

A black silhouette of the state of Texas is positioned in the upper left corner. The letters "TSDC" are printed in white, centered within the silhouette.

TSDC

SPECIAL UTILITY DISTRICTS



- Special Utility Districts are political subdivisions of the State of Texas established to provide water, wastewater, and related utility services, particularly in rural and unincorporated areas.
- Created under Chapter 65 of the Texas Water Code, Special Utility Districts may acquire, construct, operate, and maintain utility systems; issue bonds and notes; adopt rules; and contract with public and private entities.
- Governed by an elected board of directors, consisting of at least five and no more than eleven members, Special Utility Districts are responsible for overseeing district facilities, operations, and services.
- Special Utility Districts are generally financed through rates, fees and revenue bonds, and do not levy ad valorem (property) taxes.
- Districts may acquire and dispose of property, receive grants and loans, and cooperate with municipalities, counties, and other political subdivisions to provide utility services.
- Many Special Utility Districts originated as nonprofit water supply corporations and converted to political subdivisions to enhance financing capabilities and ensure long-term utility service.
- Special Utility Districts frequently hold Certificates of Convenience and Necessity (CCNs), granting exclusive authority to provide water and wastewater service within designated territories.
- By providing reliable utility services to communities and rural areas, Special Utility Districts promote public health, environmental protection, and economic development.
- Associated Organization: Association of Water Board Directors (AWBD), Texas Commission on Environmental Quality (TCEQ), and Texas Rural Water Association