

The Santa Clara Valley Water District is the largest multi-purpose water supply, watershed stewardship and flood management special district in California. The District serves nearly two million people in Santa Clara County by providing a reliable and safe supply of water; enhancing streams and watersheds through creek restoration and habitat protection; providing flood protection for homes, schools and businesses; and partnering with other agencies to provide trails, parks and open space for community recreation.

The District's unique multi-purposes enable it to use a comprehensive regional approach to water resources management and environmental protection that would not be possible if these services were fragmented among several agencies.

As the primary water resources agency for Santa Clara County, the water district encompasses all of the county's 1,300 square miles and serves the area's 15 cities: Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga and Sunnyvale. The District also serves the unincorporated areas of the county.

Collaboration with the community we serve is not only a key value but has proven to result in more successful outcomes. By seeking public input, the District is responding to the current economic downturn, severe water supply challenges, increased regulatory restrictions brought on by a third year of drought, and threats to the water supply from an aging infrastructure.

Community action created the District, when farmers and business representatives formed the Santa Clara Valley Water Conservation Committee in the 1920s. At that time, groundwater supplies were

being over pumped, causing the land to subside, or sink. The committee pursued creation of an organization to manage and replenish groundwater supplies, and the resulting Santa Clara Valley Water Conservation District later constructed reservoirs throughout the county to conserve water. The 1929 Santa Clara Valley Water District Act gives the

District its authority to operate as a state special district, with jurisdiction throughout Santa Clara County.

The District Act authorizes the District to: "...provide comprehensive water management for all beneficial uses and protection from flooding within Santa Clara County. The District may take action to carry out all of the following purposes:

(a) to protect Santa Clara County from flood and storm waters of the district, including tidal flood waters and the flood and storm waters of streams that have their sources outside the district, but flow into the district;

(b) to protect from those flood or storm waters the public highways, life and property in the district, and the watercourses and watersheds of streams flowing within the district;

(c) to provide for the conservation and management of flood, storm, reclaimed, or recycled waters, or other waters from any sources within or outside the watershed in which the district is located for beneficial and useful purposes, including spreading, storing, retaining, and causing the waters to percolate into the soil within the district;

(d) to protect, save, store, recycle, distribute, transfer, exchange, manage, and conserve in any manner any of the waters;

(e) to increase, and prevent the waste or diminution of, the water supply in the district;

The mission of the District is a healthy, safe, and enhanced quality of living in Santa Clara County through watershed stewardship and comprehensive management of water resources in a practical, cost-effective and environmentally-sensitive manner for current and future generations.

District Overview

(f) to obtain, retain, reclaim, protect, and recycle drainage, storm, flood waters or treated wastewaters, or other waters from any sources, within or outside the watershed in which the district is located for any beneficial uses within the district;

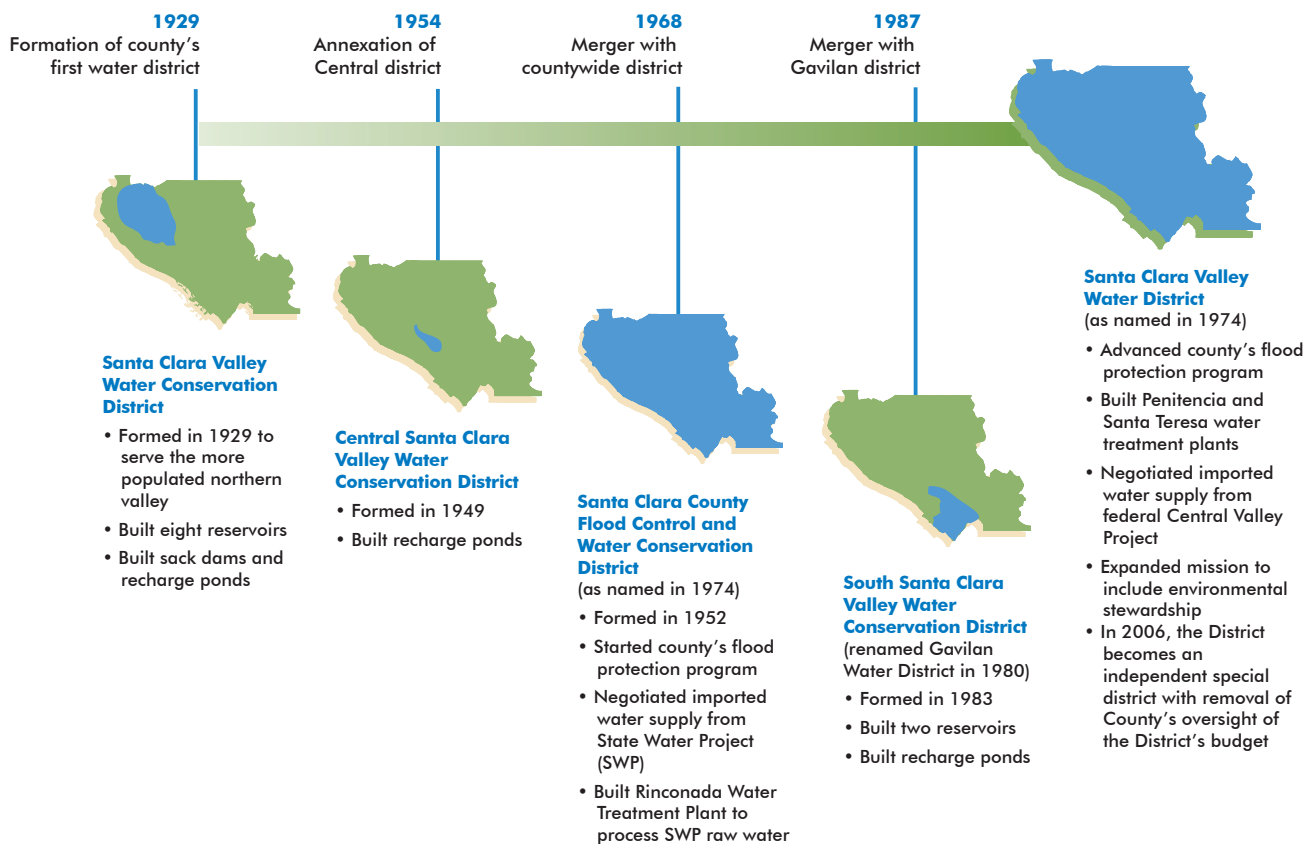
(g) and to enhance, protect, and restore streams, riparian corridors, and natural resources in connection with carrying out the objects and purposes set forth in this section.”

Governance and Board of Directors

The District Act outlines the structure, function and operations of the District’s Board of Directors, which governs the District and directs the Chief Executive Officer. On October 11, 2009, Governor Schwarzenegger signed into law Assembly Bill

466 (AB 466) to amend the District Act. AB 466 replaced the former Board structure (five elected/ two appointed at-large members) with one in which all seven members would be elected from new districts created through a formal redistricting process. As part of the process, a Redistricting Advisory Committee evaluated community input and deliberated on new boundaries for individual districts. Following public hearings, the Board voted to redraw District boundaries as is shown in the new map, above. A formal election was held for four of the seven board members on Nov. 2, 2010. The Board elects a new chair and vice-chair annually in January. As required by state law, the District must again redraw its boundaries to reflect 2010 Census results. This process must be completed by the end of 2011.

Evolution of the Santa Clara Valley Water District



Today's Santa Clara Valley Water District is the result of the consolidation of four agencies over time, as shown above. Valley Water's products and services have grown along with its increased levels of responsibility for critical water resource and environmental management functions.

District Overview

The Board sets policy direction via a system of Policy Governance®. Through policies, the Board establishes the District's mission as well as goals and outcomes to be achieved for the good of the public. The Ends Policies describe the accomplishments the Board wants to achieve for its customers, the citizens of Santa Clara County. These include projects that will continue to ensure a safe, reliable source of water; flood prevention; and environmental stewardship. The CEO directs District staff in interpreting these policies and aligns resources to carry them out.

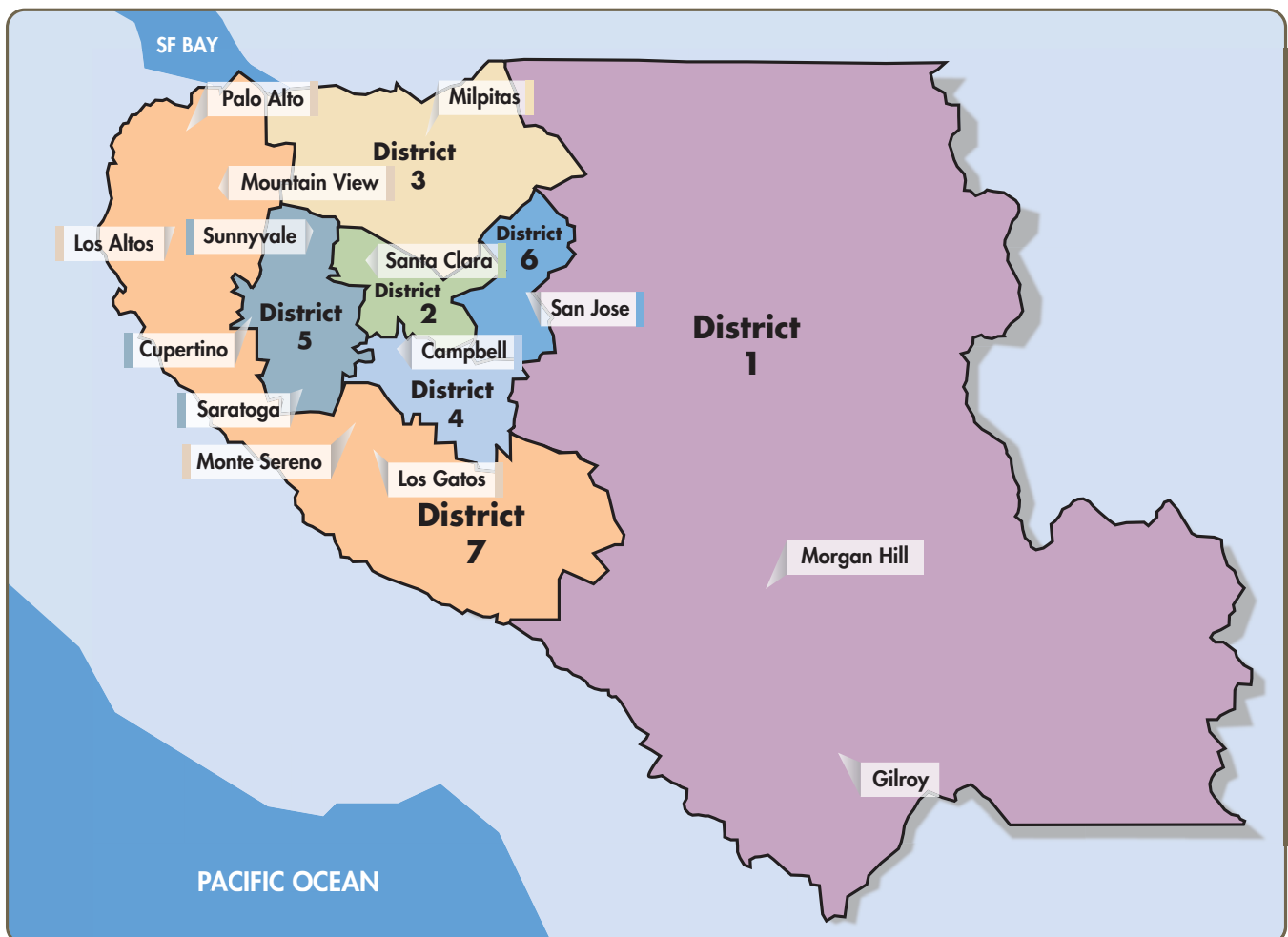
The Board's Executive Limitation Policies set boundaries on the authority of the CEO and other Board Appointed Officers (BAOs) in meeting the

Ends Policies. The BAOs are solely accountable to the Board for District performance, which is monitored quarterly. The CEO communicates Board priorities to executive leadership, management and staff through regular meetings, bulletins and intranet-based internal communications. Board members work together and communicate priorities through policies as one unified group.

The Board annually reviews and updates Ends and Executive Limitations policies to ensure they reflect the Board's collective values and perspectives.

The Board's Policies can be viewed at the following link: http://www.valleywater.org/About_Us/Board_of_directors/Board_policies/

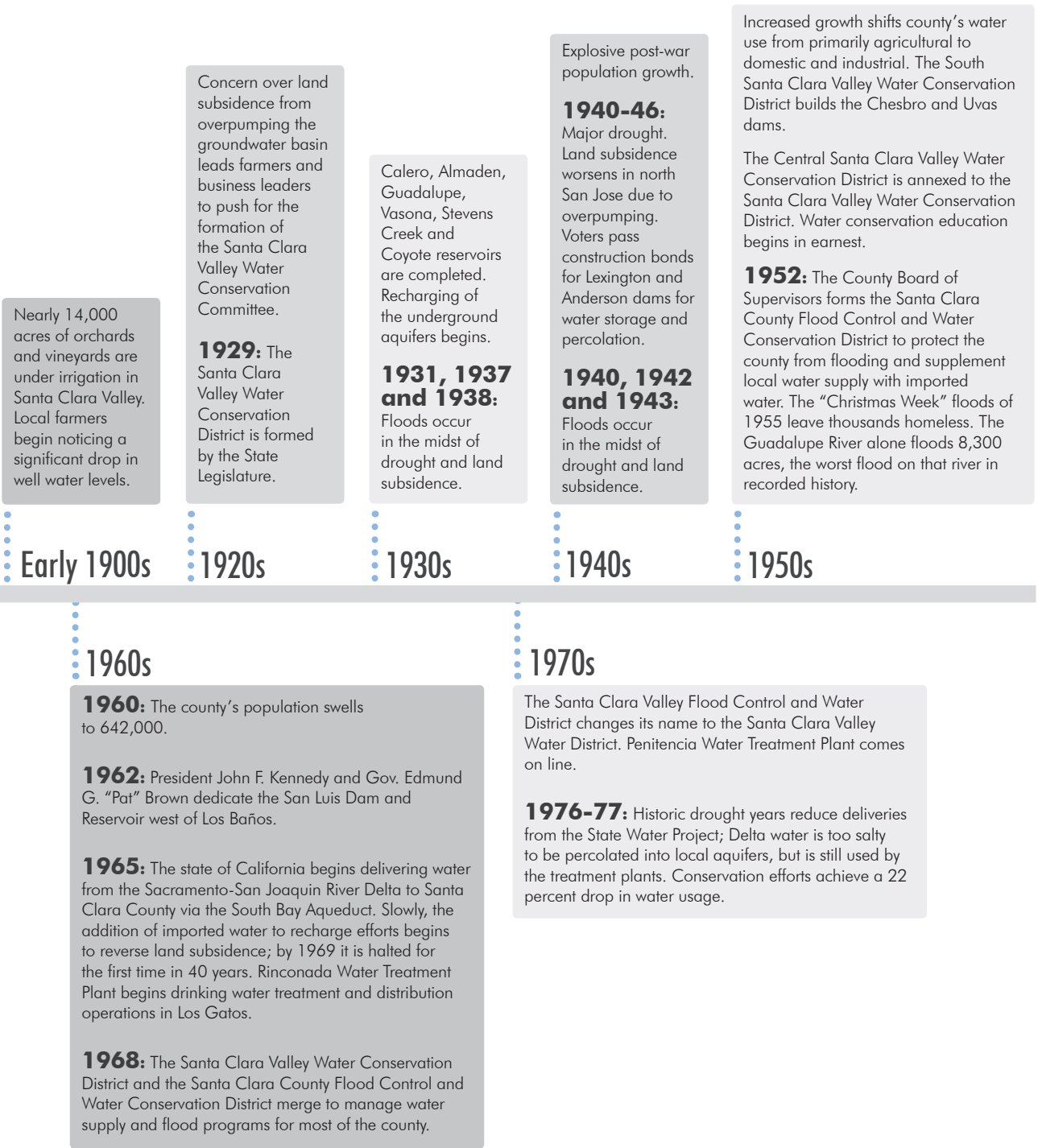
Board directorial districts



District Overview

History Timeline

For 80 years, the District has improved and expanded its products and services to meet the growing needs of Santa Clara County residents.



District Overview

Environmental mitigation for project impacts becomes a normal part of every construction project. Underground storage tanks are discovered leaking and potentially contaminating drinking water. The Santa Teresa Water Treatment Plant begins operation. Severe flooding occurs; voters approve funding for much-needed flood protection projects through benefit assessments.

1980: The South Santa Clara Valley Water Conservation District is renamed the Gavilan Water District.

1987: South county voters approve annexing Gavilan Water District to the Santa Clara Valley Water District. The federal Central Valley Project, San Felipe Division, begins delivery of imported water to the county from San Luis Reservoir just as the valley enters a seven-year drought period.

1980s

The county's population nears 1.7 million. The 1987-93 drought drives the District to seek new sources of water through recycling, water banking and aggressive water conservation.

1995: Flooding in the county highlights the need for flood protection, especially on the Guadalupe River in downtown San Jose.

1997: The District completes the IWRP long-term water supply planning process and initiates the Water Treatment Improvement Project (WTIP) to address increasingly stringent state and federal water quality standards.

1998: Flooding occurs on San Francisquito Creek and in the county. Changing community priorities, a growing commitment to staff diversity, strict state and federal regulations and an evolving environmental ethic lead the District into the 21st Century.

1990s

2000-10

The District takes a lead role in the fight against MTBE water contamination, addresses perchlorate contamination of more than 1000 South County well and partners with local wastewater agencies to increase recycling. The first phase of the WTIP is completed and the second phase launched.

2000: County voters endorse the Clean, Safe Creeks and Natural Flood Protection Plan (Measure B) and approve a special tax to ensure continuity of flood protection and stream stewardship services for 15 more years.

2005: The 15-year, \$346 million Downtown Guadalupe Flood Protection Project is completed, protecting an estimated 95,000 people from flooding and restoring critical endangered species habitat.

2006: Santa Teresa Water Treatment Plant delivers the District's first ozonated water, providing customers better-tasting, more healthful tap water.

2007: Assembly Bill 2435 passes, ending county oversight of the District's budget and other procedural holdovers from the 1968 merger. Penitencia Water Treatment Plant begins delivering ozonated water to customers.

2008: The District achieves registration with the International Standards Organization (ISO), signifying consistency and excellence in its business and operations.

2009: District Board calls for 15% mandatory conservation in response to continuing water shortage; recession drives significant District budget reductions.

2010: District Board continues call for 15% mandatory conservation. District implements protest procedure in accordance with proposition 218. New Board directorial boundaries are drawn. Directorial boundaries changed from 5 to seven.

2011: District Board sets up a Redistricting Advisory Committee to assist redistricting Board boundaries following the latest population census.

District Overview

Board Advisory Committees

The Board of Directors relies on nine advisory committees which serve as a link between Board members and the community. These committees, comprised of knowledgeable members of the public, provide input on policy alternatives and implications for Board deliberation.

Appointed by the Board, each committee assists the Board with issues pertaining to the following:

- Agricultural Water Advisory Committee: agricultural water supply and use policies.
- Environmental Advisory Committee: environmental restoration and enhancement policies, and development of environmental policies, when requested.
- Landscape Advisory Committee: provides a link between Santa Clara County's landscape industry and the Board, through review of water conservation policies.
- Santa Clara Valley Water Commission: water supply and water quality policies, as well as policy matters that are of interest to Santa Clara County and the Towns and Cities therein. The Commission shall also assist the Board in the annual review of groundwater charges and policy.
- Flood Control and Watershed Advisory Committees: flood protection and stream stewardship policies.

Independent Monitoring Committee

The Board of Directors also established the Independent Monitoring Committee (IMC) in 2001, a requirement at the passage of the Clean, Safe Creeks and Natural Flood Protection plan (ballot Measure B). The IMC is not a Board advisory committee but an oversight committee. As such, its purpose is to provide an annual review of the implementation of the plan funded by this 15-year special tax. The IMC produces an annual report documenting its review and the accomplishments to date. The annual report is published and made available to the public.

Water Retailers Committee

The Water Retailers Committee is a staff-level committee that facilitates communication between the District and retail water agencies in the county. Water Retailers Committee members are comprised of water retailer agency staff who select a committee chair. Subcommittees on water supply and quality, finance, water conservation and emergency preparedness, to name a few, provide more in-depth information and discussion forums for the committee. Through these efforts, the District is able to stay attuned to the retailers' needs and coordinate joint efforts.

District Quality and Environmental Policy

The District maintains a Quality and Environmental Management System (QEMS) to:

- help meet the Ends and Executive Limitations governance policies established by the Board of Directors;
- meet customer requirements;
- provide for active, uniform, and systematic deployment of key processes;
- and to establish a culture of continual improvement to implement its vision of fiscal responsibility and accountability

The District also strives for a net positive impact on the environment while implementing the vision of fiscal responsibility and accountability and complies with legal and other requirements related to its environmental processes.

Quality, environmental stewardship, and organizational excellence are the responsibility of each individual in the organization. District leadership supports quality by providing appropriate resources, transparent processes, a supportive work environment, and development opportunities for its workforce. Each individual is expected to fully engage in deploying the mission and use resources in a manner that maximizes effectiveness and contributes to environmental stewardship.

Board advisory committees

	Composition of committee	Purpose of committee
Agricultural Water Advisory Committee	<ul style="list-style-type: none"> Members include locally elected officials, local agency representatives and community advocates. Comprised of two representatives from each Board District, four at-large members, two from north county and two from south county, and representatives from the Loma Prieta Resource Conservation District and the Santa Clara County Farm Bureau. 	<ul style="list-style-type: none"> Assists the Board with issues pertaining to agricultural water supply and use. Provides input on policy alternatives and the implications of those policy alternatives for Board deliberation, when requested by the Board.
Environmental Advisory Committee	<ul style="list-style-type: none"> Members include locally elected officials, local agency representatives and community advocates. Comprised of 15 at-large members. 	<ul style="list-style-type: none"> Produces an annual report for the Board that identifies and prioritizes restoration or enhancement opportunities. Provides input on policy alternatives and the implications of those policy alternatives for Board deliberation, when requested by the Board.
Landscape Advisory Committee	<ul style="list-style-type: none"> Members represent the landscape industry in seven categories, including, local government, nurseries, educators and horticulturists, landscape contractors, irrigation designers and suppliers, and turf specialists and landscape maintenance providers. Comprised of landscape industry representatives. 	<ul style="list-style-type: none"> Provides a link between the landscape industry (major water users) and the Board, and serves as a forum for communication and joint efforts in conserving water supply for the cities and Santa Clara County. Provides input on policy alternatives and the implications of those policy alternatives for Board deliberation, when requested by the Board.
Water Commission	<ul style="list-style-type: none"> Members include locally elected officials and local agency representatives. Comprised of two representatives from each city within Santa Clara County, and Santa Clara County. 	<ul style="list-style-type: none"> Assists the Board with issues pertaining to water supply and water quality, as well as policy matters that are of interest to the cities and Santa Clara County. Carries information on District activities back to members' respective communities.
	Coyote, Guadalupe, Lower Peninsula, Uvas/Llagas, West Valley	
Watershed and Flood Control Committees	<ul style="list-style-type: none"> Members include locally elected officials, local agency representatives and community advocates. Comprised of representatives of each city in the watershed, county, and unincorporated area where the area exceeds 25 percent of the watershed. No less than two and no more than four at-large members shall serve on the committee. 	<ul style="list-style-type: none"> Provides input on policy alternatives and the implication of those policy alternatives for Board deliberation. Reviews project activities and makes recommendations on projects to the Board. Reviews project priority schedules and recommends changes to the Board. Reviews the budget and recommends changes to the Board. Reviews and recommends to the Board alternative means of financing flood protection and stream stewardship activities. Carries information on District activities back to members' respective communities.

The Board relies on nine advisory committees to serve as a link between Board members and the community. These advisory committees provide input on policy alternatives and implications for Board deliberation.

District Overview

Major water utility zones of benefit in Santa Clara County



As part of the District's core water supply function, two major water utility zones form the basis for establishing District water charges. Zone W-2 encompasses the Santa Clara Valley groundwater basin north of Metcalf Road. It includes those groundwater producing facilities that benefit from recharge with local and imported water. Zone W-5 comprises the entire Llagas groundwater basin from Metcalf Road south to the Pajaro River. Water charges are set separately for each zone, reflecting District activities carried out in each.

Watershed areas and flood control zones of Santa Clara County



More than 800 miles of creeks flow through Santa Clara County. The District works to protect both the natural attributes of these waterways and the communities that surround them as part of its watershed stewardship core function. Fifty-one years of working for flood protection has reduced the intensity and frequency of flooding in Santa Clara County.