

# Appendix F - Glossary

## **Ad Valorem Tax**

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

## **Appropriation**

An appropriation is a legal authorization granted by the Santa Clara County Board of Supervisors which allows the District to expend cash and incur obligations for specific purposes. An appropriation is usually limited in amount and the time it may be expended.

## **Assessment**

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

## **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.

## **Benefit Assessment**

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

## **Bonds**

Bonds are a long-term source of debt that provides a source of 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 specific rate.

## **Capital Expenditure**

Capital expenditures fall into several categories. In general, they should create assets or extend the useful lives of existing assets. The work product results in a long-term benefit greater than two years and for budgeting purposes involved a major expenditure of district resources greater than \$50,000. They can be made with regard to tangible and intangible assets.

The general categories of capital expenditures are: rehabilitation, major repairs, improvements/betterments/ upgrades, replacements, expansions/additions, and ancillary expenditures.

## **Capital Projects**

Projects are budgeted within the Capital budget and fall within the definition of Capital Expenditures; which means they (1) create or extend the life of an asset, (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.

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

A security in the general form of a bond, which evidences a proportionate participation in a flow of lease or other payments between two parties.

## **CEQA**

California Environmental Quality Act

## **CIP**

Capital Improvement Program

## **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 identifies the cost center.

## **DPR**

Direct Potable Reuse

## **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.

# Appendix F - Glossary

## **Enterprise Fund**

Enterprise Funds are used to account for operations including debt service (a) that are financed and operated in a manner similar to private business, where the intent of the government body is that the costs (expenses, including depreciation) of providing goods or services to the general public on an accounting basis is financed or recovered primarily through user charges; or (b) where the governing body has determined that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes.

## **ERP**

Enterprise Resource Planning

## **Expenditure/Expense**

Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future 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, land and structures, equipment, and debt service.

## **Facility**

Defined as a creek, reservoir, dam, water treatment plant, pipeline, canal, etc.

## **Fixed Assets**

Fixed Assets are defined as 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.

## **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.

## **Fund**

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.

## **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.

## **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.

## **HVAC**

Heating, Ventilation, and Air Conditioning

## **IPR**

Indirect Potable Reuse

## **JPA**

Joint Power Authority

## **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 government agency.

## **Long-Term Debt**

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

## **MGD**

Million Gallons per Day

# Appendix F - Glossary

## **One Percent Flood or 100 Year Flood**

Has a 1% chance of occurring in a given year. Water District projects are usually designed for the 1% flood, a national standard established by the Federal Emergency Management Agency (FEMA).

## **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 priority 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 two 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.

## **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.

## **P3**

Public Private Partnership

## **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. Project 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 System.

## **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, and other.

## **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.

## **WTP**

Water Treatment Plant

## **WQL**

Water Quality Lab

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