



BOARD OF DIRECTORS MEETING

MINUTES

**CLOSED SESSION AND REGULAR MEETING
TUESDAY, FEBRUARY 24, 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, John L. Varela, and Tony Estremera, Chairperson presiding, constituting a quorum of the Board. Director Rebecca Eisenberg arrived as noted below.

Staff members in attendance were Melanie Richardson, Interim Chief Executive Officer; Carlos Orellana, District Counsel; Candice Kwok-Smith, Clerk, Board of Directors: E. Aryee, L. Bankosh, M. Bilski, J. Bourgeois, R. Chan, J. Codianne, R. Gibson, C. Hakes, W. Ho, M. Lugo, R. McCarter, P. McElroy, T. Ndah, L. Penilla, D. Rocha, K. Struve, D. Taylor, and T. Yoke. Deputy Operating Officer Emmanuel Aryee represented Chief Operating Officer Aaron Baker.

Doug Cheshire, Carpenters Union Local 405, expressed concern about the Anderson Dam project and perceived questionable business practices of Barnard Construction Company.

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.

Director Eisenberg arrived.

- 2.1. CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL, PENDING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Amanda Aguirre, et al. v. Santa Clara Valley Water District
Santa Clara County Superior Court Case No. 23CV415312

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

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 Director Eisenberg, and took no reportable action.

Chairperson Estremera reported that, regarding Item 2.2, the Board met in Closed Session with all members participating, including Director Eisenberg, and took no reportable action.

3. 1:00 PM - TIME CERTAIN:

3.1. Pledge of Allegiance/National Anthem.

Chairperson Estremera led all present in reciting the Pledge of Allegiance.

Chairperson Estremera read the Board Meeting Decorum statement into the record, outlining the expectations for respectful and professional conduct during the proceedings.

Move to Approve:	Richard Santos
Second:	Nai Hsueh
Yeas:	Jim Beall, John L. Varela, Nai Hsueh, Rebecca Eisenberg, Richard Santos, Shiloh Ballard, Tony Estremera
Nays:	None
Abstains:	None
Recuses:	None
Absent:	None
Summary:	7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

The motion was carried by voice vote.

3.2. Orders of the Day.

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

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

Anonymous, of undisclosed residency, expressed concern about the use of fluoride in our drinking water and requested that the Board consider leaving the decision to consume fluoride to consumers.

Ken Hoag, of undisclosed residency, requested information regarding the use of fluoride in Santa Clara County and expressed concern regarding the current inoperability of Anderson Dam.

Darnell Ragsdale, Invoice Maps Representative, advocated for an Artificial Intelligence mapping program.

Fredrick D, of undisclosed residency, expressed concerns regarding the recent investigation surrounding Rick Callendar.

Katja Irvin, Loma Prieta Chapter, expressed concern regarding the arrival of Golden Mussels in the County, and requested a report regarding Golden Mussels at a Board meeting in the future.

3.4. Recognition of Director Tony Estremera for 30 Years of Service on the Santa Clara Valley Water District Board.

The Board formally recognized Chairperson Tony Estremera for 30 years of service on the Santa Clara Valley Water District Board of Directors. Mariam Ghallab, on behalf of Senator Dave Cortese, conveyed congratulations for his public service and presented him with a commemorative plaque. Grace Stetson, on behalf of Santa Clara County Supervisors Otto Lee and Betty Duong, recognized Chairperson Tony Estremera for his service, integrity, and leadership, and presented him with a commemorative plaque.

3.5. Approve Proposed Updates to the Change Control Process for the Safe, Clean Water and Natural Flood Protection Program.

Recommendation: Approve staff's proposed updates to the Change Control Process for the Safe, Clean Water and Natural Flood Protection Program.

Luz Penilla, Assistant Officer, reviewed the information on this Item, per the attached Board Agenda Memo, and the corresponding presentation materials contained in Attachment 6 were reviewed by staff as follows: Luz Penilla reviewed Slides 1 through 5, and Slides 8 through 14; Darin Taylor, Chief Financial Officer, reviewed Slides 6 through 7.

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

The motion was carried by a voice vote.

REGULAR AGENDA:

4. CONSENT CALENDAR: (4.1 - 4.7)

The Board considered Consent Calendar Items 4.1 through 4.7 under one motion.

- 4.1. Adopt a Resolution Adopting the Final Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program and Approve the Guadalupe Riverbank Stabilization Project: Malone Road and Blossom Hill Road, Under the Watersheds Asset Rehabilitation Program, Project No. 62084001 (San Jose, Districts 2 and 4).

- Recommendation:
- A. Consider the environmental effects of the Guadalupe Riverbank Stabilization Project: Malone Road and Blossom Hill Road as discussed in the Final Initial Study/Mitigated Negative Declaration;
 - B. Adopt the Resolution ADOPTING THE FINAL INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION AND THE MITIGATION MONITORING AND REPORTING PROGRAM FOR THE GUADALUPE RIVERBANK STABILIZATION PROJECT: MALONE ROAD AND BLOSSOM HILL ROAD; and
 - C. Approve the Project.

- 4.2. Adopt Recommended Positions on Federal Legislation: S. 3693 (Cortez Masto) - Large-Scale Water Recycling Program Reauthorization Act; H.R. 4593 (Fry) - Saving Homeowners from Overregulation With Exceptional Rinsing (SHOWER) Act; H.R. 6641 (Gray) - Central Valley Water Solution Act; H.R. 6984 (Menendez) - Data Center Transparency Act; H.R. 5566 (Carbajal) / S. 3590 (Blunt Rochester) - Water Infrastructure Resilience and Sustainability Act; And Other Legislation That May Require Consideration by the Board.

- Recommendation:
- A. Adopt a Position of "Support" on S. 3693 (Cortez Masto) - Large-Scale Water Recycling Program Reauthorization Act;
 - B. Adopt a Position of "Oppose" on H.R. 4593 (Fry) - Saving Homeowners from Overregulation With Exceptional Rinsing (SHOWER) Act;
 - C. Adopt a Position of "Support" on H.R. 6641 (Gray) - Central Valley Water Solution Act;
 - D. Adopt a Position of "Support" on H.R. 6984 (Menendez) - Data Center Transparency Act; and E. Adopt a Position of "Support" on H.R. 5566 (Carbajal) / S. 3590 (Blunt Rochester) - Water Infrastructure Resilience and Sustainability Act.

- 4.3. Authorize the Chief Executive Officer to Execute the Exclusive Negotiations Agreement Among Santa Clara Valley Water District, the City of San Jose, and the City of Santa Clara, for Real Property to Develop the Proposed Pure Water Silicon Valley Project.

- Recommendation: Authorize the Chief Executive Officer to execute the Exclusive Negotiations Agreement among Santa Clara

Valley Water District, the City of San Jose, and the City of Santa Clara, for Real Property to develop the proposed Pure Water Silicon Valley Project.

- 4.4. Approve the Board of Directors' Quarterly Expense Report for the Quarter Ending September 30, 2025.

Recommendation: A. Review the Board of Directors' Quarterly Expense Report for the quarter ending September 30, 2025; and
B. Approve the Report if the reimbursements comply with Board Policy.

- 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 South Babb Creek Flood Mitigation Project, Under the Watersheds Asset Rehabilitation Program, Granite Rock Company, Contractor, Project No. 62084001, Contract No. C0716 (San Jose, District 6).

Recommendation: A. Accept the work as complete on the South Babb Creek Flood Mitigation Project, under the Watersheds Asset Rehabilitation Program, Project No. 62084001, Contract No. C0716 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.

- 4.6. Accept the CEO Bulletin for the Weeks of February 6 - 19, 2026.

Recommendation: Accept the CEO Bulletin.

- 4.7. Approval of Minutes from January 27 and January 29, 2026.

Recommendation: Approve the minutes from January 27 and January 29, 2026.

Motion: Approve Consent Calendar Items 4.1 through 4.7, under one motion, as follows: Adopt Resolution 2026-13, ADOPTING THE FINAL INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION AND THE MITIGATION MONITORING AND REPORTING PROGRAM FOR THE GUADALUPE RIVERBANK STABILIZATION PROJECT: MALONE ROAD AND BLOSSOM HILL ROAD and approve the Project, by roll call vote, as contained in Item 4.1; adopt a position of "Support" on S. 3693 (Cortez Masto) - Large-Scale Water Recycling Program Reauthorization Act, adopt a position of "Oppose" on H.R. 4593 (Fry) - Saving Homeowners from Overregulation with Exceptional Rinsing (SHOWER) Act, adopt a position of "Support" on H.R. 6641 (Gray) - Central Valley Water Solution Act, adopt a position of "Support" on H.R. 6984 (Menendez) – Data Center Transparency Act, and adopt a position of "Support" on H.R. 5566 (Carbajal) / S. 3590 (Blunt Rochester) – Water Infrastructure Resilience and Sustainability Act, as contained in Item 4.2; authorize the Chief Executive Officer to execute the Exclusive

Negotiations Agreement among Santa Clara Valley Water District, the City of San Jose, and the City of Santa Clara, for Real Property to develop the proposed Pure Water Silicon Valley Project, as contained in Item 4.3; approve the Board of Directors' Quarterly Expense Report for the quarter ending September 30, 2025, as contained in Item 4.4; accept the work as complete on the South Babb Creek Flood Mitigation Project, under the Watersheds Asset Rehabilitation Program, Project No. 62084001, Contract No. C0716 as complete, and 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, as contained in Item 4.5; accept the CEO Bulletin for the Weeks of February 6 - 19, 2026, as contained in Item 4.6; and approve the minutes from January 27 and January 29, 2026, as contained in Item 4.7.

Move to Approve: John L. Varela
Second: Richard Santos
Yeas: Jim Beall, John L. Varela, Nai Hsueh, Rebecca Eisenberg, Richard Santos, Shiloh Ballard, Tony Estremera
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

The motion passed by roll call vote.

5. BOARD OF DIRECTORS:

- 5.1. Adopt a Resolution Appointing an Interim CEO and Authorizing the Associated Compensation.

Recommendation: Adopt the Resolution APPOINTING THE INTERIM CHIEF EXECUTIVE OFFICER, AN UNCLASSIFIED EMPLOYEE, APPOINTED BY THE BOARD OF DIRECTORS OF THE SANTA CLARA VALLEY WATER DISTRICT AND APPROVING THE COMPENSATION AMOUNT.

Patrice McElroy, Deputy Administrative Officer, reviewed the information on this Item, per the attached Board Agenda Memo.

Motion: Resolution No. 2026-12, APPOINTING THE INTERIM CHIEF EXECUTIVE OFFICER, AN UNCLASSIFIED EMPLOYEE, APPOINTED BY THE BOARD OF DIRECTORS OF THE SANTA CLARA VALLEY WATER DISTRICT AND APPROVING THE COMPENSATION AMOUNT.

Move to Adopt: John L. Varela
 Second: Richard Santos
 Yeas: Jim Beall, John L. Varela, Nai Hsueh, Rebecca Eisenberg,
 Richard Santos, Shiloh Ballard, Tony Estremera
 Nays: None
 Abstains: None
 Recuses: None
 Absent: None
 Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

Chris Robell, undisclosed residency, expressed concern regarding the compensation rate for the Interim Chief Executive Officer position and the impact on taxpayers.

The motion passed by roll call vote.

- 5.2. Receive the Semi-Annual Lobbyist Report and Annual Registration of Individuals Engaged in Compensated Lobbying Activities for the period July 1, 2025, through December 31, 2025.

Recommendation: Receive the Semi-Annual Lobbyist Report and Annual Registration of Individuals Engaged in Compensated Lobbying Activities for the period July 1, 2025, through December 31, 2025.

The Board received the information; no formal action was taken.

- 5.3. Board Committee Reports.

The Board reviewed the meeting summaries and agendas for the December 16, 2025, Recycled Water Committee; January 21, 2026, Board Audit Committee; and February 25, 2026, Recycled Water Committee meeting summaries and agendas contained in Handouts 5.3-A, 5.3-B, and 5.3-C, respectively, and no formal action was taken.

- 5.4. Consider the February 18, 2026, Board Audit Committee Recommendation to Initiate a Request-For-Proposal for a New Chief Audit Executive Agreement to Replace the Current Agreement Which Expires on November 22, 2026.

Recommendation: Consider recommendations resulting from the February 18, 2026, Board Audit Committee meeting to:

- A. Initiate a Request-For-Proposal for a new Chief Audit Executive agreement to replace the current agreement, which expires on November 22, 2026; and
- B. Provide feedback and recommendations to staff as necessary.

Darin Taylor reviewed the information on this Item, per the attached Board Agenda Memo.

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

The motion was carried by a voice vote.

- 5.5. Consider the January 21, 2026, Board Audit Committee Recommendation to Accept the Water Conservation Program Performance Audit Final Report with Management Responses.

Recommendation: Consider recommendations resulting from the January 21, 2026, Board Audit Committee meeting to:
A. Accept the 2025 Water Conservation Program Performance Audit Report with Management Response; and
B. Provide feedback and recommendations to staff as necessary.

Darin Taylor reviewed the information on this Item, per the attached Board Agenda Memo, and Tammy Lohr-Schweitzer, Performance Audit Senior at Baker Tilly, reviewed the information contained in Attachment 2.

Chris Robbell expressed concern regarding the costs associated with the committee recommendation.

Move to Accept: Jim Beall
Second: Shiloh Ballard
Yeas: Jim Beall, John L. Varela, Nai Hsueh, Rebecca Eisenberg,
Richard Santos, Shiloh Ballard, Tony Estremera
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

The motion was carried by a voice vote.

6. WATER UTILITY ENTERPRISE:

- 6.1. Receive Report of Bids, Ratify Addenda, Approve the Contingency Fund, and Award the Construction Contract to J.F. Shea Construction, Inc., for the Almaden Valley Pipeline Replacement Project - Phase 1, Project No. 92304001, Contract No. C0714, in the Sum of \$77,875,209 (San Jose, Unincorporated Santa Clara County; Districts 1, and 7).

- Recommendation:
- A. Ratify Addenda No(s). 1, 2, 3, 4, 5, and 6 to the Contract Documents for the Almaden Valley Pipeline Replacement Project - Phase 1;
 - B. Award the Construction Contract to J.F. Shea Construction, Inc., located in Walnut, CA, in the sum of \$77,875,209; and
 - C. Approve a contingency sum of \$11,681,281 and authorize the Chief Executive Officer or designee to approve individual change orders up to the designated amount.

Emmanuel Aryee, Acting Chief Operating Officer, reviewed the information on this Item, per the attached Board Agenda Memo.

Move to Approve: Nai Hsueh
Second: Rebecca Eisenberg
Yeas: Jim Beall, John L. Varela, Nai Hsueh, Rebecca Eisenberg, Richard Santos, Shiloh Ballard, Tony Estremera
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

The motion was carried by a voice vote.

7. WATERSHEDS:

None.

8. ASSISTANT CHIEF EXECUTIVE OFFICER:

None.

9. EXTERNAL AFFAIRS:

None.

10. CHIEF EXECUTIVE OFFICER:

- 10.1. Receive and Approve the Mid-Year Operating and Capital Budget Adjustments to the Fiscal Year 2025-26 Rolling Biennial Adopted Budget.

Recommendation: Approve the Mid-Year Operating and Capital Budget Adjustments to the Fiscal Year 2025-26 Rolling Biennial Adopted Budget.

Enrique DeAnda, Budget Manager, reviewed the information on this Item, per the attached Board Agenda Memo.

Move to Approve: John L. Varela
Second: Shiloh Ballard
Yeas: Jim Beall, John L. Varela, Nai Hsueh, Rebecca Eisenberg,
Richard Santos, Shiloh Ballard, Tony Estremera
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

The motion was carried by a voice vote.

10.2. CEO and Chiefs' Reports.

Darin Taylor reviewed the attached Grants Bi-Monthly Update, identified as Handout 10.1-A; Chris Hakes, Chief Operating Officer reviewed the attached Storm Report, identified as Handout 10.1-B, respectively herein. Tina Yoke, Chief Operating Officer, verbally reported on recent Ability Awareness and Benefits and Wellness events, and Rachael Gibson, Chief of External Affairs, verbally reported on recent Office of Communication events.

Copies of the Handouts were distributed to the Board and made available to the public. The Board reviewed the information; no formal action was taken .

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.

Candice Kwok-Smith, Clerk, Board of Directors, confirmed that there were no updates to the Board Policy Planning Calendar. The Board reviewed the information; no formal action was taken.

14. BOARD MEMBER REPORTS/ANNOUNCEMENTS:

Director Varela reported attending an Association of California Water Agencies (ACWA) Region 5, Foundation, and Board meetings; a San Luis Delta-Mendota Water Authority (SLDMWA) meeting; and a Santa Clara County Farm Bureau meeting.

Director Hsueh reported attending a Delta Conveyance Finance meeting, an Ad-Hoc Committee meeting, a Special Santa Clara Valley Water District (SCVWD) Meeting, and various meetings with staff.

Director Ballard reported attending the aforementioned Ad Hoc Committee and Special SCVWD meetings; a Water Supply and Demand Management (WSDM) Committee meeting; a Delta Conveyance Authority Board Meeting; and a D2 Ripple meeting.

Director Santos reported attending the aforementioned WSDM Committee meeting and various meetings with staff.

Director Eisenberg reported various meetings with constituents.

Director Beall reported attending the aforementioned SLDMWA Board meeting, a Board Audit Committee (BAC) meeting, the American Society of Civil Engineers Week High School Day event, an Upper Guadalupe Public Meeting, and various meetings with staff.

Chairperson Estremera reported attending the aforementioned Ad Hoc and BAC Committee meetings, and various meetings with staff.

15. CLERK REVIEW AND CLARIFICATION OF BOARD REQUESTS:

None.

16. ADJOURN:

- 16.1. Chairperson Estremera adjourned the meeting at 3:10 p.m. The Board will convene for the next Regular Meeting at 1:00 p.m. on Tuesday, March 10, 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: March 24, 2026