
GLOSSARY OF TERMS

20 x 2020 — 2009 Water Conservation Act goal of twenty percent reduction in per capita regional water use by 2020.

ACE — Association of Confidential Employees; an employee bargaining unit at Metropolitan.

Accrual — An accounting method that records revenues when earned and expenses when incurred regardless of the timing of when the cash is actually paid or received.

Acre-Foot — A unit of measure equivalent to 325,851.4 gallons of water and weighs approximately 62.4 pounds, which meets the needs of two average families in and around the home for one year.

ACWA — Association of California Water Agencies.

AFSCME — American Federation of State, County, and Municipal Employees.

Appropriation — Money set aside for a specific purpose. The designation of the use to which a fund of money is to be applied.

Area of Origin — An area where the headwaters of a river or other significant water body originates. The "area" may be a county, region, or other geographic region of the state.

Area of Origin Litigation — Solano County Water Agency v. Department of Water Resources. In this litigation, Solano County Water Agency and other State Water Project Contractors including Butte County, Yuba City, and Napa County Flood Control and Water Conservation District who serve water to northern California communities in the areas of origin filed suit claiming rights to an increased share of the State Water Project water based on the area of origin statutes. The area of origin statutes can be used to prioritize water rights in the area that the water originated.

Assembly Bill 1234 — This bill requires a local agency that provides reimbursement for expenses to members of its legislative body to adopt a written policy on the duties for which legislative body members may receive compensation, other than meetings of the legislative body or an advisory body or attendance at a conference or organized educational activity. The bill requires such a governing body to adopt a written policy concerning what occurrences qualify a member to receive reimbursement of expenses for travel, meals, and lodging and would impose related requirements, including the filing of expense reports, which would be public records.

Assembly Bill 32 — The Global Warming Solutions Act of 2006, is California's landmark global warming legislation. It will reduce California greenhouse gas emissions (GHG's) to 1990 levels by 2020 and to 80 percent below 1990 levels by 2050.

Assembly Bill 72 — This bill changed the date that newly elected Municipal Water Directors begin their term from the first Monday after January to the first Friday in December.

Assembly Bill 803 — (also known as the Water Recycling Act of 2013) – This bill harmonizes recycled water spill reporting requirements and authorizes Regional Water Quality Control Boards to permit the introduction of Advanced Treated Purified Water into conveyance systems prior to comingling with any raw water or other water source.

Assembly Bill 850 — This bill amended the Joint Exercise of Powers Act of the California Government Code to allow Joint Powers Authorities (JPAs) to issue rate reduction bonds which would be used to fund certain capital investments of municipally owned California water utilities.

AWWA — American Water Works Association.

Balanced Budget — Metropolitan considers the budget to be balanced when sources of funds equals the uses of funds.

Bay Delta — An environmentally sensitive area of the Sacramento/San Joaquin River Delta through and from which water flows to reach portions of California from the San Francisco Bay Area to San Diego. Moving water across the delta during the high-demand summer months is becoming more difficult as additional water is set aside to mitigate for environmental impacts.

BDCP — Bay Delta Conservation Plan. A long-term conservation strategy that sets forth actions needed for a healthy Delta.

Budget — A report of all anticipated expenditures and required reserves and the source of moneys to be used to meet such expenditures and provide such reserves.

Budgeted Position — A staff position approved by the Board of Directors for the fiscal year.

Business Outreach — This program's intent is to solicit participation in the performance of all construction contracts, professional services contracts, and procurement of supplies and equipment for Metropolitan by all individuals and businesses, including but not limited to small, locally owned, women owned, minority owned, and economically disadvantaged business enterprises.

California WaterFix (CA WaterFix) — The new permitting approach and associated new alternatives to the BDCP that would be implemented under a different Endangered Species Act regulatory permitting process (Section 7 versus Section 10[a]) as proposed by Governor Brown on April 30, 2015. This would fulfill the requirement of the 2009 Delta Reform Act to contribute toward meeting the coequal goals of providing a more reliable water supply for California and protecting, restoring and enhancing the Delta ecosystem.

CDPH — California Department of Public Health.

Capacity Charge — Recovers the cost of providing peak water service capacity within the distribution system. Member agencies pay the capacity charge based on their maximum daily flow during the summer months.

Capital Investment Plan (CIP) — Metropolitan's CIP is designed to refurbish existing facilities needed to ensure a reliable distribution system, expand treatment facilities to meet current and future water quality regulations, and expand storage and conveyance facilities to meet current and future storage requirements.

Capital Project — A project that results in a new asset (e.g., a facility, betterment, replacement, equipment, etc.) that has a total cost of at least \$50,000 and a useful life of at least five years. Computer software can be capitalized if it costs \$250,000 or more and has a useful life of at least three years.

CARB — California Air Resources Board. This is the "clean air agency", a regulatory department within the [California Environmental Protection Agency](#). The goals of CARB include attaining and maintaining healthy [air quality](#); protecting the public from exposure to toxic air contaminants; and providing innovative approaches for complying with air pollution rules and regulations.

The California Environmental Quality Act (CEQA) — A statute that requires state and local agencies to identify the significant environmental impacts of their actions, and to avoid or mitigate those impacts, if feasible.

Chromium 6 — Occurs naturally in the environment from the erosion of natural chromium deposits and industrial processes. People who use water containing total chromium in excess of the maximum contaminant level (MCL) over many years could experience allergic dermatitis.

Colorado River Aqueduct (CRA) — The 242-mile-long water conveyance system built by Metropolitan to carry water from the Colorado River to its Southern California service area.

Conservation Credits Program (CCP) — A program where Metropolitan provides financial assistance for the development of conservation programs (e.g. energy efficient washing machines, low flush toilets, etc.).

CUWCC — California Urban Water Conservation Council, a non-profit 501c3 formed as a partnership of water suppliers, environmental groups, and others interested in conserving California's greatest natural resource, water.

DHCCP — Delta Habitat Conservation and Conveyance Program. Formed in 2008 as a result of demands to protect the Delta, prompting studies to assess potential habitat restoration and water conveyance options. DHCCP will conduct an environmental review of the BDCP.

Debt Service — The annual cost of repaying outstanding debt.

Department of Water Resources (DWR) — A department within the California Resources Agency which is responsible for the state's management and regulation of water usage.

Distribution System — Refers to the network of pipelines and canals used for the conveyance of water from Metropolitan's terminal reservoirs to member agency service connections.

DVL — Diamond Valley Lake. A reservoir built by Metropolitan with a capacity of 800,000 AF.

EIR — Environmental Impact Report.

EMS — Energy Management System.

Endangered Species Act (ESA) — An act of the federal government enacted in 1973 that provides for the conservation of species that are endangered or threatened and the conservation of the ecosystems on which they depend. A species is considered endangered if it is in danger of extinction throughout all or a significant portion of its range. A species is considered threatened if it is likely to become an endangered species within the foreseeable future.

Enterprise Fund — To account for operations that are financed and operated where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Ethics Program — State law (SB 60) mandates that Metropolitan maintain a program to address and seek to avoid potential ethical abuses relating to business relationships, solicitation and/or receipt of campaign contributions, and public notice and approval procedures for contracts of \$50K or more. This program includes on-going training for board members and employees regarding ethics in the workplace.

FCC — Federal Communications Commission.

FERC — Federal Energy Regulatory Commission.

Fee Property — An estate in land for which Metropolitan has full ownership, generally referred to as fee simple absolute.

Fund — A self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objective in accordance with special regulations, restrictions, or limitations.

Fund Balance — Created from excess revenues over expenditures. This can be a combination of collections/revenues being higher than budget and actual expenditures being lower than budget.

GFOA — Government Finance Officers Association.

IID/Metropolitan Conservation Agreement — Water conservation agreement with the Imperial Irrigation District (IID) that allows for the development of certain water conservation capital structures by Metropolitan in the Imperial Valley. Metropolitan, in turn, gets the quantity of water conserved during the term of this agreement, four years during construction, and 35 years after completion. It encompasses both the operating and maintenance, indirect, and capital cost of developing and implementing the program. This agreement is renewable.

Information Technology Strategic Plan (ITSP) — A roadmap for investment in IT projects over the next 3 to 5 years.

IRWMP — Integrated Regional Water Management Plan.

Integrated Resources Plan (IRP) — An open and participatory planning process that takes a broad view of all water resource options available to the region and searches for the right combination of investments to achieve water supply objectives in a cost-conscious and environmentally responsible manner.

Local Resources Program (LRP) — A program in which Metropolitan provides financial assistance to its member agencies for the development of local groundwater recycling and groundwater recovery projects.

Member Agency — Refers to any of the 26 cities or public water agencies that comprise the Metropolitan Water District and whose representatives constitute the Board of Directors of Metropolitan.

Metropolitan/Arizona Interim Surplus Guidelines Agreement — This May 23, 2001 agreement between the State of Arizona and Metropolitan was voided when the Quantification Settlement Agreement was not in full force and effect by December 31, 2002. Arizona and California have completed negotiations on a replacement agreement.

MAF (million acre-feet) — A unit measure of water.

Minute 319 — Agreement that amends the 1944 Treaty between Mexico and the United States by establishing new rules in sharing Colorado River water and provides immediate plans to address current challenges. Parties to the agreement include Metropolitan Water District of Southern California, Southern Nevada Water Authority, Central Arizona Water Conservation District. Minute 319 allows Mexico to store water in Lake Mead as Intentionally Created Mexican Apportionment for future delivery and environmental flows. Stored water will be exchanged among the parties to the agreement.

MWDOC — Municipal Water District of Orange County; one of 26 member agencies that comprise Metropolitan.

MOU (Memorandum of Understanding) — Legal agreements entered into between Metropolitan and any of the four employee bargaining units that dictate terms and conditions of employment.

Ocean Plan — California's Ocean Plan contains regulations for ocean brine discharges and intakes, and the State Water Resources Control Board is proposing to add new regulations specifically for seawater desalination projects.

Ocean Protection Council — The Ocean Protection Council develops a five-year Strategic Plan to guide future ocean resource policies for other state agencies and has developed new policy recommendations for seawater desalination development.

Operating Equipment — Any portable equipment costing \$5,000 or more and having a useful life of five years or more.

Operations Maintenance Power & Recovery (OMP&R) — A component of the State Water Contract that is billed to the contracting agencies to maintain the system.

OPEB — Other Post Employment Benefits.

ORP — Oxidation Retrofit Program.

Ozone — Is a faintly blue gas with a pungent odor. It is an unstable form of oxygen composed of three-atom molecules that break down readily to normal oxygen and nascent oxygen. The latter is a powerful oxidizing agent and has germicidal action. Ozone is usually produced with on-site generators by passing high-voltage electricity through dry atmospheric air or pure oxygen between stationary electrodes. This process converts a small percentage of the oxygen in the air into ozone. It is usually injected into the water to be treated in a highly baffled mixing chamber.

PAYGO — The practice of funding construction expenditures from current operating revenues in lieu of using debt proceeds.

PVID — Palo Verde Irrigation District.

Palo Verde Land Management and Water Supply Program — Calls for the development of a flexible water supply of between 25,000 and 111,000 acre-feet per year for 35 years through a land management and crop rotation program to be implemented by participating farmers in the Palo Verde Valley. The maximum water supply that could be developed would be about 3.63 million acre-feet during the 35-year term while the minimum water supply required to be developed would be 1.76 million acre-feet.

Performance Excellence — A long-term effort to implement best practices in day-to-day operations and maintenance activities, emphasizing continuous improvement in operations and maintenance practices.

Performance Measure — An indicator of progress toward completing an initiative, achieving a goal, or implementing a strategy. Performance measures are quantifiable and tracked over time. Measures can indicate problem areas that need attention or be a guide for continual performance improvement through specific initiatives and actions.

PCCP — Pre-stressed Concrete Cylinder Pipe.

PPCP — Pharmaceutical and personal care products.

Power Recovery — Energy generated from the operation of sixteen Metropolitan-owned hydroelectric generating facilities. The term "recovery" derives from the capture of potentially wasted electrical energy from Metropolitan's water distribution system.

Quagga Mussel — A destructive non-native species of mussel from the Ukraine region that could clog pipes and water line.

Quantification Settlement Agreement (QSA) — An agreement between the Coachella Valley Water District, Imperial Irrigation District, and Metropolitan regarding the priority, use, and transfer of Colorado River Water.

Readiness-To-Serve (RTS) Charge — A charge designed to provide firm revenue for Capital Investment Plan (CIP) debt service to meet the reliability and quality needs of existing and potential users.

RPDM — Real Property Development and Management (group); an organization within Metropolitan that provides real property related services.

Regional Urban Water Management Plan — A document prepared in response to the California Urban Water Management Act, Water Code Sections 10610 through 10656, enacted in 1983. The Act requires that every urban water supplier providing water for municipal purposes to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually prepare an adopt an urban water management plan that describes and evaluates reasonable, practical, and efficient water uses, recycling, conservation activities, and drought contingency planning. These plans must be updated every five years and filed with the California Department of Water Resources.

Replacement and Refurbishment (R&R) — Capital projects that invest in Metropolitan's aging infrastructure by restoring them to optimal operating status.

Reserves — Funds set aside to comply with bond covenants, working capital policy, or other board policies as part of a prudent financial strategy.

Reserve Transfer — Fund transfers required to maintain a given level of fund balances in accordance with Board policies and bond covenants.

Revenue Remainder Fund — See Financial Policies for description.

SCADA — Supervisory Control and Data Acquisition; automated systems that are used to monitor, operate, and control Metropolitan's water conveyance, treatment, and distribution systems.

SDCWA — San Diego County Water Authority; one of 26 member agencies that make up Metropolitan.

Senate Bill 60 — This bill requires Metropolitan to place increased emphasis on sustainable, environmentally sound, and cost-effective water conservation, recycling, and groundwater storage and replenishment

measures and, commencing February 1, 2001, to prepare and submit to the Legislature a prescribed annual report relating to water conservation.

State Water Contract (SWC) — Metropolitan's agreement with DWR for a specified water supply in return for paying a portion of the costs associated with the construction and operation of the SWP, a major water conveyance system designed to transport water from the Bay Delta to central and southern portions of California. The term may also be used to refer to State Water Contractors.

State Water Project (SWP) — A water development and distribution system owned and operated by the State of California DWR to transport water from the Bay Delta to central and southern portions of California. It entails the development of an aqueduct system and power associated with pumping the water.

System Access Rate (SAR) — A volumetric rate that member agencies pay for use of Metropolitan's conveyance and distribution system.

System Overview Study — An analysis of Metropolitan's current delivery and treatment capacities versus projected needs during the planning horizon. The System Overview Study, coupled with the Integrated Area Study, analyzes various portfolios of projects that could be used to meet future demand and then develops a potential CIP. Finally, the System Overview Study analyzes the potential impact to rates from the proposed facilities.

System Power Rate (SPR) — A volumetric rate to recover the cost of pumping water through the Colorado River Aqueduct and the State Water Project.

TAF (thousand acre-feet) — A unit of measure of water.

Tier 1 Supply Rate — A rate applied to recover the cost of maintaining reliable water supplies.

Tier 2 Supply Rate — A rate that reflects the cost of north of the Delta transfers. The Tier 2 Rate is intended to encourage cost-effective water conservation, recycling, groundwater recovery as well as water transfers.

Total Dissolved Solids (TDS) — Refers to the total organic carbon concentration in water. Measurement of TOC removal is used as a surrogate for disinfection by-product precursor removal.

Treatment Plants — Facilities used by Metropolitan for the treatment of water to remove contaminants or total dissolved solids thus ensuring that such water is potable before it is distributed to member agencies.

Treatment Surcharge — Charge to users of treated water to pay the operations, maintenance and capital costs of treating imported water supplies.

U.S. Department of the Interior, Bureau of Reclamation (USBR) — Largest wholesaler of water and second largest supplier of hydroelectric power in the American West. Promotes water conservation, recycling, and reuse.

Vacancy Factor — A calculated reduction to the O&M labor budget that attempts to account for vacancies that occur within organizations throughout the year. Budgeted labor dollars assume that budgeted positions will be filled for the entire fiscal year (2,080 hours). However, positions routinely become vacant throughout Metropolitan for part of the year as staff transfer to other positions or leave employment in the company and time elapses during the recruitment period to refill the vacated positions.

WRSF — Water Rate Stabilization Fund. See Financial Policies for description.

WRM — Water Resource Management (group); an organization within Metropolitan that focuses on water resource planning and management, including conservation.

WSF — Water Stewardship Fund. See Financial Policies for description.

Water Stewardship Rate (WSR) — A volumetric rate to recover the cost of demand management programs including the Conservation Credits Program (CCP) and the Local Resources Program (LRP).

Water Supply Allocation Plan (WSAP) — This plan is intended to be implemented during periods of regional water shortages to promote conservation of scarce water supplies. The WSAP was created to approach limiting supplies in a manner that is regionally fair and minimizes impacts by establishing accurate and fair baselines for each of Metropolitan’s twenty-six member agencies.

Water Supply Programs — Water transfer and storage programs that supplement Colorado River and State Water Project supplies.

Water Surplus Drought Management Plan (WSDM Plan) — This plan directs Metropolitan’s resource operations to help attain the region’s reliability goal. The WSDM Plan recognizes the interdependence of surplus and shortage actions and is a coordinated plan that utilizes all available resources to maximize supply reliability. The overall objective is to ensure that shortage allocation of Metropolitan’s imported water supplies is minimized.

Working Capital — A measure of both a company's efficiency and its short-term financial health. The working capital ratio is calculated as:

Working Capital = Current Assets - Current Liabilities.

WSO — Water Systems Operations (group); an organization within Metropolitan responsible for operating and maintain Metropolitan’s water conveyance, treatment, and distribution system and its appurtenant systems.