

KEY TERMS

APPENDIX

ACCOUNTING PERIOD - period at the end of which, and for which, financial statements are prepared.

ACCRUAL - basis of accounting in which revenue is recognized in the accounting period in which it becomes available and measurable and expenditures are recognized in the accounting period in which the liability (a claim against an asset) is incurred.

APPROPRIATION - authorization approved by a legislative or other oversight body to incur liabilities for purposes specified in the appropriation act or other enabling legislation.

ASSET - an item of monetary value, tangible or intangible, such as cash, property, equipment, and property rights, owned by a person or entity.

BOLSON - an underground natural reservoir of water, a.k.a. an aquifer. For the EPWater service area, the Hueco Bolson is the groundwater source of supply for east El Paso. The Mesilla Bolson is the groundwater source of supply for west El Paso. "Bolson" is the Spanish word for "pocket."

BOND - a written promise to repay an agreed-upon amount of principal and interest on the principal over a predetermined period of time. EPWater generally issues bonds collateralized by and repaid from operating revenues.

BOOSTER PUMP STATION - a pumping facility, generally for a water line, which is usually used to boost the pressure in that line, known as a force main.

BRACKISH GROUNDWATER – water that is high in TDS.

BUDGET - a financial plan for the appropriation of estimated revenues and planned expenditures for a given period of time and the associated financial implications associated with it.

CAPITAL IMPROVEMENT PROGRAM (CIP) - plan to improve existing assets or add new ones over the course of time. Financed separately from operations and maintenance budget.

COLLECTION SYSTEM - the aggregate of all assets that gather raw wastewater and return it to a treatment plant.

COMMERCIAL PAPER - short term financial instrument used specifically for capital projects. Allows for very favorable interest rates and matures from one to 270 days from sale.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) - governmental unit's yearly report prepared and published as a matter of public record, to include general purpose financial statements, schedules, tables, and notes as required by GASB.

CREDIT RATING - the credit-worthiness of an entity as determined by professional independent rating agencies. The Utility is rated by Standard & Poor's, and Fitch Investors.

DEBT SERVICE - expenditures for the repayment of principal and interest on the principal on bonds and other instruments of borrowing.

DESALINATION - the removal of sufficient salts from water so as to make it potable.

DISTRIBUTION SYSTEM - the aggregate of all assets that allows treated water to be made available to customers.

DIVISION - an organizational component which reports to Management. EPWater uses division as the GASB equivalent of a program.

ENCUMBRANCE - the recording of an obligation, in the form of a purchase order, contract, or other commitment, to be charged against an appropriation, and for which part of that appropriation is reserved to honor the obligation, and ceases to be an encumbrance when the obligation is paid or otherwise extinguished.

ENTERPRISE FUND - used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the costs (including depreciation) of providing goods and services to the general public on a continuing basis be financed by or recovered primarily through user charges.

EXPENDITURE - the outlay of cash from the Utility's assets to honor an obligation for a good, service, or debt.

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FISCAL YEAR - the twelve month period beginning March 1 and ending the last day of February of the following calendar year.

FIVE-YEAR PLAN - a financial planning document to allow the President and CEO and the PSB to plan levels of expenditures and determine rate and fee schedules to generate necessary revenues. The Five-Year Plan begins with the proposed budget year and is updated annually.

FULL FAITH AND CREDIT - a pledge of the general rate-setting entity for the payment of debt obligations.

GOAL - long-term, attainable target for an organization, or a vision of the future.

GRANT - the contribution of one governmental unit to another, in the form of assistance and/or direct financial contribution, and may or may not have restricted uses to attain its goals.

GROUND WATER - water from below ground, such as from a bolson.

IMPERVIOUS AREA – area that cannot be penetrated by rain and as a result causes rain runoff.

INCOME - enterprise fund's excess of revenues earned over expenses incurred for the enterprise's operations.

LIABILITY - an amount owed, either currently or some time into the future, by a person or entity.

LIFT STATION - a pumping facility generally for a sewer line, which is usually used to lift the raw wastewater to a higher elevation so that gravity can take it further down the line, known as a gravity main.

MANAGEMENT - the President and CEO , the President's staff (including the Vice President of Operations & Technical Services, Vice President of Strategic, Financial & Management Services, Chief Communication & Government Affairs Officer, General Counsel, Assistant General Counsel, Water Resources Manager, Utility, Land & Water Rights Manager, Human Resources Manager, Information Systems Manager, Consumer Affairs Manager and Executive Secretary).

MAQUILADORA - an industrial / manufacturing factory that operates a plant on both sides of the U.S.-Mexico border.

OBJECT - classification of expenditure describing for what type of good or service the expenditure was made.

OBJECTIVE - specific, measurable, and observable result of an organization's activities which advances it towards its goal(s).

PERFORMANCE MEASURE - metric by which the Utility's organizational units can evaluate service efforts and accomplishments of established goals, with emphasis on quantifiable concepts.

POLICY - a plan, course of action, or guiding principle designed to set parameters for its decisions and actions.

RECLAIMED WATER - wastewater which undergoes advanced secondary or tertiary treatment processes. Non-potable, but usable for very large user consumption for irrigation or some industrial purposes. A.K.A. "gray water" or reuse water.

RESERVOIR - a structure for physically storing water.

RETAINED EARNINGS - the accumulated earnings of an enterprise fund or proprietary entity that have been retained in the fund and are not otherwise reserved for a specific purpose.

SECTION - an organizational subcomponent which reports to a Division. EPWater uses section as the GASB equivalent of an **organizational unit**.

STORMWATER – water on the surface that originated from precipitation.

STRATEGIC PLAN - approved by the PSB in 1997-98, it identifies internal and external factors having an impact on the future of EPWater, determines likely effects, and devises a proactive plan to address each factor on a priority basis over short, medium, and long-term planning horizons.

SURFACE WATER - water from above ground, such as from the Río Grande.

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SYSTEM - the total of all assets the Utility uses for distribution, collection, treatment, and provision of services.

TOTAL QUALITY MANAGEMENT (TQM) - approach in which an organization seeks to continuously improve its ability to meet or exceed customer (external and internal) demands.

USER CHARGE - revenue generated by a payment for a good or service from the consumer of the good or service, as opposed to revenue generated by a tax or some other method.

VOUCHER - a written document that evidences the propriety of transactions and usually indicates the accounts in which they are to be recorded.

WELL - a pumping structure for collecting ground water.

XERISCAPE – the principles of this landscape technique are planning and design, soil, turf, plants, irrigation, mulches and maintenance.

ACRONYMS

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AFY - acre feet per year. An acre-foot covers 1 acre of land 1 foot deep, and is equivalent to 325,850 gallons of water.

ARRA – American Recovery & Reinvestment Act

AWC - average winter consumption. Average of billed water for the previous December, January, and February for a given customer account and the metric against which consumption is measured for all other months.

AWWA - American Water Works Association

BAB - Build America Bond

BECC - Border Environmental Cooperation Commission

BOD - Biochemical Oxygen Demand

CAA - Clean Air Act of 1955, 42 USCA □ 7401 as amended

CCF - hundred cubic feet (1 CCF of water = 748 gallons) Unit of measurement of customer water consumption

CHIWAWA - Consortium for Hi-Technology Investigations in Water and Wastewater

CIS - customer information system

COLA - cost of living adjustment

CPA - certified public accountant

EPA - Environmental Protection Agency

EPCWID #1 - El Paso County Water Improvement District, or the “Irrigation District,” with which the Utility has an agreement to receive an allotted amount of surface water each year

EPWU - El Paso Water Utilities (“the Utility”)

FTE - full time equivalent. A part-time position converted to the equivalent of a full-time position based on a budgeted 2080 hours per year

GAAP - Generally Accepted Accounting Principles. Uniform minimum standards and guidelines for disclosing, recording and reporting financial transactions and entries

GAC - granular activated carbon, key filtration chemical in water treatment

GASB - Governmental Accounting Standards Board. Independent accounting standards-setting board for public sector and not-for-profit entities

GFOA - Government Finance Officers Association

GIS - geographic information system. The use of topographical information, orthophotographic imaging, and digital renderings of land and property for planning and data management

GPCD - gallons per capita per day

HUB - historically under-utilized business (see also **MBE/WBE**)

IBWC - International Boundary and Water Commission

JMAS - Junta Municipal de Aguas y Saneamiento (the Juarez, Mexico Water Utility)

LF - linear feet

LIMS - laboratory information management system

LVWD - Lower Valley Water District

MBE/WBE - minority or woman-owned business enterprise. EPWater actively encourages historically underutilized or M/WBE’s to participate in all bidding processes offered and awarded by the PSB

MCL - maximum contaminant level

MGD - million gallons per day. Unit of measurement for treatment plants

MUD - municipal utility district

NACWA - National Association of Clean Water Agencies

NADBank - North American Development Bank. Created as a multilateral assistance-providing entity for border areas affected by NAFTA

NAFTA - North American Free Trade Agreement

P.E. - “professional engineer” certification

ACRONYMS

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PSB - Public Service Board. Citizen's group which oversees El Paso Water, composed of six U.S. citizens residing in El Paso County and the Mayor of the City of El Paso. All members with the exception of the Mayor receive a nominal fee for attendance of regularly scheduled meetings

SCADA - Supervisory Control and Data Acquisition system. Allows remote and instantaneous monitoring of distribution and collection systems

SDWA - Safe Drinking Water Act of 1974, PL 93-523, as amended

SIU - significant industrial user, as defined by EPA

SRF - State Revolving Fund. Low cost loans offered by states in conjunction with the EPA

TBLL - technically based local limit

TDS - total dissolved solids. Unit of measurement of water quality

TIP -Transportation Improvement Program of the State of Texas

TCEQ - Texas Commission of Environmental Quality

TSS - Total Suspended Solids

TTHM - Total Trihalomethanes

TWDB - Texas Water Development Board

TXDOT - Texas Department of Transportation

USGS - United States Geological Survey

WRP - water reclamation plant

WSRC - water supply replacement charge. Adopted to allow the financing of the cost of attaining future water supplies in lieu of impact fees

WTP - water treatment plant

WWTP - wastewater treatment plant

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PERSONNEL SERVICES

7010 Capital Salaries and Wages - Regular and overtime wages incurred by the section on work performed for capital projects, maintenance & operations jobs, and work performed for other sections.

7020 Operations & Maintenance Salaries and Wages - Regular and overtime wages incurred by section in performing normal duties. Regular wages are for full-time equivalent budgeted positions, based on a 40 hour work week plus an additional load to cover included benefits. Only scheduled standby and holiday overtime is budgeted.

7400 Meeting Fees - Public Service Board members receive \$20 per meeting for their attendance.

7750 Worker's Compensation - Actual cost to the Utility for medical, administrative and other costs incurred for work related employee injuries.

MATERIAL & SUPPLIES

7070 – Public Service Board Grants – all expenditures associated with the

7080 Water Purchased for Resale - Expenditures for wholesale water purchases.

7240 Laboratory Supplies & Testing - All expenditures associated with lab and mini-lab operations, except for wages and equipment purchases over \$5,000.

7310 Water Supply for Desalination - All expenditures associated with the water supply for the Desalination Plant.

7390 Water Supply by EWM – All expenditures associated with purchase from the Utility for the returned potable water produced by Enviro Water Mineral Company (EWM).

7500 Chemicals - Expenditures for chemicals required for the section's treatment processes and operations.

7550 Public Affairs Expense - expenses associated with public education campaigns, special events, and interaction with the public, including the media.

7560 Office Supplies & Printing - Expenditures for all office supplies, outsourced printing, and new equipment and furniture purchases under \$5,000.

7620 Small Tools & Equipment - Expenditures for items under \$5,000 required for the section's operations, to include but not limited to power tools, brooms, mops, ladders, lawn mowers, wrench sets, flash lights, pliers, channel locks, tape measures, levels, trowel, chisels, hacksaws, picks, buckets, equipment blades, tool boxes, etc.

7740 Rental of equipment - Expenditures for the rental or lease of equipment.

MAINTENANCE

7090 Water Rights Land Expense - Operating expenditures associated with the use of water rights land and conveyance canals.

7280 Manhole Expense - Expenditures incurred maintaining manholes, including capital salaries and vehicles and equipment use.

7330 Emergency Response – Operating expenditures associated with emergency response to stormwater management, including contracted or internal labor, materials, and equipment.

7340 Maintenance of Basins, Ponds, Dams – Operating expenditures associated with maintenance of basins, ponds and dams for stormwater management, including contracted or internal labor, materials, and equipment.

7350 Maintenance of Channels, Ditches, Conduits – Operating expenditures associated with maintenance of channels, ditches, and conduits for stormwater management, including contracted or internal labor, materials, and equipment.

7360 Maintenance of Pump Stations – Operating expenditures associated with maintenance of pump stations for stormwater management, including contracted or internal labor, materials, and equipment.

7380 Landscaping - Expenditures associated with maintaining the grounds at EPWater facilities.

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7660 Building Supplies and Services - Expenditures for all building maintenance related costs at all EPWater facilities. This includes any expenses on any asset inside the main building, such as janitorial services, elevator maintenance agreements, door locks, pest control, roof or air conditioning repairs, and security cameras. Also included are any expenses for cleaning materials, bathroom and kitchen supplies. Expenses to operations facilities other than the central building, such as lift stations, wells, etc. will be charged to one of the other appropriate maintenance accounts.

7680 Communication Equipment - Cost of using and maintaining all portable communication equipment, including cellular phones, pagers, and two way radios, and the purchase of new items under \$5,000.

7850 Maintenance of Equipment - Expenditures related to operation and maintenance of equipment necessary for operations. Includes all fossil fuels other than natural gas intended for use in generators, engines, or other equipment, and repairs, maintenance agreements, modifications, replacements, and the labor to do so. Replacement or upgrade of equipment may be considered a capital improvement if costs are significant.

7860 Maintenance of Services - Expenditures incurred from maintaining customer service connections, including labor, materials, and equipment.

7870 Maintenance of Fire Hydrants - Expenditures incurred from maintaining fire hydrants, including labor, materials and equipment.

7880 Maintenance of Mains - Expenditures incurred from the maintenance of water or sewer mains, including labor, materials, and equipment.

7900 Maintenance of Meters - Expenditures to maintain and repair installed meters.

7910 Maintenance of Office Furniture & Equipment - Expenditures for all maintenance of office equipment and furniture, including service agreements, repairs and modifications. Purchase of new equipment should be charged to account 7560.

7930 Maintenance of Structures & Improvements - Expenditures for maintaining all structures other than the main facilities; including assets on facility grounds but not part of the main building (ex. a fence), and other developed P.S.B. properties.

7940 Maintenance of Data Processing Equipment - Expenditures associated with all information systems hardware not included as "office equipment".

7950 Maintenance of Cathodic Protection - Expenditures incurred by maintaining all cathodically protected distribution system assets.

UTILITIES

7040 Fuel Expense - Expenditures for all fossil fuels other than natural gas intended for use in generators, engines, or other equipment.

7060 Electricity Expense - Expenditures for electricity used in normal operations.

7710 Natural Gas Expense - Expenditures for natural gas used in normal operations.

7760 Utilities - Expenditures for all other utilities in normal operations, such as sanitation, land-line telephone service (local and long distance), system consumption of water and sewer services, and stormwater.

MISCELLANEOUS

7050 Audit Services - Expenditures related to annual external audit and any other management requested audits.

7070 Public Service Board Grants - Grants awarded by P.S.B. agencies and individuals, usually for conservation related projects.

7100 Rent - These expenditures are solely incurred by sections in the Administrative Office building in order to pay for the Building Maintenance section's operating expenditures.

7110 Water Conservation Expense - Expenditures incurred by all conservation-related operations, such as programs, media buys, water conservation marketing items, educational materials and event appearances.

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7120 Transportation - Expenditures incurred by sections with vehicles in order to pay for operations (fuel) and maintenance and repair of those vehicles.

7130 Cash Management - Expenditures related to all bank service charges and account management fees.

7160 Permit Fee to State - Expenditures made to State of Texas to obtain permits to operate treatment facilities.

7260 Expense of Supervisor & Employee - Expenditures for staff travel and training, education, individual membership fees, business cards, subscriptions, tuition reimbursements and professional certifications.

7270 Law Library - Expenditures by Legal Services for all legal related material needed to update the law library.

7320 Lease of Land - Expenditures related to the lease of land.

7370 Disposal Fees - Expenditures related to disposal of accumulated trash and waste while maintaining basins, ponds, dams, channels, ditches and conduits.

7420 Postage - Expenditures associated with mail, also including envelopes, mass mailing services, and rapid delivery services.

7510 Bid Advertisement Expense - Expenditures related to advertisement of construction and goods and services of bids in any newspaper, periodical, journal, magazine or publication.

7530 Sludge Disposal/Monofill Management - All costs incurred for transportation of sludge from water and wastewater treatment facilities to the sludge monofill.

7580 Showerhead Replacement Program – expenses associated with water conservation program to provide free low-flow showerheads to customers during FY2012-13.

7640 Uniforms and Personal Safety Equipment - Allowance for employee clothing and footwear. Also included are expenses for safety items required to be used in performance of employee's duties such as rubber boots, gloves, goggles, insect repellent,

sunblock, coveralls, safety vests, hard hats, sun shields, safety glasses, knee pads, bandanas, caps, ear plugs, first aid kits, back belts, latex gloves, raincoats, etc.

7700 Insurance - Expenditures for property, casualty, errors and omissions, and other insurance policies purchased by the Utility.

7720 Professional Services - Expenditures made for solicitation of consultants, lawyers, and other professional persons, utility and professional membership fees.

7730 Special Services - Expenditures for filling special temporary positions (co-ops, VOE's), budgeted temporary help, records management, and to honor unique agreements the Utility or P.S.B. might have with an outside entity.

7770 Security Services and Equipment - Expenditures related to ensuring the security of EPWater buildings and property. This includes security services and repair or purchase of security equipment under \$5,000.

7780 Miscellaneous Expense - Expenditures that cannot be accounted for by any other operating budget account. Materials used for maintenance of services, mains, buildings, equipment, structures, manholes and fire hydrants, such as pipe, steel tape, cement, spray paint, safety cones, wood stakes, nails, bushings, etc, should be charged to the appropriate maintenance account (i.e. 7860 Maintenance of Services, 7880 Maintenance of Mains, etc.). This account not to be used unless expense cannot be categorized anywhere else.

7790 Software/Hardware Expense - Expenditures related to purchase and maintenance of all computer software and hardware used by the Utility.

PERSONNEL SERVICES

9010 Capital Salaries and Wages – Regular and overtime wages incurred by the section on work performed for capital projects, maintenance & operations jobs, and work performed for other sections.

9020 Operations & Maintenance Salaries and Wages – Regular and overtime wages incurred by section in performing normal duties. Regular wages are for full-time equivalent budgeted positions, based

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on a 40 hour work week plus and additional load to cover included benefits. Only scheduled standby and holiday overtime is budgeted.

9750 Worker's Compensation – Actual cost to the Utility for medical administrative and other cost incurred for work related employee injuries.

MATERIAL & SUPPLIES

9240 Auto Shop Supplies – All expenditures associated with auto shop operations, except for wages and equipment purchases over \$5,000.

9560 Office supplies & Printing – Expenditures for all office supplies, outsourced printing, and new equipment and furniture purchase under \$5,000.

9620 Small Tools & Equipment – Expenditures for items under \$5,000 required for the section's operations, to include but not limited to power tools, brooms, mops, ladders, lawn mowers, wrench sets, flash lights, pliers, channel locks, tape measures, levels, trowel, chisels, hacksaws, picks, buckets, equipment blades, tool boxes, etc.

9740 Rental of Equipment – Expenditures for the rental or lease of equipment.

MAINTENANCE

9660 Building Supplies and Services – Expenditures for all building maintenance related costs at all 900 section facilities. This includes any expenses on any asset inside those building, such as janitorial services, elevator maintenance agreements, door locks, pest control, roof or air conditioning repairs, and security cameras. Also included are any expenses for cleaning materials, bathroom and kitchen supplies.

9840 Building Maintenance – Expenditures for all building maintenance related costs at main office building. This includes any expenses on any asset inside the main building, such as janitorial services, elevator maintenance agreements, door locks, pest control, roof or air conditioning repairs, and security cameras. Also included are any expenses for cleaning materials, bathroom and kitchen supplies.

9680 communication Equipment – Cost of using a nd maintaining all portable communication equipment, including cellular phones, pagers, and

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9850 Maintenance of Equipment – Expenditures related to operations ad maintenance of equipment necessary for operations. Includes all fossil fuels other than natural gas intended for use in generators, engines, or other equipment, and repairs, maintenance agreements, modifications, replacements, and the labor to do so. Replacement or upgrade of equipment may be considered a capital improvement if costs are significant.

9910 Maintenance of Office Furniture & Equipment – Expenditures for all maintenance of office equipment and furniture, including service agreements, repairs and modifications. Purchase of new equipment should be charged to account 7560.

UTILITIES

9040 Fuel Expense - Expenditures for all fossil fuels other than natural gas intended for use in generators, engines, or other equipment.

9760 Utilities - Expenditures for all other utilities in normal operations, such as sanitation, land-line telephone service (local and long distance), system consumption of water and sewer services, and stormwater.

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9120 Transportation - Expenditures incurred by sections with vehicles in order to pay for operations (fuel) and maintenance and repair of those vehicles.

9160 Permit Fee to State - Expenditures made to State of Texas to obtain permits to operate treatment facilities.

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9640 Uniforms and Personal Safety Equipment - Allowance for employee clothing and footwear. Also included are expenses for safety items required to be used in performance of employee's duties such as rubber boots, gloves, goggles, insect repellent,

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9700 Insurance - Expenditures for property, casualty, errors and omissions, and other insurance policies purchased by the Utility.

9770 Security Services and Equipment - Expenditures related to ensuring the security of EPWater buildings and property. This includes security services and repair or purchase of security equipment under \$5,000.

9780 Miscellaneous Expense - Expenditures that cannot be accounted for by any other operating budget account. Materials used for maintenance of services, mains, buildings, equipment, structures, manholes and fire hydrants, such as pipe, steel tape, cement, spray paint, safety cones, wood stakes, nails, bushings, etc, should be charged to the appropriate maintenance account (i.e. 7860 Maintenance of Services, 7880 Maintenance of Mains, etc.). This account not to be used unless expense cannot be categorized anywhere else.

9790 Software/Hardware Expense - Expenditures related to purchase and maintenance of all computer software and hardware used by the Utility.