



**CONVERTING A  
WATER SUPPLY CORPORATION  
TO A  
SPECIAL UTILITY DISTRICT**

# OVERVIEW

## SPECIAL UTILITY DISTRICT

- GOVERNMENTAL ENTITY
  - TEXAS TORT CLAIMS ACT
  - SOVEREIGN IMMUNITY
- “CHEAPER” MONEY
- TAX EXEMPTIONS
- RULES

## WATER SUPPLY CORPORATION

- NONPROFIT CORPORATION
  - PRIVATE
  - LIABILITY
- BYLAWS CONTROL
- CONTRACTS MORE EXPENSIVE
- BYLAWS

# GENERAL COMPARISON

## SPECIAL UTILITY DISTRICT

- GOVERNMENTAL ENTITY
- CUSTOMERS: IN OR OUTSIDE SERVICE AREA
- OPEN MEETINGS ACT
- OPEN RECORDS ACT

## WATER SUPPLY CORPORATION

- NONPROFIT CORPORATION
- CUSTOMERS: MEMBERS WITHIN SERVICE AREA
- OPEN MEETINGS ACT
- OPEN RECORDS ACT

# GENERAL COMPARISON

## SPECIAL UTILITY DISTRICT

- DIRECTOR: 18, RESIDENT CITIZEN OF TX, PROPERTY OWNER IN DISTRICT/USER OF FACILITIES/QUALIFIED VOTER
- 5 -11 DIRECTORS
- ELECTION: ANY DATE DIRECTORS CHOOSE
- COMPLY WITH ALL ELECTION CODE REQUIREMENTS

## WATER SUPPLY CORPORATION

- DIRECTOR: WSC MEMBER & OWN PROPERTY
- MUST HAVE 9 DIRECTORS
- ANNUAL ELECTIONS
- BYLAWS FOR SPECIAL/ANNUAL MEETING & ELECTIONS

# GENERAL COMPARISON

## SPECIAL UTILITY DISTRICT

- REMOVAL OF DIRECTOR: STATUTORY REQUIREMENTS
- DIRECTORS ELIGIBLE TO RECEIVE FEE OF OFFICE
- N/A
- VOTERS: REGISTERED VOTERS THAT ARE RESIDENTS OF DISTRICT
- TERM OF OFFICE < 3 YEARS

## WATER SUPPLY CORPORATION

- REMOVAL OF DIRECTOR: WITH/WITHOUT CAUSE OR PER BYLAWS
- BYLAWS: OFFICERS MAY RECEIVE SALARY
- REQUIRES ANNUAL MEMBER MEETING
- VOTERS: 18, WSC MEMBER & OWN PROPERTY
- TERM OF OFFICE 2 OR 3 YEARS

# FINANCIAL

## SPECIAL UTILITY DISTRICT

- DIRECTORS - PARTICIPATE IN TX COUNTIES AND DISTRICTS RETIREMENT SYSTEM
- PARTICIPATE IN GOVERNMENT INVESTMENT POOLS
- PARTICIPATE IN TEXAS MUNICIPAL LEAGUE (INSURANCE)

## WATER SUPPLY CORPORATION

- N/A
- N/A
- SIMILAR

# FINANCIAL

## SPECIAL UTILITY DISTRICT

- TAX EXEMPT REVENUE BONDS – TWDB OR OPEN MARKET
- PROPERTY TAX EXEMPTION: PERSONAL PROPERTY, UTILITY LINES, PLANT FACILITIES
- SALES TAX EXEMPTION: SUPPLIES AND SERVICES
- ANNUAL AUDIT FILED WITH TCEQ

## WATER SUPPLY CORPORATION

- MAY CONTRACT WITH OTHER ENTITIES, WHICH WILL ISSUE BONDS – HIGHER INT. RATES
- N/A
- LIMITED – REQUIRES TCEQ AUTHORIZATION OR PUBLIC-PRIVATE PARTNERSHIP
- MAINTAIN RECORDS & PREPARE ANNUAL REPORT

# CONTRACTING

## SPECIAL UTILITY DISTRICT

- SOVEREIGN & OFFICIAL IMMUNITY
- TEXAS TORT CLAIMS ACT
- INTERLOCAL CONTRACTS
- BIDDING REQUIREMENTS AND CONTRACTUAL PROVISIONS
- QUORUM REQUIRED
- CO-OP PURCHASING PROGRAMS

## WATER SUPPLY CORPORATION

- N/A
- N/A
- N/A
- N/A
- REQUIRES MAJORITY PRESENT
- N/A



# ADMINISTRATIVE

## SPECIAL UTILITY DISTRICT

- OATHS/STATEMENT
- DIRECTOR BOND
- CONFLICTS DISCLOSURE AND INTERESTED PARTIES FILING
- TCEQ FILINGS, I.E. DISTRICT REGISTRATION
- ADOPTION OF POLICIES: ETHICS, TRAVEL, PROFESSIONAL SERVICE REVIEW, RECORDS

## WATER SUPPLY CORPORATION

- N/A OR BYLAWS
- N/A OR BYLAWS
- N/A OR BYLAWS
- N/A OR BYLAWS
- N/A OR BYLAWS



# QUESTIONS

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