



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

Weeks of January 23, 2026 – February 5, 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>	Commercial, Industrial, and Institutional (CII) Water-Use Efficiency Audit Training for Water Agency Staff
<u>2</u>	Recurring Report on Personnel Vacancies
<u>3</u>	San Francisquito Creek Multi-Agency Coordination Tabletop Exercise 1/13/26
<u>4</u>	Water Rights Reports Submitted in Compliance with State Water Resources Control Board Deadline

1. Commercial, Industrial, and Institutional (CII) Water-Use Efficiency Audit Training for Water Agency Staff

In partnership with the California Water Efficiency Partnership (CalWEP) and Maddaus Water Management, Valley Water sponsored a two-day Commercial, Industrial, and Institutional (CII) Water-Use Efficiency Audit Training on September 3-4, 2025, in Sunnyvale. This was the first training of its kind held in Northern California. It was designed to support compliance with State water-use efficiency regulations while strengthening conservation outcomes in the CII sector.

The training supported retailer implementation of the *Making Conservation a California Way of Life* regulatory framework (Assembly Bill 1668/Senate Bill 606). Reporting for these requirements began in January 2025, and retailers may document their participation in this training for future reporting purposes. The training combined classroom instruction and hands-on field audits to teach the conservation staff of Valley Water and its water retailers in engaging effectively with CII customers. Topics included identifying high-return efficiency opportunities, improving leak detection, and evaluating the return on investment of CII efficiency projects. Throughout, strategies were explored for securing decision-maker buy-in to increase the likelihood of successful conservation outcomes.

A total of **23 participants** attended, including Valley Water staff and staff from Valley Water retailers. This effort aligns with Valley Water's Water Conservation Guiding Principles (Resolution No. 23-52) by supporting regional collaboration, building workforce capacity, and promoting cost-effective conservation in the CII sector.

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

2. Recurring Report on Personnel Vacancies

Valley Water strives to attract, develop, and retain a talented and diverse workforce. Our employees come from diverse cultural and professional backgrounds. Valley Water promotes high performance and equal employment opportunities.

Human Resources provides a monthly report on staffing levels and vacancies per the Board's request. The following information is effective as of December 31, 2025.

Valley Water Staffing Levels:

876 - Total Positions

835 - Number of positions filled

41 - Total Vacant Unpaused Position Codes

4.9% - Vacancy Factor

13 - Separations and/or Retirements in December 2025

Note - The agency had 921 positions and 45 are paused.

For further information, please contact Patrice McElroy at (408) 630-3159.

3. San Francisquito Creek Multi-Agency Coordination Tabletop Exercise 1/13/26

On January 13, 2026, Valley Water, in partnership with the City of Palo Alto, hosted the annual San Francisquito Creek Multi-Agency Coordination (SFC MAC) Tabletop Exercise in Palo Alto. The exercise provided a no-fault environment for SFC MAC members to discuss a challenging inclement weather scenario characterized by uncertain storm forecasts.

The scenario, developed using National Weather Service forecast information, presented a wide range of potential precipitation outcomes. This year, a new exercise format was introduced based on the participant feedback from prior exercises that significantly increased dialogue and interaction among participants throughout the exercise.

Following the tabletop exercise, a separate priority-setting session was conducted with Public Information Officers (PIOs) and senior municipal staff.

The exercise focused on the following core areas of emergency response:

- Public Information and Warning
- Inter-Jurisdictional Coordination

More than 60 representatives from the SFC MAC and supporting agencies participated in the exercise, which included:

- City of Palo Alto
- San Francisquito Creek Joint Powers Authority
- City of Menlo Park
- Menlo Park Fire Protection District
- City of East Palo Alto
- Valley Water

- Town of Portola Valley
- California Highway Patrol
- Stanford University
- Caltrans
- Santa Clara County
- National Weather Service
- San Mateo County

The exercise was a success, given the challenging weather scenario. Without high confidence in the forecast from the National Weather Service, agencies had to make planning and resource decisions under conditions of uncertainty but with a potential of significant flooding. Participants shared details between agencies on what information is critical, and what resources would be deployed to support the response. Public information strategies were discussed. Valley Water shared its expertise in regard to flood projections based on the weather forecast scenario, as well as updated projections when the actual precipitation occurred during the exercise. Details were also provided on how Valley Water continues to assess potential flood situations, and how its Emergency Operations Center would support the SFC MAC during a similar event.

Emergency exercises are a critical component of any agency's preparedness efforts. Best practices and areas of improvement are identified in these exercises and shared with the participating agencies. Valley Water uses these exercises to validate planning and training efforts for preparedness, and to find ways to improve our agency's capability to respond and support impacted jurisdictions during emergencies.

For further information, please contact Alexander Gordon at (408) 630-2637.

4. Water Rights Reports Submitted in Compliance with State Water Resources Control Board Deadline

As outlined in Title 23 of the California Code of Regulations, the State Water Resources Control Board requires annual reports for water rights permits, licenses, registrations, and stockpond certificates. Per Senate Bill (SB) 88 and SB 155, the deadline for submittal is February 1 and the reporting period reflects the prior water year. Valley Water complied with the deadline and submitted reports for 20 licenses, 10 certificates, and one permit covering water year 2024-25, which extends from October 1, 2024, to September 30, 2025. This was done using the State's newly- implemented CalWATRS (California Water Accounting, Tracking, and Reporting System) that went live in July 2025.

Valley Water worked collaboratively and prepared the data to finalize the water rights reports for the 17 licenses and one permit at Valley Water's surface water reservoirs and stream diversions, which allow for diverting up to 227,339 acre-feet (AF) of water yearly, if available. During water year 2024-25, Valley Water put 46,978 AF of local water to beneficial use. Valley Water submitted all 18 reports for reservoirs and diversions on January 28, 2026, i.e., four days before the statutory deadline.

As reported in the past, Valley Water acquired mitigation property at Upper Penitencia Creek and Rancho Cañada de Pala in December 2014 and December 2015, respectively. These properties collectively contain a total of 14 stockponds. On December 22, 2025, Valley Water submitted water rights reports for the three licenses and 10 certificates that cover all 14 stockponds. These stockponds had been allotted water rights totaling nearly 55 AF. The beneficial use in water year 2024-25 amounted to approximately 46 AF.

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For further information, please contact Greg Williams at (408) 630-2867.
