

# APPENDIX A - GLOSSARY

# Appendix A - Glossary

## **Accrual Basis of Accounting**

The basis of accounting under which revenues are recorded when earned and expenditures (or expenses) are recorded as soon as they result in liabilities for benefits received, notwithstanding that the receipt of cash or the payment of cash may take place, in whole or in part, in another accounting period.

## **Acre Feet (AF)**

The volume of water required to cover 1 acre of land (43,560 square feet) to a depth of 1 foot.

## **Ad Valorem Tax**

A tax based on value (e.g., a property tax).

## **Adjusted Budget**

The prior year's Adopted Budget, plus adjustments approved by the Board and Chief Executive Officer (CEO) through publication date of the current year's Requested Budget. Does not include prior year balance carry forward for multi-year Capital Project budgets.

## **Adopted Budget**

The Adopted Budget represents estimated revenues and appropriations for the next year that are adopted by the District's Board of Directors.

## **Agreements, Contractual**

Contractual agreements made by the District with other governmental agencies for cost sharing or project cost reimbursement.

## **Allocated Project**

Projects whose budget and actual charges are distributed between one or more projects. The projects may be in a single fund or they can be in multiple funds. Allocated projects are distributed based on formulas set during annual budget preparation. These formulas are not static and they can vary every fiscal year. Every attempt is made to maintain the percent distribution fixed within a given fiscal year.

## **Americans with Disabilities Act (ADA)**

Americans with Disabilities Act, Public Law 336 of the 101st Congress, enacted July 26, 1990. The ADA prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities and transportation.

## **Appropriation**

A legal authorization granted through the Santa Clara Valley Water District Act that allows the District to expend funds and incur obligations in accordance with the purpose of the Act. An appropriation could include all reserves, transfers, allocations, and supplemental appropriations, and is typically limited in amount and the time it may be expended.

## **Assessed Valuation**

An official government value placed upon real estate or other property as a basis for levying taxes.

## **Asset**

A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events. Examples of assets are cash, receivables, and equipment.

## **Balanced Budget**

A budget is balanced when budgeted expenditures are equal to or less than the amount of budgeted revenues plus other available sources.

## **Beginning Balance**

The beginning balance is comprised of residual funds brought forward from the previous fiscal year (ending balance).

## **Benefit Assessment**

Determination of benefits derived from District activities within particular watersheds and the levying of a proportionate share of taxes to each parcel subject to voter-approved limitations.

# Appendix A - Glossary

## **Benefits**

District-funded employee health insurance, vision insurance, dental insurance, basic life insurance, medical insurance reimbursement, Medicare coverage, long-term disability, Workers' Compensation, unemployment insurance, and the PERS Retirement Program.

## **Bonds**

A long-term debt source that provides borrowed monies that can be used to pay for specific capital facilities. Bonds are a written promise to pay a specified sum of money at a predetermined date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

## **Bond Proceeds**

Funds derived from the sale of bonds for the purpose of constructing major capital facilities.

## **Bond Rating**

A methodology used to measure the fiscal health of a borrowing entity. Generally, analyst firms such as Standard and Poor's, Moody's Investor Service, and Fitch Ratings provide bond ratings to governmental agencies. Bonds rated AAA/Aaa are judged to be the best quality and carry the smallest degree of risk, and together with AA/Aa bonds comprise high grade bonds. Ratings including "+" or "1" designate the strongest bonds in the rating category. Generally, highly rated bonds result in lower interest rates.

## **Budget**

The planned use of expenditures and revenues over a given period of time

## **Budget Adjustment**

A procedure to revise a budget appropriation, usually completed by either of two methods: (1) The Board of Directors approves the adjustment through the transfer of appropriations between funds, or through additional revenues or appropriations or (2) the CEO authorizes the adjustment of appropriations within a fund and within Operating Budget or within Capital Budget.

## **Budgetary Basis**

This refers to the form of accounting utilized throughout the budget process. These generally take one of three forms: GAAP, Cash, Modified Accrual or some type of statutory form. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that (a) encumbrances are considered to be an expenditure chargeable to appropriations, (b) no depreciation is budgeted for in enterprise funds, (c) certain accruals (primarily accrued and sick leave pay) are excluded from the budgetary basis, (d) operating transfers are not budgeted. Unencumbered appropriations for Operations lapse at the close of the fiscal year. The basis of accounting used by the District Governmental Funds is Modified Accrual. The basis of accounting used by the District Enterprise Funds is Accrual.

## **Budget Document**

The instrument used by the budget-making authority to present a comprehensive financial plan to the appropriating governing body.

## **Budgetary Control**

The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

# Appendix A - Glossary

## **Budget Process**

The schedule of key dates or milestones which the District follows in the preparation, adoption, and administration of the budget.

## **Bureau Repayment Appropriation**

The Bureau Repayment Appropriation is a provision for voluntary payment of costs to the Bureau of Reclamation, subject to negotiation, for a long-term contractual obligation in excess of current payments.

## **Budget Year**

A consecutive 12-month period for recording financial transactions. The Santa Clara Valley Water District's budget and fiscal year is July 1 through June 30 of the following calendar year.

## **Capital Budget**

The Capital Budget is comprised of all Capital Projects within a fund. See Capital Project.

## **Capital Expenditure**

Capital expenditures generally create assets or extend the useful lives of existing assets, and can be made with regard to tangible and intangible assets. The work product results in a long-term benefit greater than 2 years and involves an expenditure of District resources greater than \$50,000. The general categories of capital expenditures are: Rehabilitation, Major Repairs, Improvements/Betterments/Upgrades, Replacements, Expansions/Additions, and Ancillary Expenditures.

## **Capital Projects**

Projects that are budgeted within the Capital Budget and fall within the definition of Capital Expenditures, meaning they (1) create or extend the lives of assets, (2) their work products have a useful life of greater than two years, and (3) they involve an expenditure of District resources in excess of \$50,000.

Capital Improvement Program (CIP)

Capital projects are multi-year budgeted projects. Capital projects exceed \$50,000 in cost, have long-term life spans and are generally non-recurring.

## **Carry-Forward**

A portion or total of the unspent balance of an appropriation that is made available for expenditure in the succeeding fiscal year.

## **Certificates of Participation (COPs)**

A form of lease revenue bond that permits the investor to participate in a stream of lease payments, installment payments or loan payments relating to the acquisition or construction of specific equipment, land or facilities.

## **CEQA**

California Environmental Quality Act

## **CIP**

See Capital Improvement Plan

## **Commercial Paper**

Short term debt (1-270 days) issued primarily to fund capital expenditures.

## **Comprehensive Annual Financial Report (CAFR)**

The official annual financial report of the District, prepared by the General Accounting Unit, and is usually referred to by its abbreviation, the report summarizes financial data for the previous fiscal year in a standardized format. The CAFR is organized by fund and contains two basic types of information: a balance sheet that compares assets with liabilities and fund balance; and an operating statement that compares revenues with expenditures.

## **Contingency Appropriation**

A provision for unforeseen expenditures.

# Appendix A - Glossary

## **Cost Center**

Cost Centers are separate financial accounting centers in which costs are accumulated because of legal and accounting requirements. The first two digits of a project number identify the cost center.

## **CVP**

Central Valley Project, the imported water supply infrastructure operated by the federal Bureau of Reclamation.

## **Debt Proceeds**

The difference between the face amount of debt and the issuance discount or the sum of the face amount and the issuance premium.

## **Debt Service**

Payment of interest and principal on long term debt.

## **District Act**

The Santa Clara Valley Water District was created by an act of the California Legislature, and operates as a state of California Special District, with jurisdiction throughout Santa Clara County.

## **DWR**

State Department of Water Resources

## **EIR**

Environmental Impact Report

## **Encumbrances**

Commitments related to unperformed (executory) contracts for goods or services. Encumbrances represent the estimated amount of expenditures that will result if unperformed contracts in process are completed.

## **Ends**

Board established policies that describe the mission, outcomes, and results to be achieved by the District.

## **Enterprise Fund**

A fund established to finance and account for the acquisition, operations, and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges; or where the governing body of the governmental unit has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate.

## **Executive Limitations (EL)**

Constraints on the Board Appointed Officers, set by the Board, establishing the prudence and ethics boundaries within which all executive activity and decisions must take place.

## **Expenditure/Expense**

Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements, and shared revenues. The major expenditure categories used by the District are labor and overhead, services & supplies, land and structures, equipment, and debt service.

## **FAHCE**

Fisheries and Aquatic Habitat Collaborative Effort

## **Fixed Assets**

Long-lived tangible assets such as automobiles, computers and software, furniture, communications equipment, hydrologic equipment, office equipment, and other equipment with a value of \$2,000 or more, or the combined value of like or related units (aggregate value) is greater than \$5,000 if the unit value is less than \$2,000.

# Appendix A - Glossary

## **Fiscal Year**

A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The District's fiscal year is July 1 through June 30.

## **Full Time Equivalent (FTE)**

The number of equivalent staff positions actually available, after adjusting for estimated vacancies. It is equal to the total labor hours divided by the standard annual labor hours of 2,080 for a full time employee.

## **Fund**

A reserve of money set aside for some purpose; a fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

## **Fund Balance**

The net effect of assets less liabilities at any given point in time.

## **Gann Limit (Proposition 4)**

Under this article of the California Constitution, the District must compute an annual appropriations limit, which places a ceiling on the total amount of tax revenues the District can actually appropriate annually.

## **GASB**

Governmental Accounting Standards Board

## **General Fund**

A fund used to account for major operating revenues and expenditures, except for those financial transactions that are required to be accounted for in another fund. General Fund revenues are derived primarily from property and other taxes.

## **Generally Accepted Accounting Principles (GAAP)**

Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

## **General Obligation Debt**

Secured by the full faith and credit of the issuer. It is repaid with General Revenue and borrowings.

## **GFOA**

Government Finance Officers Association

## **Government Finance Officers Association (GFOA) Distinguished Budget Award**

Highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by the management, staff, and elected officials of recipients. Budgets are evaluated for effectiveness as a policy document, a financial plan, an operations guide, and as a communication device.

## **Grants**

Contributions or gifts of cash or other assets from another government entity to be used or expended for a specified purpose, activity, or facility.

## **Groundwater**

Water pumped from underground aquifers

## **HAZMAT**

Hazardous Materials

## **Interfund Transfers**

A transfer of funds for specific purposes as approved by the appropriate authority.

## **Intergovernmental Revenue**

Funds received from federal, state and other local government sources in the form of grants, shared revenues, and reimbursements.

# Appendix A - Glossary

## **International Organization for Standardization (ISO)**

An international standard-setting body composed of representatives from various national standards organizations.

## **Interfund Transfers**

A transfer of funds for specific purposes as approved by the appropriate authority.

## **Intra-District Reimbursement**

To provide reimbursement to the District Fund for general costs incurred on behalf of other cost centers.

## **ISMP**

Information Systems Master Plan, a District document which provides objectives, justification and plans for improving the District's use of information system and information technology infrastructure.

## **IWRP**

Integrated Water Resources Plan. This long-term District water supply plan was first completed in 1977, and was updating 2003 (IWRP 2003). The goal of IWRP 2003 is to develop a balanced, flexible, long-term water supply plan that can provide a mix of water resources to meet the needs of Santa Clara County through the year 2040.

## **Levy**

(1. Verb) To impose taxes, special assessments, or service charges for the support of government activities;  
(2. Noun) The total amount of taxes, special assessments, or service charges imposed by a governmental agency.

## **Long-Term Debt**

Debt with a maturity of more than one year after the date of issuance.

## **MTBE**

Methyl-Tert Butyl Ether, an oxygenate added to gasoline in California prior to 2004, which can contaminate groundwater.

## **Modified Accrual Basis of Accounting**

Under the modified accrual basis of accounting, required for use by governmental funds, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

## **Operating Expenditure**

Operating expenditures are system costs required for the daily process of providing water and watershed management services, including the administrative and overhead costs to support these services. Operating expenditures are costs necessary to maintain the systems in good operating condition. This includes the repair and replacement of minor property components. The American Waterworks Association (AWWA) says that these property components should be smaller than a retirement unit; a retirement unit is a readily separable and separately useful item that is part of a larger assembly. The benefit and life of such repairs should be less than 2 years. Any repairs that recur on an annual basis are considered operating activities of a maintenance nature. Operating expenditures are often separated into fixed and variable costs for purposes of understanding operating leverage and structuring service charge rates.



# Appendix A - Glossary

## **Operations**

Expenditures required for the daily process of providing water and watershed management services, including the administrative and overhead costs to support these services. Operations include work that is generally of an ongoing or recurring nature. Any District work that is not a project is, by definition, an Operation.

Operations, although recurring, require close coordination and a high degree of management oversight, however, they can be accomplished without the application of the full range of tools and processes used for managing projects.

## **Operating Budget**

The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel, and fuel.

## **Operating Projects**

Projects are budgeted within the Operating Budget and fall within the definition of Operating Expenditures. Although Operating Projects may, in some cases, create or extend the life of an asset and may have a useful life greater than two years, their costs may be under \$50,000. District management may still decide to designate some Operating Projects as Capital Projects for purposes of giving the work visibility, control, and resources beyond a normal operating budget.

## **Other Post Employment Benefits (OPEB)**

Large state and local governments were required to begin accounting for these obligations on December 15, 2006. OPEB obligations are primarily for retiree health care costs but also can include other benefits such as insurance. Currently the District pays a portion of the OPEB obligations out of current revenues on a pay-as-you-go method. The annual cost of OPEB is what it costs to cover specific retirees in that year without regard to how this obligation might change as the number of retirees changes or the cost of providing the benefits changes in the future.

## **Outlays**

See Expenditure/Expense.

## **Overhead**

General Fund expenses that cannot be specifically associated with a given service, program, project or operational unit (i.e. accounting, information management, human resources, organizational development). Overhead expenses are allocated to programs and/or projects via an overhead rate that is calculated as a percentage of direct program/project salaries. The overhead rate provides a mechanism to reimburse the General Fund for costs incurred.

## **Overtime**

Hours worked in excess of 40 hours per work week or hours worked in excess of those scheduled in a shift.

## **Perchlorate**

Perchlorate is a salt used as an oxidizer for rocket fuel, highway flares, matches, air bag inflators and for other uses. Perchlorate can contaminate groundwater and surface water supplies.



# Appendix A - Glossary

## **Projects**

At the Santa Clara Valley Water District, a project is any undertaking which has (1) a beginning and an ending, (2) a one-time occurrence. Projects can require expenditure of capital or operating funds and, at the District, are called Capital or Operating Projects, accordingly. Projects usually, but not always, relate to a District facility or facilities (a creek, a reservoir, a dam, a water treatment plant, a pipeline, etc.). Projects may include studies, design, construction, maintenance, or implementation of systems such as Records Management or Financial Management Systems.

## **Property Tax**

An "ad valorem" tax on real property, based upon the value of the property. In accordance with Proposition 13, secured property is taxed at the rate of 1% of assessed valuation, plus a rate sufficient to generate revenue necessary to pay for voter approved indebtedness.

## **Property Tax Assessment**

The process of setting the official valuation of property for taxation; the valuation placed upon property as a result of this process.

## **Proposed Budget**

The District CEO submits a Proposed Budget for the District's financial operations, including an estimate of proposed expenditures and revenues, to the Santa Clara Valley Water District's Board of Directors for approval. The Board Adopted Budget is submitted by the Chairman of the District's Board of Directors to the Santa Clara County Board of Supervisors.

## **Purchased Water**

Water imported from other agencies to supplement local water supplies.

## **Recycled Water**

Wastewater which has been treated for reuse; used for irrigation of crops, toilet flushing, industrial uses or landscaping, depending on its level of treatment.

## **Replacement Appropriation**

Provides funds to meet future major repair costs to Water Enterprise facilities, which would cause interruption of water services (Water Enterprise Fund), and to replace existing equipment due to obsolescence (Equipment Fund).

## **Requested Budget**

This summary budget outlines new programs, program changes, and identifiable goals and objectives.

## **Revenue**

Monies the District receives in exchange for services or sales provided. Revenue items include water sales, property tax revenues, benefit assessment revenues, interest income, intergovernmental reimbursement.

## **Revenue Bonds**

Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

## **Reserve**

An account used to indicate that a portion of a fund's assets are legally restricted for a specific purpose and is, therefore, not available for general appropriation.

## **Resolution**

A special or temporary order of a legislative body requiring less legal formality than an ordinance or statute.

# Appendix A - Glossary

## **Rolling Biennial Budget**

A rolling biennial budget is a two-year spending document, created and adopted through successive annual appropriations with any necessary budget amendments made in the second year. The objective of a rolling biennial budget is to stabilize operating expenditures from year to year to ensure that operating expenditures are within generally agreed upon levels and to align operating and capital expenditures with fairly stable and predictable revenue sources.

## **Safe, Clean Water and Natural Flood Protection Program (SCW)**

A 15-year program resulting from voter approved special parcel tax initiative in November 2012.

## **Salaries**

Salaries are defined as the amount of money paid to District employees for the performance of services.

## **San Felipe Appropriation**

Provides funds necessary for extraordinary maintenance under the San Felipe contract.

## **Self-Insurance Appropriation**

The term "self insurance" is used to define the retention by an entity of a risk of loss arising out of the ownership of property or from other causes and obligations, instead of transferring that risk to an insurance company. The Self-Insurance Appropriation provides funds to meet such losses.

## **Services and Supplies**

Services and Supplies include expenditures for insurance, maintenance, materials and supplies, memberships, office expenses, training and seminars, travel, contract services, communications, equipment leases, and utilities.

## **Special District**

An independent unit of local government organized to perform a single government function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes.

## **Supplemental Water Supply Appropriation**

Provides funds for specific purposes such as water transfer, purchase, or reclamation.

## **Subsidence**

The sinking of land surface that occurs when underground aquifers are over-pumped.

## **State Water Project**

The State Water Project is a water and power system operated by the California Department of Water Resources.

## **Taxes**

Compulsory charges levied by a government to finance services performed for the common benefit.

## **Transmittal Letter**

Introductory letter to the Budget document that provides the District and public with information on the major accomplishments in the current year and plans, programs, and activities for the future Budget year.

## **Treated Water**

Water which has been processed through a District water treatment plant.

## **TWIP**

Treated Water Improvement Project is the former name of the Water Treatment Improvement Project

## **Water Treatment Improvement Project**

Also referred to as WTIP, this project is upgrading the District's three drinking water treatment plants to meet future stringent state and federal water regulations, using ozonation as the primary means of disinfection.

# Appendix A - Glossary

## **Watershed**

A watershed is the land area from which surface runoff drains into a stream channel, lake reservoir or other body of water, such as the San Francisco Bay. See Watershed and Flood Control Zones.

## **Watershed and Flood Control Zones**

Much of Santa Clara County is divided into five watershed areas with corresponding flood control zones. Each zone has separate programs, revenues and expenditures. They are: The Lower Peninsula Watersheds (Northwest Zone); the West Valley Watersheds (Central Zone); the Coyote Watershed (East Zone); and the Uvas/Llagas Watersheds (South Zone).

## **WMI**

Watershed Management Initiative. The Santa Clara Basin Watershed Management Initiative, established in 1996 by the U. S. Environmental Protection Agency, the State Water Resources Control Board and The San Francisco Bay Regional Water Quality Control Board. A major aim of the WMI is to coordinate existing regulatory activities on a basin-wide scale, ensuring that problems are addressed efficiently and effectively.

## **Zone W-1**

Encompasses the groundwater basin in northern Santa Clara County and small peripheral areas outside the groundwater basin, with the retail service areas of privately-owned public utilities and municipal water departments using water pumped from the groundwater basin. This area provides the security for General Obligation bonds. Zone W-1 comprises an area of approximately 290 square miles and includes all or portions of 13 of the County's 15 cities, plus some unincorporated territory.

## **Zone W-2**

Encompasses the Santa Clara Valley groundwater basin north of Metcalf Road. It includes those groundwater producing facilities that benefit from recharge of the basin with local and imported water. A charge is levied for all groundwater extracted from this zone.

## **Zone W-3**

Encompasses the Coyote and Llagas groundwater basins in the area from Metcalf Road in the north to just south of the City of Morgan Hill. Part of the County property tax within the 1 percent limit is allocated to this zone.

## **Zone W-4**

Contains all of Zone W-2 and lands outside Zone W-2 that use or otherwise benefit from locally conserved water and from the importation and distribution of water from the South Bay Aqueduct. This area also receives an allocation of County taxes.

## **Zone W-5**

Is comprised of the entire groundwater basin from Metcalf Road south to the Pajaro River. Charges are levied for all groundwater extracted from this zone.

## **Zone W-6**

Represents the old Gavilan Water Conservation District and is within Zone W-5.

## Appendix B - Closed Projects

Status of Project		
Project	Project Description	Explanation
00061046	District CMMS Administration	Closed, consolidated into 00061045.
00061053	Admin Asset Mgmt Program	Closed, consolidated into 00061045.
26061003	Stewardshp Grnts/Partnrshp Admin	Closed, consolidated into 26061006
26062009	Hydration Station Grants	Project completed
60061017	Info Technology Division Admin	Closed, this project is moved into Information Technology Fund 73271006
60101006	Telecommunications Sys Opr/M	Closed, this project is moved into Information Technology Fund 73271001
60101011	Technical Infrastructure Services	Closed, this project is moved into Information Technology Fund 73271002
60131016	Office of CEO & Board Support	Closed, consolidated into 60241026
60161001	Software Maint & License	Closed, this project is moved into Information Technology Fund 73271008
60161004	Software Services	Closed, this project is moved into Information Technology Fund 73271009
60181002	Network Administration	Closed, this project is moved into Information Technology Fund 73271003
60201001	District HVAC Services	Closed, consolidated into 60101002 Building and Grounds
60221007	Credit Card Services Fees	Closed, consolidated into 60111002 General Accounting Services
60271062	Information Security Admin	Closed, this project is moved into Information Technology Fund 73271004
60271064	Office Cmptr Maint/Help Desk Support	Closed, this project is moved into Information Technology Fund 73271005
62041026	Watersheds Asset Mgt Plng Prgm	Closed, consolidated into 00061045.
73274007	Vena Software Implementation	Project completed
91151007	Water Conservation-Residential	Closed, consolidated into project 91151001
91151009	Water Conservation - AG	Closed, consolidated into project 91151001
91151010	Water Conservation-Landscape	Closed, consolidated into project 91151001
91284009	SVAWPC Expansion Project	Closed, project changed from design-build to P3.
91384001	Purified Water Pipeline	Closed, project changed from design-build to P3.
92761006	Rchrg / RW Field Fac Asset Mgt	Closed, consolidated into 91761001
92761007	Rchrg / RW Fld Ops Pln & Anlys	Closed, consolidated into 91761002
93234028	PWTP Improvement, Stage 2	Closed, project completed.
95061007	WUE Asset Management Plng Prgm	Closed, consolidated into 00061045.
95084001	5-Year Pipeline Rehabilitation	Closed, consolidated into 95084002 10-Yr PL Inspection and Rehabilitation