

## COMMONLY USED TERMS

The world of public government concerning water and wastewater has many words and acronyms that can be unfamiliar to the average resident. This section will provide many of the commonly used terms, words, and acronyms to ensure that everyone has a common understanding of their meaning.

## **DEFINITIONS:**

- 1. **Texas Commission on Environmental Quality (TCEQ):** The TCEQ is the Texas State regulatory agency in charge of regulating districts, such as HCWCID 99, and must approve every new bond issue and the projects financed by bonds. The TCEQ also regulates the District *water* and *wastewater* facilities.
- 2. Water Control & Improvement District: A Texas government agency or "special purpose district" created and regulated by the TCEQ with powers to control supply water, wastewater, drainage, recreation, irrigation, and other functions. Unlike an HOA, districts have the authority to levy taxes, eminent domain powers, police powers, and others. For our purposes, "District" and "HCWCID 99" will refer to your Water Control & Improvement District.
- 3. **Board of Directors:** The elected officials empowered to make decisions and serve as the authorized representatives of districts and district residents.
- 4. **Consultants:** The individuals contracted by the District Board of Directors for professional services in order to effectively manage specific aspects of district management. Some common examples include:
  - a. **Attorney**: Legal counsel to the districts for general legal issues, regulatory issues with TCEQ, and financing with bonds.
  - b. **Engineer**: Creates, designs, manages, and approve construction projects and anticipates current and future needs for District infrastructure.
  - c. **Operator**: Manages the day-to-day operations of facilities, lines, and connections, as well as manages monthly billing & collection for district water accounts.
  - d. Bookkeeper: Manages the books and records of district payments and receipts.
  - e. Tax Assessor/Collector: Manages the levy, billing and collection of the District's taxes.
  - f. **Communications**: Acts as an intermediary between the District and the public to ensure clear and concise transparency and accessibility for the District and its constituents, including ensuring all regulated documents are maintained on the District's website.
  - g. **Financial Advisor**: Provides financial projections and recommendations to assist the District and Board of Directors in the annual tax levy and in planning and issuing bonds



and other debt on behalf of the District.

- h. **Auditor:** Performs a required annual independent audit of the District's finances, which is filed with the TCEQ and State Comptroller, and is available through the District's Website.
- 5. **Facilities:** These are the plants and lift stations that are essential to both treatment and delivery of fresh water, treatment of wastewater, and water distribution and sewer collection lines. Some examples include:
  - a. Waste Water Treatment Plant or Sanitary Treatment Plant (WWTP or STP): Treats the sewage sent down sanitary lines.
  - b. Water Treatment Plant (WP or WTP): Treats and delivers the fresh potable water sent down water lines from either water wells or from received surface water.
  - c. Lift Station (L/S or LS): Lift stations are sanitary sewage collection stations that in turn "lift" the sewage elevation to allow it to run downhill to the ultimate WWTP or STP.
- 6. **Rate Order:** A District Rate Order is the document outlining the rules and regulations governing connection to a District's water and sewer system, and setting the water and sewer rates for customers.
- 7. **Water Bill:** Water bills are generally sent to District residents/account holders on a monthly basis and may include the billing for the following: District's water and sewer use, regional water authority fees, security and trash collection. These fees are set by a District's Rate Order.
- 8. **Property Tax (ad valorem): (**Ad Valorem: Latin, '*according to the value*.') The tax set by the Board of Directors for the Debt Service (debt service tax) to pay the bonds and /or Maintenance and Operations (M&O tax) to pay regular operating costs of the District. The tax is based on the appraisal value of your property, as set/calculated by the Harris County Appraisal District (HCAD).
- 9. **Bond**: Bonds are the most commonly used financing tool for water districts, like HCWCID 99. These allow the District to establish what is in essence a voter-approved debt limit which cannot be used without the Board of Directors designating projects to finance, applying for and receiving the approval of the TCEQ and publically advertising & selling bonds to get the lowest interest rate available.
- 10. Annexation: The process by which a district adds land into its boundaries.