

CEO BULLETIN



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

Weeks of July 4, 2025 – July 17, 2025

Board Executive Limitation Policy EL-7:

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

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1. 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, diversity, and equal employment opportunities.

Human Resources provides a monthly report on staffing levels and vacancies per the Board's request. The following is the information as of June 30, 2025.

Valley Water Staffing Levels:

876 - Total Positions
840 - Number of positions filled
36 - Total Vacant Unpaused Position Codes
4% - Vacancy Factor
1 - Separations

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

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

2. Safe, Clean Water Mini-Grant Closeout: Chopsticks Alley Art Inc.'s Educational Programming Using Art as a Communication Tool for the Pan-Asian Community (Project)

In Fiscal Year 2025, Valley Water awarded Chopsticks Alley Art Inc. (Grantee) a \$10,000 Safe, Clean Water Program F9 Mini-Grant for their Educational Programming Using Art as a Communication Tool for the Pan-Asian Community (Project). The grantee completed the Project on February 28, 2025, and submitted the final invoice items in April 2025, allowing for grant closeout.

Chopsticks Alley Art Inc. is an arts-based nonprofit organization focused on celebrating Southeast Asian cultural heritage. Grant funds were used to host a free month-long arts program at Olinder Community Center in San José, which targeted the Pan-Asian community, specifically working with multi-generational and low-income families. The Project provided weekly educational lessons that engaged participants through hands-on art activities and focused on environmental stewardship, water conservation, and pollution prevention. The four no-cost lesson plans offered three languages including English, Spanish, and Vietnamese. The Grantee conducted surveys to gather feedback to develop an impact report highlighting lessons learned and Project success.

Key Outcomes:

- Engaged over 134 participants in meaningful, hands-on art activities that emphasized environmental themes.
- Reached a broad age demographic, including youth, adults, seniors, and differently abled participants, fostering an inclusive learning environment.
- Collaborated with Valley Water to develop informational materials that accompanied each class, providing actionable tips for conserving water and protecting local waterways.
- Expanded Valley Water's reach within the community by engaging new audiences and creating broader awareness about water environmental stewardship.
- Received positive feedback from participants.

For further information, please contact Rachael Gibson at (408) 630-2844.

3. Safe, Clean Water Mini-Grant Closeout: Compasspoint Mentorship's Hellyer County Park Mural - Northern Restroom (Project)

In Fiscal Year 2024, Valley Water awarded Compasspoint Mentorship (Grantee) a \$5,000 Safe, Clean Water Program F9 Mini-Grant for their Hellyer County Park Mural – Northern Restroom (Project). The grantee completed the Project on August 4, 2024, and submitted the final invoice items on October 15, 2024, allowing for grant closeout.

Compasspoint Mentorship is a 501(c)(3) non-profit organization that provides summer camp programs in Alviso and at Santa Clara University. The organization also focuses on public art initiatives and has installed murals in various parks throughout Santa Clara County. The mini-grant funded the installation of a mural on a restroom wall in the Velodrome area at Hellyer County Park in San Jose. The mural was designed by artists Xiangfei (Simon) Bai and Dongzhu Li with input from the local community. The grantee collaborated with the Santa Clara County Parks & Recreation Department to secure permits and finalize the scope for the Project. The mural helps beautify the park and educate parkgoers by displaying elements of local flora and fauna. The Project included a one-week long youth camp that incorporated activities like mural painting, trash cleanups, and discussions around environmental stewardship and water conservation. The grantee held a ribbon-cutting ceremony on August 4, 2024 to unveil the newly installed mural.

Key Outcomes:

- Engaged over 25 students in the mural planning, design, and installation.
- Installed one mural that features local flora and fauna to educate parkgoers on the local ecosystems.
- Hosted a ribbon-cutting ceremony with approximately 12 participants with attendees from the Santa Clara County Parks & Recreation Department.

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

4. Third Quarter Fiscal Year 2024-25 Financial Status Update

Valley Water's third quarter Fiscal Year 2024-25 closed on March 31, 2025. 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, 2025.

The presentation was provided to the Board Audit Committee on June 17, 2025 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.

5. Estremera

**Staff to prepare a letter for the Chair's signature to CCWD Board Expressing Interest in Partnerships on Water Storage
R-25-0006**

The letter from Chair Tony Estremera to Contra Costa Water District President Ernesto Avila expressing interest in partnering on water storage opportunities dated July 2, 2025, was out via email and postal mail on July 2, 2025.

The response for R-25-0006 is included in the Board's non-agenda package on July 11, 2025.

For further information, please contact Marta Lugo at (408) 630-2884.

6. Ballard

**At the 6/24/25 board meeting Director Ballard requested policies that help guide Valley Water's overall process to determine rates.
R-25-0008**

Resolution 99-21 (otherwise known as the Water Utility Taxing and Pricing Policy) is the key Board policy document that guides Valley Water's water rate structure. Key provisions of the Pricing Policy include:

1. The general approach is to charge recipients for the benefits received
2. Implementation of the pooling concept, which means that water sources and water facilities contribute common benefit to users within a zone regardless of cost
3. Implementation of the water resources management concept, which means that a key objective of taxing and pricing structures is to achieve effective utilization of water resources
4. Ability to create new zones of benefit or superimpose a new zone over existing zones
5. Ability to implement specific charges for specific benefits
6. Ability to implement incentives/subsidies to optimize available resources
7. The Agricultural Charge is limited to 10% of the M&I charge in a given zone.

A copy of Resolution 99-21 is included in the non-agenda packet for July 11, 2025.

On a related note, on July 13, 2021, the Board approved implementation of a Low-income Residential Water Rate Assistance Program that would provide \$1 million per year in funding, in response to the Board's earlier direction to research potential options in which Valley Water could assist low-income residential households in Santa Clara County negatively impacted by the COVID-19 pandemic with paying their water bill. The proposal included working with a non-profit organization to develop and implement a Low-income Residential Water Rate Assistance Program (WRAP). The WRAP focused on low-income households, with criteria for income eligibility developed by the non-profit organization in consultation with Valley Water. Valley Water partnered with Sacred Heart Community Service (SHCS) to administer the WRAP, which was in place until December 31, 2024, when the contract expired. However, with increasing water rates and continued inflation, there is still a community need for financial assistance to assist residents of Santa Clara County with paying their water bills. Consequently, as part of the Fiscal Year 2026 budget process, the Board approved funding so that Valley Water can continue to administer the WRAP program with approximately \$1 million per year for community relief funding, and up to \$333,333 per year for program development, implementation, and administration costs.

For further information, please contact Darin Taylor at (408) 630-2884.
