

BUDGET GLOSSARY

Accounts Receivable. SCWD extends credit to customers in the normal course of operations. Management deems at least 99% of all accounts receivable as collectible at fiscal year end.

Accrual Basis of Accounting. The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether or not cash disbursements are made at the time).

Alluvial Aquifer. The shallow aquifer underlying the Santa Clara River which runs through the Santa Clarita Valley.

Aquifers. An underground layer of permeable rock, sediment (usually sand or gravel), or soil that yields water.

Acre-Foot/Acre-Feet (AF). A unit of measure equivalent to 325,900 gallons of water.

ACWA (Association of California Water Agencies). A statewide organization comprised of a coalition of public water agencies. The Agency is a member of ACWA.

ACWA/JPIA (Association of California Water Agencies/Joint Powers Insurance Authority). A statewide organization dedicated to consistently and cost effectively providing the broadest possible affordable insurance coverage as well as training and related services to its member agencies. The Agency is a member of ACWA/JPIA.

Agency. Refers to both CLWA and SCWD.

Assets. Resources having monetary and economic value that are owned or held by the Agency.

Automated Meter Reading. Automatic collection of water meter data using remote reading devices.

AWWA (American Water Works Association). An international scientific and educational society dedicated to the improvement of drinking water quality and supply. The Agency is a member of AWWA.

Balanced Budget. A balanced budget is a basic budgetary constraint intended to ensure that a government does not spend beyond its means.

Board of Directors. The governing body of the Castaic Lake Water Agency. The Agency is divided into three elective divisions; the governing board is made up of two directors from each division, two directors at large, and one director appointed by each of the three retail water purveyors excluding SCWD.

Bond. A written promise to pay a specified sum of money (called the principal) at a specified date in the future, together with periodic interest at a specified rate. In the budget document, these payments are identified as debt service.

Budget. A balanced financial plan for a given period of time, which matches proposed expenditures to the expected revenues for that same period of time.

CAFR. Comprehensive Annual Financial Report.

California Public Utilities Commission (CPUC). Commission governing the business operations of private utilities in so much as they affect the rates of the services sold.

Capital Equipment. Fixed assets such as vehicles, computers, furniture, technical instruments which have a life expectancy of more than five years and a value over \$5,000.

Capital Improvement Plan (CIP). A long-range plan of SCWD for the construction, rehabilitation and modernization of SCWD's owned and operated infrastructure.

Capital Planning, Studies and Administration. Non-operating expenses, including but not limited to: (1) studies in support of major capital projects; and (2) non-recurring studies.

Capital Project. A non-operating expense items of the budget, which includes expenditures for fixed asset/equipment purchases as well as the accumulation of expenditures associated with construction projects. Capital projects typically have a life of five years or more.

Castaic Lake Water Agency (CLWA). The Castaic Lake Water Agency is the areas wholesaler, which imports water from the State Water Project and is used to supplement the local retailer's groundwater supply. CLWA acquired SCWD in 1999.

Certificates of Participation (COPs). The financing technique that provides long-term financing through a lease (with an option to purchase) or installment agreement that does not constitute indebtedness under the state constitutional debt limit and does not require voter approval.

Water Commodity Charges. Includes local SCWD water usage charge and pass-through charges for purchased water from CLWA and power purchased from Southern California Edison.

CEQA. California Environmental Quality Act.

Ccf. The Ccf is the standard rate of billing for retail water service. 1 Ccf is equal to 100 cubic feet of water which is equal to 748 gallons of water.

DWR (Department of Water Resources). The state agency responsible for financing, constructing and operating State Water Project facilities.

Disbursements. Payments made on obligations.

EIR. Environment Impact Report prepared in compliance with the California Environmental Quality Act.

EIS. Environmental Impact Statement prepared in compliance with the National Environmental Protection Act.

Enterprise Fund. A fund established to account for operations that are financed and operated in a manner similar to business enterprises where 1) the intent of the governing body is that costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or 2) the governing body or higher governmental authority has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, and accountability for other purposes.

Equipment. The purchase, replacement, maintenance and upgrading of equipment essential to supporting administrative and service needs with a cost of \$5,000 or more.

Equipment Purchases. The purchases of office equipment, furniture, automobiles, trucks, pumps, shop equipment and other items.

Expenditure. An amount of money disbursed or obligated. Expenditures include current operating expenses and capital improvements requiring the present or future use of net current assets and the current year portion of debt service.

Finance and Administration Committee. A committee of the Board of Directors consisting of five Board members that meets on the second Tuesday of each month to discuss finance and administration issues.

Fiscal Year (FY). The time frame in which the Budget applies. For SCWD this is the period from July 1 through June 30 of the succeeding year.

Fixed Assets. Long term tangible assets that have a normal use expectancy of more than three years and do not lose their individual identity through use. Fixed assets include buildings, equipment and improvements other than buildings and land.

Fund. A set of accounts used to account for a specific activity, such as a water enterprise fund. A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and changes in these assets and liabilities.

Fund Balance. The current funds on hand resulting from historical collection and use of monies. The difference between assets and liabilities reported in SCWD's Operating Fund plus residual equities or balances or changes therein, from the results of operations.

Generally Accepted Accounting Principles (GAAP). Uniform minimum standards of, and guidelines for, external financial accounting and reporting. They govern the form and content of the basic Financial Statements of an entity. The responsibility for setting GAAP for state and local governments rests with the Governmental Accounting Standards Board (GASB).

General Obligation Bonds. Bonds, the payment for which the full faith and credit of the issuing government are pledged.

Geographic Information System (GIS). An organized collection of computer hardware, software and geographic data designed to efficiently capture, store, update, manipulate, analyze, and display all forms of geographically referenced information.

Goal. A description of a desired end state, condition or outcome expressed in qualitative terms.

Governmental Accounting Standards Board (GASB). The organization that sets the standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports and guide and educate the public, including issuers, auditors, and users of those financial reports.

Governmental Relations and Outreach Committee. A committee of the Board of Directors consisting of five Board members that meets on the third Monday of each month to discuss governmental relations and public outreach issues.

Interfund Loan. Payments from SCWD to CLWA for the purchase of Santa Clarita Water Company (SCWC) in 1999.

Internal Control. Agency management is responsible for the establishment and maintenance of internal control structure that ensures that the assets of the Agency are protected from loss, theft or misuse. The internal control structure also ensures that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

Investment in Excellence Program. An internal program established to enhance the Division's cultures and values and strengthen the work environment.

Impact Capacity Fees. Fee imposed when a customer requests a new service connection. The Impact Capacity funds are used by SCWD to plan, design and construct new facilities to support the additional demand placed by on the water system by the new service connections.

L.A. Co. WWD #36. Los Angeles County Water Works District #36, one of the four Santa Clarita Valley retail purveyors.

Major Capital Improvements Projects. Projects associated with the expansion of service due to growth or increase in demand and cost more than \$250,000.

Materials and Supplies. Cost of the various materials and supplies purchased to operate and maintain SCWD. Examples of supplies include stationery, safety glasses, cables, valves, nuts and bolts.

Meter Service Charge. Monthly meter charge based on meter size which range from \$14.45 for 5/8" meter to \$617.06 for 8" meter in 2010.

Minor Capital Improvement Projects. Projects associated with the expansion of service due to growth or increase in demand that cost \$250,000 or less.

MGD. Million gallons per day.

MOU. Memorandum of Understanding.

NCWD. Newhall County Water District – one of the four Santa Clarita Valley retail purveyors.

Objective. A description of the result that is expected to be achieved. An objective is time specific and measurable. Fiscal year objectives are the yearly organizational levels of achievement expected.

Operating Budget. The normal, ongoing operating costs to operate SCWD including salaries, employer expenses, professional and outside services, and other operating expenses.

Perchlorate. Compounds used in the manufacturing of explosives, munitions and rocket fuel.

Performance Measurement. A qualitative or quantitative indicator of successful goal attainment. A "good" performance measure is a reasonable approximation or representation of goal attainment. The performance measure cited should also be one that the Agency can affect, gather data on and measure.

Potable Water. Water that meets the drinking water standards of the US Environmental Protection Agency.

Public Employees Retirement System (PERS). An agent, multiple-employer, public retirement system to which the Agency contributes that acts as a common investment and administrative agent for participating public entities within the State of California.

Purchase Water. Imported water purchased from CLWA to supplement SCWD's groundwater supply.

Reliability. Providing a consistent level of water.

Repair and Replacement Projects. Any repair or replacement to SCWD's existing water infrastructure that extends the life a minimum of five years or more and costs \$5,000 or more.

Replacements. Projects related to replacement of existing infrastructure.

Retail Operations Committee. A committee of the Board of Directors consisting of five Board members that meets on the first Monday of each month to discuss retail operation issues.

Water Rates. Retail Water Rates charged to SCWD customers. The water rates for residential customers are based on an accelerated block structure. As more units are consumed, a higher unit rate is charged. On January 1, 2010, SCWD implemented a three tiered rate structure to encourage conservation. Water rates for irrigation customers are the flat rate from residential tier three and all other customers are the flat rate from residential tier two.

Recycled Water. Beneficial use of treated wastewater for such planned uses as irrigation, industrial cooling, recreation, groundwater recharge, environmental enhancement, and other uses permitted under California law.

Revenue. Income generated by taxes, notes, bonds, investment income, land rental, user charges and water rates.

Santa Clarita Valley Family of Water Suppliers. To help Santa Clarita residents use water more efficiently, SCWD teamed up with CLWA, SCWD, Los Angeles County Waterworks District 36 and Valencia Water Company to promote water conservation through its "Put Your Water to Work" campaign by offering tips and information to be more water wise.

Saugus Aquifer. The deep aquifer that underlies the Alluvial Aquifer.

SCWC. Santa Clarita Water Company, 1973 merger of Bouquet Canyon Water Company and Solemint Water Company.

SCWD. Santa Clarita Water Division, acquired by the Agency in 1999 and the name was changed from Santa Clarita Water Company.

Services. The normal, ongoing operating costs incurred to operate SCWD. Examples include repair, maintenance, auditing, security and engineering.

Southern California Edison (SCE). The primary electricity supply company for most of Southern California.

State Water Project (SWP). A water development and distribution system owned and operated by the State of California Department of Water Resources, which transports water from northern California. It

entails the operation and maintenance of the conservation and transportation facilities and power to pump the water.

Strategic Goal. A discrete aim for future achievement that is necessary to meet a component of SCWD's mission.

Strategic Plan. A long term plan defining SCWD's mission, goals, and objectives and implementing actions.

Studies and Administration. Expenses related to planning, feasibility studies and other non-recurring reports, evaluations or tests.

Supervisory Control and Data Acquisition (SCADA). The Supervisory Control and Data Acquisition system collects operational data from remote units to monitor and control water and facilities throughout SCWD's service area.

TEAM. Together Everyone Achieves More.

Total Capital Budget. The total budget requests for equipment purchases and construction projects.

Total Budget. The sum of the total operating budget, debt service, water purchases and total capital budget requests.

Upgrades. Projects related to the repair or refurbishment of existing infrastructure.

Utilities. This includes gas, electricity, water, sewer and telephone service.

UWMP. Urban Water Management Plan.

Variable Water Commodity Charges. Includes water usage charge and pass-through charges for purchased water from CLWA and power from Southern California Edison.

VWC. Valencia Water Company – one of the Santa Clarita Valley four retail purveyors.

Water Master Plan. An engineering study done in 2008 to recommend and prioritize capital improvements based on long-range planning efforts through analysis and assessment of the capacity of existing and planned infrastructure with respect to established design criteria.

Water System. The whole and each and every part of the water system of SCWD, comprising all facilities for the supply, storage, treatment and distribution of water, together with all additions, extensions and improvements to such system.