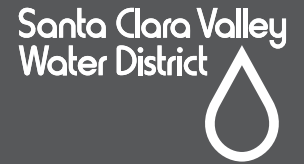




# Quarterly Performance Report

## 2ND QUARTER OF FISCAL YEAR 2010-11



JULY - DECEMBER 2010



### BY THE NUMBERS

**32,000 acre-feet** of groundwater was recharged.

**96 percent** of respondents to the SMP surveys consider the completed project a "benefit" to their neighborhood.

**84,000 acre-feet** of water was imported.

**157 miles** of vegetation were managed during the SMP season.

**2,838 linear feet** of stream bank was protected during the SMP season.

**55,114 lab tests** were performed by our water quality lab.

### Q2 REVENUE BY FUND

(\$ in Millions)	YTD Dec 11	FY11 Adj Budget	RECVD	COMMENTS
General Fund <sup>AC</sup>	\$2.6	\$6.2	50%	Potential property tax shortfall
Benefit Assessment Funds <sup>A</sup>	\$0.0	\$19.1	0%	On track
Stream Stewardship <sup>AC</sup>	\$27.7	\$67.0	41%	Potential property tax shortfall
Clean, Safe Creeks <sup>A</sup>	\$2.0	\$41.0	5%	On track
Water Utility <sup>BC</sup>	\$81.9	\$169.5	48%	Potential property tax shortfall
<b>TOTAL</b>	<b>\$114.1</b>	<b>\$301.9</b>	<b>38%</b>	

<sup>A</sup> Revenues will be received later as taxes and are collected in December and April.  
<sup>B</sup> Water Utility revenue shortfall projections based on September actual for treated water and August actual for groundwater are between \$4 million and \$14 million.  
<sup>C</sup> Projecting a districtwide shortfall of approximately \$1.8 million in 1% Ad Valorem property taxes.

### Q2 OPERATIONS & OPERATING PROJECT COSTS BY FUND

(\$ in Millions)	YTD <sup>D</sup> Dec 11	FY11 Adj Budget	RECVD	COMMENTS
General Fund	\$21.4	\$44.9	48%	On track
Service Funds	\$4.1	\$9.4	43%	On track
Stream Stewardship	\$21.6	\$41.5	52%	On track
Clean, Safe Creeks	\$2.7	\$7.3	37%	On track
Water Utility	\$62.7	\$127.5	49%	On track
<b>TOTAL</b>	<b>\$112.5</b>	<b>\$230.6</b>	<b>49%</b>	

<sup>D</sup> Budget basis actuals (includes encumbrances)

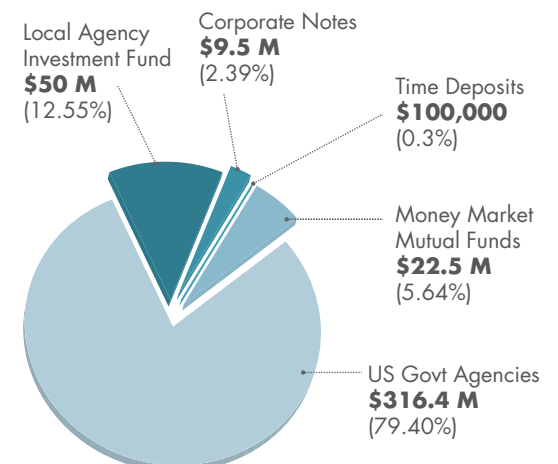
### CUSTOMER FEEDBACK

“ We wanted to thank you for your quick response, professional and courteous handling of this matter and excellent follow-up. There are many ways to do one’s job. You obviously care about yours and about the wildlife and communities you serve. ”

Resident, Los Gatos, CA

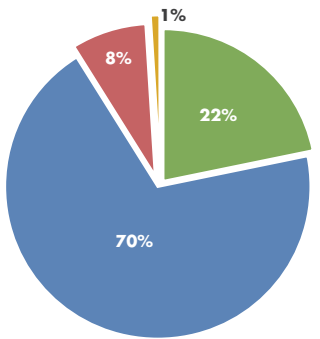
### TOTAL PORTFOLIO BOOK VALUE

Portfolio book value as of 12/31/10: **\$398.5 M**



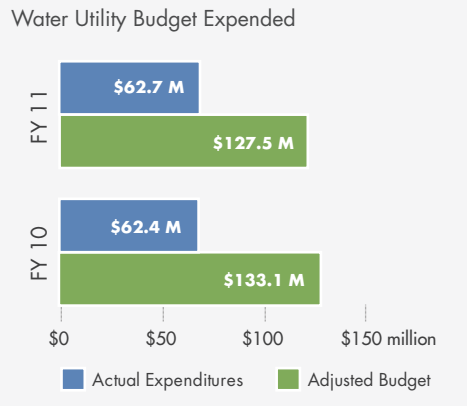
# Water Utility Enterprise Performance Report

## TOTAL MILESTONES



- % Complete and completed on time
- % Not complete but on schedule
- % Not complete and behind schedule
- Not applicable

## BUDGET



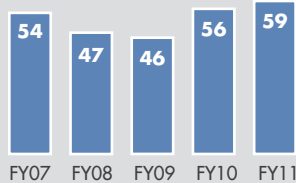
## CAPITAL PROJECTS UPDATE

- 1 East Pipeline Rehabilitation Project from Ocala Avenue Line Valve to the Aborn Avenue Line Valve: substantial completion (construction contract \$445,000)
- 2 Santa Clara Conduit Reach 3 Rehabilitation Project: completed design and awarded the construction contract (\$323,489)
- 3 Almaden Valley Pipeline Repair at Alamos Creek Project: completed design and awarded the construction contract (\$321,250)



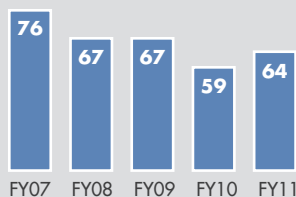
## GROUNDWATER RECHARGED

YEAR TO DATE - IN 1,000 ACRE-FEET



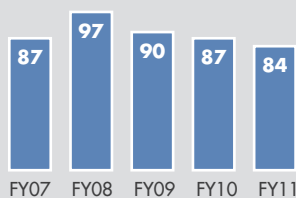
## TREATED WATER DELIVERED

YEAR TO DATE - IN 1,000 ACRE-FEET



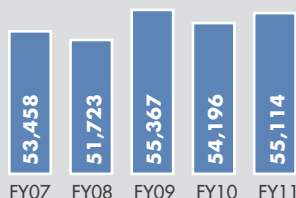
## WATER IMPORTED

YEAR TO DATE - IN 1,000 ACRE-FEET



## LAB TESTS PERFORMED

YEAR TO DATE



## ACCOMPLISHMENT

The District was selected as the winner of the California Sustainability Alliance's 2010 Sustainability Showcase Award for water agencies. This award highlighted the District's efforts in water use efficiency, including water recycling and water conservation.

## WATER UTILITY ENTERPRISE KEY PERFORMANCE INDICATORS

### 2.1 Current and future water supply for municipalities, industries, agriculture and the environment is reliable.

- ▶ Manage water from actual annual supply and available reserves to meet current-year demands and demands in subsequent year that is a repeat of the single driest year of record (1977). **M. DUFFY, ON TRACK**
- ▶ Meet DSOD and FERC requirements for seismic stability evaluations of District dams by completing Anderson evaluation by May 2011. **F. MAITSKI, ON TRACK**
- ▶ Complete the Dam Maintenance EIR by June 30, 2011. **F. MAITSKI, ON TRACK**
- ▶ Complete the budgeted activities that will keep recycled water use with 17,500 AF on track to meet the 5 percent target compared to overall water use in Santa Clara County. **S. OBLONSKY, ON TRACK**
- ▶ Estimated water savings (reduction in demand) of 52,500 AF through conservation measures on track to meet our Urban Water Management Plan projections. **M. DUFFY, ON TRACK**

### 2.2 Raw water transmission and distribution assets are managed to ensure efficiency and reliability.

- ▶ Complete 80 percent of the Annual Maintenance Work Plan (AMWP). **R. YEP, ON TRACK**
- ▶ Deliver administrative draft of Three Creeks HCP to FAHCE Consensus Committee for advance review by March 31, 2011. **S. OBLONSKY, NEEDS ADJUSTMENT**
- ▶ Complete Corrosion Protection Condition Report by June 2011. **F. MAITSKI, ON TRACK**



### 2.3 Reliable high quality drinking water is delivered.

- ▶ Operate the treated water system with no water quality violations. **R. YEP, ON TRACK**
- ▶ Complete 80 percent of the Annual Maintenance Work Plan (AMWP). **R. YEP, ON TRACK**
- ▶ Meet annual schedule of 118,442 AF and monthly schedule for treated water delivery to retailers within budget. **R. YEP, ON TRACK**

## KEY PERFORMANCE INDICATORS ADJUSTMENTS

The administrative draft Three Creeks HCP will be complete by mid-February, but needs review to ensure that the \$300 million cost of proposed HCP mitigation measures are accurate and acceptable given current strategic objectives. This must be determined prior to release to the Consensus Committee and the wildlife agencies.



## STREAM MAINTENANCE PROGRAM (SMP) HIGHLIGHTS

20K cubic yards of sediment removed



BEFORE

Permanente Division Channel



AFTER

157 miles of vegetation managed



BEFORE

Tennant Creek



AFTER

2,838 linear feet stream bank protected



BEFORE

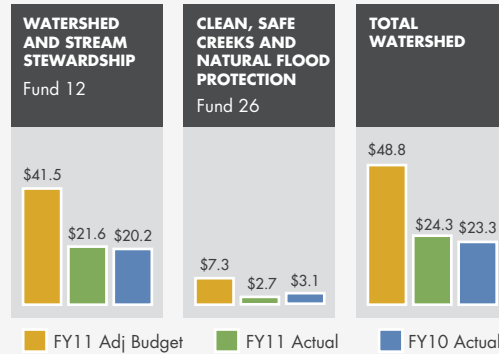
Calabazas Creek



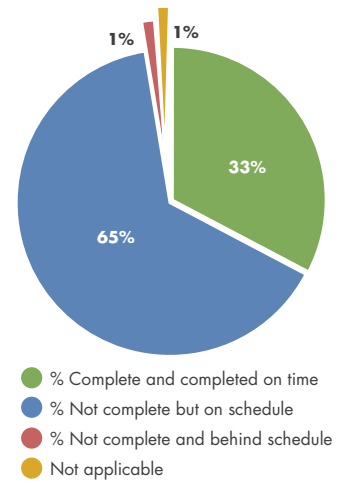
AFTER

## BUDGET

Watershed Funds Budget Expended Charts



## TOTAL MILESTONES



## GRANT PROGRAM UPDATES

- ▶ Trail and Open Space Grant
- ▶ Environmental Enhancement Implementation Grant
- ▶ Watershed Stewardship Grant
- ▶ Grant Programs update
  - RFP released 12/15
  - RFP responses due 3/15
  - Priority list submitted to Board by 6/30

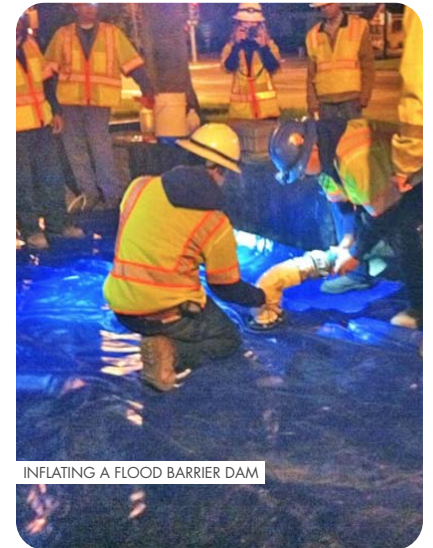
## SATISFIED CUSTOMERS



rated "the overall job performed by the water district" on the project in their neighborhood as excellent/good.



"consider the completed project a benefit" to their neighborhood.



INFLATING A FLOOD BARRIER DAM

## WATERSHED KEY PERFORMANCE INDICATORS

### 3.1 SMP Permit renewal

On track for submitting regulatory permit applications by June 30, 2011. Administrative draft EIR under review by staff. Public draft EIR will be issued in May 2011. Staff continues to coordinate with regulatory agency staff during preparation of the EIR and permit applications.

### 3.2 Emergency response exercise

Early morning flood drill consisted of testing one of three inflatable flood barrier dams on Downtown Guadalupe River Flood Protection Project in collaboration with the City of San José, Caltrans, Valley Transportation Authority, San Jose Police and the California Highway Patrol.

### 4.1 Flood protection master plan status

Continued conducting stakeholder engagement meetings to present and solicit feedback on the needs and opportunities portion of the draft master plan. Stakeholders included the Flood Control and Watershed Advisory Committees, the Environmental Advisory Committee, the Water Resources Planning Stakeholder Committee, chambers of commerce and other professional organizations.

### 4.1 Mitigation/monitoring status

Twenty-three projects are being tracked and all have either completed or are on target to complete their identified FY2011 milestones.

## Administration

### RECRUITMENT

Five Positions filled in Q2



#### Internal Positions

Target = 30 business days to fill position. Two internal positions were filled in an average of 44 business days.



#### External Positions

Target = 60 business days to fill position. Three external positions were filled in an average of 65 business days.

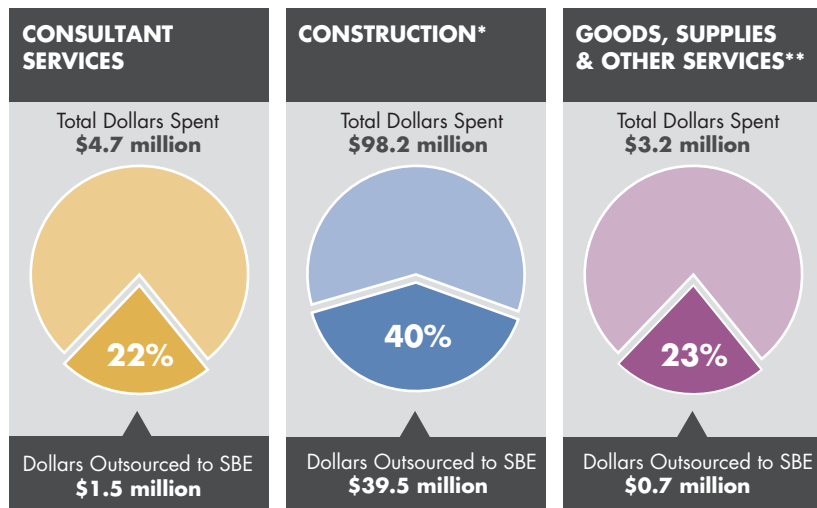
Action: The Recruitment and Selection process and policy were carefully evaluated and updated in October 2010. Recruitment target dates have been adjusted as follows to allow for sufficient time to complete the process in a reasonable time frame. Internal Target = 40 business days; External Target = 90 business days

### INFORMATION MANAGEMENT DIVISION

- A long-term technology master plan and asset management improvement project were combined and a Request for Proposal (RFP) for the project is currently out for bid.
- Implemented a Customer Communications Program to improve Information Management Services Division (IMSD) outreach with customers; help provide seamless integration between technology and business solutions to satisfy the water district's business needs; and gain efficiencies through promoting effective application of technology.
- Continued development and implementation of helpdesk software to enhance IT customer service and productivity. The software enables employees to electronically submit service request tickets, track service requests, communicate with their service providers and view service history.

### SMALL BUSINESS PARTICIPATION

Water district's overall SBE participation target for all sourcing activities is 10 percent



\* Construction data represents rolling 12-month spending ending FY11, Q2

\*\* Does not include chemicals or watershed-related products

## Community Engagement



### ADVANCED WATER TREATMENT FACILITY GROUND BREAKING

The Santa Clara Valley Water District broke ground in October on the new Advanced Water Treatment Facility, which will produce highly purified water for a sustainable recycled water supply that protects our local environment. It will expand the water district's existing recycled water service and increase the marketability of the existing recycled water supply.

### EDUCATION OUTREACH PROGRAM



From July to Dec. 2010  
341 teachers,  
266 classes, and  
6,565 students served.

### Flood Awareness Campaign



105,000 properties notified of flood risk via annual mailer in November 2010.

**CONTACT US:** If you have questions or concerns about this report, please contact CEO Beau Goldie at **(408) 265-2600**