

Special Utility District vs Water Supply Corporation

	SPRINGS HILL SPECIAL UTILITY DISTRICT	SPRINGS HILL WATER SUPPLY CORPORATION
Entity Type	Governmental Entity	Non-Profit Corporation
Customers	Residents inside or outside of the district's service area	Members within service area
Subject to the Texas Open Meetings Act	Yes	Yes
Subject to the Texas Public Information Act	Yes	Yes
Director Qualifications	18 years old, resident citizen of Texas, and owner of property in the district/user of district facilities/qualified voter	18 years old and a member of the corporation
Board of Directors	Can have 5-11 directors Will have 6 temporary directors	Must have 6 directors
Director Terms	Staggered 4-year terms	Staggered 3-year terms
Director Elections	Any date determined by the Board of Directors (but the default is May of each even-numbered year)	First Tuesday of April
Election Procedures	As required by the Election Code	As required by the corporation's Bylaws
Eligible Voters	Resident within the boundaries of the district who is a registered voter	18 years old and a member of the corporation

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Removal of a Director	As specified by statute	<p>Fails to maintain qualifications required by statute</p> <p>Fails to attend three consecutive Board of Directors meetings and each absence is considered unexcused</p>
Director Compensation and Reimbursement	<p>Fee of Office set by the Board of Directors, up to the amount of the per diem set by the Texas Ethics Commission for legislators (currently at \$221 per day)</p> <p>May be reimbursed for expenses</p>	May be compensated and reimbursed
Required Meetings	Regular and special meetings as may be necessary for the proper conduct of the district's business	<p>Regular and special meetings as may be necessary to conduct the corporation's business</p> <p>Annual meeting of the membership is required</p>
Employee Benefits	<p>Texas Counties and Districts Retirement System</p> <p>Government Investment Pools</p>	401k
Insurance	Eligible for Texas Municipal League Intergovernmental Risk Pool	Private insurance
Financing	<p>Sell tax-exempt revenue bonds</p> <p>Loan from the Texas Water Development Board at tax-exempt rates</p> <p>Private loan</p>	<p>May contract with other entities that issue bonds, but will have higher interest rates</p> <p>Private loan</p>
Property Taxes on Springs Hill Assets	Property tax exemption (personal property, utility lines, plant facilities)	Can claim exemption under Section 11.30 of the Tax Code

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Sales Taxes Owed by Springs Hill	Sales tax exemption (supplies and services)	Limited sales tax exemption (must receive certification from the Texas Commission on Environmental Quality or a public-private partnership)
Audit	Must file an annual audit with the Texas Commission on Environmental Quality	Conducts an annual audit and evaluates compliance with the Public Funds Investment Act (required by its loan from the Texas Water Development Board)
Contracts	Sovereign & Official Immunity Texas Tort Claims Act Interlocal Contracts Statutory public bidding requirements and contractual provisions Cooperative purchasing programs	Not applicable
Statement of Officer and Oath of Office	Required	Not Applicable
Director Bond	\$10,000 bond payable to the district and conditioned on the faithful performance of the director's duties	Not Applicable
Conflicts of Interest	Statutory Requirements Required to disclose Must file an affidavit stating the nature and extent of the interest and abstain from participation in certain circumstances	Ethics Policy Required to disclose Must file an affidavit stating the nature and extent of the interest May not participate, directly or indirectly, in a vote if it is reasonably foreseeable that the decision could confer an economic or other benefit on the business

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Texas Commission on Environmental Quality Administrative Filings	Register the District Time and location of District meetings	Not Applicable
Investment	Must adhere to the Public Funds Investment Act and an investment office must take the required training	Must adhere to the Public Funds Investment Act and an investment office must take the required training (required by its loan from the Texas Water Development Board)
Policies	Must adopt policies on ethics, travel, investment, records retention, review of professional services	Maintains policies on directors elections, personnel, ethics, and investment
Rates	Set by the District May be appealed at the Public Utility Commission	Set by the corporation May be appealed at the Public Utility District