ANATOMY OF A MUNICIPALIZATION HOW TO FORM A PUBLIC POWER UTILITY

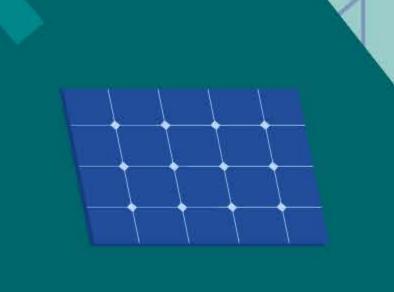




A community-driven effort begins with an individual or group spearheading the campaign.







COMMISSION A FEASIBILITY STUDY

A thoughtful study helps the community determine:

Whether public power is the best governance structure to meet its needs;

The costs that may be associated with infrastructure

acquisition and operation; and Expected savings, benefits, risks and next steps.



- Gain a thorough understanding of state and local laws and regulations impacting your utility formation.
- Scrutinize existing franchise agreements to identify any contractual limitations.
- Identify the prerequisites for a citizen referendum or state commission review.

VALUATE THE INCUMBENT UTILITY

- Determine the best method to properly value the utility and its assets.
- Get a range of values for the system to be acquired.





EDUCATE THE

COMMUNITY

- Engage citizens, officials, and business leaders.
- Share information on the process and the benefits to be achieved. Counter misinformation from
- incumbent utility.
- Develop and execute a plan for public engagement.





PUT IT TO A VOTE

- Determine if a referendum is required.
- Prepare for questions regarding the details of public power governance.
- Consider preliminary vote or polling to test the waters before a full-fledged referendum.





NEGOTIATE AND CONDEMN

- Challenge any inflated price demands from the incumbent utility. Be prepared to invoke eminent
- domain if negotiations stall.



GET STATE APPROVAL

that may involve public interest evaluations. Gain state approvals for pricing and for

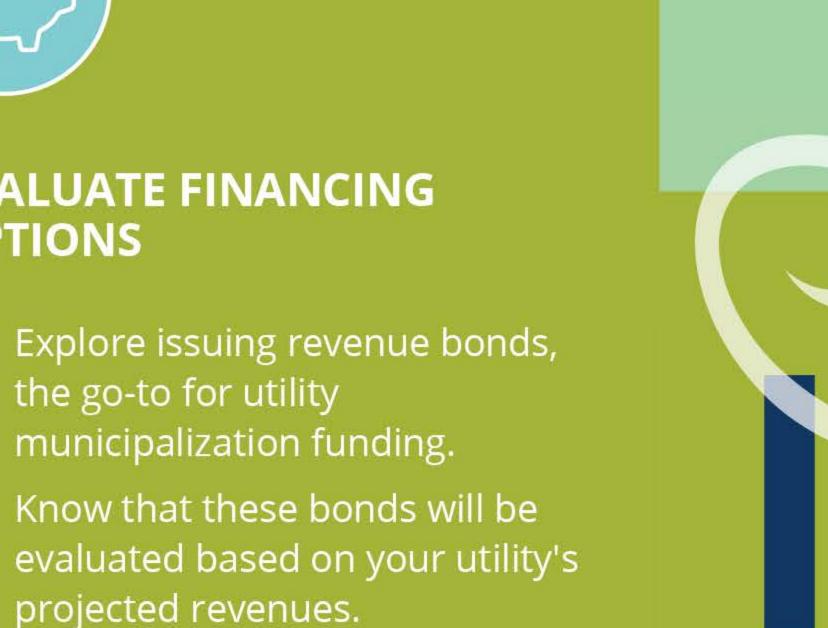
Be aware of state-level requirements

integrating the new utility into the existing system, such as through a public service commission.



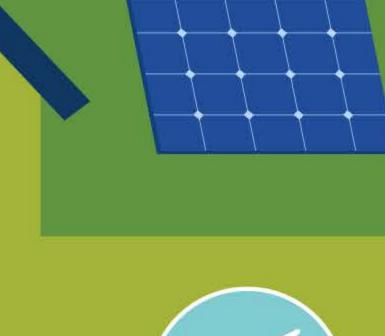
EVALUATE FINANCING OPTIONS

- the go-to for utility municipalization funding. Know that these bonds will be
- evaluated based on your utility's projected revenues.
- > Understand that this debt will not affect the city's other projects













Consider outsourcing initial operational duties.





construction of the utility. Finalize the organizational plan, set up the governing body, and recruit key personnel.