

# Planning for Your Future

Welcome to tonight's open house, brought to you by West Harris County Municipal Utility District No. 10. We have invited you here to find out more about the state of your District and the upcoming projects for which we are hosting an election. We hope to provide all residents with as many factual resources as possible to ensure our community arrives at the polls informed. We hope to provide our residents with the necessary data and details concerning the future planning and maintenance of our community's water and sewer infrastructure, as well as upcoming development and expansion options.

Please see the below itinerary as a guide to help navigate this open house and its informational stations. Each Station will have corresponding hand-outs with supplemental information for your reference. We encourage you to ask any questions you may have!

STATION 0: **Check-In and Welcome**

STATION 1: **Engineering**

STATION 2: **Operations**

STATION 3: **Legal & Election Info**

STATION 4: **Finance**

STATION 5: **Communications & Website**

STATION 6: **Meet the Board**

Please feel free to enjoy the refreshments at your leisure.

## 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 document 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 West Harris County MUD 10, and must approve every new bond issue and the projects financed by bonds. The TCEQ also regulates the District *water* and *wastewater* facilities.
2. Municipal Utility District (MUD): 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, MUDs have the authority to levy taxes, eminent domain powers (repurposing private property for public use, with just compensation to the owner), police powers, and others. For our purposes, “District” and “WHCMUD 10” will refer to your Municipal Utility 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, and manages 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 transparency for the District and its constituents, and ensures legally required documents are posted 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 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/waste water sent down sanitary lines from (separate from storm drain/gutter 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 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 is 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 West Harris County MUD 10. 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 publicly advertising & selling bonds to get the lowest interest rate available.
10. Bond Authorization: Authorization is the action of getting approval from the voters within the District to set the maximum amount of a District’s “line of credit.” This approval “authorizes” the District’s Board of Directors the option– but not the obligation–to issue tax-supported bonds. No additional taxes are levied from authorization alone.
11. Bond Issuance: A bond issuance is the action of the District “pulling” portions of funds from their Authorized bond limit. For instance, a District may have \$50m in authorization, but may only “issue” \$5m of it, leaving a remaining \$45m from which it may issue in the future. Bond issuance is highly regulated and must comply with state laws regarding financial and other feasibility requirements. Each bond issue requires review and approval by the District’s Board of Directors, the Texas Commission on Environmental Quality (TCEQ), and the Texas Attorney General (AG).
12. Bond Refunding: Refunding is the replacement of existing higher interest bonds with lower interest bonds at such times when interest rates are more favorable.



## District Information

West Harris County Municipal Utility District No. 10 (the “District”) is a political subdivision of the State of Texas whose purpose is to provide water supply and distribution, wastewater collection and treatment, and drainage facilities supporting the development of approximately 694 acres of land in Harris County, Texas. The District consists of approximately 694 acres of land located entirely in central Harris County, Texas, just outside the northwest corner of Beltway 8, north of U.S. 290, and south of FM-1960.

The District was created by order of the Texas Water Rights Commission (now known as the Texas Commission on Environmental Quality), dated October 31, 1975. The rights, powers, privileges, authority and functions of the District are established by the laws of the State of Texas pertaining to municipal utility districts, including particularly Chapters 49 and 54 of the Texas Water Code, as amended. Section 49.106 of the Texas Water Code, as amended, provides that in addition to the other purposes for which a district is created, a district is created for the purpose of maintaining and or improving District water and sanitary infrastructure for the people in the District. The District will continue to maintain the said infrastructure.