



what is a MUD?

MUNICIPAL UTILITY DISTRICTS ARE...

A Municipal Utility District (MUD) is a special governmental entity that is primarily found in 3 states, Texas, Florida, and Colorado. In our state, MUDs are overseen by the Texas Commission on Environmental Quality (TCEQ) and are formed as a tool to finance necessary construction and maintenance of water, sewer and storm drainage infrastructure within its boundaries. Today in Harris County alone, there are over 400 separate Municipal Utility Districts.

HOW IT WORKS

A MUD is governed by a board of 5 directors. All directors are public officials elected by the residents within the District and serve alternating 4 year terms. It is not uncommon for a director to serve consecutive terms as they are not term-limited. The directors generally meet once per month to manage and conduct the business of the District and these meetings are always open to the public, per Texas law. In lieu of a full time staff, a MUD will typically contract with consultants such as attorneys, engineers, bookkeepers, operators, and financial advisors to both guide and deliver the District's operations and services.

MUD SERVICES

A MUD provides water, sewer, and drainage infrastructure improvements for the District. In addition to those services, MUDs may also provide funds for public safety, garbage/recycling collection and disposal, roads, and recreational facilities. Additionally, a MUD may also levy taxes and issue bonds for maintenance and operations, infrastructure improvements (such as new water plants, sewer and treatment plants) and in some cases recreational amenities.