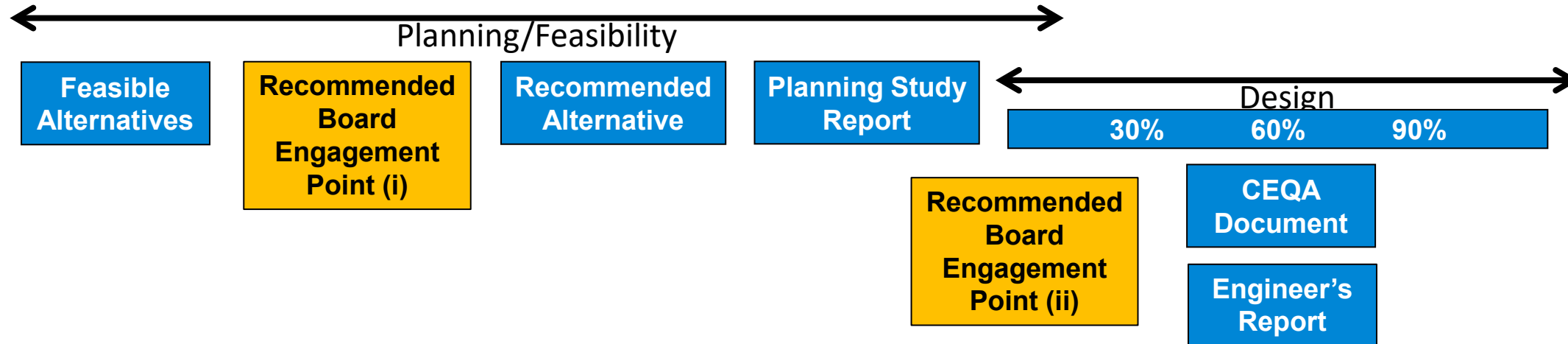
BOARD ACTION & ENGAGEMENT: CAPITAL PROJECT DELIVERY PROCESS



Capital Improvement Program (CIP) Project Delivery Process*

Board Engagement/Actions

Additional Recommended Points for Board Engagement



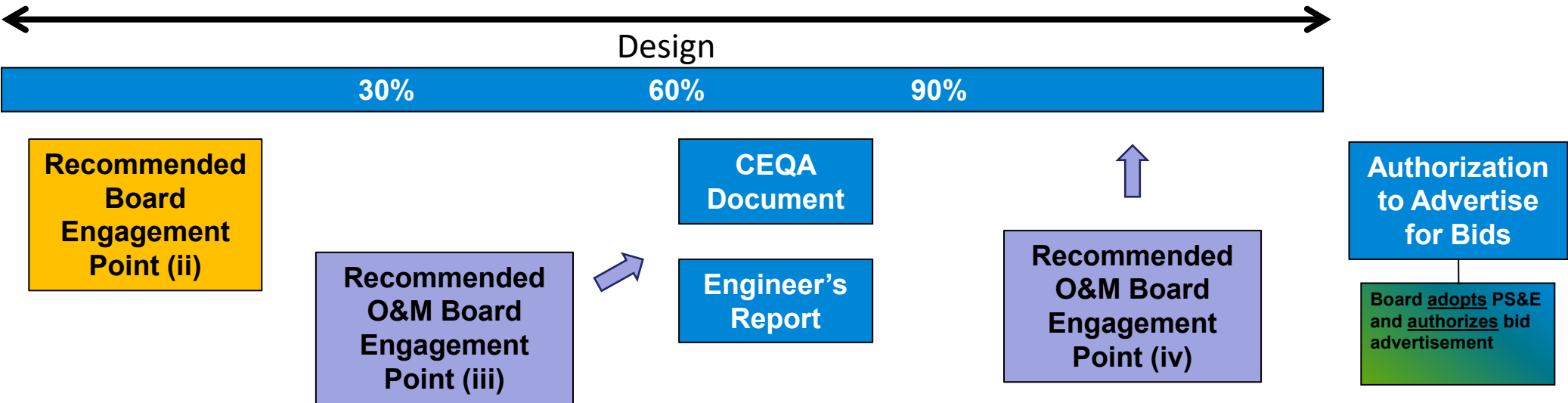
For capital projects with unusually complex fiscal, jurisdictional, environmental, or community considerations:

- i. During the Planning/Feasibility Phase, after identifying the Feasible Alternatives but before selecting the Recommended Alternative, present the Feasible Alternatives and staff's initially proposed Recommended Alternative to the Capital Improvement Program (CIP) Committee. If recommended by the CIP Committee, present them to the Board for feedback to inform the selection of the Recommended Alternative; and
- ii. For the projects for which the Board provided feedback regarding the Recommended Alternative, should changes to the project occur during the Planning and initial Design Phases that result in a significant deviation from the Recommended Alternative, staff will return to both the CIP Committee and the Board to provide information and receive feedback, as necessary, prior to the public review of the California Environmental Quality Act (CEQA) document.

Capital Improvement Program (CIP)

Project Delivery Process*

Additional Recommended Points for O&M Engagement



For all capital projects:

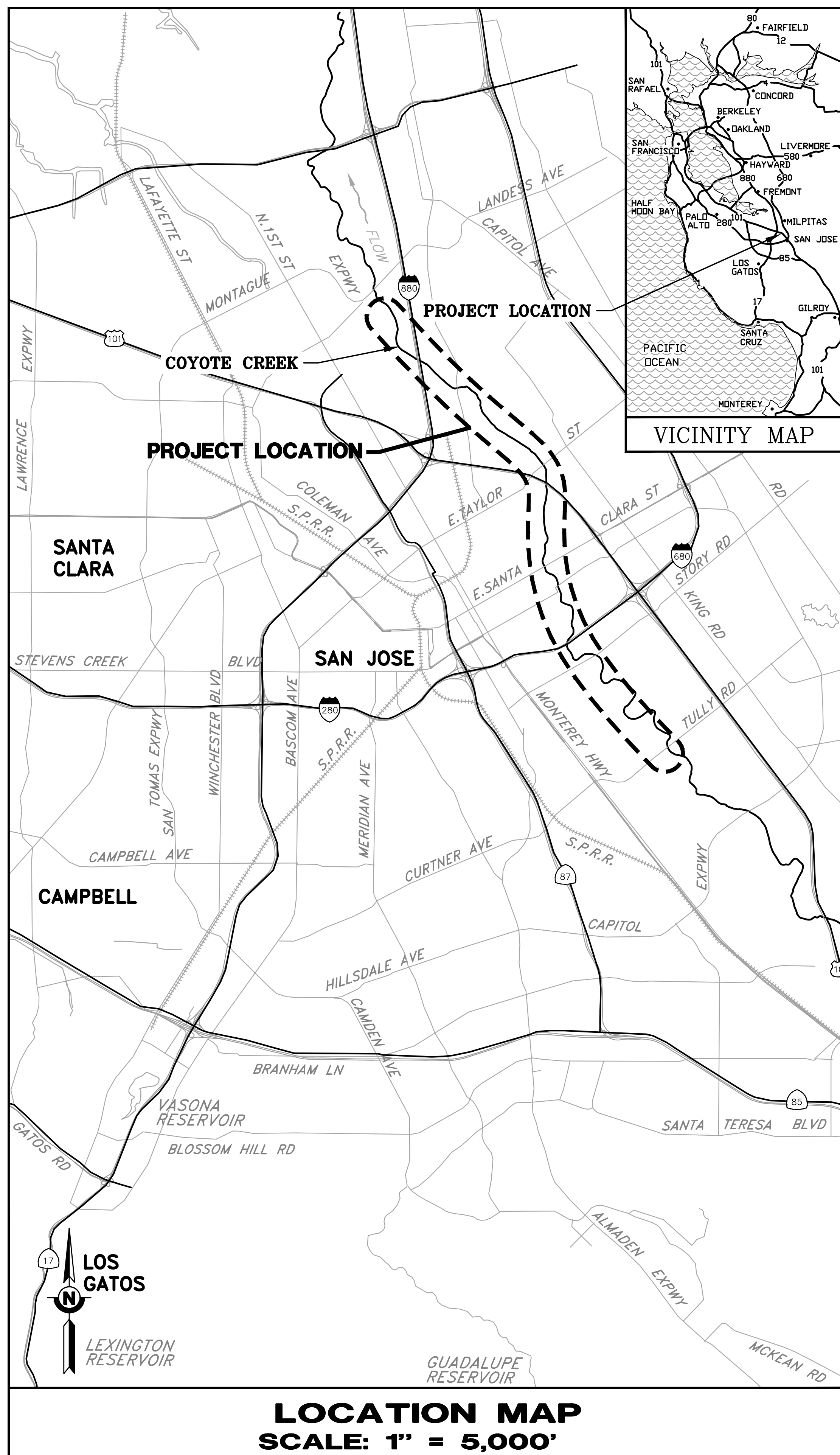
- iii. As part of the Board memo on either the Engineer's Report or CEQA document, include an O&M cost and impact assessment
- iv. If significant changes occur after the Engineer's Report or CEQA document is approved by the Board, present an updated O&M cost and impact assessment to the Capital Improvement Program (CIP) Committee



* This is an example of the Project Delivery Process that may be followed and may not apply to all capital projects.

THIS PAGE INTENTIONALLY LEFT BLANK

USERNAME: Venhausl_2/14/2026 10:46 AM
FILENAME: pw:\aecom-na-pw\benley.com\AECOM_USA_California\Documents\60652041-Coyote Creek Project\B\900-CAD_GIS\910_CAD_20_SHEETS\01-General\G-01.dwg
DOCUMENT NUMBER: COO-G-4021-88529



To view the complete plan set, please click this link: <https://fta.valleywater.org/fl/dDjbGXJr7rFC>

MAP AND CONSTRUCTION PLAN

FOR

COYOTE CREEK FLOOD PROTECTION PROJECT

MONTAGUE EXPRESSWAY TO TULLY ROAD SAN JOSE, CALIFORNIA



PREPARED BY:

AECOM

Clara Ponce

CLARA PONCE, P.E.
PRINCIPAL ENGINEER

2/20/2026
DATE



REVIEWED BY:

Robert Yamane

ROBERT YAMANE, P.E.
SENIOR ENGINEER
DESIGN AND CONSTRUCTION UNIT 1
WATERSHEDS DESIGN AND CONSTRUCTION DIVISION

3/24/2026

DATE

APPROVED BY:

Madhu Thummaluru

MADHU THUMMALURU, P.E., G.E.
CAPITAL ENGINEERING MANAGER
DESIGN AND CONSTRUCTION UNIT 1
WATERSHEDS DESIGN & CONSTRUCTION DIVISION

3/24/2026

DATE

Bhavani Yerrapotu

BHAVANI YERRAPOTU, P.E.
DEPUTY OPERATING OFFICER
WATERSHEDS DESIGN AND CONSTRUCTION DIVISION

3/25/2026

DATE

ACCEPTED BY:

Jennifer Codianne

JENNIFER CODIANNE
DEPUTY OPERATING OFFICER
WATERSHEDS OPERATIONS AND MAINTENANCE DIVISION

3/25/2026

DATE

CONTRACT NUMBER	C0724
PROJECT NUMBER	26174043
SHEET CODE:	G-01
SHEET NUMBER: 01	TOTAL SHEETS: 667

SPECIFICATIONS AND CONTRACT DOCUMENTS

FOR THE
CONSTRUCTION OF

COYOTE CREEK FLOOD PROTECTION PROJECT

Valley Water Project No. 26174043
Contract No. C0724



March, 2026



Santa Clara Valley Water District

File No.: 26-0053

Agenda Date: 4/14/2026

Item No.: 4.5.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Accept the Work as Complete and Direct the Clerk to File the Notice of Completion of Contract and Acceptance of Work for the Hale Creek Enhancement Pilot Project, Stage 2, Milestone 3, McGuire and Hester, Project No. 26164001, Contract No. C0667 (Mountain View, Los Altos, District 7).

RECOMMENDATION:

- A. Accept the work on the Hale Creek Enhancement Pilot Project, Stage 2, Milestone 3, Project No. 26164001, Contract No. C0667 as complete; and
- B. Direct the Clerk of the Board to sign the Notice of Completion of Contract and Acceptance of Work and submit for recording to the Santa Clara County Clerk-Recorder.

SUMMARY:

The construction contractor, McGuire and Hester, has completed Stage 2 (Milestone 3) for the Hale Creek Enhancement Pilot Project (Project).

Project Background

Hale Creek is a major tributary to Permanente Creek. The purpose of the Project was to restore geomorphic and habitat functions to a 650-foot-long section of Hale Creek, between Marilyn Drive and North Sunshine Drive in Mountain View and Los Altos, by replacing the existing concrete channel with a soft-bottom channel comprised of natural substrates and vegetation.

The objective of the Hale Creek Enhancement Pilot Project was to provide Santa Clara Valley Water District (Valley Water) the opportunity to examine a new approach using a hybrid method of hardscape vertical structures combined with a vegetated soft bottom channel to test the potential for restoration of geomorphic habitat functions in an urbanized and constrained setting while maintaining and enhancing flood protection. The results of the Project will be used to inform future work for the rest of Hale Creek, as well as miles of concrete channels in Santa Clara County, as they reach the end of their life cycle. The Project is part of the voter-approved Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program).

The Project was constructed in two stages. Stage 1 construction work comprised of completing

Milestones 1 and 2, civil work and plant installation was completed in April 2023. Stage 2 construction consisted of the landscape and revegetation establishment maintenance work (Milestone 3) which was completed in December 2025.

Relevant Prior Board Actions

On November 20, 2012, the Board certified a Final Subsequent Environmental Impact Report (FSEIR) for the Permanente Creek Flood Protection Project.

On March 8, 2022, the Board considered the Sixth Addendum to the Final Subsequent Environmental Impact Report (Final Subsequent EIR) for the Permanente Creek Flood Protection Project, which evaluated the environmental impacts of the construction and operation of the Hale Creek Enhancement Pilot Project.

On March 8, 2022, the Board adopted the plans and specifications and authorized advertisement for bids for construction.

On May 10, 2022, the Board awarded the Construction Contract to McGuire and Hester in the sum of \$6,380,681.50; and approved a contingency sum of \$957,102.23 and authorized the Chief Executive Officer or designee to approve individual change orders up to the total amount of the contingency, with the Engineering Unit Manager and Deputy Operating Officer authorized to approve individual change orders up to \$100,000 and \$250,000, respectively.

On August 8, 2023, the Board accepted the work on the Hale Creek Enhancement Pilot Project, Stage 1 (Milestones 1 and 2), Project No. 26164001, Contract No. C0667 as complete and directed the Clerk of the Board to sign the Notice of Completion of Contract and Acceptance of Work and submit for recording to the Santa Clara County Clerk-Recorder.

Contract Change Orders

A total of two (2) contract change orders totaling \$87,620.00 were executed for Milestone 3 to address various issues, including bank repair at Sunshine Drive and additional plant installations.

Table 1 presents a summary of the construction contract and contingency amounts.

**TABLE 1
SUMMARY OF CONSTRUCTION CONTRACT
AND CONTINGENCY AMOUNTS**

	Contract Amount	Contingency Amount
Original Contract	\$6,380,681.50	\$957,102.23
Change Order Nos. 1 to 3 (Milestones 1 and 2)	\$153,038.86	\$804,063.37
Change Order No. 4 (Staff approved)	\$81,820.00	\$722,243.37
Change Order No. 5 (Staff approved)	\$5,800.00	\$716,443.37
Final Contract Amount and Remaining Contingency	\$6,621,340.36	\$716,443.37

Acceptance of the Work and Recording Notice of Completion of Contract

The California Civil Code allows an owner or agent to execute a Notice of Completion of Contract after acceptance of the work by the Board. The Notice of Completion of Contract and Acceptance of Work is included in Attachment 1. The Designated Engineer has determined that the work has been completed, to the best of his knowledge, in accordance with the plans and specifications, and recommends acceptance. The Designated Engineer's recommendation of construction acceptance is included in Attachment 2. The Project Completion Letter is included as Attachment 3. The Construction Summary, including photos of the Project, is included as Attachment 4. The Project Delivery Process Chart is included in Attachment 5.

Construction Contract Retention

California law requires Valley Water to release contract retention in accordance with certain time frames, which will commence once the Notice of Completion is recorded. Interest payment on retention due to the contractor may be avoided by meeting the requisite deadlines.

In accordance with the Public Contract Code, Valley Water typically withholds retention funds totaling five percent (5%) of the contract items. However, staff inadvertently did not withhold any retention funds during Stage 2 (Milestone 3).

Per the construction Contract Documents, Valley Water is required to release retention funds associated with the contract 35 days after recording the Notice of Completion of Contract and Acceptance of Work, subject to any withholdings required by law or the contract. Since no retention was withheld for Stage 2 work, there will not be any retention funds to be released once the Notice of Completion is recorded.

Total Project Expenditures

As indicated in the Summary of Construction Contract and Contingency Amounts (Table 1), at Stage 2 (Milestone 3) completion, the original contract amount of \$6,380,681.50 increased by \$240,658.86 to \$6,621,340.36, an increase of approximately 3.8 percent.

ENVIRONMENTAL JUSTICE IMPACT:

There are no environmental justice impacts associated with this Board action to approve the Notice of Completion of Contract and Acceptance of Work. However, the completed Project will have a positive impact on the community by providing flood protection to the communities surrounding the creek, promoting a stable geomorphic channel condition, and enhancing creek habitat values.

FINANCIAL IMPACT:

The Hale Creek Enhancement Pilot Project, Stage 2 (Milestone 3), Project No. 26164001, is included in the Capital Improvement Program (CIP) Fiscal Year FY 2026-2030 Five Year Plan and in the FY 2025-26 Adopted Budget. Total financial costs were detailed in previous sections of the agenda memorandum.

Transfer of Remaining Balances

The original contract amount of \$6,380,681.50 combined with the Board-approved contingency encumbrance of \$957,102.23 totals \$7,337,783.73 for the construction of the Project. The total final expended amount for the construction of the Project is \$6,621,340.36. The remaining unspent contingency amount of \$716,443.37 will be released to the Safe, Clean Water Program Operating and Capital Reserves (Fund 26) upon Project completion and close-out.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

- Attachment 1: Notice of Completion and Acceptance of Work
- Attachment 2: Construction Contract Acceptance
- Attachment 3: Project Completion Letter
- Attachment 4: Construction Photos
- Attachment 5: Project Delivery Process Chart

UNCLASSIFIED MANAGER:

Bhavani Yerrapotu, 408-630-2735



Recording Requested by: Candice Kwok-Smith, Clerk, Board of Directors

When Recorded, Mail to:

**Candice Kwok-Smith, Clerk, Board of Directors
 Santa Clara Valley Water District
 5750 Almaden Expressway
 San Jose, CA 95118-3686**

**Stage 2 - Plant Establishment and Maintenance
 (Milestone 3)**

NOTICE OF COMPLETION OF CONTRACT AND ACCEPTANCE OF WORK

NOTICE IS HEREBY GIVEN by order of the Board of Directors of Santa Clara Valley Water District, State of California, pursuant to law, that work to be performed under the contract heretofore made and executed by and between Santa Clara Valley Water District, as Owner therein, and **McGuire and Hester, 2810 Harbor Bay Parkway, Alameda, CA 94502**, as Contractor therein (Contractor), bearing the date **May 10, 2022** for construction of the Hale Creek Enhancement Pilot Project, Stage 2 (Milestone 3) and appurtenant facilities upon lands of said District known as Hale Creek, upstream of Marilyn Drive to North Sunshine Drive, in the cities of Mountain View and Los Altos, situated in the County of Santa Clara, State of California, was completed as called for and in the manner designated by the plans and specifications, by the Contractor, and the work was accepted by the District’s Board of Directors on behalf of the District on April 14, 2026.

That upon said contract, **Western Surety Company, 151 N. Franklin St., Chicago, IL 60606 (Bond No. 30139963)** was surety on the bond given by **McGuire and Hester** the Contractor, as required by law;

That the title of said District to the real property upon which said work and contract was performed is that of **fee and easement** and;

That the District’s address is 5750 Almaden Expressway, San Jose, California 95118.

IN WITNESS WHEREOF, pursuant to the order of the Board of Directors made and given on April 14, 2026 authorizing and directing the execution of this instrument, the District has caused these presents to be executed in its name, authenticated by the signature of the Clerk of the Board of Directors on April 14, 2026.

 Candice Kwok-Smith
 Clerk, Board of Directors
 Santa Clara Valley Water District

I, the undersigned, say that I am Clerk of the Board of Directors of the Santa Clara Valley Water District; that I make this declaration on its behalf; that District is the owner of the real property interest described in the foregoing Notice; that declarant has read the foregoing Notice and knows the contents thereof, and the same is true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on April 14, 2026, at San Jose, California.

 Candice Kwok-Smith
 Clerk, Board of Directors
 Santa Clara Valley Water District

THIS PAGE INTENTIONALLY LEFT BLANK

SANTA CLARA VALLEY WATER DISTRICT

RECOMMENDATION OF CONSTRUCTION CONTRACT ACCEPTANCE

In accordance with **Article 22.01, Project Completion and Acceptance**, of the contract specifications, a final inspection was conducted on December 15, 2025, for the Hale Creek Enhancement Pilot Project, completion of Stage 2 (Milestone 3), Contract No. C0667, Project No. 26164001. The Project Completion Letter dated March 2, 2026, indicates that the work was completed in accordance with the requirements of the contract.

It is recommended that the work under this contract be accepted by the District.

Recommended By:

DocuSigned by:
Eric Meyer
1E1E06E94BE646D...
Eric Meyer, P.E.
Acting Associate Engineer
Watersheds Design and Construction

3/3/2026
Date

Concurrence:

DocuSigned by:
Bhavani Yerrapotu
468D6D59EDEC458
Bhavani Yerrapotu, P.E.
Deputy Operating Officer
Watersheds Design and
Construction Division

3/3/2026
Date

THIS PAGE INTENTIONALLY LEFT BLANK



March 2, 2026

David Buffa
Area Manager
McGuire and Hester
2810 Harbor Bay Parkway
Alameda, CA 94502

Subject: Hale Creek Enhancement Pilot Project
Contract No. C07677, Project No. 26164001
Project Completion Letter

Dear Mr. Buffa:

The Santa Clara Valley Water District (Valley Water) is in receipt of the Project Completion Certification, dated January 5, 2026, from McGuire and Hester. All work for the construction of the subject contract has been completed as attested to by Valley Water and all required closeout documents have been received.

In accordance with **Article 11.01.05 Project Completion**, this serves as the Project Completion Letter for the subject contract and established the completion of the project.

Therefore, in accordance with **Article 11.01.06 Acceptance of Work**, I will recommend that the Valley Water Board of Directors formally accept the work of this contract.

If you have any questions, contact me at (408) 630-2798 or email at emeyer@valleywater.org.

Sincerely,

DocuSigned by:

1E1E06E94BE646D...

Eric Meyer, P.E.
Acting Associate Engineer
Watersheds Design &
Construction Division

cc: B. Yerrapotu, , H. Angeles, L. Gregory, S. De La O, M. Thummaluru, P. Park,
S. Pe-Wong, Contract File



THIS PAGE INTENTIONALLY LEFT BLANK

HALE CREEK ENHANCEMENT PILOT PROJECT, Stage 2 (Milestone 3)

Contract C0667, Project No. 26164001

Construction Photos

Construction Photos



BEFORE

AFTER

Marilyn Drive



Construction Photos



Pedestrian Bridge on Church Property

Construction Photos



Pedestrian Bridge Replacement

Construction Photos



North Sunshine Drive

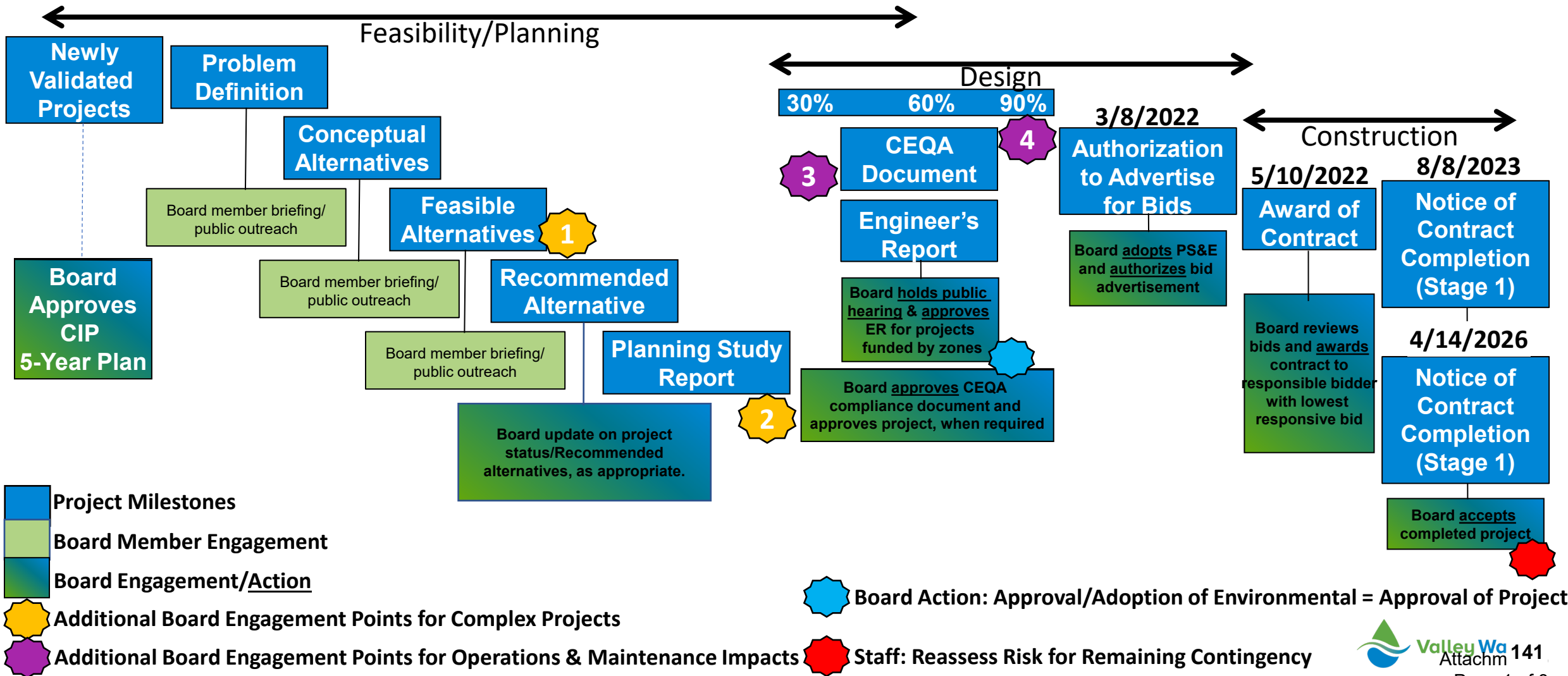
THIS PAGE INTENTIONALLY LEFT BLANK

Hale Creek Enhancement Pilot Project (Stage 2)

Project No. 26164001, Contract No. C0667

BOARD ACTION & ENGAGEMENT: CAPITAL PROJECT DELIVERY PROCESS*

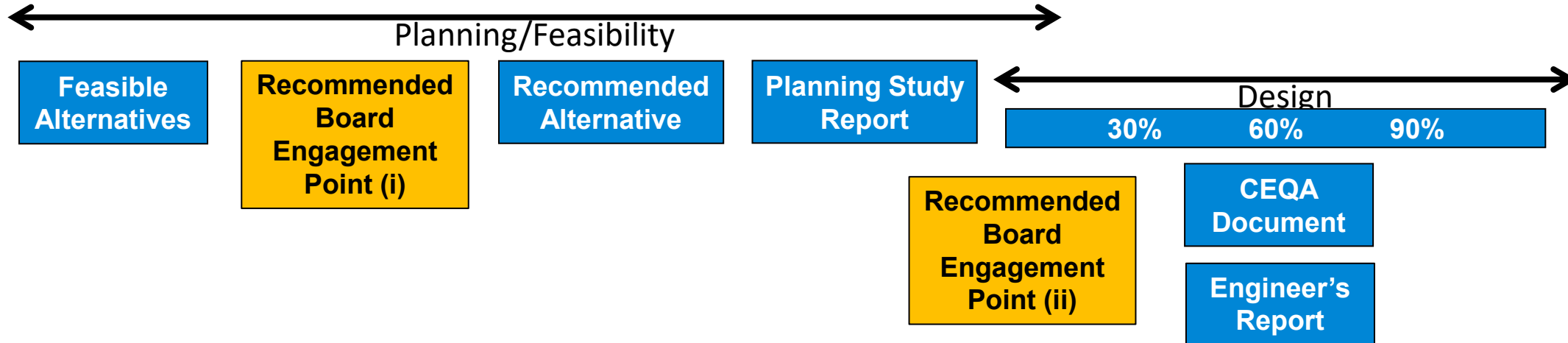
* This is an example of the Project Delivery Process that may be followed and may not apply to all capital projects.



Capital Improvement Program (CIP) Project Delivery Process*

Board Engagement/Actions

Additional Recommended Points for Board Engagement



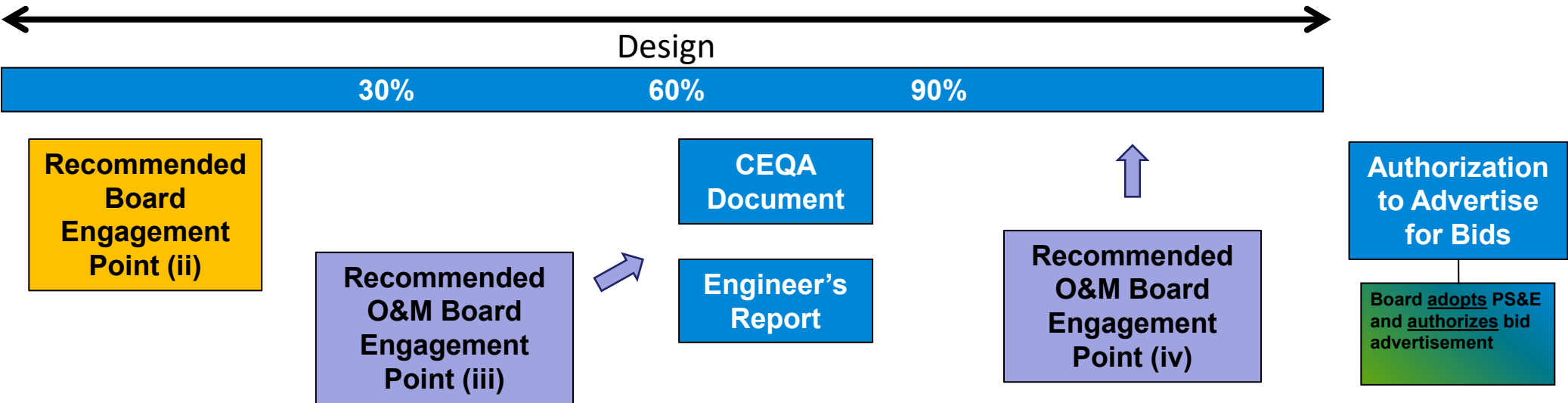
For capital projects with unusually complex fiscal, jurisdictional, environmental, or community considerations:

- i. During the Planning/Feasibility Phase, after identifying the Feasible Alternatives but before selecting the Recommended Alternative, present the Feasible Alternatives and staff's initially proposed Recommended Alternative to the Capital Improvement Program (CIP) Committee. If recommended by the CIP Committee, present them to the Board for feedback to inform the selection of the Recommended Alternative; and
- ii. For the projects for which the Board provided feedback regarding the Recommended Alternative, should changes to the project occur during the Planning and initial Design Phases that result in a significant deviation from the Recommended Alternative, staff will return to both the CIP Committee and the Board to provide information and receive feedback, as necessary, prior to the public review of the California Environmental Quality Act (CEQA) document.

Capital Improvement Program (CIP)

Project Delivery Process*

Additional Recommended Points for O&M Engagement



For all capital projects:

- iii. As part of the Board memo on either the Engineer's Report or CEQA document, include an O&M cost and impact assessment
- iv. If significant changes occur after the Engineer's Report or CEQA document is approved by the Board, present an updated O&M cost and impact assessment to the Capital Improvement Program (CIP) Committee



* This is an example of the Project Delivery Process that may be followed and may not apply to all capital projects.

THIS PAGE INTENTIONALLY LEFT BLANK



Santa Clara Valley Water District

File No.: 25-0874

Agenda Date: 4/14/2026

Item No.: 4.6.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Set the Time and Date for a Public Hearing on the Fiscal Year 2026-2027 Flood Control Benefit Assessments on May 12, 2026 at 1:00 p.m.

RECOMMENDATION:

Set the time and date for a Public Hearing on the Fiscal Year 2026-2027 (FY 2026-27) Flood Control Benefit Assessments for 1:00 p.m. on May 12, 2026, at the Santa Clara Valley Water District Boardroom, 5700 Almaden Expressway, San Jose, California, and via Teleconference Zoom Board Meeting.

SUMMARY:

The voter-approved benefit assessments program authorized use of flood control benefit assessments to meet qualified long-term debt obligations associated with outstanding Certificates of Participation until such obligations are retired. The proceeds of the Certificates were used to plan, design, and build flood protection facilities to reduce flood damage. This agenda item presents the staff recommendation to set the time and date for the annual Public Hearing on benefit assessments to meet FY 2026-27 debt obligations.

Attached to this agenda item is a report entitled "Flood Control Benefit Assessments for Fiscal Years 2026-27 through 2029-30 (April 2026)" (Attachment 1) for the Board's consideration to establish the flood control benefit assessments for FY 2026-27. Attachment 1 shows the actual benefit assessment rates levied in FY 2025-26 and the expected benefit assessment rates to be levied in FY 2026-27. Actual rates will be determined once annual land use information is received from the Santa Clara County Tax Assessor in July 2026.

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice Impacts associated with this action.

FINANCIAL IMPACT:

There is no direct financial impact from this action. The proposed Public Hearing is required in order

to set benefit assessments that meet debt obligations/commitments.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Flood Control Benefit Assessments Report

Attachment 2: Notice of Public Hearing

UNCLASSIFIED MANAGER:

Darin Taylor, 408-630-3068

FLOOD CONTROL BENEFIT ASSESSMENTS

FOR FISCAL YEARS

**2026-2027
Through
2029-2030**

April 2026



SANTA CLARA VALLEY WATER DISTRICT

FLOOD CONTROL BENEFIT ASSESSMENTS

FOR FISCAL YEARS

2026-2027

Through

2029-2030

Prepared by

Feliser Lee
Program Administrator

And

Carmen Narayanan
Financial Planning and Revenue Manager

Under the Direction of

Chris Hakes
Chief Operating Officer – Watershed Operations

April 2026

VALLEY WATER BOARD OF DIRECTORS

John L. Varela	District 1	Nai Hsueh	District 5
Shiloh Ballard	District 2	Tony Estremera, Chair	District 6
Richard P. Santos, Vice Chair	District 3	Rebecca Eisenberg	District 7
Jim Beall	District 4		

TABLE OF CONTENTS

	Page
INTRODUCTION/SUMMARY.....	1
BACKGROUND	3
FLOOD CONTROL BENEFIT ASSESSMENTS.....	7
FY 2025-26 BENEFIT ASSESSMENT RATES	8
EXPECTED FY 2026-27 BENEFIT ASSESSMENT RATES	9
PROJECTED BENEFIT ASSESSMENT RATES.....	10
ASSESSMENT ROLLS AND COLLECTION	11

Maps

Santa Clara County Flood Control Zones & One Percent Flood Limits.....	2
--	---

Tables

Table 1 – Flood Control Benefit Assessment - Debt Obligation Schedule & End of Year Principal Balance.....	6
Table 2 – FY 2025-26 Assessments by Category and Zone.....	8
Table 3 – Expected FY 2026-27 Assessments by Category and Zone.....	9

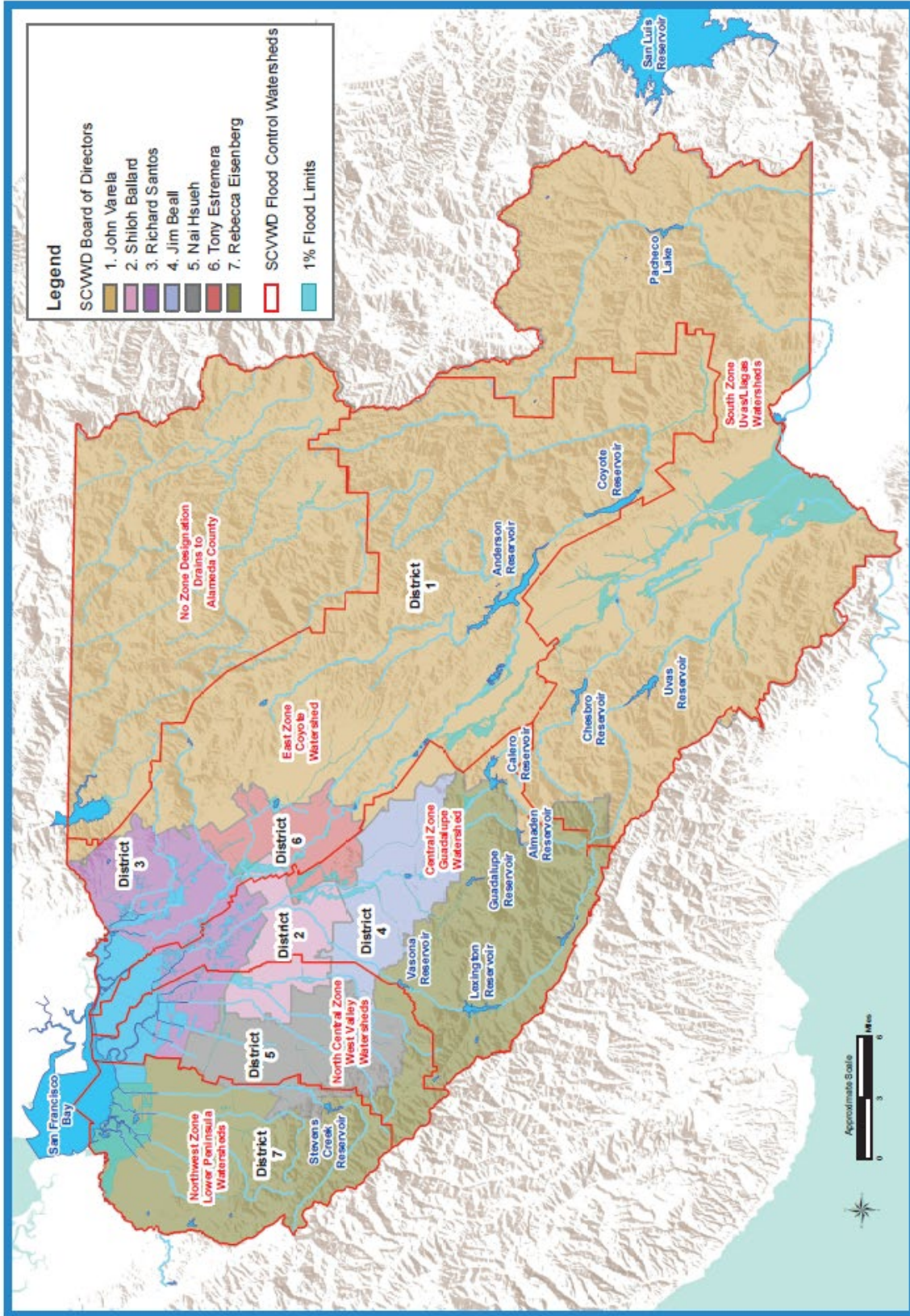
INTRODUCTION/SUMMARY

This Flood Control Benefit Assessment report is prepared in accordance with voter-approved Santa Clara Valley Water District (Valley Water) resolutions. It presents annual revenue requirements for fiscal years 2026-27 through 2029-30 for each of the five flood control zones throughout Valley Water (see map on page 2 for zone locations). Commencing on July 1, 2000, Valley Water benefit assessments are limited to pay qualified debt obligations and covenants only.

The qualified debt obligations in each of the zones are for debt service and associated covenants of outstanding Certificates of Participation (long-term financing instruments similar to bonds). The proceeds from these long-term debt obligations have been or will be used to plan, design and build flood protection facilities. Major projects partially financed with debt proceeds include Calabazas Creek from Guadalupe Slough to Miller Avenue, Coyote Creek from San Francisco Bay to Montague Expressway, Adobe Creek upstream of El Camino Real, Matadero Creek, Llagas Creek and the Guadalupe River projects.

This report serves as the base report for the public hearings on flood control benefit assessments for FY 2026-27 and subsequent fiscal years until 2029-30.

Information on the flood control benefit assessment for an individual parcel as well as the initial detailed Valley Water reports describing the need for supplemental flood control revenue from benefit assessments are available for review through the Clerk of the Board at Valley Water's office located at 5700 Almaden Expressway, San Jose, California.



GIS themes are for illustration and general analysis purposes only and are not accurate to surveying or engineering standards. Information is not guaranteed to be accurate, current, or complete and use of this information is your responsibility.

0003100112016_0201800_WaterSheds_amsA_2025.mxd 11x8.5 3/13/2025

BACKGROUND

INITIATION OF BENEFIT ASSESSMENT PROGRAM

After passage of Proposition 13 in 1978, revenue for Valley Water flood control activities was significantly decreased. The State Legislature recognized the vital public safety service furnished by local flood control districts and passed Assembly Bill 549 (Frazee) in 1979. This legislation authorized flood control districts to levy benefit assessments to help fund flood control programs. The law permitted flood control benefit assessments to be spread according to the proportional storm water runoff from each parcel of property within the assessed area and required voter approval to continue such levy after the first year. On June 9, 1981, following a public hearing, the Board of Directors (Board) adopted a 10-year flood control benefit assessment program and levied assessments for one year beginning with 1981-82. They put the issue of continuing the benefit assessments for nine more years on the June 8, 1982, ballot for all zones. The measure was overwhelmingly approved by the voters.

REVISED BENEFIT ASSESSMENTS TO ACCELERATE CONSTRUCTION (1986 & 1990)

Following major floods and flood damage in 1982, 1983, and 1986, the Board reviewed the effectiveness of the benefit assessments and found that unless additional funding was made available, many of the needed flood protection projects would not be completed until well past the year 2010. The Board, with recommendations from the Flood Control Zone Advisory Committees, went to the electorate on November 4, 1986, in four zones, the Northwest, Central, East, and South to 1) increase benefit assessment rate limits so construction of flood protection projects could be accelerated, 2) extend the benefit assessment program to the year 2000, 3) use benefit assessments to meet duly authorized debt obligations beyond the year 2000 until retired, and 4) meet flood damage costs to Valley Water facilities from flood disasters. The voters approved the benefit assessment measures in each of these zones. On June 5, 1990, voters approved a similar measure in the North Central zone.

Pursuant to the 1986 and 1990 voter approved benefit assessment programs described above, as of July 1, 2000, benefit assessment rates are determined solely by each zone's long-term debt obligations. Valley Water cannot increase annual debt obligations supported by benefit assessments in excess of amounts in place on July 1, 2000 unless a new measure is approved by voters.

DEBT OBLIGATION REFUNDING (2003)

In February 2003, Valley Water refinanced a portion of the outstanding 1994A Series Certificates of Participation to take advantage of a favorable interest rate market. Valley Water realized cost savings in three of the 5 watershed zones; Central, East and North Central. In the Central and North Central zones, the Board determined that the best use of the savings was to increase the amount of debt while maintaining the yearly debt service at the current level. The additional debt was used to supplement voter approved projects in those zones. Savings achieved in the East zone were not eligible to fund projects, but instead were used to reduce debt service and the

associated benefit assessments. Table 1 reflects the change to the benefit assessment debt obligation in the East zone, a reduction of roughly \$130,000 per year beginning in 2004. The refinancing resulted in slight insignificant changes to the debt obligation in all other zones.

DEBT OBLIGATION REFUNDING (2004)

The remaining portion of the 1994A Certificates of Participation (COP's) became eligible for refunding on November 3, 2003. Since the remaining portion was allocated to the advance refunding of the Series 1988 and Series 1990 COP's, tax law requires that a ten year period of time elapse prior to the second advance refunding, marked by November 3, 2003 in this case. In January, 2004, Valley Water refinanced this remaining portion of the outstanding 1994A Series Certificates of Participation to again take advantage of the favorable interest rate market. Valley Water realized cost savings in two of the five watershed zones; Northwest and South. In the Northwest zone, the Board determined that the best use of the savings was to increase the amount of debt while maintaining the yearly debt service at the current level. The additional debt was used to supplement voter approved projects in that zone.

Savings achieved in the South zone were not eligible to fund projects, but instead were used to shorten the term over which the debt service would be paid and associated benefit assessments would be collected. Table 1 on the following page reflects the change to the benefit assessment debt obligation in the South zone, in which the debt obligation is paid off by the year 2013 instead of 2024. The refinancing resulted in slight insignificant changes to the debt obligation in all other zones.

DEBT OBLIGATION REFUNDING (2007)

In February, 2007 Valley Water refinanced the outstanding portion of the 2000 Series Certificates of Participation to take advantage of a favorable interest rate market. Valley Water realized cost savings in four of the 5 watershed zones; Northwest, North Central, Central, and East. No debt was issued for the South zone under the 2000 Series debt issuance; therefore, the South zone was not affected by the refunding. In the four affected zones, the Board determined that the best use of the savings was to increase the amount of debt while maintaining the yearly debt service at the current level. The additional debt was used for voter approved projects in each zone.

There was a one-time reduction in the benefit assessment debt obligation for each of the four affected zones in FY 2008 as shown on Table 1. This one-time reduction was a result of the issuance of the 2007A Refunding Certificates of Participation that refinanced the 2000 Series Certificates of Participation. Upon analyzing the results of the refunding, Bond Counsel determined that \$1.1M was available to pay down principal in the affected zones. In FY 2009 and beyond, Table 1 reflects slight immaterial changes to the benefit assessment debt obligation in the four affected zones due to the refinancing. Table 1 also shows the End of Year Principal balance schedule in aggregate for all zones.

DEBT OBLIGATION REFUNDING (2012)

In November, 2012 Valley Water refinanced the outstanding portion of the 2003A Series Certificates of Participation to take advantage of a favorable interest rate market. Valley Water realized cost savings in three of the 5 watershed zones; North Central, Central, and East. In the three affected zones, the Board determined that the best use of the savings was to increase the amount of debt while maintaining the yearly debt service at the current level. The additional debt will be used for voter approved projects in each zone. The refinancing resulted in slight insignificant changes to the debt obligation in the three affected zones which are reflected in Table 1.

DEBT OBLIGATION REFUNDING (2017)

In March, 2017 Valley Water refinanced the outstanding portion of the 2004A and 2007A Series Certificates of Participation to take advantage of a favorable interest rate market. Valley Water realized cost savings in four of the five watershed zones; Northwest, North Central, Central, and East. In the four affected zones, the Board determined that the best use of the savings was to increase the amount of debt while maintaining the yearly debt service at the current level. The additional debt will be used for voter approved projects in each zone. The refinancing resulted in slight insignificant changes to the debt obligation in the four affected zones which are reflected in Table 1.

ONE TIME ADJUSTMENT TO BENEFIT ASSESSMENT DEBT OBLIGATION (2021)

There was a one-time reduction in the benefit assessment debt obligation for three zones in FY 2021 as shown on Table 1. This one-time reduction was caused by \$1.1M excess debt service reserve funds resulting from decreased reserve requirements identified in FY 2019. For FY 2021 only, Table 1 reflects reductions to the benefit assessment debt obligation for the North Central, Central and East zones totaling \$1.1M. Table 1 also shows the End of Year Principal balance schedule in aggregate for all zones.

REDUCTION TO BENEFIT ASSESSMENT DEBT OBLIGATION (2023)

There was a reduction in the benefit assessment debt obligation for three zones in FY 2024 as shown on Table 1. This slight reduction is due to utilizing \$5M in debt service reserve funds that are mandated per bond covenants. These funds covered the final 2012A Series Certificates of Participation debt service payment in FY 2024 and result in overall lower debt service payments through FY 2030. Table 1 also shows the End of Year Principal balance schedule in aggregate for all zones.

Table 1
Flood Control Benefit Assessment
Debt Obligation Schedule*
& End of Year Principal Balance

Fiscal Year	Northwest Zone	North Central Zone	Central Zone	East Zone	South Zone	End of Year Principal Balance
	(Lower Peninsula)	(West Valley)	(Guadalupe)	(Coyote)	(Uvas-Llagas)	
2005	\$4,683,279	\$2,961,469	\$6,266,733	\$4,685,927	\$762,874	\$185,260,000
2006	\$4,688,707	\$2,968,562	\$6,284,527	\$4,693,154	\$765,050	\$177,940,000
2007	\$4,693,280	\$2,972,291	\$6,293,598	\$4,698,526	\$766,599	\$170,310,000
2008	\$4,149,940	\$2,811,030	\$6,118,061	\$4,209,282	\$767,821	\$170,200,000
2009	\$4,694,211	\$2,977,909	\$6,309,876	\$4,701,353	\$769,058	\$161,485,000
2010	\$4,688,957	\$2,973,939	\$6,300,769	\$4,697,090	\$767,773	\$152,440,000
2011	\$4,667,239	\$2,948,775	\$6,237,262	\$4,669,012	\$758,733	\$143,160,000
2012	\$4,676,487	\$2,958,686	\$6,261,490	\$4,682,321	\$761,825	\$133,440,000
2013	\$4,680,768	\$2,964,455	\$6,276,483	\$4,686,768	\$764,034	\$123,100,000
2014	\$4,322,174	\$2,502,568	\$5,277,998	\$4,206,085	\$0	\$115,045,000
2015	\$4,305,891	\$2,500,054	\$5,227,748	\$4,203,840	\$0	\$106,690,000
2016	\$4,078,738	\$2,277,005	\$4,594,928	\$3,970,919	\$0	\$99,060,000
2017	\$4,082,042	\$2,278,317	\$4,598,392	\$3,973,371	\$0	\$91,040,000
2018	\$4,078,867	\$2,277,292	\$4,597,191	\$3,970,971	\$0	\$82,655,000
2019	\$4,079,626	\$2,277,340	\$4,598,072	\$3,971,383	\$0	\$73,850,000
2020	\$2,731,842	\$2,277,595	\$4,598,761	\$3,972,284	\$0	\$65,705,000
2021	\$2,735,024	\$2,037,986	\$3,995,628	\$3,725,522	\$0	\$57,170,000
2022	\$2,734,901	\$2,279,421	\$4,599,256	\$3,975,980	\$0	\$48,260,000
2023	\$2,730,584	\$2,231,223	\$4,480,020	\$3,923,421	\$0	\$38,955,000
2024	\$2,731,941	\$819,513	\$950,695	\$2,459,231	\$0	\$29,235,000
2025	\$2,731,077	\$819,254	\$910,590	\$2,458,454	\$0	\$24,940,000
2026	\$2,732,804	\$819,772	\$911,166	\$2,460,008	\$0	\$20,425,000
2027	\$2,731,817	\$819,476	\$910,837	\$2,459,120	\$0	\$15,685,000
2028	\$2,732,927	\$819,809	\$911,207	\$2,460,119	\$0	\$10,710,000
2029	\$2,733,298	\$819,920	\$911,330	\$2,460,453	\$0	\$5,485,000
2030	\$2,732,681	\$819,735	\$911,124	\$2,459,897	\$0	\$0

*Based on debt service and requirements associated with debt covenants for the 2012A, and 2017A Series Certificates of Participation.

FLOOD CONTROL BENEFIT ASSESSMENTS

GENERAL PROVISIONS

State law allows the benefit assessments to be based on the proportionate amount of storm water runoff from each privately-owned parcel of property.

Consistent with this provision, Valley Water’s Board has, with voter approval, established five benefit assessment land use categories, A through E, for parcels assessed within Valley Water’s five flood control zones. These benefit assessment land use categories are as follows:

Land Use Category	Land Use
A	Commercial and industrial
B	Apartments, schools, and churches
C	Single family residential and small multiples (2-4 units), condominiums, and townhouses
D	Vacant land presently utilized for farming, vineyards, and crops
E	Urban: Nonutilized agricultural land, grazing land, salt ponds, undisturbed vacant land, and parcels used exclusively as well sites located in urban areas Rural: Non-utilized agricultural land, grazing land, undisturbed vacant land and parcels used exclusively as well sites located in rural areas

The assessment for an individual parcel in a given land use category is computed by multiplying the area of the parcel in acres by the appropriate assessment rate. If the computed assessment is less than the minimum assessment amount, the minimum assessment is used.

BENEFIT ASSESSMENT RATES FOR EACH ZONE

Each of the five flood control zones has an individual set of benefit assessment rates to meet respective debt obligations. These debt obligations, consisting of debt service payments and requirements associated with debt covenants are shown for all zones for each fiscal year in Table 1. Actual rates will be determined once annual land use information is received from the County Assessor in July. Historical rates for FY 2025-26 are shown in Table 2. Expected rates for FY 2026-27 are shown in Table 3. South Zone’s debt obligation has been paid off and therefore the expected rates are zero.

FY 2025-26 BENEFIT ASSESSMENT RATES

Table 2 shows the benefit assessment rates levied in FY 2025-26.

Table 2
FY 2025–26 Assessments by Category and Zone

Land Use Categories	Flood Control Zones				
	Northwest (Lower Peninsula)	North Central (West Valley)	Central (Guadalupe)	East (Coyote)	South (Uvas-Llagas)
A - Commercial, Industrial					
Rate (\$/Acre)	\$212.38	\$37.65	\$33.36	\$103.09	\$0.00
Minimum Assessment ⁽¹⁾	\$53.10	\$9.41	\$8.34	\$25.77	\$0.00
B - Apartment, Schools, Churches					
Rate (\$/Acre)	\$159.29	\$28.24	\$25.02	\$77.32	\$0.00
Minimum Assessment ⁽¹⁾	\$39.82	\$7.06	\$6.26	\$19.33	\$0.00
C - Single Family Residential, Small Multiples (2-4 units), Condominiums, and Townhouses					
Rate (\$/Acre)	⁽²⁾	⁽²⁾	⁽²⁾	⁽²⁾	⁽²⁾
Minimum Assessment ⁽¹⁾	\$26.55	\$4.71	\$4.17	\$12.89	\$0.00
D - Utilized Agriculture					
Rate (\$/Acre)	\$1.33	\$0.24	\$0.21	\$0.64	\$0.00
Minimum Assessment ⁽¹⁾	\$13.27	\$2.35	\$2.08	\$6.44	\$0.00
E Urban - Non-utilized Agricultural, grazing Land, Salt Ponds, Well Site in Urban Areas					
Rate (\$/Acre)	\$0.40	\$0.07	\$0.06	\$0.19	\$0.00
Minimum Assessment ⁽¹⁾	\$3.98	\$0.71	\$0.62	\$1.93	\$0.00
E Rural - Non-utilized Agricultural, Grazing Land, Well Sites in Rural Areas					
Rate (\$/Acre)	\$0.05	\$0.01	\$0.01	\$0.02	\$0.00
Minimum Assessment ⁽¹⁾	\$3.98	\$0.71	\$0.62	\$1.93	\$0.00
<p>(1) The minimum assessments shown for Categories A, B, and C apply to parcels 1/4 acre or less in size. Category C parcels larger than 1/4 acre pay the minimum assessment for the first 1/4 acre and the remaining acreage is assessed at the Category D rate. For Category D, the minimum assessment applies to parcels less than 10 acres. The minimum assessment for Group E urban parcels is the amount charged for 10 acres of urban undeveloped land; the minimum assessment for Group E rural parcels is the same as E urban but applies to parcels of 80 acres or less.</p> <p>(2) Residential land in excess of 1/4 acre is assessed at the D rate.</p>					

EXPECTED FY 2026-27 BENEFIT ASSESSMENT RATES

Table 3 below shows the expected benefit assessment rates to be levied in FY 2026-27.

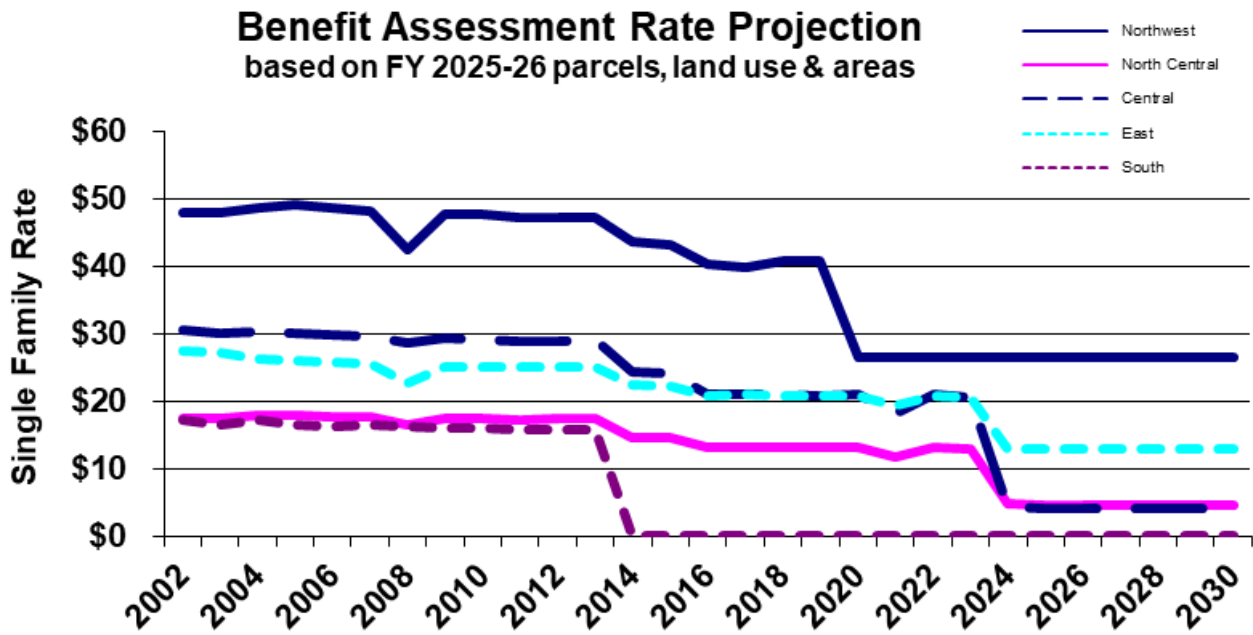
Table 3

Expected FY 2026–27 Assessments by Category and Zone

Land Use Categories	Flood Control Zones				
	Northwest (Lower Peninsula)	North Central (West Valley)	Central (Guadalupe)	East (Coyote)	South (Uvas-Llagas)
A - Commercial, Industrial					
Rate (\$/Acre)	\$212.30	\$37.63	\$33.34	\$103.05	\$0.00
Minimum Assessment ⁽¹⁾	\$53.08	\$9.40	\$8.33	\$25.76	\$0.00
B - Apartment, Schools, Churches					
Rate (\$/Acre)	\$159.23	\$28.22	\$25.01	\$77.29	\$0.00
Minimum Assessment ⁽¹⁾	\$39.80	\$7.05	\$6.25	\$19.32	\$0.00
C - Single Family Residential, Small Multiples (2-4 units), Condominiums, and Townhouses					
Rate (\$/Acre)	⁽²⁾	⁽²⁾	⁽²⁾	⁽²⁾	⁽²⁾
Minimum Assessment ⁽¹⁾	\$26.54	\$4.70	\$4.16	\$12.88	\$0.00
D - Utilized Agriculture					
Rate (\$/Acre)	\$1.33	\$0.24	\$0.21	\$0.63	\$0.00
Minimum Assessment ⁽¹⁾	\$13.27	\$2.35	\$2.08	\$6.43	\$0.00
E Urban - Non-utilized Agricultural, grazing Land, Salt Ponds, Well Site in Urban Areas					
Rate (\$/Acre)	\$0.40	\$0.07	\$0.06	\$0.18	\$0.00
Minimum Assessment ⁽¹⁾	\$3.98	\$0.70	\$0.62	\$1.92	\$0.00
E Rural - Non-utilized Agricultural, Grazing Land, Well Sites in Rural Areas					
Rate (\$/Acre)	\$0.05	\$0.01	\$0.01	\$0.02	\$0.00
Minimum Assessment ⁽¹⁾	\$3.98	\$0.70	\$0.62	\$1.92	\$0.00
<p>(1) The minimum assessments shown for Categories A, B, and C apply to parcels 1/4 acre or less in size. Category C parcels larger than 1/4 acre pay the minimum assessment for the first 1/4 acre and the remaining acreage is assessed at the Category D rate. For Category D, the minimum assessment applies to parcels less than 10 acres. The minimum assessment for Group E urban parcels is the amount charged for 10 acres of urban undeveloped land; the minimum assessment for Group E rural parcels is the same as E urban but applies to parcels of 80 acres or less.</p> <p>(2) Residential land in excess of 1/4 acre is assessed at the D rate.</p>					

PROJECTED BENEFIT ASSESSMENT RATES

A graph of projected benefit assessment rates, assuming the same parcels with the same land use and areas that existed in FY 2025-26, is shown below. This graph indicates how the rates will decrease over time as various series of Certificates of Participation are retired.



Note: Actual rates will likely be lower as parcels are developed in the future

ASSESSMENT ROLLS AND COLLECTION

The Benefit Assessment Act of 1982 provides that benefit assessments may be levied and collected by the County Tax Collector at the same time and in the same manner as the general tax levy.

Following adoption of the benefit assessment resolution for FY 2026-27 and subsequent years, Valley Water will prepare a separate assessment roll identifying each parcel of land subject to flood control benefit assessment for each flood control zone. For each parcel, the roll will list the assessor parcel number, owner's name, County land use code, Valley Water land use category, flood control zone, acreage and flood control benefit assessment based on the annual revenue requirement. This information will be available for review at Valley Water through the Clerk of the Board. Extractions from the benefit assessment roll showing parcel number and assessment amount will be forwarded to the County Tax Collector in early August to facilitate County collection of the flood control benefit assessments on the annual property tax bills.

Public Hearing Notice

**Flood Control Benefit Assessment Rates
for Fiscal Year 2026-2027**



NOTICE IS HEREBY GIVEN that the Board of Directors of the Santa Clara Valley Water District (Valley Water) will hold a public hearing on a report recommending:

FLOOD CONTROL BENEFIT ASSESSMENT RATES FOR FISCAL YEAR 2026-2027 in flood control zones of said Valley Water.

The public hearing will be held on **Tuesday, May 12, 2026**, at 1:00 p.m., in a Board Meeting accessible to the public located in the Santa Clara Valley Water District Board Boardroom 5700 Almaden Expressway, San Jose, CA and via Zoom link (<https://valleywater.zoom.us/j/84454515597>).

This meeting is being held in accordance with the Brown Act. The public hearing will be held during a Board Meeting and is accessible for public in-person participation at the times, dates, and locations shown above, or by public virtual participation at the Zoom links above.

Document(s) associated with this hearing are available for public inspection prior to the meeting the meeting in the Clerk of the Board's Office or online at www.valleywater.org, and will be available at the meeting.

Said report is in writing and incorporates by reference a description of each parcel and the expected amount of assessment under the approved assessment formula for each parcel within the flood control zones of the District.

The report may be viewed on the Valley Water web page at the following link: (insert link info). Copies of the report are also being distributed to the City Clerks' offices of the cities listed below and may be available on their respective web pages:

City of Campbell
www.cityofcampbell.com

City of Milpitas
www.ci.milpitas.ca.gov

City of Santa Clara
www.santaclaraca.gov

City of Cupertino
www.cupertino.org

City of Monte Sereno
www.montesereno.org

City of Saratoga
www.saratoga.ca.us

City of Gilroy
www.cityofgilroy.org

City of Morgan Hill
www.morganhill.ca.gov

City of Sunnyvale
www.sunnyvale.ca.gov

City of Los Altos
www.losaltosca.gov

City of Mountain View
www.mountainview.gov

County of Santa Clara
www.sccgov.org

Town of Los Altos Hills
www.losaltoshills.ca.gov

City of Palo Alto
www.cityofpaloalto.org

Town of Los Gatos
www.losgatosca.gov

City of San Jose
www.sanjoseca.gov

If you would like a hard copy of the report, please send a request to clerkoftheboard@valleywater.org, and a copy will be mailed.

NOTE: To secure information on an individual parcel assessment, you will need your Assessor Parcel Number. If you do not know your parcel number, please contact the County Assessor's

Office at **(408) 299-5000** and ask for it, giving your name and street address. Using that parcel number, you can learn your proposed assessment by calling **(408) 630-2810**.

At the hearing, the Board of Directors will hear any and all protests. At the conclusion of the hearing, the Board may adopt, revise, change, reduce, or modify any assessment and will make its determination upon each assessment referred to in the report and thereafter, by resolution, will confirm the assessments.

For more information, contact Carmen Narayanan, Financial Planning & Revenue Manager, at 408-630-2810.

Important Notices:

Valley Water, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Board meetings to please contact the Clerk of the Board's office at (408) 630-2711, at least 3 business days before the scheduled Valley Water Board meeting to ensure that Valley Water may assist you. Reasonable efforts will be made to accommodate persons with disabilities.

重要通知：

Valley Water 遵守美國殘疾人法案 (ADA)，要求需要特殊便利才能訪問和/或參加 Valley Water 委員會會議的個人請致電 (408) 630-2711 聯繫委員會辦公室的書記員，網址為在預定的 Valley Water 委員會會議召開前至少 3 個工作日，以確保 Valley Water 可以為您提供幫助。將做出合理的努力以容納殘疾人。

Thông báo quan trọng:

Valley Water, để tuân thủ Đạo luật Người Mỹ Khuyết tật (ADA), yêu cầu những cá nhân cần điều chỉnh đặc biệt để tiếp cận và/hoặc tham gia các cuộc họp của Hội đồng Valley Water vui lòng liên hệ với Văn phòng Thư ký của Hội đồng theo số (408) 630-2711, tại ít nhất 3 ngày làm việc trước cuộc họp đã lên lịch của Hội đồng Valley Water để đảm bảo rằng Valley Water có thể hỗ trợ bạn. Những nỗ lực hợp lý sẽ được thực hiện để hỗ trợ người khuyết tật.

Aviso Importantes:

Valley Water, en cumplimiento de la Ley de Estadounidenses con Discapacidades (ADA), solicita a las personas que requieren adaptaciones especiales para acceder y/o participar en las reuniones de la Junta de Valley Water que se comuniquen con la oficina del Secretario de la Junta al (408) 630-2711, al menos 3 días hábiles antes de la reunión programada de la Junta de Valley Water para asegurarse de que Valley Water pueda ayudarlo. Se harán esfuerzos razonables para acomodar a las personas con discapacidades.



Santa Clara Valley Water District

File No.: 26-0083

Agenda Date: 4/14/2026

Item No.: *4.7.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Approval of Minutes from March 10, 2026.

RECOMMENDATION:

Approve the minutes from March 10, 2026.

SUMMARY:

Pursuant to the Ralph M. Brown Act, a summary of discussions and a record of all actions taken during open and public meetings of the Santa Clara Valley Water District (Valley Water) Board of Directors are transcribed and submitted to the Board for review and formal approval.

Upon approval by the Board, the meeting minutes are finalized and incorporated into Valley Water's official archival records, serving as the authoritative historical record of the Board of Directors' proceedings.

ENVIRONMENTAL JUSTICE IMPACT:

The approval of minutes is not subject to environmental justice analysis.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

*Attachment 1: 03102026 CS and Regular Meeting Minutes

File No.: 26-0083

Agenda Date: 4/14/2026
Item No.: *4.7.

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193



BOARD OF DIRECTORS MEETING

MINUTES

**CLOSED SESSION AND REGULAR MEETING
TUESDAY, MARCH 10, 2026
11:00 AM**

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER/ROLL CALL:

A Closed Session and Regular Meeting of the Santa Clara Valley Water District (Valley Water) Board of Directors was called to order at 11:00 a.m. in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, and by Zoom teleconference.

1.1. Roll Call.

Board members in attendance were Shiloh Ballard, Jim Beall, Nai Hsueh, Richard P. Santos, and Tony Estremera, Chairperson presiding, constituting a quorum of the Board. Director Rebecca Eisenberg arrived as noted below.

Board Member John L. Varela participated via Zoom pursuant to AB 2449 due to illness.

Staff members in attendance were Carlos Orellana, District Counsel; Candice Kwok-Smith, Clerk, Board of Directors; A. Baker, L. Bankosh, M. Bilski, S. Bogale, J. Bourgeois, R. Chan, J. Codianne, R. Gibson, A. Gschwind, C. Hakes, C. Lawson, A. Lee, R. McCarter, P. McElroy, T. Ndah, L. Penilla, D. Taylor, G. Williams, and T. Yoke.

Assistant Chief Executive Officer Rita Chan represented Interim Chief Executive Officer Melanie Richardson. Chief Operating Officer Aaron Baker represented Assistant Chief Executive Officer Rita Chan. Deputy Operating Officer Sam Bogale represented Chief Operating Officer Aaron Baker.

2. 11:00 AM - CLOSED SESSION:

Chairperson Estremera confirmed that the Board would adjourn to Closed Session to consider Items 2.1 and 2.2.

Carlos Orellana, District Counsel, reported in regard to Item 2.1, the facts and circumstances giving rise to the Closed Session Item include various allegations of harassment, discrimination, abusive conduct and retaliation.

Director Eisenberg arrived.

- 2.1. CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL - Anticipated Litigation
Pursuant to Government Code Section 54956.9(d)(2)
Number of cases: multiple
- 2.2. CLOSED SESSION
PUBLIC EMPLOYEE APPOINTMENT
Pursuant to Government Code Section 54957(b)(1)
Title: Chief Executive Officer
- 2.3. District Counsel Report on Closed Session.

Carlos Orellana, District Counsel, reported that regarding Item 2.1, the Board met in Closed Session with all members participating, including Directors Eisenberg and Varela, and took no reportable action.

Chairperson Estremera reported that regarding Item 2.2, the Board met in Closed Session with all members participating, including Directors Eisenberg and Varela, and discussed the Chief Executive Officer recruitment process and decided to appoint a committee to facilitate the recruitment, along with robust employee participation in the selection process.

3. 1:00 PM - TIME CERTAIN:

- 3.1. Pledge of Allegiance/National Anthem.

Director Beall led all present in reciting the Pledge of Allegiance.

- 3.2. Orders of the Day.

Chairperson Estremera confirmed that there were no changes to the Orders of the Day.

Candice Kwok-Smith, Clerk of the Board, requested that Director Varela state for the record if there are any individuals over 18 years of age present in the room, and if so, state the general relationship to the individual, and confirmed that all votes for the meeting would be roll-call votes in compliance with AB 2449. Director Varela confirmed that no individuals over the age of 18 were present in the room.

- 3.3. Time Open for Public Comment on any Item not on the Agenda.

Chairperson Estremera declared time open for public comment on any subject not on the agenda.

Public comments were received by the Board from Tanya Moniz-Witten, San Jose Water Company Representative; Brian Dailey, undisclosed residency; Velia Mariscal, Valley Water Employee; Gary Ferraris, AFSCME Local 101/Council 57; Robert Ewing, Valley Water Employee Association (EA) President; Salam Baqleh, Valley Water EA Vice-President; Chris Pilson, AFSCME Local 101; Johnathan Burgess, Valley Water Professional Management Association (PMA) Interim President; Katie Muller, Valley Water Engineers Society (ES) President; Heidi Williams, Women of Water Employee Resource Group (ERG) President; Victoria Garcia, Valley Water Employee; Eric Karo, Valley Water Employee; Debra Dake, Valley Water Employee; Marisela Garcia Benitez, Valley Water Employee; Sunny Williams, Valley Water Employee; Abigail Stoke, Valley Water

Employee; Chris Jones, Valley Water Employee; Lori Gregory, Valley Water Employee; Betty Williams, National African American Civil Rights Organization (NAACRO) President; Donna, NAACRO member; Veronica Mora, NAACRO member; Sharon Williams, NAACRO member; Yvonne Hervey, NAACRO member; Lucas, NAACRO member; Deborah Goldeen, Palo Alto resident; Danielle DeRuiter-Williams, former Justice Collective employee; Odilia Teixeira, former Valley Water employee; Peter Van Dyke, Loma Prieta Resource Conservation District; Meg Giberson, undisclosed residency; Lou Walker, former President of Antelope Valley NAACP; Rose Corona, undisclosed residency; Lesly, undisclosed residency; Matthew Beeston, Carpenters Union representative; Walter Gonzalez, Valley Water Employee; and Dustin Candler, former NAACP member.

3.4. Authorize Distribution of Santa Clara Valley Water District’s Capital Improvement Program Draft Fiscal Years 2027-31 Five-Year Plan.

- Recommendation: A. Review the Capital Improvement Program Draft Fiscal Years 2027-31 Five-Year Plan; and
B. Authorize release of the document to all cities and land use authorities in Santa Clara County and the County of Santa Clara for review as to its consistency with their General Plans.

Luz Penilla, Assistant Officer, reviewed the information on this Item, per the attached Board Agenda Memo and per the information contained in Attachment 3.

Motion: Authorize release of the Capital Improvement Program Draft Fiscal Years 2027-31 Five-Year Plan to all cities and land use authorities in Santa Clara County and the County of Santa Clara for review as to its consistency with their General Plans.

Move to Authorize: Nai Hsueh
Second: Shiloh Ballard
Yeas: Jim Beall, John L. Varela, Nai Hsueh, Richard Santos, Shiloh Ballard, Tony Estremera
Nays: None
Abstains: Rebecca Eisenberg
Recuses: None
Absent: None
Summary: 6 Yeas; 0 Nays; 1 Abstains; 0 Absent.

The motion passed by roll call vote.

- 3.5. Receive the Fiscal Year 2026-27 Second Pass Biennial Budget Overview.

Recommendation: Receive and discuss the overview of the Santa Clara Valley Water District's Fiscal Year 2026-27 Second Pass Biennial Budget.

Enrique De Anda, Budget Manager, reviewed the information on this Item, per the attached Board Agenda Memo and per the information contained in Attachment 3.

The Board noted the information without formal action.

- 3.6. Receive the Safe, Clean Water and Natural Flood Protection Program Independent Monitoring Committee's Annual Report for Fiscal Year 2024-2025.

Recommendation: Receive the Safe, Clean Water and Natural Flood Protection Program Independent Monitoring Committee's Annual Report for Fiscal Year 2024-2025.

Luz Penilla, Assistant Officer, reviewed the information on this item, per the attached Board Agenda Memo, and Mark Rauser, Vice Chair, Independent Monitoring Committee, reviewed the information contained in Attachment 2.

The Board noted the information without formal action.

REGULAR AGENDA:

4. CONSENT CALENDAR: (4.1 - 4.6)

The Board considered Consent Calendar Items 4.1 through 4.6 under one motion.

- 4.1. Adopt a Resolution Commemorating March 8-14, 2026, as Groundwater Awareness Week.

Recommendation: Adopt the Resolution COMMEMORATING MARCH 8-14, 2026, AS GROUNDWATER AWARENESS WEEK.

- 4.2. Approve and Execute Amendment No. 1 to Agreement No. A5101G with TruePoint Solutions, LLC., d/b/a GovPath, for the Utility Billing System Selection and Implementation Services Project, Increasing the Not-to-Exceed Fee by \$64,750 for a Total Revised Not-to-Exceed Fee of \$517,275 and Extending the Term to December 31, 2026.

Recommendation: Approve and execute Amendment No. 1 to Agreement No. A5101G with TruePoint Solutions, LLC, doing business as GovPath, for our Utility Billing System Selection & Implementation Services Project, increasing the not-to-exceed (NTE) fee by \$64,750 for a total revised NTE fee of \$517,275 and extending the term two months, to December 31, 2026.

- 4.3. Approve the Board of Directors' Quarterly Expense Report for the Quarter Ending December 31, 2025.

Recommendation: A. Review the Board of Directors' Quarterly Expense Report for the quarter ending December 31, 2025; and

B. Approve the Report if the reimbursements comply with Board Policy.

4.4. Accept Management Response to the Independent Monitoring Committee Report on the Safe, Clean Water and Natural Flood Protection Program Annual Report for Fiscal Year 2024-2025.

Recommendation: A. Accept Management Response to the Independent Monitoring Committee Report on the Safe, Clean Water and Natural Flood Protection Program Annual Report for Fiscal Year 2024-2025; and
B. Provide additional direction as necessary.

4.5. Approval of Minutes from February 10, and February 20, 2026.

Recommendation: Approve the minutes from February 10, and February 20, 2026.

4.6. Accept the CEO Bulletin for the Weeks of February 20 Through March 5, 2026.

Recommendation: Accept the CEO Bulletin.

Motion: Approve Consent Calendar Items 4.1 through 4.5, under one motion, as follows: adopt Resolution No. 2026-14, COMMEMORATING MARCH 8-14, 2026 AS GROUNDWATER AWARENESS WEEK, by roll call vote, as contained in Items 4.1; approve and execute Amendment No. 1 to Agreement No. A5101G with TruePoint Solutions, LLC, doing business as GovPath, for our Utility Billing System Selection and Implementation Services Project, increasing the not-to-exceed (NTE) fee by \$64,750 for a total revised NTE fee of \$517,275 and extending the term two months, to December 31, 2026, as contained in Item 4.2; review the Board of Directors' quarterly expense report for the quarter ending December 31, 2025 and approve the report if the reimbursements comply with Board policy, as contained in Item 4.3; accept management response to the Independent Monitoring Committee report on the Safe, Clean Water and Natural Flood Protection Program annual report for fiscal year 2024-2025, as contained in Item 4.4; approve the minutes from February 10, and February 20, 2026, as contained in Item 4.5; and accept the CEO Bulletin, as contained in Item 4.6.

Move to Approve: Richard Santos

Second: Shiloh Ballard

Director Hsueh requested the motion be amended to approve the Consent Calendar with a correction to Item 4.4 to Accept the Management Response to the IMC Report on the SCWNFPP Annual Report for FY 2024-2025's Attachment 1, page 11, Line Item F3, Staff's Response to be updated to correct typo and assert that Staff Agrees with Recommendation.

Motion: Approve the Consent Calendar with a correction to Item 4.4 to Accept the Management Response to the IMC Report on the SCWNFPP Annual Report for FY 2024-2025's Attachment 1, page 11, Line Item F3, Staff's

Response to be updated to correct typo and assert that Staff Agrees with Recommendation.

Move to Approve
as Amended: Richard Santos
Second: Shiloh Ballard
Yeas: Jim Beall, John L. Varela, Nai Hsueh, Richard Santos,
Shiloh Ballard, Tony Estremera
Nays: None
Abstains: Rebecca Eisenberg
Recuses: None
Absent: None
Summary: 6 Yeas; 0 Nays; 1 Abstains; 0 Absent.

The amended motion passed by roll call vote.

5. BOARD OF DIRECTORS:

5.1. Board Committee Reports.

The Board reviewed the meeting summaries and agendas for the December 15, 2025, Capital Improvement Program (CIP); January 5, 2026, Agricultural Water Advisory Committee (AWAC); January 20, 2026, Environmental Creek Cleanup Committee (ECCC); January 26, 2026, Environmental and Water Resources Committee (EWRC); January 28, 2026, Santa Clara Valley Water District Water Commission (SCVWD WC); January 28, 2026, Youth Commission (YC); January 29, 2026, Safe Clean Water Independent Monitoring Committee (IMC); February 9, 2026, Board Policy and Monitoring Committee (BPMC); February 18, 2026, IMC; and March 12, 2026, Stream Planning & Operations Committee (SPOC), as contained in Handouts 5.1-A through 5.1-J, respectively herein, and no formal action was taken. Copies of the Handouts were distributed to the Board and made available to the public.

6. WATER UTILITY ENTERPRISE:

6.1. Authorize the Chief Executive Officer to Negotiate and Execute a Rate Agreement with the Power and Water Resources Pooling Authority for Development of the Almaden Campus Solar Carport 2 Project, at a Not-to-Exceed Rate of \$203 Per Megawatt-Hour with 2% Annual Rate Escalation (San Jose, District 4).

Recommendation: Authorize the Chief Executive Officer to execute a Rate Agreement with the Power and Water Resources Pooling Authority for the development of the Almaden Campus Solar Carport 2 Project at a not-to-exceed rate of \$203 per megawatt-hour in year one (1), with 2% annual rate escalation.

Sam Bogale, Acting Chief Operating Officer, reviewed the information on this Item, per the attached Board Agenda Memo and per the information contained in Attachment 1.

Director Hsueh left the meeting and returned, as noted below.

Move to Authorize: Richard Santos
Second: John L. Varela
Yeas: Jim Beall, John L. Varela, Richard Santos, Shiloh Ballard,
Tony Estremera
Nays: Rebecca Eisenberg
Abstains: None
Recuses: None
Absent: Nai Hsueh
Summary: 5 Yeas; 1 Nays; 0 Abstains; 1 Absent.

The motion passed by roll call vote.

Director Hsueh returned.

7. WATERSHEDS:

None.

8. ASSISTANT CHIEF EXECUTIVE OFFICER:

None.

9. EXTERNAL AFFAIRS:

None.

10. CHIEF EXECUTIVE OFFICER:

10.1. CEO and Chiefs' Reports.

Rita Chan, Acting Chief Executive Officer, reviewed the attached Office of Civic Engagement Report, identified as Handout 10.1-A, herein. Copies of the Handouts were distributed to the Board and made available to the public.

11. ADMINISTRATION:

None.

12. DISTRICT COUNSEL:

None.

13. BOARD POLICY PLANNING CALENDAR/PROPOSED FUTURE BOARD AGENDA ITEMS:

13.1. Review the Fiscal Year 2026 Board Policy Planning Calendar.

Recommendation: Review the Fiscal Year 2026 Board Policy Planning Calendar.

The Board noted the information without formal action.

14. BOARD MEMBER REPORTS/ANNOUNCEMENTS:

Director Ballard reported the regular CEO check in meeting, attending the Joint Venture Silicon Valley State of the Valley Conference, an Elk's Lodge Constituent meeting, the Landscape Summit; briefing with Community and Projects Review Unit staff, the Town Hall Event featuring a Special Panel Discussion; an interview with CIP auditor George Skiles, and various meetings with staff.

Director Beall reported attending the aforementioned Joint Venture Silicon Valley State of the Valley Conference, a California State Assemblyman Patrick Aherns meeting, met with San Jose State and Stanford University psychology professors on personnel and various meetings with staff.

Director Eisenberg reported interactions with constituents and that she will continue her fiduciary duty as an elected official.

Director Hsueh reported attending the aforementioned Town Hall Event featuring a Special Panel Discussion; met with District Counsel's office, had an interview with CIP auditor George Skiles, and various meetings with staff.

Vice Chair Santos reported meeting with the Chair and ACEO Rita Chan, attending the aforementioned Landscape Summit, Berryessa Citizens Advisory Council meeting; a San Luis and Delta-Mendota Water Authority (SLDMWA) meeting; the Sunnyvale Unhoused Collaborative meeting; and various meetings with staff.

Director Varela had no report.

Chairperson Estremera reported attending meetings with the CEO and General Counsel, the Recycled Water Committee meeting, and various meetings with staff.

15. CLERK REVIEW AND CLARIFICATION OF BOARD REQUESTS:

None.

16. ADJOURN:

Chairperson Estremera adjourned the meeting at 3:40 p.m. in recognition of March as Women's History, Irish American Heritage, and Greek American Heritage Month. The Board will convene for the next Regular meeting at 1:00 p.m. on Tuesday, March 24, 2026, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California, and via Zoom teleconference.

Candice Kwok-Smith
Clerk, Board of Directors

Approved:

Date: April 14, 2026



Santa Clara Valley Water District

File No.: 26-0325

Agenda Date: 4/14/2026

Item No.: *4.8.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Accept the CEO Bulletin for the Weeks of March 20, Through April 9, 2026.

RECOMMENDATION:

Accept the CEO Bulletin.

SUMMARY:

The CEO Bulletin is a weekly communication to the Board of Directors for the CEO, assuring compliance with Executive Limitations Policy EL-7: The BAOs inform and support the Board in its work. Further, a BAO shall 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 report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

CEO Bulletins are produced and distributed to the Board weekly as informational items, and then placed on the bimonthly, regular Board meeting agendas to allow opportunity for Board discussion on any of the matters contained therein.

ENVIRONMENTAL JUSTICE IMPACT:

The CEO Bulletin is not subject to environmental justice analysis.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

File No.: 26-0325

Agenda Date: 4/14/2026
Item No.: *4.8.

ATTACHMENTS:

*Attachment 1: 04092026 CEO Bulletin

UNCLASSIFIED MANAGER:

Melanie Richardson, 408-630-2017



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

Weeks of March 20, 2026 – April 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.

Item	IN THIS ISSUE
<u>1</u>	Data Center Water Use
<u>2</u>	Planned 7-Day Penitencia Water Treatment Plant Shutdown (April 27 to May 4, 2026)
<u>3</u>	U.S. Bank Line of Credit Amendment
<u>4</u>	Valley Water's public meeting on the Anderson Dam Seismic Retrofit Project

1. Data Center Water Use

Valley Water recently participated in a webinar focused on the UC Berkeley Center for Law, Energy and the Environment report on Regulating Data Center Water Use in California. Valley Water reviewed the draft report and provided insights on data center water use in Santa Clara County. The report summarizes current knowledge on data center water use, maps the policy and regulatory framework, and develops recommendations, including developing an understanding of what efficient water use looks like for data centers, and the need to provide more guidance to support local decision-making. A copy of the report is available at: <https://www.law.berkeley.edu/research/cee/research/wheeler/water-innovation/data-center-water-use>.

The webinar included Sean Maguire, Board Member, CA State Water Resources Control Board; Caroline Lee, Partner, DLA Piper; and Assistant Officer Kirsten Struve of Valley Water. The webinar recording can be found at <https://www.deeprogram.org/event-details/regulating-data-center-water-use-in-california>.

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

2. Planned 7-Day Penitencia Water Treatment Plant Shutdown (April 27 to May 4, 2026)

Beginning April 27, 2026, the Penitencia Water Treatment Plant (PWTP) will undergo a planned seven (7)-day shutdown to perform critical annual maintenance activities, including electrical testing and system inspections.

These activities are essential to ensure that critical water treatment plant systems and equipment operate reliably and at full capacity in preparation for the upcoming high-flow season.

During this period, customers typically served by PWTP will be served by the Santa Teresa Water Treatment Plant (STWTP). Customers are expected to experience little to no change in their water quality or characteristics.

This shutdown schedule has been coordinated with East Pipeline (EPL) retailers. In addition, the joint Valley Water–San Francisco Public Utilities Commission Intertie Facility will be placed on standby to provide emergency supply to the EPL in the event of operational issues at STWTP or with the raw water source.

The PWTP is scheduled to return to service by the end of the day on May 4, 2026.

For further information, please contact Sam Bogale at (408) 630-3505.

3. U.S. Bank Line of Credit Amendment

On March 30, 2026, Valley Water closed on an amendment to the revolving line of credit with U.S. Bank to increase the maximum capacity by \$50 million, from \$150 million to \$200 million, and extend the term to April 30, 2029. The expansion is necessary to ensure sufficient short-term debt capacity is available to meet Valley Water's capital program financing requirements at the lowest cost. The fee to maintain this line of credit is 0.20% for the unutilized portion, or \$406,000 per year. The interest rate for any utilized amounts are adjusted monthly based on a 0.50% spread to the 1-month term Secured Overnight Financing Rate (SOFR), a benchmark overnight interest rate secured by U.S. Treasury securities. As of March 1, 2026, the interest rate for tax-exempt debt is 3.43% and taxable debt is 4.17%.

The amendment is authorized pursuant to Board Resolution 20-11 adopted by the Valley Water Board on April 28, 2020, which authorized up to a \$200 million revolving line of credit program with U.S. Bank.

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

4. Valley Water's public meeting on the Anderson Dam Seismic Retrofit Project

On March 26, 2026, Valley Water held a public meeting to provide an update on the Anderson Dam Seismic Retrofit Project. The hybrid event was held at the Morgan Hill Community and Cultural Center and attracted a total of 50 participants. Valley Water Director John Varela provided comments to a group of about 24 attendees including Morgan Hill Mayor Mark Turner, and 26 people who joined remotely via Zoom.

The presentation covered an update on the Anderson Dam Tunnel Project, an overview on the Anderson Dam Seismic Retrofit Project, an introduction to the Live Oak Restoration Reach and concluded with a Question-and-Answer session, where staff engaged with community members.

A link to the meeting's recording is available on the project [website](#) and [Valley Water's YouTube channel](#).

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



Santa Clara Valley Water District

File No.: 26-0344

Agenda Date: 4/14/2026

Item No.: 5.1.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Complaint Against a Board Member.

RECOMMENDATION:

Pursuant to GP-6.5.7.1, consider the request of Chair Estremera to form an Ethics and Conduct Ad Hoc Committee to timely address a complaint against a Board Member.

SUMMARY:

Background:

Pursuant to GP-6.5.1: "Anyone may bring a formal complaint against a Board member for misconduct in accordance with this section."

Pursuant to GP-6.5.6: "The Chair may, but is not required to, attempt informal resolution of a complaint with the complainant and the accused Board member."

Pursuant to GP-6.5.7.1: "If informal resolution is unsuccessful or is not attempted, the Chair shall make a timely request to the Board to form an Ethics and Conduct Ad Hoc Committee to address the complaint ("Committee"). As part of this request, the Chair shall nominate an additional member for the Committee which shall consist of the Chair and one other. The Chair's request shall be agendized for a public meeting of the Board of Directors."

Pursuant to GP-6.5.7.2: "The Board shall consider the Chair's request and nomination and must approve it before the Committee can formally convene and take action on the complaint."

The Board's Governance Policies prioritize the rights of complainants and witnesses to ensure they are respected.

Specifically, GP-6.5.7.3 states:

"For the public meeting on the Chair's request, the rights of the complainant and any witnesses must be respected. Information regarding the nature of the complaint must be kept to a minimum, and the identity of any complainant and witnesses must not be disclosed. Where any details have previously

been made public, disclosure of such previously disclosed information is discouraged where unnecessary for Board consideration but is not prohibited.”

Further, GP-6.5.7.4 provides:

“For the public meeting on the Chair’s request, the public agenda materials and the corresponding Board discussion must be undertaken to avoid compromising the integrity of the future investigation or bringing unnecessary or undue embarrassment to the complainant, the accused Board member, and any witnesses.”

On March 24, 2026, a formal written complaint (Complaint) was submitted against a Board member.

The complaint alleges violation of the following policies:

- (1) Governance Process - 6.1;
- (2) Board Code of Conduct - Sections A (4); and
- (3) Board Code of Conduct - Section B (2).

The Complainant requests an investigation into alleged “defamatory statements” against the Complainant and the immediate discontinuance of such alleged statements. Lastly, the Complainant requests that the Board member be held accountable.

If the Board approves this request, then the Committee will proceed in accordance with the provisions of GP-6.5.8 and continue following the Governance Policies of the Board.

If the Board does not approve this request, then, pursuant to GP-6.5.7.5, “the Chair alone must handle the complaint following the processes” provided for in the Governance Policies of the Board.

ENVIRONMENTAL JUSTICE IMPACT:

The recommended action is not subject to environmental justice analysis.

FINANCIAL IMPACT:

There is no financial impact associated with this item at this time. However, GP-6.5.9 authorizes the Committee (or the Chair alone if there is no Committee) to undertake an investigation, including the retention of an independent investigator, if warranted. Costs for any such investigation are not currently budgeted and may require a future budget adjustment.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

File No.: 26-0344

Agenda Date: 4/14/2026
Item No.: 5.1.

ATTACHMENTS:

Attachment 1: GP-6

Attachment 2: Board Code of Conduct

UNCLASSIFIED MANAGER:

Chairperson Tony Estremera

Governance Policies of the Board

Title: Board Members' Code of Conduct

Category: Governance Process

Policy No. GP-6

Adopted: June 15, 1999
Chair: Larry Wilson

Latest Revision: December 10, 2024
Chair: Nai Hsueh

The Board of Directors revised and adopted this policy at its public meeting on the latest revision date.

The Board commits itself and its members to ethical, business-like, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

Board members who do not adhere to this code of conduct may be subject to the procedures of GP-6.3 through GP-6.5 listed below.

- 6.1. Board members shall refrain from abusive conduct, personal charges or verbal assaults upon the character or motives of other members of the Board, committees, commissions, staff and the public.
- 6.2. The Board may not authorize severance pay for a Board-appointed employee of the District when the employee voluntarily separates from District employment. "Severance pay" does not include any otherwise lawful payment required to be paid by the District under a pre-existing employment agreement or under a separation and release agreement resolving a claim or claims made or threatened against the District. The Board shall not agree to amend an employment contract after the employee announces or requests a voluntary separation, except upon a Board determination, in open session, that an adjustment in compensation is required to retain the employee and is in the best interest of the District.
- 6.3. Available Procedures for addressing misconduct

This policy applies to the Santa Clara Valley Water District Board of Directors and the following procedures shall be followed where one believes a member of the Board of Directors has engaged in misconduct. Complainants shall follow either the Informal Complaint procedure under Section 6.4 or the Formal Complaint procedure under Section 6.5.

6.4 Informal Complaint Process

- 6.4.1. Complainants who do not wish to bring formal complaints against Board members under Section 6.5, below, shall have the option of bringing informal complaints instead.

Governance Policies of the Board

- 6.4.2. Informal complaints that a Board member has engaged in misconduct must be made to the Board Chair (where the complaint is against the Chair, “Vice Chair” is substituted for Chair throughout this section).
- 6.4.3 Informal complaints may be verbal or in writing, must be brought in the name of the actual name of the complainant, and may not be anonymous. Complainants may make informal complaints regarding Board member conduct towards third parties but must identify such third parties in the informal complaints.
- 6.4.4 When in writing, informal complaints must clearly state that they are informal or are being brought in accordance with this Section 6.4.
- 6.4.5 Complaints involving harassment or discrimination based upon protected class under state or federal law are not eligible for the informal complaint process and must be referred to the formal complaint process.
- 6.4.6 Complaints involving illegal conduct potentially harmful to Valley Water (e.g., fraud, theft, bribery, economic conflicts of interest, etc.) are not eligible for the informal complaint process and must be referred to the formal complaint process.
- 6.4.7 Prior to final resolution by the Chair, complainants may request that their informal complaints be changed to formal complaints by providing notice to the Chair and a written complaint to the Clerk of the Board complying with the provisions of Section 6.5.2.
- 6.4.8 Prior to final resolution by the Chair, complainants may withdraw their formal complaints.
- 6.4.9 Complainants may request that the Chair withhold their identity from the accused Board member, but the Chair alone shall determine whether such confidentiality is appropriate in any case given considerations of fairness to all parties involved. Following such a request, the Chair will advise the complainant whether or not their identity will be withheld from the accused Board member as requested.
- 6.4.10 Upon receipt of an informal complaint, the Chair shall have discretion on how to resolve it and may engage in warnings, counseling, or other informal measures deemed appropriate based upon the seriousness of the conduct at issue and any record of similar conduct by the accused Board member. Resolution shall not include admonition, sanction, or censure by the Board as such remedies are reserved for formal complaints under Section 6.5.
- 6.4.11 The Chair shall provide timely notice to the complainant regarding final resolution of the informal complaint.

Governance Policies of the Board

6.5 Formal Complaint Process

- 6.5.1 Scope of Complaints. Anyone may bring a formal complaint against a Board member for misconduct in accordance with this section. Misconduct under this section 6.5 shall be limited to: violations of the Board of Directors Code of Ethics and Conduct, violations of the Governance Policies of the Board, and/or violations of local, state, and/or federal law.
- 6.5.2 Written Complaint Procedure. Complaints must be in writing and signed in the complainant's true legal name. Complaints must identify the accused Board member(s) by name and should provide as much detail as possible about the alleged misconduct. Complainants must submit their written complaints to the Clerk of the Board. The Clerk of the Board shall provide the complaint the Board Chair ("Vice Chair" is substituted for "Chair" throughout this section 6.5 where the Chair is the subject of the complaint or is the complainant) with copies to the Chief Executive Officer and District Counsel.
- 6.5.3 Chair Consultation with District Counsel. Where complaints involve allegations of harassment or discrimination based upon a protected classification, retaliation, or violations of local, state, or federal law, the Chair must consult with Valley Water's District Counsel to receive advice regarding any legal implications of the complaints. Where complaints do not include any of these elements, the Chair may, but is not required to, consult with the District Counsel regarding the complaints. In the event of any conflict, the Chair shall meet with selected special counsel instead of Valley Water's District Counsel.
- 6.5.4 Initial Evaluation of Complaint. The Chair shall review complaints to determine if they articulate a sufficient basis for further consideration. Where they do not articulate a sufficient basis for further consideration, the Chair shall notify the complainant and the accused Board member, and the matter shall be deemed closed, and the procedure set forth in sections 6.5.5 et seq. shall not apply. Such closure shall not bar complainants from submitting amended written complaints to the Clerk of the Board.
- 6.5.5 Notice to the Accused Board Member. Where the Chair determines complaints do articulate a sufficient basis for further consideration, the accused Board member must be given written notice of the complaint in a timely manner.
- 6.5.6 Informal Resolution. The Chair may, but is not required to, attempt informal resolution of a complaint with the complainant and the accused Board member. If the complaint is informally resolved to the satisfaction of the complainant and accused Board member, then the matter shall be deemed closed.
- 6.5.7 Ethics and Conduct Ad Hoc Committee.
- 6.5.7.1 If informal resolution is unsuccessful or is not attempted, the Chair shall make a timely request to the Board to form an Ethics and Conduct Ad Hoc Committee to address the complaint ("Committee"). As part of this request, the Chair shall nominate an additional member for the Committee which shall consist of the Chair and one other. The Chair's request shall be agendized for a public meeting of the Board of Directors.

Governance Policies of the Board

- 6.5.7.2 The Board shall consider the Chair's request and nomination and must approve it before the Committee can formally convene and take action on the complaint.
- 6.5.7.3 For the public meeting on the Chair's request, the rights of the complainant and any witnesses must be respected. Information regarding the nature of the complaint must be kept to a minimum and the identity of the any complainant and witnesses must not be disclosed. Where any details have previously been made public, disclosure of such previously disclosed information is discouraged where unnecessary for Board consideration but is not prohibited.
- 6.5.7.4 For the public meeting on the Chair's request, the public agenda materials and the corresponding Board discussion must be undertaken to avoid compromising the integrity of the future investigation or bringing unnecessary or undue embarrassment to the complainant, the accused Board member, and any witnesses.
- 6.5.7.5 If the Board does not approve the Chair's request to form a Committee, the Chair alone must handle the complaint following the processes below (substituting "Chair" for "Committee").
- 6.5.7.6 If the Board does approve the Chair's request to form a Committee, the Committee is convened and may meet as necessary.
- 6.5.8 Committee Evaluation of Complaint. The Committee shall evaluate the complaint and determine whether it has sufficient information whether the alleged conduct both occurred and violated any Board of Directors Code of Ethics and Conduct, Board Governance Policies, or local, state, or federal law.
- 6.5.8.1 Disposition Without Investigation.
- (a) If the Committee determines that sufficient information exists that the alleged conduct both occurred and violated any Board of Directors Code of Ethics and Conduct, Board Governance Policies, or local, state, or federal law, it shall make findings and recommendations to the Board at a public meeting.
 - (b) If both members of the Committee do not agree, the members will make separate findings regarding whether the alleged conduct occurred and violated any Board of Directors Code of Ethics and Conduct, Board Governance Policies, or local, state, or federal law. The Committee members may also make separate recommendations to the Board.
- 6.5.8.2 Disposition Following Investigation. If the Committee determines that it needs additional information to conclude whether the alleged conduct occurred and/or constituted a violation of policy or law as set forth above, it may decide to have the complaint investigated.

Governance Policies of the Board

- 6.5.9 Retention of Investigator. The Committee has authority to retain an independent investigator to conduct investigations within the scope of this policy. The Committee shall select the investigator and may seek the assistance of the District Counsel in this effort.
- 6.5.10 Commencement of Investigation.
- 6.5.10.1 The Committee shall advise the Board within one month of the of the commencement of any investigation.
- 6.5.10.2 No Board member who participates in any investigation in any way may disclose any confidential information regarding the investigation including the identification of any known or suspected witnesses.
- 6.5.10.3 The Committee shall endeavor to have investigations completed within six months from their start. The Committee shall update the Board of the estimated completion date if this six-month goal will not be met. The Committee will provide the Board with further schedule updates as necessary.
- 6.5.11 Completion of Investigation.
- 6.5.11.1 Results of any investigation will be presented to the Committee. Only the Committee may possess and review the full investigation report.
- 6.5.11.2 If the Committee is satisfied with the completeness of the investigation, it will present findings and recommendations to the Board at a public meeting.
- 6.5.11.3 If both members of the Committee do not agree, the members will make separate findings and recommendations to the Board at a public meeting.
- 6.5.11.4 An executive summary of the investigation report shall be made with redactions of names, identifying information, and any other sensitive information. The executive summary shall be prepared in sufficient detail to allow the accused Board member a reasonable opportunity to respond to the charges and allegations. This executive summary will be available to the full Board and public in any future Board meeting on the investigation.
- 6.5.12 Board Consideration of Committee Findings. The Board will consider, by majority vote, whether to accept the Committee's findings (or where there is disagreement by members of the Committee, the separate findings of the two Committee members). Prior to any Board action on the findings, the accused Board member shall be given a reasonable amount of time to respond to the findings (verbally and/or in writing). If findings are not accepted, then the matter is concluded and shall be deemed closed. If the Board does accept findings, then the matter shall continue as set forth below.
- 6.5.13 Board Consideration of Committee Recommendations. At any meeting where the Board

Governance Policies of the Board

considers the Committee's findings, the Board may discuss any recommendations by the Committee, but will not take action on them at that meeting. At the meeting where the Board considers the Committee's findings, any Board member may request admonition, sanction, censure (as defined in section 6.5.20), or other measures in addition to any recommendations by the Committee.

- 6.5.14 Committee Recommendations to Board. The Committee will receive Board requests for admonition, sanction, or censure, and make recommendations to be considered at a future Board meeting. If both members of the Committee do not agree, the members will make separate recommendations to the Board at a future Board meeting. Valley Water will provide the accused Board member with separate written notice of any public Board meeting involving a Committee recommendation to admonish, sanction, or censure that Board member.
- 6.5.15 Accused Board Member's Response to Recommendations. Where the Committee is recommending admonition or sanction, the accused Board member will be given a reasonable amount of time to respond (verbally and/or in writing) taking into account the number of charges, the complexity of the charges, and any issues or questions raised during Board discussion on the matter. Where the accused Board member has previously responded to the findings, his or her response shall be limited to whether admonition or sanction is appropriate.
- 6.5.16 Special Rules Regarding Recommendations for Censure. Where the Committee is recommending censure:
- 6.5.16.1 A hearing will be scheduled at a public meeting and the public meeting must be scheduled to provide the accused Board member adequate time to prepare a defense.
 - 6.5.16.2 The accused Board member will have the opportunity to respond to the Committee's recommendation(s) and the accusations against him or her verbally and/or in writing before any Board vote on the matter.
 - 6.5.16.3 The accused Board member shall be given a reasonable amount of time to respond, taking into account the number of charges, the complexity of the charges, and any issues or questions raised during Board discussion on the matter.
 - 6.5.16.4 The accused Board member may present voluntary witnesses within the time prescribed but cannot compel the appearance or testimony of unwilling witnesses.
 - 6.5.16.5 The accused Board member will be entitled to representation of counsel at their own expense.
 - 6.5.16.6 The Chair will preside at the public hearing.
 - 6.5.16.7 The rules of evidence will not apply to the hearing of the matter, which is

Governance Policies of the Board

not a formal adversarial proceeding.

6.5.17 Board Action on Recommendations. A majority of the Board shall be required to approve any final action on Committee recommendations, but a 2/3 majority shall be required to approve a recommendation for censure.

6.5.18 Board Approval of Other Measures. In addition to or in lieu of admonition, sanction, or censure, the Board may approve other measures to address misconduct by a Board member and shall retain discretion on what measures to impose. A majority of the Board shall be required to approve such measures.

6.5.19 Referral to Law Enforcement or the Civil Grand Jury. At any point during the processes described herein, the Board may refer a matter to Law Enforcement and/or the Santa Clara County Civil Grand Jury for investigation or other action. Prior to or following such referral, the Board may proceed with any of the actions described in this policy.

6.5.20 Definitions.

6.5.20.1 Admonition. Admonition is the least serious form of action. Admonition is a warning and a reminder that a particular type of behavior is not in the best interests of Valley Water and can involve minor violations of the BOD Code of Ethics and Conduct or the Board Governance Procedures. An admonition may be issued by the Board prior to any findings of fact regarding any complaint, and because it is a warning or reminder, would not necessarily require an investigation to determine whether a complaint is true. Admonition authorized through this policy is separate and apart from, and is not intended to limit, the Chair's independent right to admonish Board members for their conduct as prescribed elsewhere in the Governance Process.

6.5.20.2 Sanction. Sanction is the second most severe form of action. Sanction should be directed to a member of the Board based upon an action or series of actions determined to be misconduct for violations of the BOD Code of Ethics and Conduct, (GP) or local, state, or federal law, but is not determined to be sufficiently serious to require censure. Sanction is distinguished from censure in that it does not constitute punishment.

6.5.20.3 Censure. Censure is the most severe form of action. Censure is a formal statement of the Board officially reprimanding one of its members. It is a punitive action which serves as a penalty for misconduct, but it carries no fine or suspension of the rights of the members as an elected official. Censure should be reserved for cases in which the Board determines that the misconduct is a serious offense. Censure does not limit the Board's ability to impose additional measures to address misconduct.

THIS PAGE INTENTIONALLY LEFT BLANK



**SANTA CLARA VALLEY WATER DISTRICT
BOARD OF DIRECTORS
CODE OF ETHICS AND CONDUCT**

**SANTA CLARA VALLEY WATER DISTRICT
BOARD OF DIRECTORS
CODE OF ETHICS AND CONDUCT**

The Santa Clara Valley Water District (Valley Water) Board of Directors (Board) commits itself and its members to ethical, business-like, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board Members (Directors).

To assure public confidence in the integrity of the Board's commitment to its mission, governance, and its effective and fair operation, the Board has adopted a Code of Ethics and Conduct Policy (Policy). This Policy is designed to immerse Valley Water's Values (see below) into the Board's day-to-day actions and decision-making, and includes the following sections:

- A. Ethics
- B. Conduct
- C. Accountability

Values

Valley Water believes, and will exemplify, the following values:

1. Valley Water is entrusted to serve the public by carrying out its mission for the benefit of the community.
2. Valley Water is committed to providing excellent service to all customers.
3. All individuals are unique and important and will be treated with fairness, dignity, and respect.
4. Valley Water takes pride in its work and is accountable to carry out its responsibilities safely with honesty and integrity.
5. Initiative, leadership, personal development, and training are vital for continuous improvement.
6. Open communication, cooperation, and teamwork are shared responsibilities and essential to the successful performance of Valley Water work.
7. Valley Water is committed to creating an inclusive work environment, which reflects and supports the diversity of the community and enriches our perspectives.
8. Valley Water strives to support a work culture and workplace environment that attracts and retains superior employees empowered to make decisions about, and take responsibility for, how they do their jobs.
9. Valley Water is committed to its employees and supports market based competitive compensation that is equitable and rewards accomplishment and encourages high performance.
10. Valley Water is committed to sustaining a healthy work-life balance for its employees and places a high value on all the things that provide enrichment and fulfillment, including work and career, health and fitness, family and relationships, spirituality, community service, hobbies and passions, intellectual stimulation, rest and recreation.

A. Ethics

The Ethics section of the Policy provides guidance on ethical issues and questions of right and wrong.

1. Act in the Public Interest.

The Board will produce the link between Valley Water and the public.

Directors must have loyalty to Valley Water and community and not be conflicted by loyalties to staff, other organizations or any personal interest.

2. Comply with both the spirit and the letter of the Law and Board Governance Policy.

The Board will enforce upon itself whatever self-control is needed to govern with excellence. Self-control will apply to matters such as attendance, preparation for meetings, timely arrival to and start of meetings, policymaking principles, respect of roles, decorum and ensuring the continuance of governance capability.

3. Respect for Process.

Directors shall perform their duties in accordance with the processes and rules of order established by the Board of Directors governing the deliberation of public policy issues per GP-12, meaningful involvement of the public, and implementation of policy decisions.

4. Conduct of Public Meetings.

Board meeting discussion content will be only those issues which, according to Board policy, clearly belong to the Board to decide, not the BAOs.

Board deliberation will be ethical, fair, open, and thorough, but also timely, orderly, and kept to the point and shall avoid personal attacks.

Directors will properly prepare for Board deliberation.

5. Decisions Based on Merit.

Directors shall base their decisions with the public interest in mind on the merits and substance of the matter at hand, rather than on unrelated considerations.

6. Communication.

Directors shall verbally disclose any contact or receipt of substantive information they have received outside of the public decision-making process, including the identity of the person who provided the information, that is relevant to a matter under consideration by the Board prior to considering that matter so that all parties have the opportunity to respond to that information.

7. Conflict of Interest.

Directors must avoid conflict of interest with respect to their fiduciary responsibility in accordance with applicable law, including but not limited to Valley Water's Conflict of Interest Policy, and are obligated by virtue of their office to discharge their responsibilities with integrity and fidelity and are prohibited from placing themselves in a position where their private, personal interests may conflict with their official duties.

8. Gifts and Favors.

In addition to complying with applicable law, Directors shall refrain from accepting any gifts, favors or promises of future benefits which might compromise or appear to compromise their independence of judgement or action.

9. Confidential Information.

Directors will respect the confidentiality appropriate to issues of a sensitive nature. No Director shall violate the confidentiality of a closed session discussion.

10. Use of Public Resources.

Directors shall not use public resources not available to the general public, such as Valley Water staff time, vehicles, equipment, supplies, land or facilities, for private gain or political or personal purposes.

11. Representation of Private Interests.

No Director shall contact staff on behalf of a party who is bidding or intends to bid on a Valley Water contract or who has or intends to submit a response to a request for proposals or request for qualifications, nor shall a Director inquire about the identity of bidders or proposers prior to the time that staff has made a recommendation for selection of a contractor, vendor, or consultant. Directors are not prohibited from making general inquiries about the status of a particular procurement, or from providing a member of the public with information about the appropriate staff contact concerning procurement of goods and services by Valley Water.

After issuance of a request for goods or services, Directors are prohibited from communicating with any current or potential vendor, supplier, contractor, or consultant, except as described in this paragraph, until after issuance by the Chief Executive Officer or his/her designee of a decision on any protest relating to the request for goods or services or resultant contract award. Any communications during this period shall be limited to matters unrelated to the request for goods or services or the contract award. Whenever the Director has communicated during the aforementioned period with any current or potential vendor, supplier, contractor, or consultant in violation of these restrictions, the name of the party, the date, and the content of the communications shall be disclosed at the next board meeting after the communication and noted in the minutes.

12. Advocacy.

Directors' interaction with public, press or other entities must recognize the same limitation and the inability of any Director to speak for the Board except to repeat explicitly stated Board decisions.

Directors serving on external committees or other governing bodies shall serve in the best interest of Valley Water unless otherwise required by statute, ordinance, resolution or other legislative action.

Directors are required to state they are speaking for themselves when doing so.

13. Policy Role of Directors.

Directors' interaction with the BAOs or with staff must recognize the lack of authority vested in individual Directors except when explicitly Board authorized.

The Board will cultivate a sense of group responsibility. The Board will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to initiatives. The Board may use the expertise of individual Directors to enhance the ability of the Board as a body, rather than to substitute the individual judgments for the Board's values.

The Board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major policy focus will be on the intended results, not on the administrative or programmatic means of attaining those effects.

Directors may not attempt to exercise individual authority over the organization.

14. Positive Workplace Environment.

The Board is committed to providing equal employment opportunity to all persons and to building a diverse work force that values diversity and inclusion.

The Board firmly believes that such a work force provides advantages both internally, in terms of the human resources potential offered by a variety of diverse perspectives, and externally, in increasing Valley Water's ability to respond to the community we serve.

The Board understands that diversity is more than inclusion of gender, racial or cultural groups, that valuing diversity involves respect for all persons, and that valuing diversity requires a positive change in the way we interact with each other and a change in our organizational culture.

Accordingly:

The Board and its Directors will not discriminate, harass, or allow harassment against any applicant, employee, customer, or other person on the basis of sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), race, religion, color, national origin (including language use restrictions), ancestry, religious creed (including religious dress and grooming practices, political affiliation, disability (mental and physical, including HIV or AIDS), medical condition (cancer and genetic characteristics), genetic information, marital status, parental status, gender, age (40 and over), pregnancy, military and veteran status, sexual orientation, gender identity and gender expression, the exercise of family and medical care leave, the exercise of pregnancy disability leave, or the request, exercise, or need for reasonable accommodation.

The Board commits itself and its Directors to support all actions necessary to make equal employment opportunity at Valley Water a reality for all.

The Board will require that the organization's work environment be one in which all people are welcomed and included, and in which all individuals are unique and important and are treated with fairness and dignity.

The Board will respect all people and seek to accommodate and learn from the different perspectives and values they contribute.

B. Conduct

This section is designed to describe the manner in which Directors should treat one another, Valley Water staff, constituents, and others they come into contact with when representing Valley Water.

The constant and consistent theme through all of the conduct guidelines is "respect." Directors experience huge workloads and tremendous stress in making decisions that could impact thousands of lives. Despite these pressures, Directors are called upon to exhibit appropriate and respectful behaviors at all times.

The professional and personal conduct of Directors must be above reproach and avoid even the appearance of impropriety. *Directors shall support the maintenance of a positive and constructive environment for Valley Water Employees.* Directors will refrain from abusive conduct, personal charges, or verbal assaults upon the character or motives of other Directors, Valley Water employees, stakeholders, or the public.

1. Board Members' Conduct with One Another

Directors have a wide variety of backgrounds, personalities, values, opinions, and goals. Despite this diversity, all have chosen to serve in public office in order to support the community. In all cases, this common goal should be acknowledged even though individuals may "agree to disagree" on contentious issues.

1(a). In Public Meetings

Use formal titles

Directors should refer to one another formally during public meetings, Chair, Vice Chair or Director followed by the individual's last name.

Practice civility and decorum in discussions and debate

Criticism is an essential component of democracy. This does not however, allow Directors to make belligerent, personal, slanderous, threatening, abusive, or disparaging comments. No shouting, unauthorized interruptions or physical actions, such as finger pointing at other Directors, that could be construed as threatening will be tolerated.

Follow the role of the Board Chair in maintaining order

It is the responsibility of the Board Chair to keep Directors on track during public meetings. Directors should honor efforts by the Board Chair to focus discussions on current agenda items. If there is disagreement about the agenda or the Board Chair's actions, Directors should follow Board parliamentary procedure as documented under GP-12: Conduct of Board Meetings to voice their objections politely.

Avoid personal comments that could offend other Directors

If a Director is personally offended by the remarks of another Director, the offended Director should note the actual words used and call for a 'point of personal privilege' that challenges the other Director to justify or retract their language. The Board Chair will maintain control of this discussion.

Demonstrate effective problem-solving approaches

Directors have a public state to show how individuals with disparate points of view can find common ground and seek a compromise that benefits the community as a whole.

Texting, Emailing or Messaging Other Directors

Directors should refrain from texting, emailing or messaging other Directors during public meetings. Discussions should occur verbally on the dais.

Representing the Board

Outside of official Board meetings, individual Directors may represent Valley Water to outside parties in announcing Board-stated positions and decisions. In private settings, Directors may communicate at any time and on any subject with individual Directors [less than a quorum] and may express to them individual viewpoints and opinions. In public, however, all Directors shall state the official policies or positions of the Board.

1(b). In Private Encounters

Continue respectful behavior in private

The same level of respect and consideration of differing points of view that is deemed appropriate for public discussion should be maintained in private conversations.

Be aware of the insecurity of written notes, voicemail messages, emails, text messages and social media messages/posts

Technology allows words written or said without much forethought to be distributed wide and far. Written notes, voicemail messages, emails, text messages and social media messages/posts should be treated as potentially "public" communications.

Even private conversations can have a public presence

Directors are always on display – their actions, mannerisms, and language are monitored by people around them that they may not know. Lunch table conversations will be eavesdropped upon, parking lot debates will be watched, and casual comments between individuals before and after public meetings noted. Cellular phones and other technologies allow for recording of these events with the potential for recorded conversations and actions being shared via social media.

2. Board Members' Conduct with Valley Water Staff

Directors shall support the maintenance of a positive and constructive environment for Valley Water employees.

Treat all staff as professionals

Treat Valley Water staff with respect. Poor behavior towards staff is not acceptable.

Do not disrupt Valley Water staff from their jobs

Directors should not disrupt Valley Water staff while they are in meetings, on the phone, or engrossed in performing their job functions. Do not attend Valley Water staff meetings unless requested by staff – even if the Director does not say anything, his or her presence could intimidate staff and hampers their ability to do their job objectively.

Never publicly criticize an individual employee, including Board Appointed Officers (BAOs)

Directors should never express concerns about the performance of a Valley Water employee in public, including through social media, to the employee directly, or to the employee's manager. Comments about staff performance should only be made to the appropriate BAO privately.

Do not get involved in administrative details

Directors must not attempt to influence Valley Water staff on administrative details, i.e., making of appointments, hiring of employees, awarding of contracts, or selecting consultants, etc.

Do not solicit political support from staff

Directors should not solicit any type of political support (financial contributions, display of posters or lawn signs, name on support list, etc.) from Valley Water staff. Valley Water staff may, as private citizens with constitutional rights, support political candidates but all such activities must be done away from the workplace and outside of the employee's work hours.

3. Board Members' Conduct with the Public

Directors shall make the public feel welcomed. This is an important part of the democratic process. No signs of partiality, prejudice or disrespect should be evident on the part of individual Directors toward an individual participating in a public forum, or the organization which they represent. Every effort should be made to be fair and impartial in listening to public testimony.

3(a). In Public Meetings

Be welcoming to speakers and treat them with respect and professionalism.

While questions of clarification may be asked, the Director's primary role during public testimony is to listen.

Be fair and equitable in allocating public testimony time to individual speakers

No speaker will be turned away unless they exhibit disruptive behavior as outlined in [Ordinance 22-03 Specifying Rules of Decorum in the Participation of Board and Committee Meetings](#). Each speaker may only speak once during public comment and on individual board agenda items unless the Board Chair or a Director requests additional clarification on specific comments.

The Board Chair will determine and announce limits on speakers at the start of the Board Meeting. Questions should not be asked for the express purpose of allowing a speaker to evade the time limit imposed on all others (e.g., "Was there something else you wanted to say?"). Generally, each speaker will be allocated three minutes to speak during public comment and on individual board agenda items. If

many speakers are anticipated, the Board Chair may shorten the time limit and/or ask speakers to limit themselves to new information and points of view not already covered by previous speakers.

Active listening is significant

It is disconcerting to speakers when Directors do not look at them when they are speaking. It is important to avoid facial expressions that could be interpreted as smirking, disbelief, anger, disrespect, or boredom. All electronic devices (cell phones and laptops) should be put away, except for the district-issued iPads necessary to access the published meeting agenda and personal notes.

Maintain an open mind

The public deserve an opportunity to influence the thinking of Directors. To express an opinion before all speakers have addressed the Board casts doubt on the Board's fairness. Directors have the responsibility to hear all viewpoints at a public meeting. Directors must always keep an open mind, and not rush to pre-judge any matter, until all concerned parties (including members of the public and staff) are heard during the public meeting. Directors must not come to a conclusion on a matter until members of the public in attendance have had a chance to speak.

Ask for clarification, but avoid debate and argument with the public

Only the Board Chair – not individual Directors – can interrupt a speaker during a presentation. However, a Director may ask the Board Chair for a point of order if the speaker is off the topic or exhibiting behavior or language the Director finds disturbing, as outlined in [Ordinance 22-03 Specifying Rules of Decorum in the Participation of Board and Committee Meetings](#). If speakers become flustered or defensive by questions, it is the responsibility of the Board Chair to calm and focus the speaker and to maintain order and decorum. Questions by members of the public testifying should seek to clarify or expand information. It is never appropriate to belligerently challenge or belittle a speaker.

No personal attacks of any kind, under any circumstance

Directors should also be aware of their body language and tone of voice, as well as the words they use, can appear to be intimidating or aggressive.

3(b). In Unofficial Settings

Make no promises on behalf of the Board

Directors will frequently be asked to explain a Board action or to give their opinion about an issue as they talk with community members. It is appropriate to give a brief overview of Valley Water policy and to refer to Valley Water staff for further information. It is inappropriate to overtly or implicitly promise Board action, or to promise that Valley Water staff will do something specific.

Directors' interaction with the public, press or other entities must recognize the same limitations and the inability of any Director to speak for the Board except to repeat explicitly stated Board decisions.

Make no personal comments about other Directors

It is acceptable to publicly disagree about an issue, but it is unacceptable to make derogatory personal comments about other Directors, their opinions and actions.

Remember that Board Members are Leaders

Directors are constantly observed by the community every day that they serve in office. Their behaviors and comments serve as models for proper deportment at Valley Water. Honesty and respect for the dignity of each individual should be reflected in every word and action taken by Directors, 24 hours a day, seven days a week. This is a serious and continuous responsibility.

3(c). Board Correspondence with the Public

The Board receives correspondence from constituents, political officials, organizations, and other groups, via mail, email and hand delivery. The general Board email address, physical mailing address, and email addresses for each individual Director are all listed on the Valley Water website. All correspondence is logged by the Office of the Clerk of the Board and handled in accordance with Board Governance Policy EL-2.6, which states a BAO shall provide correspondence addressed to the Board to each Director within 7 calendar days from receipt and respond with 14 calendar days of receipt. In those individual situations where it is not possible for the BAOs to respond completely to an inquiry, sending a response to the originator, acknowledging receipt of the inquiry, an explanation of actions being taken, and timelines for preparing the complete response, is acceptable for complying with this 14-day response time. Copies of all correspondence are forwarded to the entire Board via the weekly non-agenda packet. In addition, correspondence is immediately forwarded to the appropriate Director as an FYI, if the subject is relevant to their specific district. Correspondence requiring a response is assigned to the subject matter staff to prepare a draft response for the Board Chair or appropriate Director to approve and a copy of the response is provided in the weekly non-agenda packet for consistency with approved Board Governance Policy EL-2.6.

4. Board Member Conduct When Serving on External Committees/Boards and Personal Interests

Be clear about representing Valley Water or personal interests

When representing Valley Water, the Director must support and advocate the official Valley Water position on an issue, not a personal viewpoint.

C. Accountability

The Policy establishes guiding principles for appropriate conduct and behavior and sets forth the expectations for members of the Board of Directors.

The Policy is intended to be self-enforcing. Directors themselves have the primary responsibility to assure the Policy elements are understood and met. For this reason, current Directors and future elected/appointed Directors shall sign a statement affirming they read and understand the Policy. In addition, the Policy shall be annually reviewed by the Board of Directors and updated as necessary.

I affirm that I have read and that I understand the Santa Clara Valley Water District Board of Directors Code of Ethics and Conduct Policy.	
Signature _____	Date _____
Print Name _____	
District _____	

THIS PAGE INTENTIONALLY LEFT BLANK



Santa Clara Valley Water District

File No.: 26-0321

Agenda Date: 4/14/2026

Item No.: *5.2.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Consider the March 17, 2026, Board Policy and Monitoring Committee Recommendation to Update the Board Member Travel Policy.

RECOMMENDATION:

Consider the March 17, 2026, Board Policy and Monitoring Committee recommendation to update the Board Member travel policy to include language related to cancellations.

SUMMARY:

At the March 17, 2026, Board Policy and Monitoring Committee meeting, the Committee approved adding the language below to Governance Policy 10: Cost of Governance. This additional language addresses cancellations related to Board member travel and conference registrations.

GP-10: Cost of Governance:

10.6.3.6 Cancellations for event registration and travel

10.6.3.6.11 Board members shall provide adequate notice for the cancellation of events and travel reservations, unless there is an extenuating circumstance.

10.6.3.6.1.2 If a Board member cancels a reservation for personal reasons or convenience, they shall be responsible for the costs of any non-refundable expenses.

10.6.3.6.1.3 If a cancellation is due to circumstances beyond control, such as illness or personal emergency or to accommodate District needs, the District will cover the costs. Documentation supporting the reason for cancellation may be requested.

10.6.3.6.1.4 The Chairperson will determine who is responsible for non-refundable expenses.

ENVIRONMENTAL JUSTICE IMPACT:

There is no environmental justice impact associated with changes to Governance Policy 10.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Board Governance Process 10, Redlined

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193

Governance Policies of the Board

Title: Cost of Governance
Category: Governance Process

Policy No. GP-10

Adopted: September 28, 1999
Chair: Larry Wilson

Latest Revision: January 8, 2019
Chair: Linda J. LeZotte

The Board of Directors revised and adopted this policy at its public meeting on the latest revision date.

The Board will invest in its governance capacity.

Accordingly:

- 10.1. Board skills, methods, and supports will be sufficient to assure governing with excellence.
 - 10.1.1. Training and education will be used by Board members to maintain and increase governance skills and understanding.
 - 10.1.2. Outside monitoring assistance will be arranged so that the Board can exercise confident control over organizational performance. This includes, but is not limited to, fiscal audit.
 - 10.1.3. Outreach mechanisms will be used as needed to ensure the Board's ability to listen to public viewpoints and values.
- 10.2. Adequate funds will be proposed by the COB and budgeted annually by the CEO for support of the Board.
- 10.3. Board members will prepare and submit Director's Expense Claim Forms to request per diem and expense reimbursement in accordance with this policy. Board members will include receipts and any other information necessary to demonstrate that reimbursement is consistent with this policy and with Ch. 700, Stats. 2005 (AB 1234). Expense claims must be submitted within a reasonable time after the expense is incurred.
- 10.4. Board members will briefly report on meetings attended at District expense at the next regular Board meeting following the event at which the member is in attendance. On a quarterly basis, a report of the per diem and expense reimbursements of each Board member shall be placed on an open session Board meeting agenda for review and a determination by the Board whether the reimbursements comply with the Board's reimbursement policies adopted pursuant to Section 53232.3 of the Government Code. Only expenses in compliance with those policies may be reimbursed by the District. Directors Quarterly Expense Reimbursement Reports will be placed on the Directors District web page for public viewing.

Governance Policies of the Board

- 10.5 Adequate liability insurance will be provided by the CEO at all times for Board members.
- 10.6. It is the policy of the Board that each Board member attend such meetings, events, conferences, and training as each Board member determines will best enable them to serve the District, including such compensation per day and reimbursement for actual and necessary expenses as may be allowed by law and as authorized by this policy. Board members may only receive compensation for one meeting, per day, regardless of the number of meetings attended.

10.6.1. Per Diem Meetings, Events, and Activities Compensation

After annually making a finding based on substantial evidence that there is an operational need for Board members to be paid for more than 10 meetings in a calendar month, Board members are eligible to receive compensation per day, up to 15 days per calendar month, in accordance with Section 33(c) of the Santa Clara Valley Water District Act, for the meetings, events, and activities listed below, all of which are hereby deemed by the Board to constitute the performance of official duties. For the purpose of making a finding, substantial evidence shall include, but is not limited to, such things as the number of meetings in the prior year that were qualified for compensation pursuant to this policy, and how many and how frequently committee meetings of the Board of Directors occur.

- 10.6.1.1. Regular and Special Meetings of the Board of Directors.
- 10.6.1.2. Regular and Special Meetings of any Standing or Ad Hoc committee of the Board of Directors in accordance with Governance Process Policy 9.2.1, when the attending member is a member of the committee.
- 10.6.1.3. Regular and Special Meetings of any public entity legislative or advisory body of which the District is a member, or at which an agenda item related to the District's business is discussed.
- 10.6.1.4. Meetings with local, state, and federal legislators and/or officials to discuss matters of District concern.
- 10.6.1.5. Meetings of associations of governmental agencies, water policy organizations, and any other body of which the District is a member or which concerns water supply, flood protection, and/or natural resources.
- 10.6.1.6. Conferences and educational workshops open to the public and/or to public agencies such as the District or concern water supply, flood protection, and/or natural resources. Preference should be given to conferences and educational workshops in California in order to minimize out of state travel.

Governance Policies of the Board

- 10.6.1.7. Community events sponsored by or featuring the District, or which concern water supply, flood protection, and/or natural resources, or which concern the relationship of the District to the communities it serves.
 - 10.6.1.8. Community meetings at which District projects or programs are presented, featured, or discussed.
 - 10.6.1.9. Meetings with District employees and/or District constituents concerning District business.
 - 10.6.1.10. Media appearances to discuss District issues (including but not limited to interviews and editorial board meetings).
 - 10.6.1.11. Activities constituting direct Board inspection of District operations in accordance with Board-BAO Linkage Policy BL-5.
 - 10.6.1.12. Participation in and completion of an approved online ethics course to meet the requirements of Government Code Sections 53234-53235.5, which shall constitute a single meeting.
 - 10.6.1.13. Any other meeting, event, or activity approved in advance by the Board.
- 10.6.2. Per Diem Meetings, Events, and Activities Compensation Exclusions
- 10.6.2.1. No Board member shall be compensated for attendance at a community/business event as a guest of the District, where the District has purchased a seat or table at said event.
- 10.6.3. Per Diem Meetings, Events, and Activities Expenses **Reimbursements**

Board members are eligible for reimbursement for actual and necessary expenses incurred by the Board member for travel/transportation, meals, registration fees, lodging and incidental expenses reasonably incurred by the Board member in connection with meetings, events, and activities described in GP-10.6.1.

- 10.6.3.1. Travel reimbursement expenses will not exceed the government or group rate for airline, ground transportation, and rental cars where such rate is available. Air transportation will be economy/coach class. Reimbursement for rental cars will be at the midsize level, unless a group of District officials/personnel are traveling together and choose to use a larger vehicle to accommodate the

Governance Policies of the Board

group. Shuttles, taxis, and car services are reimbursable in lieu of car rental. Board members wishing to upgrade flight or rental car class for personal convenience, or to combine personal with business travel thereby resulting in an increased fare, must pay the increased cost over the rates set forth in this policy.

- 10.6.3.2. Mileage reimbursement expenses for use of the Board member’s own vehicle will be at the rate established for District employees and in accordance with policies applicable to District employees.
- 10.6.3.3. Lodging reimbursement expenses will not exceed the government or group rate for lodging where such rate is available. Reimbursement for lodging at conferences and organized educational activities will not exceed the maximum group lodging rate published by the activity sponsor if that rate is available at time of booking. Board members wishing to upgrade rooms and/or hotels or to incur additional guest charges will not be reimbursed for the cost difference.
- 10.6.3.4. Meal reimbursement expenses will be provided up to \$60 per day (\$14 for breakfast, \$16 for lunch and \$30 for dinner) for Board members who provide receipts. In addition to the \$60 per day, Board members will be entitled to an additional \$15 per day, with receipts, when traveling to the cities identified by the US General Services Agency as “high cost of living areas” listed below. Board members who do not have receipts may be reimbursed up to \$39 (\$9 for breakfast, \$10 for lunch and \$20 for dinner) per day for meal expenses.

Los Angeles, CA	Boston, MA	New York City, NY
San Francisco, CA	Baltimore, MD	Cincinnati, OH
Denver, CO	Detroit, MI	Pittsburgh, PA
Washington, DC	St. Paul/Minneapolis, MN	Philadelphia, PA
Miami, FL	St. Louis, MO	Dallas, TX
Chicago, IL	Atlantic City, NJ	Arlington, VA
New Orleans, LA	Santa Fe, NM	Seattle, WA

- 10.6.3.5. Incidental expenses, including public transportation to/from airport; parking expenses; fuel for rental cars; tipping in accordance with policies applicable to District employees; expenses related to conducting District business while traveling (such as charges for phone, internet, or facsimile communication), will be reimbursed.

Governance Policies of the Board

10.6.3.6. Cancellations for event registrations and travel

10.6.3.6.1 Board members shall provide adequate notice for the cancellation of events and travel reservations, unless there is an extenuating circumstance.

10.6.3.6.2 If a Board member cancels a reservation for personal reasons or convenience, they may be responsible for the costs of any non-refundable expenses.

10.6.3.6.3 If a cancellation is due to circumstances beyond control, such as illness or personal emergency or to accommodate District needs, the District will cover the costs. Documentation supporting the reason for cancellation may be requested.

10.6.3.6.4 The Chairperson will determine who is responsible for non-refundable expenses.

10.7. Business-Related Expense Reimbursements

Board members are eligible for reimbursement for actual and necessary expenses incurred by the Board member for the following business-related expenses: communication devices (cell phones/batteries/chargers), third party charge for internet/phone/fax lines and plans, office equipment and business cards.

10.7.1. Office equipment eligible for reimbursement under GP-10.7. includes:

- Fax/printers
- Fax/printer ink cartridges
- Individual office supplies (pens, day planners, etc);
- Personal digital assistant (PDA) equipment

10.8. Allocated Expense Reimbursements

Board members are eligible for reimbursement for office equipment, communication devices, supplies, publication subscriptions, membership dues, and educational materials utilized by the member for performance of Board duties, up to the amount identified in the Board Resolution Setting Annual Limit of Reimbursement of Directors' Annual and Necessary Expenses.

10.8.1. Publication subscriptions eligible for reimbursement under GP-10.8. include:

- Newspaper/ magazine subscriptions
- Periodicals

10.8.2. Membership dues eligible for reimbursement under GP-10.8. include:

- Organization and association memberships relevant to District business/mission (excludes professional memberships, certifications, licenses, etc)

Governance Policies of the Board

10.8.3. Educational material eligible for reimbursement under GP-10.8. includes:

- Books, videos, DVDs, computer programs (used in course of District business)

10.8.4. Other expenses eligible for reimbursement under GP-10.8. include:

- Business meal overage reimbursement
- District apparel

10.9 Board member compensation and benefits settlement agreements are not confidential.



Santa Clara Valley Water District

File No.: 26-0324

Agenda Date: 4/14/2026
Item No.: *5.3.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Board Committee Reports.

ATTACHMENTS:

- *Handout 5.3-A: 01262026 CIP, Summary
- *Handout 5.3-B: 03172026 BPMC, Summary
- *Handout 5.3-C: 03232026 WSDMC, Summary
- *Handout 5.3-D: 04152026 BAC, Agenda
- *Handout 5.3-E: 04162026 JRWPAC, Agenda



MEMORANDUM

FC 14 (02-08-19)

TO: Board of Directors

FROM: Nai Hsueh,
CIP Chair

SUBJECT: Capital Improvement Program (CIP)
Committee January 26, 2026 Regular
Meeting Summary

DATE: April 14, 2026

This memorandum summarizes discussion and action from the regular meeting of the Capital Improvement Program Committee (CIP) held on January 26, 2026.

ELECTION OF OFFICERS

It was moved by Vice Chairperson Estremera, seconded by Chairperson Hsueh, and unanimously carried to re-elect Chairperson Hsueh and elect Director Beall as Vice Chairperson.

RECEIVE INFORMATION ON THE CONSTRUCTION CONTRACT CONTINGENCY FUND INCREASE FOR THE ANDERSON DAM SEISMIC RETROFIT PROJECT, FEDERAL ENERGY REGULATORY COMMISSION ORDER COMPLIANCE PROJECT, COYOTE CREEK STREAM AUGMENTATION FISH PROTECTION MEASURE: CHILLERS PLANT PROJECT, PROJECT NO. 91864008, CONTRACT NO. C0701

Discussion ensued relating to whether the chillers are transferable to another site or project after completion of the Anderson Dan Seismic Retrofit Project.

The Committee received the information and took no formal action.

RECEIVE MOFFETT FISH LADDER IMPROVEMENT PROJECT UPDATE

Discussion ensued relating to vortex weirs, possible reuse of the design and necessary variations for reuse, and a revised implementation plan for FAHCE.

The Committee received the information, took no formal action, and requested that staff report to the Committee relating to reuse of the design for the Fish Ladder Improvement Project on projects at other creeks, a comprehensive list of all projects and the cost of those projects, and State and Federal funding sources.

RECEIVE AND DISCUSS INFORMATION REGARDING THE STATUS OF CAPITAL PROJECTS IN THE FEASIBILITY AND PLANNING PHASE

Discussion ensued relating to the Division of Safety of Dams assessment of the Coyote Dam seismic stability, and meetings with the County of Santa Clara relating to Ogier Ponds.

The Committee received the information, took no formal action, and requested a presentation relating to the Coyote Dam Alternative Analysis at a future Committee meeting.

RECEIVE INFORMATION ON CHANGE ORDERS TO ANDERSON DAM TUNNEL

PROJECT CONSTRUCTION CONTRACT

Without discussion, the Committee received the information and took no formal action.

REVIEW AND APPROVE 2026 CAPITAL IMPROVEMENT PROGRAM COMMITTEE WORK PLAN AND 2026 PROPOSED MEETING SCHEDULE

Director Beall requested that staff add an item to the work plan relating to Upper Guadalupe River Project implementation strategies.

Chairperson Hsueh requested that staff cancel the February 2026 Committee meeting and move the presentation relating to the water treatment master plan report to the March 2026 Committee meeting. She further noted that the requests relating to the prioritization of fish ladder projects and the Coyote Dam Alternative Analysis will be added to the work plan.

The Committee confirmed the 2026 meeting dates on consensus.

Board member comments and suggestions can be forwarded to Dave Leon, Assistant Deputy Clerk II at (408) 630-2006 or by email to daveleon@valleywater.org.



TO: Board of Directors **FROM:** BPMC
SUBJECT: Board Policy and Monitoring Committee (BPMC) **DATE:** April 14, 2026
March 17, 2026 Regular Meeting Summary

This memorandum summarizes discussion and action from the meeting of the Board Policy and Monitoring Committee (BPMC) held on Tuesday, March 17, 2026.

Receive Update on Final Results for the Flood Control and Water Supply Development Impact Fee Analyses and Provide Recommendation to the Board as needed.

The Committee received the information, took no formal action, and with staff input discussed the following: clarification of legislation and enforcement and authority, utilization of the Valley Water Government Relations team to engage local jurisdictions relating to planning the next phase, land use collaboration, differences between north and south county water supply, and implementation challenges.

Darin Taylor stated that staff efforts will continue following the discussion on the Impact Fee Analysis. The next steps—including items raised during this discussion—will be incorporated into a memo for the full Board, who can review and determine whether the recommendation is sufficiently robust to move forward.

Receive and Discuss Board Member Travel Policy.

The Committee received and discussed the language additions contained in Attachment 1 relating to timing of cancellations and how they affect reimbursement responsibilities, and adding language that states the Board Chairperson will determine who is responsible for the non-refundable expenses.

It was moved by Director Estremera and seconded by Vice Chairperson Ballard, and unanimously approved, that the recommended additional language (including that the Board Chairperson will determine who is responsible for the non-refundable expenses) and edits to GP-10 are presented to the full Board for approval.

Provide Feedback for the Upcoming Audit of the Board Appointed Officers Complaint Process.

The Committee received the information, took no formal action, and with staff input discussed the following: pre-investigation process, management of investigation process, need for a project manager, time and legal constraints, expanding the scope of the Ethics and Conduct Ad Hoc Committee, communication issues between different parties, issue of legal privilege, change management, and having a fair and time-bound process. The Committee stated the item will be continued.

Nai Hsueh
Director, District 5
BPMC Chairperson

Review and Discuss the 2026 Board Policy and Monitoring Committee (BPMC) Work Plan and Make Adjustments as Necessary.

The Committee received the information, took no formal action, and without further discussion, noted the updates on the 2026 BPMC Work Plan.

**

Board member comments and suggestions can be forwarded to Stephanie Simunic, Assistant Deputy Clerk II at (408) 630-2408 or by email to ssimunic@valleywater.org.

TO: Board of Directors

FROM: WSDMC

SUBJECT: Water Supply and Demand Management Committee (WSDMC)
March 23, 2026 Meeting Summary

DATE: *April 14, 2026*

This memorandum summarizes agenda items from the meeting of the Water Supply and Demand Management Committee (WSDMC) held on Monday, March 23, 2026.

Receive Results of Consultant Study Regarding Santa Clara Valley Water District’s Water Use Projections, Water Demand Elasticity, and Customer Affordability; Provide Feedback or Recommendations to Board.

The Committee received the information, took no formal action, and with staff input discussed the following: customer affordability metrics, receiving more data from Sacred Heart Community Service (who administers the Water Rate Assistance Program), inviting water retailers to report their data relating to providing assistance for water costs to their customers, providing the presentation (with this Committees comments) to the Water Commission and receiving their feedback, clarifying that this study is about short-term rates and the Water Supply Master Plan strategizes primarily for long-term multi-year drought, and clarifying risk tolerance.

Staff stated they will gather data relating to current affordability packages from retailers and Valley Water and return to the Committee with recommendations, and provide the presentation to the Water Commission and receive their ideas before taking the study to the full Board.

Review and Approve 2026 Water Supply and Demand Management Committee (WSDMC) Work Plan, and Make Adjustments as Necessary; and Confirm the Next Meeting Date.

The Committee received the information, took no formal action, and with staff input noted that the Sites Reservoir Expansion Update and BF Sisk Dam Raise Items will move to the May meeting, and the SCW Funding (LPR & Demo Garden) item is not time critical, a short report, and can be moved if needed.

**

Board member comments and suggestions can be forwarded to Stephanie Simunic, Assistant Deputy Clerk II at (408) 630-2408 or by email to ssimunic@valleywater.org.

This page intentionally left blank.



Santa Clara Valley Water District Board Audit Committee Meeting

HQ. Bldg. Boardroom, 5700 Almaden Expressway, San Jose, California
Join Zoom Meeting: <https://valleywater.zoom.us/j/91608079873>

REGULAR MEETING AGENDA

Wednesday, April 15, 2026
1:00 PM

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

BOARD AUDIT COMMITTEE
Jim Beall, Chairperson - District 4
Shiloh Ballard, Vice Chairperson -
District 2
Tony Estremera - District 6

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body, will be available to the public through the legislative body agenda web page at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to participate in the legislative body's meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 630-2277.

DARIN TAYLOR
Committee Liaison

NICOLE MERRITT
Deputy Clerk (Committee
Meetings)
Office/Clerk of the Board
(408) 630-3262
nmerritt@valleywater.org

Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

**Santa Clara Valley Water District
Board Audit Committee
REGULAR MEETING
AGENDA**

Wednesday, April 15, 2026

1:00 PM

HQ. Bldg. Boardroom, 5700 Almaden
Expressway, San Jose, California

Join Zoom Meeting:

<https://valleywater.zoom.us/j/91608079873>

*****IMPORTANT NOTICES AND PARTICIPATION INSTRUCTIONS*****

Santa Clara Valley Water District (Valley Water) Board of Directors/Board Committee meetings are held as a “hybrid” meetings, conducted in-person as well as by telecommunication, and is compliant with the provisions of the Ralph M. Brown Act.

To maximize public safety while still maintaining transparency and public access, members of the public have an option to participate by teleconference/video conference or attend in-person. To observe and participate in the meeting by teleconference/video conference, please see the meeting link located at the top of the agenda. If attending in-person, you are required to comply with Ordinance 22-03 - AN ORDINANCE OF THE SANTA CLARA VALLEY WATER DISTRICT SPECIFYING RULES OF DECORUM FOR PARTICIPATION IN BOARD AND COMMITTEE MEETINGS located at <https://s3.us-west-2.amazonaws.com/valleywater.org.if-us-west-2/f2-live/s3fs-public/Ord.pdf>

In accordance with the requirements of Gov. Code Section 54954.3(a), members of the public wishing to address the Board/Committee during public comment or on any item listed on the agenda, may do so by filling out a Speaker Card and submitting it to the Clerk or using the “Raise Hand” tool located in the Zoom meeting application to identify yourself in order to speak, at the time the item is called. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and granted speaking access to address the Board.

- Members of the Public may test their connection to Zoom Meetings at: <https://zoom.us/test>
- Members of the Public are encouraged to review our overview on joining Valley Water Board Meetings at: <https://www.youtube.com/watch?v=TojJpYCxXm0>

Valley Water, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Board of Directors/Board Committee meetings to please contact the Clerk of the Board’s office at (408) 630-2711, at least 3 business days before the scheduled meeting to ensure that Valley Water may assist you.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has

not been prepared with a view to informing an investment decision in any of Valley Water's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water's bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at <https://emma.msrb.org/> and <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

Under the Brown Act, members of the public are not required to provide identifying information in order to attend public meetings. Through the link below, the Zoom webinar program requests entry of a name and email address, and Valley Water is unable to modify this requirement. Members of the public not wishing to provide such identifying information are encouraged to enter "Anonymous" or some other reference under name and to enter a fictional email address (e.g., attendee@valleywater.org) in lieu of their actual address. Inputting such values will not impact your ability to access the meeting through Zoom.

Join Zoom Meeting:

<https://valleywater.zoom.us/j/91608079873>

Meeting ID: 916 0807 9873

Join by Phone:

1 (669) 900-9128, 91608079873#

1. CALL TO ORDER:

1.1. Roll Call.

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA.

Notice to the public: Members of the public who wish to address the Board/Committee on matters not listed on the agenda may do so by completing a Speaker Card and submitting it to the Clerk, or by using the "Raise Hand" feature within the Zoom meeting application to request recognition. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and, when recognized, will be granted speaking access to address the Board/Committee.

Public comments shall be limited to three (3) minutes per speaker, or such other time as determined by the Chair. State law does not permit the Board/Committee to take action on, or engage in extended discussion of, any item not appearing on the posted agenda, except as otherwise authorized under applicable law. If Board/Committee action is requested, the matter may be scheduled for consideration at a future meeting.

All public comments requiring a response will be referred to staff for a written reply. The Board/Committee may take action on any item of business appearing on the posted agenda.

3. APPROVAL OF MINUTES:

- 3.1. Approval of March 18, 2026, Board Audit Committee Minutes. [26-0365](#)

Recommendation: Approve the minutes.

Manager: Wendy Ho, 408-630-3874

Attachments: [Attachment 1: 03182026 BAC Minutes](#)

4. REGULAR AGENDA:

- 4.1. Receive Update on the Implementation of the Management Response to the 2024 Human Resources (HR) Process Performance Audit. [26-0281](#)

Recommendation: Receive the status update on the implementation of the Management Response to the 2024 HR Performance Audit.

Manager: Patrice McElroy, 408-630-3159

Attachments: [Attachment 1: PowerPoint](#)

- 4.2. Discuss the Results of the Board Audit Committee's (BAC) Annual Self-Evaluation for Calendar Year (CY) 2025. [26-0232](#)

Recommendation: Discuss the results of the BAC's Annual Self-Evaluation for CY 2025.

Manager: Darin Taylor, 408-630-3068

- 4.3. Discuss 2026 Annual Audit Plan (Risk Assessment, Asset Management, Pacheco Reservoir Project, and Investigations Process), and Provide Feedback as Needed [26-0341](#)

Recommendation: A. Discuss 2026 Annual Audit Plan; and
B. Provide feedback as needed.

Manager: Darin Taylor, 408-630-3068

- 4.4. Review and Discuss 2026 Board Audit Committee (BAC) Work Plan. [26-0340](#)

Recommendation: Review and discuss topics of interest raised at prior BAC meetings and approve any necessary adjustments to the 2026 BAC Work Plan.

Manager: Wendy Ho, 408-630-3874

Attachments: [Attachment 1: 2026 BAC Work Plan](#)

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.

6. CLOSED SESSION:

6.1. CONFERENCE WITH LEGAL COUNSEL - THREAT TO PUBLIC SERVICES OR FACILITIES

[26-0343](#)

(Pursuant to Government Code Section 54957(a))

Consultation with Information Technology: Interim Chief Executive Officer, Melanie Richardson; Chief Operating Officer, Tina Yoke; Deputy Administrative Officer, Cecil Lawson; Information Technology Manager, Chris Cannard; District Counsel, Carlos Orellana; and Senior Assistant District Counsel, Linda Mason.

6.2. District Counsel Report on Closed Session.

7. ADJOURN:

7.1. Adjourn. The Next Regular Meeting is Scheduled at 1:00 p.m., on May 20, 2026.

THIS PAGE INTENTIONALLY LEFT BLANK



Santa Clara Valley Water District Joint Recycled Water Policy Advisory Committee

San Jose City Hall, 200 E. Santa Clara St. San Jose, CA 95113
Meeting Room: T-1446

REGULAR MEETING AGENDA

Thursday, April 16, 2026
10:00 AM

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

Tony Estremera - SCVWD, Dist. 6
Chairperson
Richard Santos - SCVWD, Dist. 3
Jim Beall - SCVWD, Dist. 4
David Cohen - City of SJ, Dist. 4
Pamela Campos - City of SJ, Dist. 2
Karen Hardy - City of SC, Dist. 3

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body, will be available to the public through the legislative body agenda web page at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to participate in the legislative body's meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 630-2277.

Kirsten Struve (Staff Liaison)
Nicole Merritt (COB Liaison)
Deputy Clerk (Committee Meetings)
nmerritt@valleywater.org
1-408-630-3262

Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

**Santa Clara Valley Water District
Joint Recycled Water Policy Advisory Committee**

**REGULAR MEETING
AGENDA**

Thursday, April 16, 2026

10:00 AM

San Jose City Hall, 200 E. Santa Clara St.
San Jose, CA 95113
Meeting Room: T-1446

IMPORTANT NOTICES AND PARTICIPATION INSTRUCTIONS

Santa Clara Valley Water District (Valley Water) Board of Directors/Board Committee meetings are held as a “hybrid” meetings, conducted in-person as well as by telecommunication, and is compliant with the provisions of the Ralph M. Brown Act.

To maximize public safety while still maintaining transparency and public access, members of the public have an option to participate by teleconference/video conference or attend in-person. To observe and participate in the meeting by teleconference/video conference, please see the meeting link located at the top of the agenda. If attending in-person, you are required to comply with Ordinance 22-03 - AN ORDINANCE OF THE SANTA CLARA VALLEY WATER DISTRICT SPECIFYING RULES OF DECORUM FOR PARTICIPATION IN BOARD AND COMMITTEE MEETINGS located at <https://s3.us-west-2.amazonaws.com/valleywater.org.if-us-west-2/f2-live/s3fs-public/Ord.pdf>

In accordance with the requirements of Gov. Code Section 54954.3(a), members of the public wishing to address the Board/Committee during public comment or on any item listed on the agenda, may do so by filling out a Speaker Card and submitting it to the Clerk or using the “Raise Hand” tool located in the Zoom meeting application to identify yourself in order to speak, at the time the item is called. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and granted speaking access to address the Board.

- Members of the Public may test their connection to Zoom Meetings at: <https://zoom.us/test>
- Members of the Public are encouraged to review our overview on joining Valley Water Board Meetings at: <https://www.youtube.com/watch?v=TojJpYCxXm0>

Valley Water, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Board of Directors/Board Committee meetings to please contact the Clerk of the Board’s office at (408) 630-2711, at least 3 business days before the scheduled meeting to ensure that Valley Water may assist you.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has

not been prepared with a view to informing an investment decision in any of Valley Water's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water's bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at <https://emma.msrb.org/> and <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

Under the Brown Act, members of the public are not required to provide identifying information in order to attend public meetings. Through the link below, the Zoom webinar program requests entry of a name and email address, and Valley Water is unable to modify this requirement. Members of the public not wishing to provide such identifying information are encouraged to enter "Anonymous" or some other reference under name and to enter a fictional email address (e.g., attendee@valleywater.org) in lieu of their actual address. Inputting such values will not impact your ability to access the meeting through Zoom.

Join Zoom Meeting:

<https://sanjoseca.zoom.us/j/93891819616?>

[pwd=2BbrEuBXnBHG0gu2ZaNNCqU5lZSDCP.1](#)

Webinar ID: 938 9181 9616

Passcode: 731549

1. CALL TO ORDER:

1.1. Roll Call.

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA.

Notice to the public: Members of the public who wish to address the Board/Committee on matters not listed on the agenda may do so by completing a Speaker Card and submitting it to the Clerk, or by using the "Raise Hand" feature within the Zoom meeting application to request recognition. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and, when recognized, will be granted speaking access to address the Board/Committee.

Public comments shall be limited to three (3) minutes per speaker, or such other time as determined by the Chair. State law does not permit the Board/Committee to take action on, or engage in extended discussion of, any item not appearing on the posted agenda, except as otherwise authorized under applicable law. If Board/Committee action is requested, the matter may be scheduled for consideration at a future meeting.

All public comments requiring a response will be referred to staff for a written reply. The Board/Committee may take action on any item of business appearing on the posted agenda.

- 2.1. Elect 2026 Joint Recycled Water Policy Advisory Committee [26-0270](#)
(SCVWD/San Jose/Santa Clara) - Chairperson.
Recommendation: Elect 2026 Chairperson for the Joint Recycled Water Policy Advisory Committee.
Manager: Wendy Ho, 408-630-3874
Est. Staff Time: 5 Minutes

3. APPROVAL OF MINUTES:

- 3.1. Approval of May 23, 2025, Joint Recycled Water Policy Advisory Committee Meeting Minutes. [26-0271](#)
Recommendation: Approve the minutes.
Manager: Wendy Ho, 408-630-3874
Attachments: [Attachment 1: 05232025 JRWPAC Minutes](#)
Est. Staff Time: 5 Minutes

4. REGULAR AGENDA:

- 4.1. Receive Pure Water Silicon Valley Direct Potable Reuse Project Update and Provide Feedback. [26-0152](#)
Recommendation: Receive information and provide feedback on progress towards the development of the Pure Water Silicon Valley Direct Potable Reuse (DPR) project to ensure our community is more drought resilient.
Manager: Kirsten Struve, 408-630-3138
Attachments: [Attachment 1: Powerpoint](#)
Est. Staff Time: 15 Minutes
- 4.2. Review Proposed Fiscal Year 2026-2027 Budgets for Silicon Valley Advanced Water Purification Center and South Bay Water Recycling. [26-0151](#)
Recommendation: A. Review information; and
B. Make a recommendation to the San Jose City Council and the Santa Clara Valley Water District Board of Directors to approve their respective proposed budgets for the ensuing fiscal year for the maintenance, expansion, replacement, improvement, and operation of the South Bay Water Recycling system and the Silicon Valley Advanced Water Purification Center.
Manager: Kirsten Struve, 408-630-3138
Sam Bogale, 408-630-3505
Attachments: [Attachment 1: PowerPoint](#)
Est. Staff Time: 10 Minutes

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.

6. ADJOURN:

6.1. Adjourn. The Next Regular Meeting is Scheduled at 10:00 a.m. on April 15, 2027.

THIS PAGE INTENTIONALLY LEFT BLANK



Santa Clara Valley Water District

File No.: 26-0326

Agenda Date: 4/14/2026
Item No.: *10.1.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

CEO and Chiefs' Reports.

ATTACHMENTS:

*Handout 10.1-A: OCE, Monthly Update

*Handout 10.1-B: OGR, Summary

CREEK STEWARDSHIP

In March, 12 Adopt-A-Creek volunteers conducted cleanups. Their combined effort contributed 316 volunteer service hours to remove approximately 1,956 pounds of litter from the banks of San Tomas Aquino Creek, Stevens Creek, Saratoga Creek, Lower Silver Creek, and others. Adopt-A-Creek volunteers continue to use the Access Valley Water system to report cleanup results, request trash pickup, and report large debris and other concerns related to creeks.



6.2 miles cleaned
111.82 fiscal year-to-date



1,956 pounds of trash and recyclables
37,073 fiscal year-to-date



145 volunteers
2,450 fiscal year-to-date



Teen volunteers and their mothers with the Young Men's Service League help clean Stevens Creek in Mountain View.

EDUCATION OUTREACH

In March, staff reached students in kindergarten through eighth grade through classroom lessons. Students at the French American School of Silicon Valley in Santa Clara learned about the importance of purified water to our local water supply and created posters that shared their knowledge about purified water as a part of *The Water We Share* lesson. Their educational posters featured astronauts and superheroes and emphasized the safety and reliability of purified water.



660 youth
6,637 fiscal year-to-date



33 classroom lessons
170 fiscal year-to-date

WATER SUPPLY OUTREACH

In March, staff hosted 12 tours of the Silicon Valley Advanced Water Purification Center (SVAWPC). Attendees included students, industry proponents, local government, and other members of the public. Staff collaborated with internal units to provide purified water programming for Valley Water staff. High school interns from Valley Water's NextGen Career Pathways visited the SVAWPC and completed *The Water We Share* activity. Staff partnered with the Asian Pacific Resources Group, Indo-American Association, and Women of Water, to provide purified water beverages and education at their Asian New Year and Women's History Month events. Additionally, staff attended the 2026 WaterReuse Symposium



Staffers from the Office of Congressman Ro Khanna toast to purified water after a tour of the SVAWPC.

in Los Angeles, CA where they co-facilitated a session titled, "The Ripple Effect: Turning Community Engagement into Project Momentum." In this session, staff highlighted the robust tour program, engagement metrics, and youth programming. For its efforts, Valley Water received the Outreach and Education award from the WaterReuse Association.

Education award from the WaterReuse Association.



31 public tour attendees
328 fiscal year-to-date



12 industry proponents
40 fiscal year-to-date



96 students & educators
780 fiscal year-to-date



9 local government
36 fiscal year-to-date



856 bottles distributed
1,074 fiscal year-to-date



148 total attendees
1,352 fiscal year-to-date

YOUTH COMMISSION

In March, the Youth Commission successfully launched its first video contest for middle and high school students, focused on water conservation. The initiative encourages students to showcase their creativity while promoting stewardship of this critical resource. Participants have been invited to produce 20-60 second videos that deliver a fresh, youth-driven message aimed at motivating their peers to take action. The contest will recognize the top three submissions in both the middle and high school categories. The submission deadline is April 23 at 5:00 p.m.



Youth Commission Video Contest Flyer.

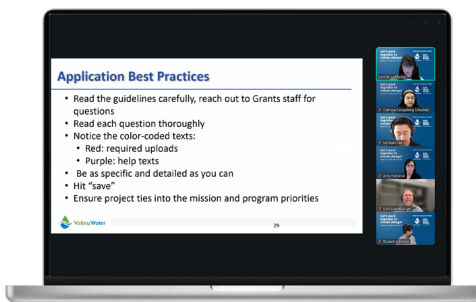
SAFE, CLEAN WATER GRANTS AND PARTNERSHIPS

Refill Station Grants

Closeouts:

- **AchieveKids – Refill Station Grant Project:**
Through a \$5,000 FY 2025 Refill Station Grant, AchieveKids replaced an existing water fountain with a new refill station in the AchieveKids San Jose campus which serves students from kindergarten through 12th grade. In addition to students and staff, the refill station also serves families and community members through various community events throughout the year. The installation helps improve access to safe, clean drinking water as well as student health, hydration, and sustainability.

Standard Grants



Standard Grants Program Informational Workshop.

Throughout March, staff conducted targeted outreach to various government agencies and groups to promote the FY 2026 Standard Grants

Program. The contacts include the Cities Association of Santa Clara County, the Santa Clara Valley Water Commission, and city and town agencies. Staff also hosted a virtual informational workshop that covered program guidelines, eligibility criteria, and application best practices. There were 19 attendees from various government agencies and nonprofit organizations in Santa Clara County. Staff will continue promoting the Standard Grants Program until the application deadline of April 24.



\$170,000 awards granted for fiscal year-to-date

WATER RATE ASSISTANCE PROGRAM

In March, WRAP assisted 122 households by paying water bills totaling \$59,991. To support water conservation efforts, WRAP mailers sent to applicants now include multi-lingual inserts promoting Valley Water’s free water-saving tools available to Santa Clara County residents. The inserts are available in English, Spanish, Vietnamese, and Chinese.

 **122 households assisted**
951 fiscal year-to-date

 **\$59,991 paid**
\$408,684 fiscal year-to-date

LOOKING AHEAD

Silicon Valley Advanced Water Purification Center Tours and Presentations:

- April 2 Amazon
- April 10-11 Public Tour
- April 16 Joint Recycled Water Policy Advisory Committee
- April 16 Valley Water’s NextGen Career Pathways Program
- April 17 STEM Zone
- April 21 San José State University Nursing Program
- April 23 San José State University Environmental Resource Center Earth Day
- April 30 Environmental Health and Safety Association

Education Outreach Programs:

- April 1 Alamos Outdoor Classroom Field Trip for Blue Hills Elementary School
- April 2 Noddin Elementary School
- April 2 City of Santa Clara’s Earth Day/Arbor Day
- April 7-8 Hyde Middle School
- April 9 Easterbrook Discovery School
- April 11 San José State University Sciencepalooza
- April 15 Morrill Middle School
- April 16 ACE Empower Academy
- April 20 Cedar Grove Elementary School
- April 22 Northwood Elementary School
- April 23 Eisenhower Elementary School
- April 29 Stonegate Elementary School

Youth Commission:

- April 23 Water Conservation video submission deadline
- May 20 Graduation/Quarterly Meeting

Grants and Partnerships:

- April 24 Standard Grants application deadline

FEDERAL ADVOCACY EFFORTS

Staff Advocates for FY27 Funding for Priority Projects

Staff is advocating for \$10M in FY27 Community Project Funding (also known as earmarks) for the Pure Water Silicon Valley demonstration facility, with the support of California Assembly Member Ash Kalra and Santa Clara Mayor Lisa Gillmor. Valley Water received \$1.092M in FY26 Community Project Funding through Rep. Ro Khanna (CA-17), funding that will support facility design. The FY27 funding would support facility construction, which is scheduled to begin in 2027. Staff also advocated for FY27 funding for priority programs that could fund Valley Water projects in the future, including the Corps Water Infrastructure Financing Program, Water Infrastructure Finance and Innovation Act Program, Large-Scale Water Recycling Program, and more.



Capitol Building in Washington, D.C.

STATE ADVOCACY EFFORTS

Legislative Update

The California State Legislature is entering a period of high legislative activity as lawmakers advance, amend, and negotiate policy proposals before final deadlines later in the year. As of the February bill introduction deadline, approximately 1,800 bills have been introduced, and staff is continuously monitoring and analyzing them for potential impacts on Valley Water.

This session highlights many of the state's ongoing challenges and priorities, including affordability (housing and energy), healthcare access, and emerging issues like artificial intelligence and social media regulation. For Valley Water, bills of interest will include topics such as State Water Project water rights, water infrastructure funding, data centers, permit streamlining, wildfire preparedness, golden mussel response, and environmental protection.

FY26-27 State Budget Update

The legislature has also begun deliberating the FY2026-27 state budget, a process shaped by ongoing fiscal constraints and economic uncertainty following several years of revenue fluctuations. Building on a projected multi-billion-dollar shortfall from previous cycles, lawmakers and the Administration are working to close a multi-billion-dollar budget gap through a combination of spending cuts, funding delays, and limited new revenues. The budget discussion centers on maintaining core commitments in education, healthcare, housing, and social services, while reassessing one-time and discretionary expenses. Key areas of focus include Medi-Cal costs, homelessness and housing initiatives, climate and infrastructure investments, wildfire resilience, and ongoing efforts to sustain adequate reserve levels.

Staff are advocating for a \$25M direct budget appropriation for the Pure Water Silicon Valley Demonstration Facility and Education Center. Assembly Member Patrick Ahrens (D-Cupertino) has agreed to champion the effort, and staff is working with his office to secure the support of the entire Santa Clara County delegation.

In addition to the direct appropriation request, staff is working to ensure the appropriation of remaining Proposition 4 funding for dam safety, wildfire preparedness, coastal resilience, and sea level rise.

LOCAL ADVOCACY EFFORTS

Rinconada Water Treatment Plant Tour with Los Gatos Town Council

On February 26, Valley Water staff hosted a tour of the Rinconada Water Treatment Plant for Los Gatos Mayor Rob Moore, Vice Mayor Maria Ristow, and Town Manager Chris Constantin. Staff provided an update on Phase 4 of the Reliability Improvement Project and shared construction progress and key milestones. The tour included a briefing on plant operations from the upper deck overlooking the plant's facilities, followed by a visit to the construction area to observe progress on the bioretention basin.



February 26: Mayor Rob Moore, Vice Mayor Maria Ristow, and Town Manager Chris Constantin with Valley Water ACEO Rita Chan and Staff on the Rinconada Water Treatment Plant Tour.

Anderson Tour with Santa Clara & San Benito Counties Building Trades Council and the North Coast States Carpenters Union

On March 13, Valley Water staff hosted a tour of the Anderson Dam project site for members of the Santa Clara & San Benito Counties Building Trades Council and the North Coast States Carpenters Union. Director Jim Beall welcomed the group and highlighted how the project is creating local jobs and supporting skilled labor. The visit provided an opportunity for members of the building trades to see firsthand the scale of the work and understand the importance of the project for the region's water reliability and public safety.



March 13: Director Jim Beall with Members of the Santa Clara & San Benito Counties Building Trades Council and the North Coast States Carpenters Union

Valley Water Hosts Countywide Legislative Coordinators at Silicon Valley Advanced Water Purification Center

Valley Water hosted the Countywide Legislative Coordinators meeting at the Silicon Valley Advanced Water Purification Center (SVAWPC). This informal group meets monthly to share timely legislative updates and information and is composed of intergovernmental affairs professionals and executive staff from agencies across Santa Clara County. Following the meeting, attendees joined the Water Supply Outreach Team for a guided tour of the facility and were able to see firsthand the purification processes and learn more about our agency's efforts to expand water reuse in the region.



March 25: Members of the Countywide Legislative Coordinators group touring the SVAWPC.

RECENT EVENTS

- MARCH 28 Cupertino Educational Enhancement Foundation/ Cupertino Union School District Run for Great Schools 5k and Fun Run Booth
- MARCH 28 Community Emergency Response Team with City of San José District 10 5k Family Fun Run Booth

FUTURE EVENTS

- APRIL 18 City of Milpitas Earth Day Table
- APRIL 25 Morgan Hill Community Earth Day Festival Booth

2025-26 State Legislation with Board-Approved Positions

Bill (Author)	Subject	Position	Status
AB 11 (Lee)	The Social Housing Act	Support	Pending – Senate Housing Committee (2 Yr Bill)
AB 35 (Alvarez)	Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024: Administrative Procedure Act: Exemption: Program guidelines and selection criteria	Support	Pending – Senate Rules Committee
AB 259 (Blanca Rubio)	Open Meetings Teleconferences	Support	Pending – Senate Judiciary Committee (2 Yr Bill)
AB 269 (Bennett)	Dam Safety and Climate Resilience Local Assistance Program	Oppose	Failed – Assembly Water, Parks & Wildlife Committee
AB 454 (Kalra)	Migratory Birds: California Migratory Bird Protection Act	Support	Signed by the Governor
AB 514 (Petrie-Norris)	Emergency Water Supplies	Support	Failed – Assembly Appropriations Committee – Suspense File
AB 532 (Ransom)	Water Rate Assistance Program	Support	Pending – Senate Appropriations Committee – Suspense File (2 Yr Bill)
AB 707 (Soria)	San Luis and Delta-Mendota Water Authority: B.F. Sisk Dam Raise and Reservoir Expansion Project	Support	Failed – Assembly Rules Committee
AB 810 (Irwin)	Local Government Internet Websites and Email Addresses	Oppose	Failed – Assembly Appropriations Committee – Suspense File
AB 1319 (Schultz)	Protected Species: California Endangered Species Act	Oppose Unless Amended	Signed by the Governor
AB 1577 (Bauer-Kahan)	Data Centers: Reporting	Support	Pending – Assembly Utilities & Energy Committee
AB 2051 (Wicks)	Public Resources: Coastal Resilience Permitting Working Group	Support	Pending – Assembly Water, Parks & Wildlife Committee
AB 2180 (Ward)	Local Government: Proposition 218 Omnibus Implementation Act: Proportional Cost of Service	Support	Pending – Assembly Third Reading
AB 2215 (Calderon)	Water Rights: Permits: State Water Project	Support	Pending – Assembly Water, Parks & Wildlife Committee
AB 2619 (Papan)	Water Resources: Data Centers	Support	Pending – Assembly Water, Parks & Wildlife Committee
SB 31 (McNerney)	Water Quality: Recycled Water	Support	Signed by the Governor
SB 72 (Caballero)	The California Water Plan: Long-Term Supply Targets	Support	Signed by the Governor
SB 454 (McNerney)	State Water Resources Control Board: PFAS Mitigation Program	Support	Vetoed by the Governor
SB 466 (Caballero)	Drinking Water: Hexavalent Chromium: Civil Liability: Exemption	Support	Signed by the Governor
SB 496 (Hurtado)	Advanced Clean Fleets Regulation: Appeals Advisory Committee: Exemptions	Support	Failed – Senate Appropriations Committee – Suspense File
SB 598 (Durazo)	Construction Manager/General Contractor Project Delivery Method	Support	Signed by the Governor
SB 599 (Caballero)	Atmospheric Rivers: Research: Forecasting Methods: Experimental Tools	Support	Pending – Assembly Appropriations Committee – Suspense File (2 Yr Bill)
SB 601 (Allen)	Water: Waste Discharge	Oppose Unless Amended	Pending – Assembly Appropriations Committee – Suspense File (2 Yr Bill)

2025-26 State Legislation with Board-Approved Positions - *continued*

Bill (Author)	Subject	Position	Status
SB 650 (Cabaldon)	The Sacramento-San Joaquin Delta Reform Act of 2009.	Support	Signed by the Governor
SB 682 (Allen)	Environmental Health: Product Safety: Perfluoroalkyl and Polyfluoroalkyl Substances	Support	Vetoed by the Governor
SB 695 (Cortese)	Transportation: climate resiliency: projects of statewide and regional significance	Support	Signed by the Governor
SB 753 (Cortese)	Special Business Regulations: Shopping Carts	Support	Signed by the Governor
SB 872 (McNerney)	Delta Levees and Canal Subsidence Fund	Support and Amend	Pending - Senate Natural Resources & Water Committee
SB 899 (Grove)	Fire Prevention: Wildfire and Forest Resilience Task Force: Wildfire Smoke	Support	Pending - Senate Environmental Quality Committee
SB 1085 (Durazo)	Water Supply Planning: California Environmental Quality Act Determination	Support	Pending - Senate Natural Resources & Water Committee
SB 1153 (Caballero)	Disaster Preparedness: Urban Retail Water Suppliers and Public Water Systems: Wildfire	Support	Pending - Senate Natural Resources & Water Committee

2025-26 Federal Legislation with Board-Approved Positions

Bill (Author)	Subject	Position	Status
H.R. 337 (Costa)	Groundwater Technical Assistance Act	Support	Introduced
H.R. 338 (Costa)	Every Drop Counts Act	Support	Introduced
S. 322 (Padilla)	Improving Atmospheric River Forecasting Act	Support	Introduced
H.R. 1267 (Gluesenkamp Perez)	Water Systems PFAS Liability Protection Act	Support	Introduced
H.R. 403 (Swalwell)	Preventing Our Next Natural Disaster Act	Support	Introduced
H.R. 1382 (Huffman)	San Francisco Bay Restoration Program Technical Correction Act	Support	Reported Out of Committee
H.R. 605 (Costa)	Headwaters Protection Act of 2025	Support	Introduced
H.R. 1871 (Huffman) S. 857 (Curtis)	Water Conservation Rebate Tax Parity Act of 2025	Support	Introduced
H.R. 1894 (Calvert)	Federally Integrated Species Health (FISH) Act	Support	Introduced
H.R. 2594 (Crawford)	Water Risk and Resilience Organization Establishment Act	Support	Introduced
H.R. 2344 (Schakowsky) S. 1118 (Markey)	Water Information Sharing and Analysis Center (WaterISAC) Threat Protection Act	Support	Introduced
H.R. 2766 (Fallon)	Special District Fairness and Accessibility Act	Support	Introduced
H.R. 2774 (Harder)	Safeguarding Our Levees Act	Support	Introduced
S. 1760 (Curtis)	Restoring WIFIA Eligibility Act	Support	Introduced
H.R. 2907 (Stanton)	Save Building Resilient Infrastructure and Communities (Save BRIC) Act	Support	Introduced
S. 324 (Rosen)	Smarter Weather Forecasting for Water Management, Farming, and Ranching Act of 2025	Support	Introduced

2025-26 Federal Legislation with Board-Approved Positions - *continued*

Bill (Author)	Subject	Position	Status
S. 1481 (Wicker)	Lifting Our Communities through Advance Liquidity for Infrastructure (LOCAL Infrastructure) Act	Support	Introduced
H.R. 1255 (Kustoff)	Investing in Our Communities Act	Support	Introduced
S. 1246 (Tillis)	FEMA Independence Act of 2025	Support	Introduced
H.R. 4733 (Sorensen)	Low-Income Household Water Assistance Program Establishment Act	Support and Amend	Introduced
H.R. 3572 (Valadao)	Farm to Market Road Improvement Act	Support and Amend	Introduced
S. 1413 (Padilla)	To authorize additional funding for the San Joaquin River Restoration Settlement Act	Support	Introduced
S. 1477 (Padilla) H.R. 2945 (Lieu)	Housing for All Act of 2025	Support and Amend	Introduced
H.R. 6422 (Stauber)	American Water Stewardship Act	Support	Introduced
S. 3693 (Cortez Masto)	Large-Scale Water Recycling Program Reauthorization Act	Support	Introduced
H.R. 4593 (Fry)	Saving Homeowners from Overregulation With Exceptional Rinsing (SHOWER) Act	Oppose	Passed House
H.R. 6641 (Gray)	Central Valley Water Solution Act	Support	Introduced
H.R. 6984 (Menendez)	Data Center Transparency Act	Support	Introduced
H.R. 5566 (Carbajal) S. 3590 (Blunt Rochester)	Water Infrastructure Resilience and Sustainability Act	Support	Introduced

This page intentionally left blank.



Santa Clara Valley Water District

File No.: 25-0920

Agenda Date: 4/14/2026
Item No.: *13.1.

BOARD AGENDA MEMORANDUM

Government Code Section 84308 Applies: Yes No
(If "YES" Complete Attachment A)

SUBJECT:

Review the Fiscal Year 2026 Board Policy Planning Calendar.

RECOMMENDATION:

Review the Fiscal Year 2026 Board Policy Planning Calendar.

SUMMARY:

This item provides the Board an opportunity to review the Fiscal Year 2025 Board Policy Planning Calendar (FY26 Board Calendar) and identify appropriate items for Board Committee work plans for discussion and feedback to the Board.

The current FY26 Board Calendar containing the Board work plan items is attached for Board review.

ENVIRONMENTAL JUSTICE IMPACT:

The FY26 Board Calendar is not subject to environmental justice analysis.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

*Attachment 1: FY26 Board Calendar

UNCLASSIFIED MANAGER:

File No.: 25-0920

Agenda Date: 4/14/2026
Item No.: *13.1.

Candice Kwok-Smith, 408-630-3139

Fiscal Year 2026 VALLEY WATER BOARD POLICY PLANNING CALENDAR

Fiscal Year 2026 Board Work Plan			Committee	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
1.	Protect and maintain existing assets and infrastructure and advance new projects.														
2.	Improve internal capability to negotiate and acquire regulatory permits.														
3.	Educate and engage the community, elected officials and interested parties on our management of water resources in Santa Clara County.	Joint meeting with City of San Jose		S											
		Environmental Partners Meeting	Environmental Partners Working Group		C			C				C		€	
4.	Explore and pursue diversified, sustainable and cost-effective water storage opportunities.	Sites Reservoir	WSDM Committee		C		C				C/R		C/R		
		Sisk Dam Raise Reservoir	WSDM Committee									R	C		
		Groundwater Banking Opportunities	WSDM Committee							C				C	
5.	Secure existing water supplies and water supply infrastructure.	Water Supply Master Plan				R		R							
		Urban Water Management Plan	WSDM Committee						C					C	R
		Delta Conveyance Project	WSDM Committee												
6.	Lead Purified Water Efforts with committed partners.	Potable Reuse Partnership with City of San Jose	RWC, JRWPAC	C	C / S	C			C		C / R	C	C	C	C / R
7.	Complete the Anderson Dam Seismic Retrofit Project.														
8.	Make water conservation a California way of life in Santa Clara County.	Water Conservation Program Updates	WSDM Committee		C		C					C			C
9.	Protect people and property from flooding in all regions of the County, by applying a comprehensive, integrated watershed management approach that balances environmental quality, environmental justice, sustainability, and cost.	Watershed Master Plans	Board Policy and Monitoring Committee											C	
		Stream Maintenance Program (SMP3) EIR											R		
10.	Plan and design projects with multiple benefits, including protecting ecosystem functions, enhancing habitat, and improving connectivity in all regions of the County.														

Board Meetings

- R = Regular
- S = Special
- C = Committee
- X = Closed

3-12-2026

Fiscal Year 2026 VALLEY WATER BOARD POLICY PLANNING CALENDAR

Fiscal Year 2026 Board Work Plan			Committee	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
11.	Protect creeks, bay, and other aquatic ecosystems from threats of pollution and degradation.	Review of WRPZ Ordinance Implementation	Environmental Creek Cleanup Committee							C					
12.	Complete and implement the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) agreement.	FAHCE Implementation Update	Stream Planning and Operations Committee					C			C			C	
		Project Site Visits	Stream Planning and Operations Committee											C	
13.	Protect waterways and facilities from encampment impacts while collaborating with community partners and supporting regional efforts to reduce homelessness.	Review of WRPZ Ordinance Implementation	Environmental Creek Cleanup Committee							C					
14.	Protect the safety of Valley Water staff, residential neighbors, and unsheltered individuals by working independently and in partnership with law enforcement agencies.	Review of WRPZ Ordinance Implementation	Environmental Creek Cleanup Committee							C					
15.	Address future impacts of extreme weather events to Valley Water's mission and operations.	Greenhouse Gas Reduction Plan	Board Policy and Monitoring Committee												R
16.	Maintain appropriate staffing levels and expertise, prioritize the safety of our staff, and build and sustain a collaborative working environment for all staff and partners while ensuring fair employment.														
17.	Provide affordable and cost-effective level of services.	Grant Status Update Reports		R		R		R		R		R		R	
		Annual Audit Workplan Approval	Board Audit Committee					C	R						
18.	Other Notable Policy and Board Actions	Legislative Proposals and Guiding Principles						R							

Items Regularly Monitored by Board		July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
1.	BAO Performance	X						X					
2.	BAO Compensation												X/R
3.	Board Expense Report	R			R			R			R		

Board Meetings

- R = Regular
- S = Special
- C = Committee
- X = Closed

3-12-2026