

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

Weeks of May 22, 2026 – June 4, 2026

Board Executive Limitation Policy EL-7:

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

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1. Third Quarter Fiscal Year 2025-2026 Financial Status Update

Valley Water's third quarter Fiscal Year 2025-26 closed on March 31, 2026. The third quarter financial status update presentation summarizes cash and investment balances, the debt portfolio and includes a comparison, and analysis, of the budget to actual status of revenues and expenditures for all funds as of March 31, 2026.

The presentation was provided to the Board Audit Committee on May 20, 2026 and has been submitted to the Clerk of the Board as a Non-Agenda item for your reference.

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

2. Updating the 100 Year FEMA Flood Plain Maps for the Lower Penitencia and Berryessa Watershed- Progress Update

A Letter of Map Revision (LOMR) application to revise the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps for the Lower Penitencia Creek and Berryessa Watershed was submitted to FEMA on May 22, 2026. This was prompted by the completion of flood protection projects on Lower Penitencia, Berryessa and Calera Creeks. The LOMR application was jointly filed by Valley Water, Santa Clara County, and the cities of Milpitas and San Jose. A LOMR is FEMA's vehicle for changing their Flood Insurance Rate Maps (FIRM). Parcels located within the 100 year floodplain on the FIRM are required to purchase flood insurance if they carry federally backed loans.

This LOMR will update the FEMA floodplain for areas that are now protected by the flood protection projects. The FIRM for areas upstream of the flood protection projects are also being updated to take advantage of the new and more accurate floodplain modeling. This new modeling directly accounts for the storage effects of the storm drain network, in addition to reflecting more recent terrain data, any new or modified bridges, and updates to land use. The new maps will replace the effective FEMA floodplain from the 1970s/1980s.

The new maps will remove an estimated 6100 parcels while adding an estimated 85 parcels to the effective 100 Year FEMA floodplain. Of the 6100 parcels removed, about 4500 parcels would have their structures removed. These 4500 parcels should be able to remove the requirement for holding flood insurance if they choose to do so. Of the 85 parcels added, it is estimated that only 5 would have structures added; the remaining 80 may be able to remove their structures from the insurance requirement with an “Out as Shown” designation, which is a straight-forward process. All counts are approximate until FEMA finalizes the FIRM.

The public outreach plan includes individualized letters sent to the 5 most affected property owners (these were sent on 5/26/2026), followed by the future development of an informational website and likely postcard mailing(s). This later outreach will be done during the FEMA review and appeals period, which is expected to have a duration of 1 to 1.5 years.

For further information, please contact John Bourgeois at (408)-630-2990.
