



Ceremony marks the completion of Reach 6 in Upper Guadalupe River Flood Protection Project.

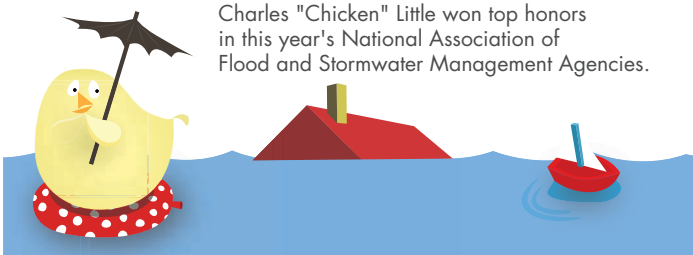
COMMUNITY ENGAGEMENT

On September 8, the district held a completion ceremony for Upper Guadalupe Flood Protection Project, Reach 6. The Reach 6 portion of the Upper Guadalupe River Flood Protection Project was a \$10 million effort to protect the surrounding neighborhood from flooding. Funded by the Clean, Safe Creeks and Natural Flood Protection Program, the voter-approved special parcel tax passed in 2000, the project features a widened floodplain channel, a 100 foot extension of the West Virginia Street Bridge, and an improved habitat ecosystem with the replacement of non-native vegetation with riparian vegetation.

Well owner customer satisfaction increased to 56% from 46% during the previous year.

The district's annual flood awareness campaign featuring Charles "Chicken" Little won top honors in this year's National Association of Flood and Stormwater Management Agencies "Excellence in Communications Awards." The goals of the district's multi-media campaign were to convey that flooding can be a serious threat, provide the public with easy and useful tips, and direct them to valleywater.org for more flood protection information. Media messages were also delivered through Spanish, Chinese and Vietnamese media outlets.

Charles "Chicken" Little won top honors in this year's National Association of Flood and Stormwater Management Agencies.



BY THE NUMBERS

8	ERODING BANK SITES repaired using as little hardscape as possible.
52	PERCENT of construction projects were outsourced to Small Business Enterprise.
56	PERCENT of well owners say water district is 'meeting the customer requirements'.
26,200	ACRE-FEET of groundwater recharged.
31,473	LAB TESTS performed.
45,000	ACRE-FEET of treated water delivered.
57,265	CUBIC-YARDS of sediment removed.
66,000	ACRE-FEET of water was imported.
\$67,630	COLLECTED in well permit fees.
\$225,000	SAVINGS acquired, after correcting error in United States Bureau of Reclamation FY11 accounting.

EDUCATION OUTREACH PROGRAM

In Q1, the Education Outreach team provided water education programs to:

 2,462 students	 86 teachers	 86 classes
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VOLUNTEER PARTICIPATION

Annual Coastal Cleanup Day

BY THE NUMBERS:

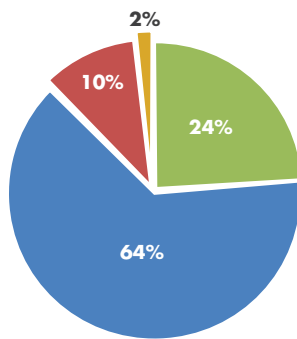
43	sites
77	miles of creek and reservoirs
1,748	volunteers
9,774	pounds of recyclables
34,803	pounds of trash



NEIGHBORHOOD MEETINGS

- The district hosted an information table at the August 7 National Night Out celebration co-hosted by City of San Jose Councilman Xavier Compos and the Mayfair Neighborhood Advisory Committee.
- The district hosted an Anderson Dam project open house at the Jackson School Library in Morgan Hill on September 27 for the public to speak directly with staff about topics and issues related to this project during the planning process.

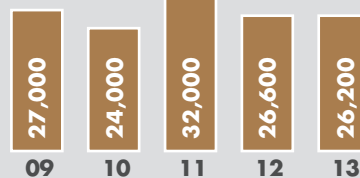
MILESTONES



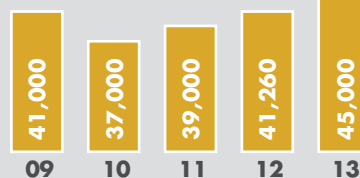
405 total milestones

- % completed on time (98)
- % not complete but on schedule (258)
- % not complete and behind schedule (42)
- need adjustments (7)

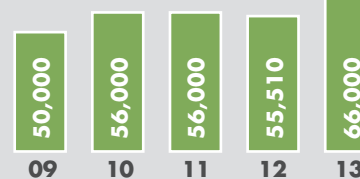
GROUNDWATER RECHARGED*



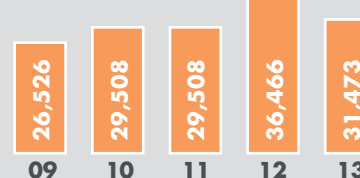
TREATED WATER DELIVERED*



WATER IMPORTED*



LAB TESTS PERFORMED



*Quarterly Fiscal Year Comparisons in acre-feet.

RECYCLED WATER

Board Ends Policy 2.1

- Hosted WaterReuse Chapter meeting on August 31, 2012, involving approximately 100 Chapter participants
- Established participation in Sunnyvale recycled water master planning and expansion via a consultant agreement with HydroScience Engineering

WATER CONSERVATION

Board Ends Policy 2.1

- Hosted first meeting of a state wide group focusing on water conservation on higher education campuses to help colleges and universities become more water efficient
- Partnered with East Side Union High School District to install high-efficiency toilets and urinals at seven school campuses

GROUNDWATER MONITORING & ANALYSIS

Board Ends Policy 2.1

- Expanded the domestic well testing program to include both north and south county and sent out nearly 4,000 postcards to well owners
- Collected water level measurements at approximately 100 wells
- Hosted public hearing on the 2012 Groundwater Management Plan, which was adopted by the board

OPERATIONS PLANNING & ANALYSIS

Board Ends Policy 2.2

- Planned for and operated raw water distribution system through a challenging summer with very dry local conditions and high system demands

EAST SIDE WATER TREATMENT OPERATIONS

Board Ends Policy 2.3

- Started the first ever assistant operator rotation program at the district

WATER UTILITY TECHNICAL SUPPORT

Board Ends Policy 2.0

- Water Utility Enterprise Master Plan issued to public and adopted by board on October 2012
- Valley Habitat Plan adopted by the board on September 2012
- Energy Optimization Project: Completed contract award and project kick off

IMPORTED WATER

Board Ends Policy 2.1

- A new fact sheet, "Restore the Delta Protecting Our Future", was produced by the Santa Clara Valley Water District, Zone 7 Water Agency, and Alameda County Water District outlining the goals of the Bay Delta Conservation Plan (BDCP) and it's importance to the Bay Area's water future
- Executed 10,000 acre-foot transfer to federal wildlife refuges (\$770,000 net revenue)
- Executed Warren Act conveyance agreement for Yuba water
- Corrected error in United States Bureau of Reclamation FY11 accounting (\$225,000 savings)

WELLS AND WATER MEASUREMENT

Board Ends Policy 2.1

- Issued 248 well permits
- Collected \$67,630 in well permit fees
- Completed 334 well inspections
- Completed 48 groundwater meter tests /overhauls
- Performed condition assessments of all 26 treated water meters
- Performed seven tests/overhauls of district backflow prevention devices
- Performed 416 treated water meter read events
- Performed 720 groundwater meter read events

WATER QUALITY

Board Ends Policy 2.3

- Began funding negotiations with The Health Trust to discuss the development of a potential public-private funding agreement to provide fluoridation facilities at the district's three water treatment plants
- Silicon Valley Advanced Water Purification Center Operations and Maintenance Agreement approved between water district and city of San Jose

RAW WATER FIELD OPERATOR & PIPELINE MAINTENANCE

Board Ends Policy 2.2

- Maximized use of local and imported water to groundwater recharge systems and streams
- Completed facilities condition assessments for recharge facilities

Watersheds Q1 Performance Report

By the numbers

STREAM MAINTENANCE PROGRAM

Board Ends Policy 3.1



8 bank and levee repair projects

12 sediment removal projects

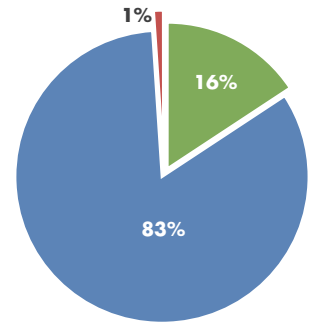
1,719 linear feet of streams repaired

57,265 cubic yards of sediment removed

Approximately **73,300** tons of materials



MILESTONES



286 total milestones

- % completed on time (45)
- % not complete but on schedule (238)
- % not complete and behind schedule (3)

PALO ALTO FLOOD BASIN TIDE GATE REPAIR

Board Ends Policy 3.1

On September 7, the district completed repairs to stop seepage under the tide gate structure at the Palo Alto Flood Basin.

The Palo Alto Flood Basin tide gates were built in the late 1950s. They are a critical element for both wildlife habitat and flood protection for Palo Alto residents and businesses. If the seepage persists beneath the tide gate structure, it could threaten the concrete foundation. Already, constant scouring of the tides has washed away sand and sediment from between the rocks under the concrete structure.

Maintaining flood basin water levels within a specified elevation allows the flood basin's islands to serve as habitat for marsh wildlife such as the Salt Marsh Harvest Mouse and the California Clapper Rail, both of which are protected species. The tide gates prevent extreme high tides from inundating the habitat areas with salt water and also accumulate freshwater runoff from the Matadero, Adobe, and Barron creeks until they can be released to the bay at the next low tide.

The tide gates also protect Palo Alto from a flooding situation should a heavy rain event and a high tide occur at the same time. The flood basin has the capacity to retain several hours of heavy storm runoff until the next low tide occurs and then releases stored flood waters to the bay.



CUSTOMER FEEDBACK

Palo Alto resident

“ Thank you for working on this project. It's amazing how quickly the soil, plants and branches take over the flood channels, without having it cleaned it would cause many problems. ”

-Adobe Creek Maintenance

ALERT System: LIVE DATA WEB PAGE



The ALERT System provides real time data from stream gauges, reservation gauges and precipitation gauges. As we enter the rainy season, it is extremely important for us, as well as many other agencies and the general public, to monitor water levels throughout the valley. The information is available online at the district website www.valleywater.org/services/technicalinformation.aspx.

COYOTE CREEK STREAMFLOW GAUGE INSTALLATION

Board Ends Policy 4.1



Coyote Creek needed to be diverted so staff could install a streamflow gauge. To minimize environmental impacts and to increase efficiency, staff used this opportunity to install logs as large woody debris for the purpose of fish refuge.

EQUIPMENT MANAGEMENT

- Completed and passed smog inspections on 27 water district vehicles
- District welders completed repairs of leaks on the Santa Clara Distributary, a major drinking water pipeline bordering the cities of Saratoga and San Jose next to Highway 85

FACILITIES MANAGEMENT

- Completed construction of new Emergency Operations Center (EOC) in the Administration building and relocated the EOC Unit to new location
- Converted the old EOC space in the Maintenance building to regular office cubicles for hydrographers from the Headquarters building

HUMAN RESOURCES

- Delivered Executive Leadership Training

INFORMATION TECHNOLOGY

Completed several information technology projects:

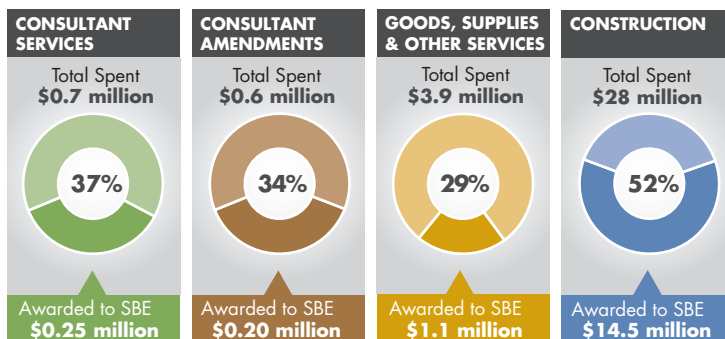
- Configuration and relocation of EOC technology systems
- Information Systems Master Plan
- Property Fee and Easement System
- Intranet software and website upgrade
- Phase 1 of the Ecological Monitoring Information Management System

PURCHASING, CONSULTANT CONTRACTS, AND WAREHOUSE SERVICES

- The district held a Business Open House on August 30, providing a forum for the public to network with other firms, chambers of commerce, the water district board of directors, management and staff from the Watersheds, Water Utility Operations, Construction, Consultant Services and Purchasing units

SMALL BUSINESS ENTERPRISE (SBE) PARTICIPATION

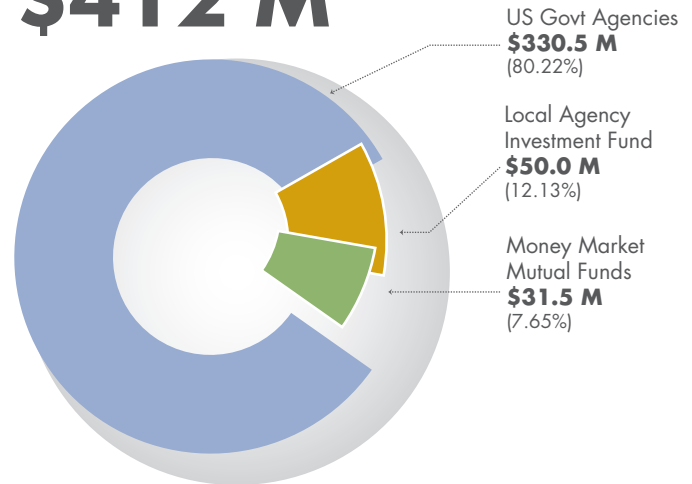
SBE participation target for all four sourcing activities is 10%



Financial Information

TOTAL PORTFOLIO BOOK VALUE

\$412 M



FY2012-2013 REVENUES as of Sept 30, 2012

(\$ in millions)	FY13 Adopted	FY13 Adjusted	YTD Q1 '13	RCVD
General Fund	\$4.7	\$4.7	\$0.0	0%
Service Funds	\$0.2	\$0.2	\$0.0	0%
Benefit Assessment Funds ^A	\$19.2	\$19.2	\$0.0	0%
Stream Stewardship	\$71.6	\$71.6	\$1.8	2.5%
Clean, Safe Creeks	\$50.6	\$50.6	\$0.3	0.6%
Water Utility	\$169.0	\$169.0	\$56.3	33.3%
Total	\$315.3	\$315.3	\$58.4	18.5%

^A Property Taxes, Benefit Assessments and Special Parcel Tax revenues have yet to be received. Majority of taxes are received in December and January.

FY2012-2013 EXPENDITURES as of Sept 30, 2012

(\$ in millions)	FY13 Adopted	FY13 Adjusted	YTD Q1 '13	SPENT
General Fund ^B	\$45.2	\$45.2	\$10.0	21%
Service Funds ^B	\$8.9	\$8.9	\$2.0	22%
Benefit Assessment Funds	\$15.8	\$15.8	\$2.8	18%
Stream Stewardship	\$45.8	\$45.8	\$10.3	22%
Clean, Safe Creeks	\$8.2	\$8.2	\$2.0	25%
Water Utility	\$151.2	\$151.2	\$33.9	22%
Subtotal Operations	\$275.1	\$275.1	\$61.0	22%
Capital (All Funds)^C	\$64.9	\$138.0	\$14.4	10%

^B Gross figures do not reflect netting out intra-district reimbursement of \$54.7M.

^C Adjusted capital budget includes carry forward of \$68.2M from prior year.

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