

Q4 Quarterly Performance Report

4TH QUARTER OF FISCAL YEAR 2011-12

APRIL - JUNE 2012



1



2



3



4



5



6

BY THE NUMBERS

2

hours is the time it will take for a land surveyor to conduct a scan using the latest GPS technology.

100

percent caught up on corrosion monitoring schedule (1st time)

109,000

acre-feet of groundwater recharged.

137,000

lab tests performed.

139,000

acre-feet of treated water delivered.

196,000

acre-feet of water was imported.

COMMUNITY ENGAGEMENT

1 OPEN HOUSE ADDRESSED MERCURY

The Santa Clara Valley Water District held an Open House June 20 to educate local residents and the public regarding issues associated with mercury in the Guadalupe Watershed, specifically at Almaden Lake, where production and release of methylmercury — a highly toxic substance — continues to collect at the lake's bottom.

More than 50 Almaden Valley residents applauded the water district's efforts to improve the lake's conditions, which if left unaddressed, could damage the area's ecology with the continued build-up of mercury. Residents also learned about the lake's bacterial problems caused by canadian geese and seagulls in addition to the lake's thermal problem for young fish and those that are anadromous: fish born in fresh water that spend most of their life in the sea and return to fresh water to spawn.

The Open House also provided an opportunity for the public to speak to water district board members, engineers, and water quality specialists regarding their concerns.

MORE NEIGHBORHOOD MEETINGS

2 In support of the Lower Silver Creek Flood Protection Project, staff attended the Dobern Neighborhood Association meeting on June 12 and the Lyndale Homeowner's Association meeting on May 16 to discuss the project.

EDUCATION OUTREACH PROGRAM

3 Between April and June 2012, the Education Outreach team provided water education to:

6,348
students

348
teachers

218
classes

VOLUNTEER PARTICIPATION

4 ADOPT-A-CREEK PROGRAM

- ▶ Total of 101 current Adopt-A-Creek partners
- ▶ 1 new and 2 renewal permit applications submitted between April and June 2012

5 NATIONAL RIVER CLEANUP DAY

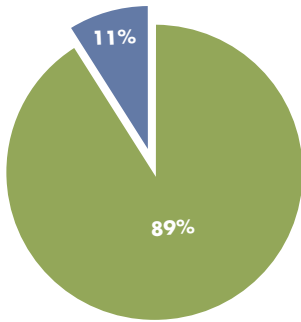
- ▶ 41 sites cleaned throughout Santa Clara County
- ▶ 1,101 volunteers removed 18,301 pounds of trash
- ▶ 1,410 pounds of recyclables removed from 53.34 miles of creeks and reservoirs

WATER CONSERVATION AWARD

6 The water district won the 2012 Silicon Valley Water Conservation Award, for Large Government Agency. This quarter, we have partnered with several water retailers to mail out 12,650 postcard mailers and 41,000 spring bill inserts encouraging water conservation and promoting rebate programs.

Water Utility Enterprise Performance Report

MILESTONES



369 total milestones

- % completed on time (336)
- % not completed (33)

BY THE NUMBERS FY 2012

8 EXECUTED IMPORTED WATER MANAGEMENT AGREEMENTS FOR TRANSFER AND EXCHANGES

280 BASIC WATER QUALITY TESTING PROVIDED FOR PRIVATE DOMESTIC WELLS IN SOUTH COUNTY AND RECEIVED VERY POSITIVE FEEDBACK FROM PARTICIPANTS.

1,117 CORRECTIVE MAINTENANCE WORK ORDERS COMPLETED IN FY12

7,827 PREVENTIVE MAINTENANCE WORK ORDERS COMPLETED

54,200 ACRE-FEET OF WATER SAVED IN FY12

SNAPSHOTS

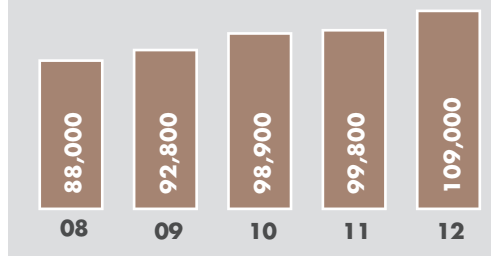


Penitencia Water Treatment Plant Maintenance Building



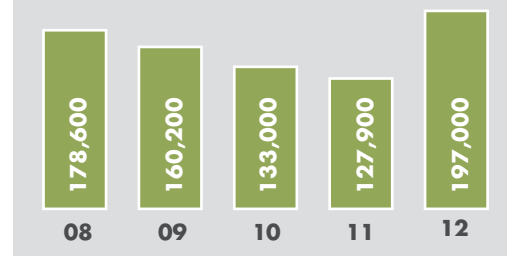
Silicon Valley Advanced Water Purification Center

GROUNDWATER RECHARGED (acre-feet)



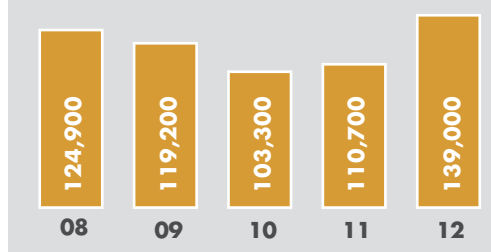
Fiscal Year Comparisons

WATER IMPORTED (acre-feet)



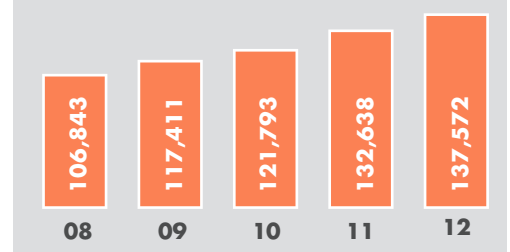
Fiscal Year Comparisons

TREATED WATER DELIVERED (acre-feet)



Fiscal Year Comparisons

LAB TESTS PERFORMED



Fiscal Year Comparisons

KEY PERFORMANCE INDICATORS

Board Ends Policy 2.1

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

- ▶ Established participation and cost-sharing with South Bay Water Recycling on recycled water strategic plan.
- ▶ Completed participation in research study, entitled "Direct Potable Reuse Challenges in California".
- ▶ Conducted Board workshop on Bay Delta Conservation Plan and facilitated a Bay Delta tour.
- ▶ Obtained Board approval of 2011 Central Valley Project Improvement Act water management plan.
- ▶ Board accepted the water supply strategy for the Water Supply and Infrastructure Master Plan.

Board Ends Policy 2.2

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

- ▶ Completed East Pipeline Phase 3, Penitencia Delivery Main, and Penitencia Force Main Rehabilitation projects.
- ▶ Completed Central Pipeline Inspection and Turnout Rehabilitation project.
- ▶ Completed Remote Terminal Unit panel upgrade at 14 treated and raw water turnouts as part of the Supervisory Control and Data Acquisition (SCADA) upgrade project.
- ▶ Completed Almaden Calero Canal Freeboard Restoration Phase I project.

Board Ends Policy 2.3

Reliable high quality drinking water is delivered.

- ▶ Completed District-wide Asset Management Framework.

Board Ends Policy 4.1

Protect and restore creek, bay, and other aquatic ecosystems.

ILLEGAL ENCAMPMENT CLEANUPS RESUME WITH PILOT PROGRAM

Cleanups were temporarily halted by the City of San Jose due to the lack of resources to store personal possessions. Recently, cleanups resumed with a first phase consisting of selecting smaller encampments to pilot the City of San Jose's new process for collecting and storing personal possessions. The pilot will enable the City of San Jose to develop a cost efficient and sustainable process.

The water district has been coordinating closely with the City of San Jose and various county, state, and local social service organizations. The water district also hosted a May board workshop bringing necessary agencies together to discuss how to transition the homeless to regular housing in order to reduce the amount of encampment trash and debris ending up in the creeks.

The workshop focused on long-term solutions to the problem as well as the immediate need for cleanups. It was recognized that the problem will need to be addressed through a collaborative effort with many groups and agencies involved in developing and implementing solutions.



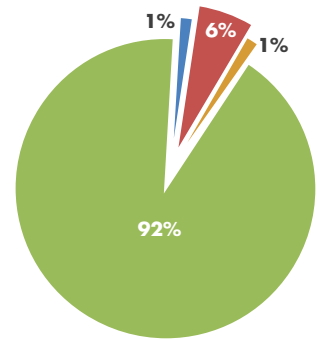
CUSTOMER FEEDBACK



Saratoga resident

" On May 31, 2012, at about 10:00 a.m. the fence repair and installation crew of Jay Lee, arrived at our residence to remove and install a new fence along the Saratoga Creek side of our home. Jay's crew, consisting of Jeff Hettinger, Jesus Bravo, Manny Flores, Mike Sawatzky, Jaime Gonzalez and Dave Minamishin, did the removal and installation work as true professionals they are and work was completed in quick fashion not disturbing either my wife, myself or our home area, working around our backyard garden and not disturbing our plants either. They were polite, respectful and displayed excellent character. This crew is a credit to your office, the Santa Clara Water District, and Access Valley Water. My wife and I relaxed and enjoyed having them present during the work process. My wife and I thank you, your office and the crew for the completion of the fence today. "

MILESTONES



276 total milestones

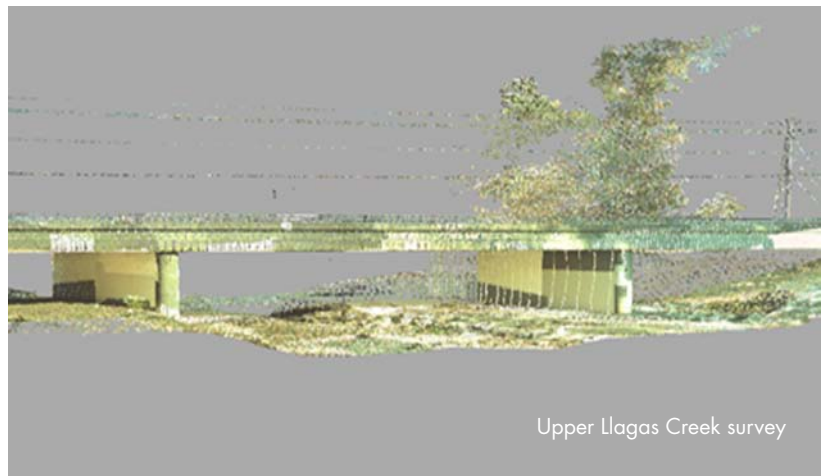
- % completed on time (253)
- % not complete but on schedule (4)
- % not complete and behind schedule (17)
- need adjustments (2)

Board Ends Policy 3.2

Reduce potential for flood damage

NEW TECHNOLOGY: GPS TO IMPROVE LAND SURVEY BENCHMARK

Utilizing high definition scanning laser technology, coupled with GPS mapping, the quality of land surveys, while reducing the time and staffing needed to do so with older methods, has improved. A single surveyor is now able to conduct four scans of a site in 2 hours capturing 2,000,000 data points that create a point cloud, as demonstrated by the image of the bridge supports and power lines to the right. The image is multi-dimensional, allowing the user to rotate and view it from different angles.



Upper Llagas Creek survey

EQUIPMENT MANAGEMENT

- Completed emergency welding repairs on the basement heating system at the Rinconada Water Treatment Plant.
- Completed and passed smog inspections on 32 water district vehicles.

FACILITIES MANAGEMENT

- Replaced six swamp coolers at the Winfield Warehouse building.
- Completed Headquarters and Administration buildings' lobby security project.

INFORMATION TECHNOLOGY

Completed several major information technology projects:

- Email System Archival Implementation Project.
- Water Utility Enterprise PeopleSoft-Maximo Timesheet Integration Pilot Project.
- Headquarters/Administration Wireless Network Implementation.
- Audio and Web Conferencing Deployment Project.
- Electronic Visitor Registration System Implementation.
- Land Surveying Benchmark Application Upgrade.
- Watershed Mobile Inventory & Condition/Inspection System.

FINANCIAL PLANNING

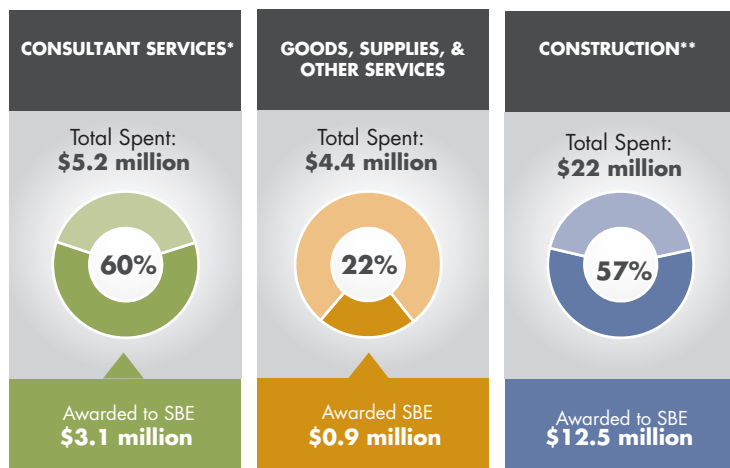
- Fiscal Year 2012-13 Budget approved May 15.

PURCHASING, CONSULTANT CONTRACTS, AND WAREHOUSE SERVICES

- Completed two large project contracts on time, one for the Stream Maintenance Program and one for chemical supplies.
- Completed 84% of purchase requests on time.

SMALL BUSINESS ENTERPRISE (SBE) PARTICIPATION

SBE participation target for all three sourcing activities is 10%.



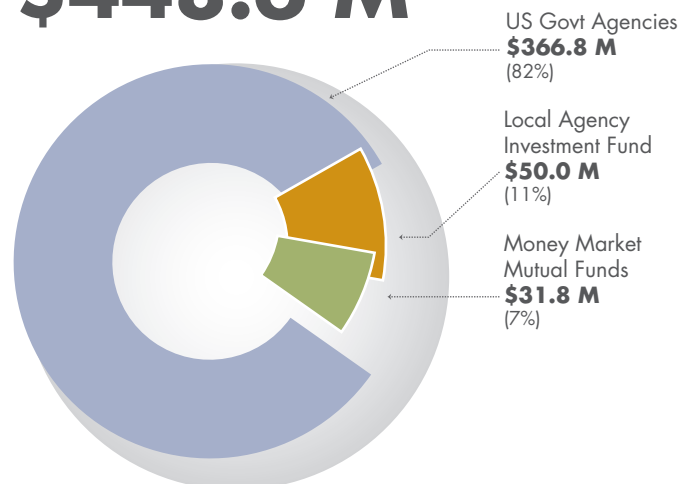
*South County Recycled Water Pipeline Short-Term Phase 1A \$1.145M is not included because it was not bid under the water district's SBE program.

**Data shown below is based on the previous 12 months.

Financial Information

TOTAL PORTFOLIO BOOK VALUE

\$448.6 M



FY2011-2012 REVENUES as of June 30, 2012

(\$ in millions)	FY12 Adopted	FY12 Adjusted	YTD Q4 '12	RECVD
General Fund	\$4.7	\$4.7	\$4.9	104%
Service Funds	\$0.5	\$0.5	\$0.3	60%
Benefit Assessment Funds	\$19.1	\$19.1	\$19.1	100%
Stream Stewardship	\$58.9	\$58.9	\$60.7	103%
Clean, Safe Creeks	\$37.4	\$37.4	\$40.7	109%
Water Utility	\$176.4	\$176.4	\$181.1	102%
Total	\$297.0	\$297.0	\$306.8	103%

FY2011-2012 EXPENDITURES as of June 30, 2012

(\$ in millions)	FY12 Adopted	FY12 Adjusted	YTD Q4 '12	SPENT
General Fund ^A	\$44.7	\$45.4	\$42.4	93%
Service Funds ^A	\$8.5	\$8.9	\$7.4	83%
Benefit Assessment Funds	\$15.7	\$15.7	\$14.1	90%
Stream Stewardship	\$42.6	\$43.6	\$43.3	99%
Clean, Safe Creeks	\$11.5	\$11.5	\$10.0	87%
Water Utility	\$141.1	\$145.7	\$136.5	94%
Subtotal Opertns.	\$264.1	\$270.8	\$253.6	94%
Capital (All Funds)^B	\$100.7	\$197.8	\$110.8	55%

^A GF \$41.2M & SF \$11.0M for a total of \$52.2M from intra-district reimbursements.

^B Adjusted capital budget includes \$74.7M carry-forward from prior year.

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