CEO BULLETIN

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

Weeks of June 20, 2025 – July 3, 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. Drought emergency well permitting requirements rescinded

In March 2022, California Governor Gavin Newsom signed Executive Order N-7-22 in response to the existing extreme drought conditions. Executive Order N-7-22 prohibited well permitting agencies from issuing permits for the construction or alteration of water supply wells unless it could be demonstrated that the proposed work would not interfere with water production from existing nearby wells or create land subsidence that may damage nearby infrastructure.

The requirements of Executive Order N-7-22 were extended in February 2023 by Executive Order N-3-23. This Executive Order included an exemption for wells acquired by eminent domain or under threat of condemnation, provided the new wells would produce an equivalent quantity of water as the wells being replaced.

In the most recent Executive Order specific to the approval of new wells or the alteration of an existing well, Governor Newsom issued Executive Order N-3-24 in September 2024 proclaiming that the State of Emergency due to drought no longer exists in the County of Santa Clara.

This Executive Order rescinds the previous Executive Orders N-7-22 and N-3-23. In accordance with this proclamation, Valley Water no longer requires compliance with the provisions of the now expired Executive Order N-7-22 and Executive Order N-3-23. The permit application no longer requires a State certified hydrogeological analysis of well interference and subsidence. Valley Water's Wells and Water Use Measurement Unit has updated its compliance process for well permit applicants.

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

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2. New Report and Fact Sheet: Groundwater Response to Tides, Seawater Intrusion, and Sea-Level Rise in Santa Clara County

Valley Water conducted a multi-year study on groundwater in the Santa Clara Subbasin adjacent to the southern San Francisco Bay to advance understanding of the impacts from tides, seawater intrusion, and sea-level rise on groundwater rise and emergence at land surface.

The report provides an overview for the public and policymakers, as well as relevant technical details for practitioners in groundwater science, engineering, and management. The report includes major advances in the hydrogeologic conceptual model of the Santa Clara Subbasin shallow aquifer system near the Bay.

Valley Water has notified interested stakeholders of the report and accompanying fact sheet, which are available on Valley Water's Groundwater Studies page:
https://www.valleywater.org/your-water/groundwater/groundwater-studies

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

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3. Safe, Clean Water Refill Station Grant Closeout: MHOSC, LLC's Valley Water Refill Station Project – Morgan Hill Outdoor Sports Center

In Fiscal Year 2025, Valley Water awarded the Morgan Hill Outdoor Sports Center (MHOSC), LLC, a $5,000 Safe, Clean Water Program F9 Refill Station Grant for their Valley Water Refill Station Project (Project) at the Morgan Hill Outdoor Sports Center. MHOSC completed the Project and submitted the final invoice items on April 3, 2025, allowing for grant closeout.

The Morgan Hill Outdoor Sports Center (MHOSC) is a 25-acre multi-sport facility that hosts youth and adult sports tournaments, city events, and community programs. The Grantee installed a new public water bottle refill station to enhance hydration access for thousands of community members and athletes who visit the facility year-round. The refill station was installed on the eastern side of the property, offering a convenient option in an area previously underserved with drinking water infrastructure.

Key Outcomes:

- Installed one new refill station in a high-traffic area of the facility, serving over 10,000 users annually.
- Served approximately 5,000 people in the first month after installation.
- Provides clean drinking water access to over 1,000 youth athletes participating in soccer, rugby, lacrosse, and football leagues.

- Improved drinking water accessibility for community members by eliminating the need to walk across the facility for water.

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

4. Safe, Clean Water Refill Station Grant Closeout: Morgan Hill Unified School District's Valley Water Refill Station Project – Ann Sobrato High School

In Fiscal Year 2023, Valley Water awarded Morgan Hill Unified School District (MHUSD) a $5,000 Safe, Clean Water Program F9 Refill Station Grant for their Valley Water Refill Station Project – Ann Sobrato High School (Project). MHUSD completed the Project on December 18, 2024, and submitted the final invoice items, allowing for grant closeout.

Ann Sobrato High School, located in Morgan Hill and part of the Morgan Hill Unified School District, serves over 1,500 students in grades 9 through 12. The refill station was installed near one of the school's frequently used restrooms and increased drinking water accessibility for school-aged students.

Key Outcomes:
- Strategically installed a refill station in a high-traffic area frequented by students and visitors.
- Increased student accessibility to clean drinking water for 1,500 students.
- Encouraged the use of reusable bottles and reduced reliance on plastic bottles.

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

5. Safe, Clean Water Refill Station Grant Closeout: Morgan Hill Unified School District's Valley Water Refill Station Project – San Martin/Gwinn Elementary School

In Fiscal Year 2023, Valley Water awarded Morgan Hill Unified School District (MHUSD) a $5,000 Safe, Clean Water Program F9 Refill Station Grant for their Valley Water Refill Station Project – San Martin/Gwinn Elementary School (Project). MHUSD completed the Project and submitted the final invoice items on January 2, 2025, allowing for grant closeout.

With funding from the Safe, Clean Water Program, MHUSD installed a new water refill station to improve drinking water accessibility at San Martin/Gwinn Elementary School. Previously, the campus had only one water bottle refilling station. The new station was strategically located near the administrative office, a convenient and high-traffic area where many students gathered. This placement was chosen to maximize visibility and ensure that the station is easily accessible to the majority of campus visitors.

Key Outcomes:
- Improved access to healthy drinking water for over 680 Kindergarten through 8th-grade students.
    - Approximately 380 students (55%) qualify as socioeconomically disadvantaged students.
- Reduced the use of single-use plastics and supported broader environmental goals.

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

6. Safe, Clean Water Refill Station Grant Closeout: Silicon Valley Academy Project's Valley Water Refill Station

In Fiscal Year 2024, Valley Water awarded Silicon Valley Academy Project (SVA) a $5,000 Safe, Clean Water Program F9 Refill Station Grant for their Valley Water Refill Station Project (Project) in SVA's gymnasium. SVA completed the Project and submitted the final invoice items on April 16, 2025, allowing for grant closeout.

Silicon Valley Academy is a Pre-K through 9th grade school in Sunnyvale which also serves the community through shared facility use with St. Cyprian Parish. The Project improved access by installing a refill station by the gymnasium, where it would be easily accessible to students, staff, parishioners, and the basketball leagues that use the facilities. The refill station reduced the need for disposable cups and reduced slip hazards for students who frequently spilled water when refilling their bottles using the standard water fountain.

Key Outcomes:

- Installed the first-ever water bottle refill station at Silicon Valley Academy.
- Improved drinking water access for approximately 215 students.
- Saved over 500 plastic bottles within two months of installation.

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

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7. Update on the rehabilitation of the Sunnyoaks Percolation Pond and work with the City of Campbell and the Santa Clara County Fire Department

Valley Water continues to proactively respond to PFAS (per- and polyfluoroalkyl substances, often called forever chemicals), a large group of persistent chemicals widely used in consumer and industrial products. While no widespread water supply impacts have been identified, some water retailer wells are affected.

In December 2024, Santa Clara County Fire Department (SCCFD) provided results of PFAS levels in chip samples collected at the Sunnyoaks Fire Station and McCormack Training Center located at 485 W. Sunnyoaks Avenue, Campbell. Results revealed that PFAS is present within the tower materials and surrounding pavement at levels up to 360 µg/kg, which indicates the tower and adjacent area are likely contributing as a source to runoff waters after storm events and/or fire training wet operations (https://geotracker.waterboards.ca.gov). All fire training and wet-operation activities have ceased at the site so that fire training operations are not contributing runoff to Valley Water's Sunnyoaks Recharge Pond 1 (Pond 1).

In February 2025, the San Francisco Bay Regional Water Quality Control Board (Water Board) requested that SCCFD submit: (1) a completion report for stormwater sampling, to determine if significant rain events can cause similar PFAS discharges as were identified in the simulated runoff sampling event, and identify runoff pathways from the source property; and (2) a workplan to further investigate presence and magnitude of PFAS in soil and groundwater at the Sunnyoaks Fire Station and McCormack Training Center Facility. As of April 30, 2025, the SCCFD submitted a Monitoring Well Installation Work Plan and plans to submit the stormwater sampling completion report for the next wet season.

On June 2, 2025, Valley Water met with multiple stakeholders including staff and legal counsel from SCCFD, City of Campbell, the County, external legal counsel, and technical consultants to discuss next steps and actions to address PFAS sources and resulting runoff to Pond 1. SCCFD has ceased all fire training and wet operation activities, and no water is being applied to the site. They are exploring different options to address the tower and adjacent pavement as PFAS sources and PFAS-laden runoff to ensure PFAS do not enter Pond 1. SCCFD requires a few months to develop a cost/benefit analysis to select the best remedial option(s), which may include tower demolition and decontamination, capturing and treating water and engineering/grading the surface, or encapsulation of the tower with an epoxy/resin coating and removing asphalt sources. SCCFD next steps include further soil and groundwater investigation at the site, but do not intend to profile sediments in Pond 1. Valley Water highlighted the importance of implementing actions before the next rainy season and which need to be initiated to avoid terminating the discharge permit.

Valley Water is developing a work plan to sample sediment profiles for PFAS beneath Pond 1 to better characterize any PFAS distribution or sources. Valley Water will reach out to SCCFD monthly for updates on selected actions for source mitigation and timing of implementation. Valley Water continues to collaborate with SCCFD, the City of Campbell, and the Water Board to ensure fire training operations are not introducing contaminants into groundwater. Valley Water continues to explore the threat posed by PFAS and will keep the Board updated.

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

8. Valley Water's Water Quality Lab demonstrates excellent performance in State Regulatory Audit

As part of our ongoing commitment to regulatory excellence, the Water Quality Laboratory recently underwent a comprehensive audit to maintain accreditation under the California Environmental Laboratory Accreditation Program (ELAP). Conducted by the International Accreditation Service, Inc. on May 7 and 8, 2025, the audit encompassed both the main laboratory and the satellite facility at the Advanced Water Purification Center.

This rigorous review assessed our compliance with the updated ELAP standards, now aligned with the National Environmental Laboratory Accreditation Conference (NELAC) Institute (TNI) requirements. These enhanced standards demand elevated levels of quality control, record-keeping, and staff training to ensure consistently high performance in laboratory operations.

Over the course of two days, auditors conducted a detailed evaluation of key operational areas, including document control, instrument performance, analyst competency, record retention, chemical traceability, blind quality control testing, and the overall quality management system. The auditors commended our team for their strong regulatory knowledge and the implementation of a robust quality system. Highlights of their findings included:

- Meticulous maintenance of over 750 well-defined and actively managed controlled documents
- Exceptional chemical traceability supported by detailed, well-maintained record-keeping systems
- Robust and responsive corrective action and change management systems
- A rigorous, data-driven management review process that drives continuous improvement and operational excellence

The audit also included staff interviews, observation of laboratory practices, and a review of hundreds of records. Only one minor opportunity for process improvement was identified, relating to sample handling procedures. The laboratory team is proactively addressing this with an updated process and additional training and will submit the action plan to the assessors for review.

Successfully completing this audit, along with passing the annual proficiency testing, are key steps toward renewing our laboratory's accreditation.

Additionally, the audit reviewed the laboratory's new capability to test for eight nitrosamine compounds – emerging contaminants expected to be regulated by the State Water Resources Control Board starting Fall 2025. With these capabilities added to our accreditation, Valley Water is well-positioned to deliver timely, high-quality data in support of operational decisions and our mission to provide safe, clean water to the communities we serve.

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