

7. WATERSHEDS:

None.

8. ASSISTANT CHIEF EXECUTIVE OFFICER:**8.1. Receive an Update on the Pacheco Reservoir Expansion Project, Project No. 91954002 (Santa Clara County, District 1; Merced County).**

Recommendation: A. Receive an update on the Pacheco Reservoir Expansion Project, and B. Provide direction to staff and authorize the Interim Chief Executive Officer to take all actions necessary to implement the Board's direction.

Melanie Richardson, Interim Chief Executive Officer, reviewed the information on this item, per the attached Board Agenda Memo, and the corresponding presentation materials contained in Supplemental Attachment 1 were reviewed by staff as follows: Melanie Richardson, Interim Chief Executive Officer, reviewed Slides 1 through 2 and Slide 12; Rita Chan, Assistant Chief Executive Officer, reviewed Slides 3 through 4; Ryan McCarter, Deputy Operating Officer, reviewed Slides 5 through 7; Darin Taylor, Chief Financial Officer, reviewed Slide 8; and Aaron Baker, Chief Operating Officer, reviewed Slides 9 through 11.

4 statements expressing opposition for the continuation of the Pacheco Dam Project were received from: David Kennedy, San Jose resident; Katja Irvin, Sierra Club Loma Prieta Chapter; J.P. Galvin, Save Mount Diablo; and Shani Kleinhaus, Santa Clara Valley Bird Alliance.

Peter Van Dyke, Loma Prieta Resource Conservation District, requested that the Board consider the impact of the Project closure on agricultural water rates and to add that topic to the next Agricultural Water Advisory Committee agenda.

Motion:

A. That Valley Water suspend all its current efforts in the development of the Pacheco Reservoir Expansion Project (Project);
B. Direct the Interim CEO to take the necessary steps, including coordination with the California Water Commission as needed, to withdraw Valley Water's Proposition 1 Water Storage Investment Program (WSIP) application for the Project;
C. Direct the Interim CEO to develop a project closure plan and return to the Board at a later time to provide an update and seek the Board's input as needed on the key project closure elements, including but not limited to: fulfillment of contractual and other obligations, collection of project deliverables and communications, and notification to applicable regulatory agencies and funding partners of project suspension; and
D. Direct the Interim CEO to take the necessary steps to document and preserve all project records and work product to facilitate development of future projects.
E. Return to the Board in the future with new in-county water storage opportunities.

Move to Approve:

Tony Estremera

Second:

Rebecca Eisenberg

Yea:

Shiloh Ballard, Rebecca Eisenberg, Tony Estremera, Richard Santos, John L. Varela, Nai Hsueh

Nays:

None

Abstains:

None

Recuses: None
Absent: Jim Beall
Summary: 6 Yeas; 0 Nays; 0 Abstains; 1 Absent.

The Yeas have it, and the motion passed.

9. EXTERNAL AFFAIRS:

None.

10. CHIEF EXECUTIVE OFFICER:

10.1. CEO and Chiefs' Reports.

Rachael Gibson, Chief of External Affairs, reviewed the attached Communications Summary, identified as Handout 10.1-A herein. Copies of the Handouts were distributed to the Board and made available to the public.

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.

The Board noted the information without formal action.

Katja Irvin, Sierra Club Loma Prieta Chapter, requested that the Board add discussion of the Pacheco Projects closure and new in-county water storage opportunities to the Board Policy Planning Calendar.

14. BOARD MEMBER REPORTS/ANNOUNCEMENTS:

Director Ballard reported attending Board Audit Committee (BAC), Youth Commission (YC), and WSDMC Committee meetings; a meeting with a representative from the Sierra Club, a meeting with a representative from Microsoft Corporation, a Rotary Club of San Jose Meeting, and the San Jose Chamber of Commerce Annual Barbecue; and various meetings with staff.

Director Eisenberg reported meeting with constituents.

Director Hsueh reported attending the aforementioned YC, WSDMC, and CIP Committee meetings; the Special Joint Meeting with the City of San Jose; and various meetings with staff.

Vice Chair Santos reported attending the aforementioned Special Joint Meeting with the City of San Jose; a Silicon Valley Advanced Water Purification Center tour with District 2 San Jose City Councilmember Pamela Campos; and various meetings with staff.