

INVESTING in IOWA

Municipal Utilities' Economic Impact on the Communities They Serve



**Affordable
Rates**

**Job
Creation**

**Infrastructure
Investments**

Employment



IOWA ASSOCIATION OF
MUNICIPAL UTILITIES

Municipal Utilities Provide **Value**, Strengthen **Communities** & Spur **Economic Growth**

The Iowa Association of Municipal Utilities (IAMU) recently commissioned a study on the economic impact that Iowa's municipal utilities have on the communities that they serve and collectively for the state. IAMU wanted to provide data to show the positive effects that Iowa's community-owned and operated water, electric, natural gas, and broadband utilities have.

Iowa's municipal utilities provide great value to their communities. They operate on a nonprofit basis. The mission of municipal utilities is to do what's in the public interest by providing the best and lowest cost service possible to the residents and businesses of the communities that own them. Utilities that don't have to maximize profits are free to prioritize reliable service and to develop least-cost business models. This helps communities achieve long-term objectives such as quality of life, economic growth, and affordability. You can see this for yourself by reviewing the numbers included on the pages in this brochure.



What may not be apparent in the data that IAMU collected, but what is equally as important to mention when discussing municipal utilities is how municipal utilities allow communities to control their own destinies. Crucial decisions such as increasing rates or investing in new capital projects can be made in city hall instead of at a state agency or a board room. Citizens can debate and determine whether to build a new treatment plant or create a new energy-efficiency program, and all projects can be designed and built with community participation and stakeholder input.

Because municipal utilities' council people, board members, managers, and employees live in the cities that the utilities serve, there is a local presence that ensures the kind of personal service that comes from a strong sense of community. Municipal utilities can truly focus on customer needs because the customers are themselves the owners, managers, and employees of the utilities.

What's more, if any customer is unhappy with the way their utilities are being run, they have the opportunity not just to attend a public meeting about it, but to actually serve on the local utilities' governing bodies. The customers' ability to take a direct role in the utilities' management ensures municipal utilities will always respond to customer needs.

There are significant benefits to having municipal utilities in communities, not only monetary but also intangible. Municipal utilities serve as the backbone and heart of communities.

Thank you for your time and your support of municipal utilities.

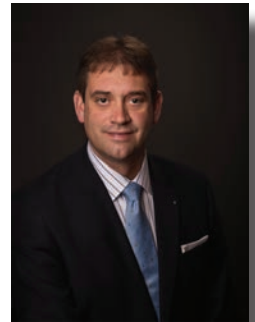
A handwritten signature in black ink, appearing to read 'Troy DeJooode', written over a faint, larger version of the same signature.

Troy DeJooode, IAMU Executive Director

Many Members. One Impact.

Iowa has more than 900 incorporated cities, and IAMU's members own and operate 754 municipal utilities in every corner of the state – including 542 water utilities, 136 electric utilities, 51 natural gas utilities, and 25 telecommunications utilities. There is at least one municipal utility in every one of Iowa's 99 counties, in 94 of the state's 100 House districts, and in 48 of the state's 50 Senate districts. All of these utilities are locally managed and all of them are focused on delivering value to the communities they serve.

This local focus is without doubt our greatest strength, but with so many trees making up our membership, it's easy to miss the size of the forest. How big would it be? What if, instead of 754 separate utilities, IAMU's members were a single company? This economic impact study was developed to answer that question, and its results are noteworthy.



If our members were a single company, that company would:

- ◆ Serve an estimated 2,179,789 people. That's 69% of Iowans.
- ◆ Employ an estimated 3,274 people directly and support another 5,000 jobs indirectly. That's one of Iowa's largest employers.
- ◆ Own almost \$4 billion in total assets.
- ◆ Generate almost \$1.3 billion in annual revenues.
- ◆ Add more than \$1 billion in total value to the state's gross regional product. Every year.

But as impressive as those numbers are, even they don't tell the whole story. Our impact on the state's economy goes deeper than the numbers indicate. As utilities, our investments in critical water and power infrastructure make growth in other industrial sectors possible. As nonprofit, community-owned enterprises, our low rates and great service keep quality-of-life high for our ratepayers. As locally managed utilities, members of the community can serve on our governing boards, making us great partners in economic development. As municipal utilities, all of the value that we generate goes right back into our ratepayers' pockets.

So, if you're served by a municipal utility (and you probably are), and if you care about local economic development (and we hope you do), take a look at this study. Municipal utilities are having an impact all over Iowa.

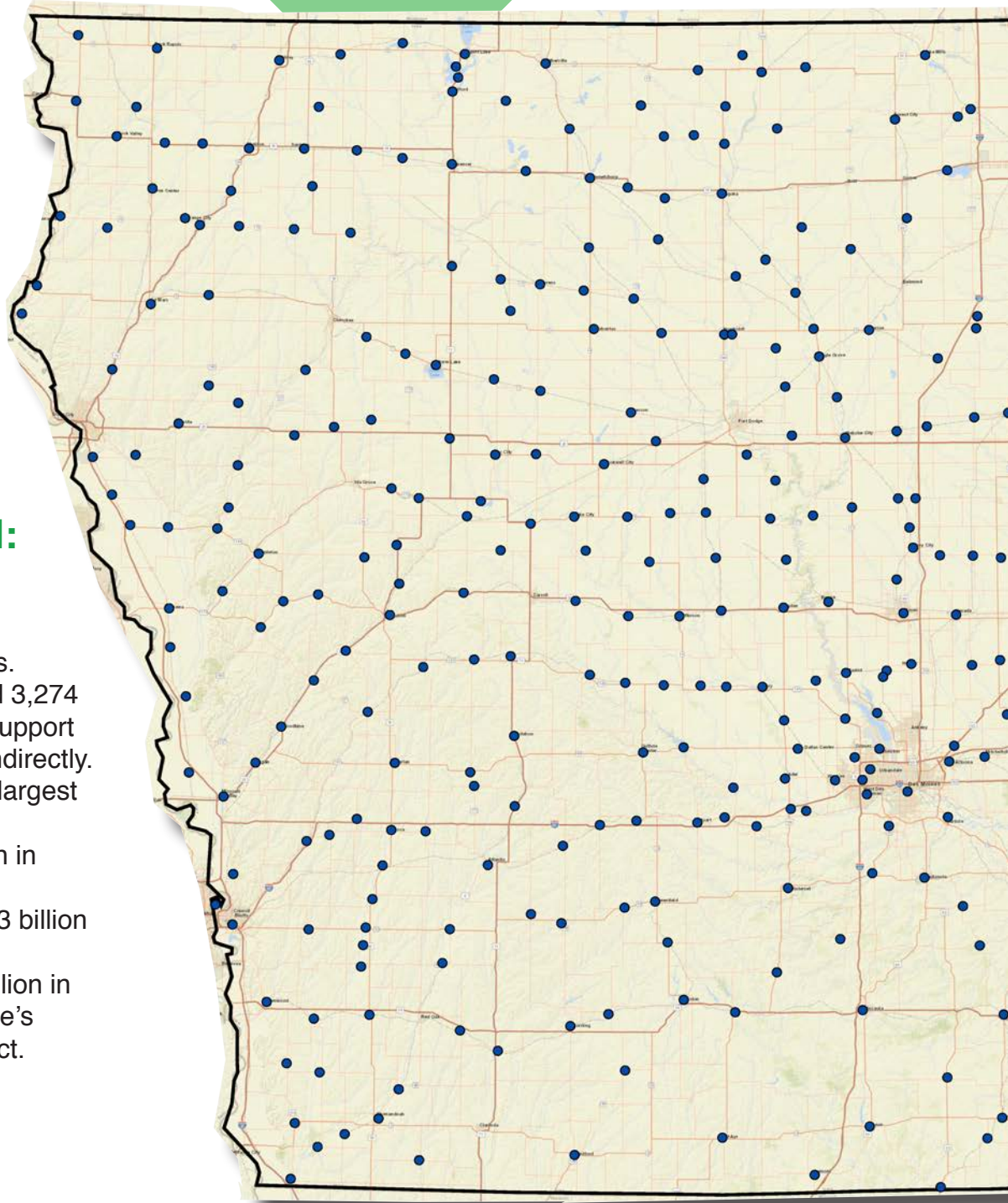
A handwritten signature in black ink that reads "Tim".

Tim Whipple, IAMU General Counsel

754 Members

If our members were a single company, that company would:

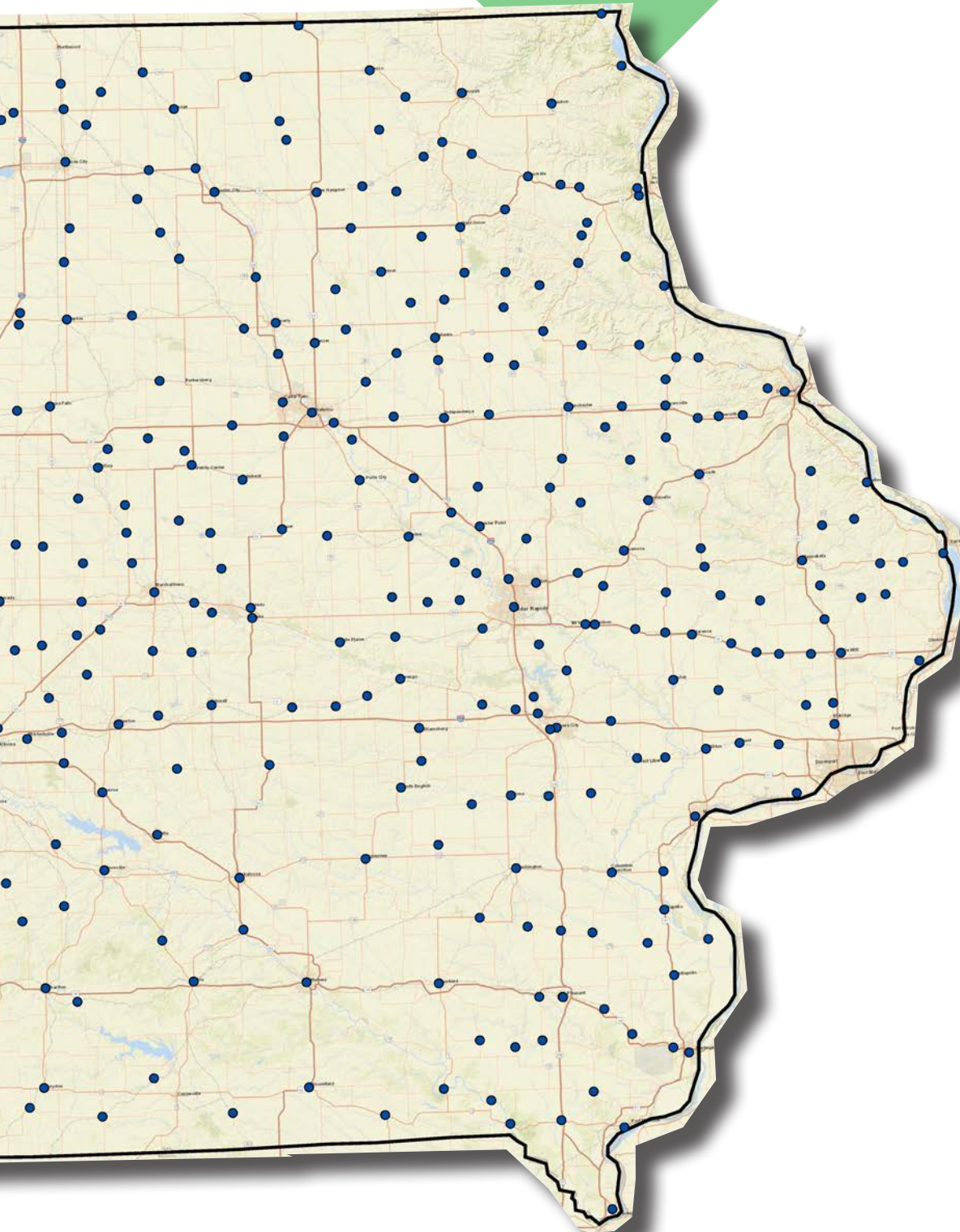
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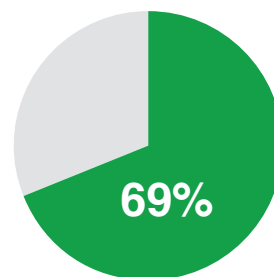
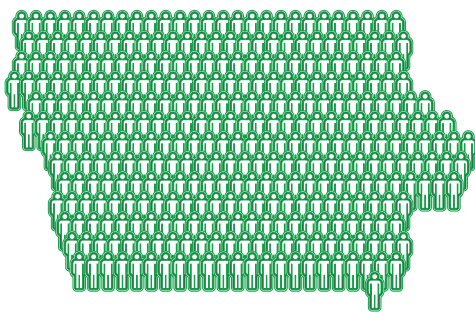
*Source: Economic Impact Study prepared by KDW Advisors, LLC utilizing the IMPLAN regional model for the state of Iowa.

S STRONG



IOWANS SERVED BY A MUNICIPAL UTILITY

2,179,789



**69% OF IOWA'S
POPULATION IS SERVED BY
AT LEAST 1 MUNICIPAL UTILITY**

AT LEAST 1 MUNICIPAL UTILITY IN...

- ◆ All 99 counties
- ◆ 94 out of 100 Iowa House Districts
- ◆ 48 out of 50 Iowa Senate Districts



**542 Water
Members**



**136 Electric
Members**



**51 Natural
Gas Members**



**25 Telecom-
munications
Members**

JOBS = 8,252*



	3,274 (Direct - IAMU Members' Employees)
	2,696 (Indirect - B2B - In the Economy)
+	2,282 (Induced - In the Economy)
	8,252 Total Jobs

WAGES = \$529,749,932* ANNUALLY



	\$268,179,282 (Direct - IAMU Members' Employees)
	\$168,194,220 (Indirect - B2B - In the Economy)
+	\$ 93,376,430 (Induced - In the Economy)
	\$529,749,932

VALUE ADDED TO IOWA = \$1,051,795,410*



	\$542,437,145 (Direct - Operations Impact)
	\$338,804,964 (Indirect - B2B - In the Economy)
+	\$170,553,302 (Induced - In the Economy)
	\$1,051,795,410

ASSETS & REVENUE



- ◆ **\$3,955,218,873** (Total Assets)
- ◆ **\$1,276,526,196** (Total Operating Revenues)

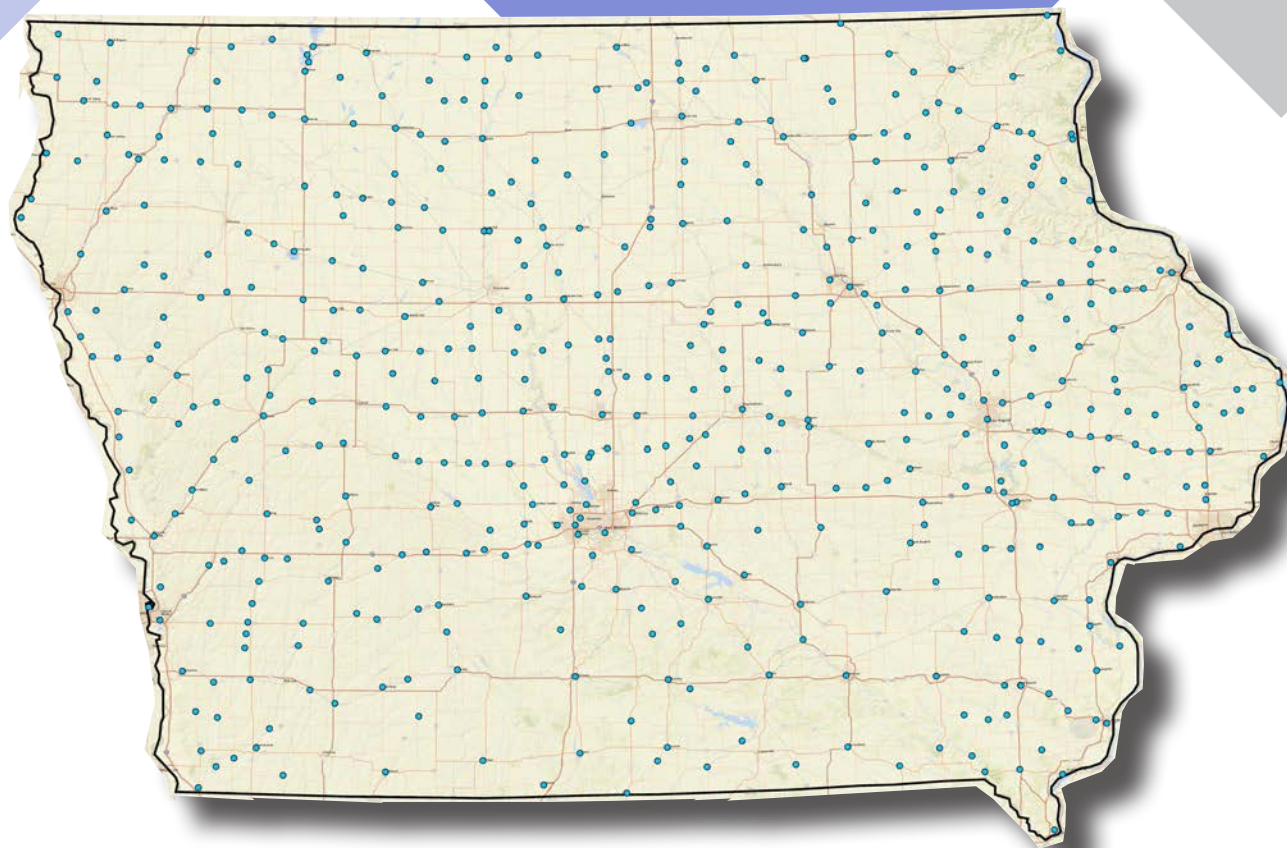
INFRASTRUCTURE INVESTMENT



- ◆ **\$261,704,312** Investment in Infrastructure
- ◆ **\$191,610,257** Current Construction in Progress Projects

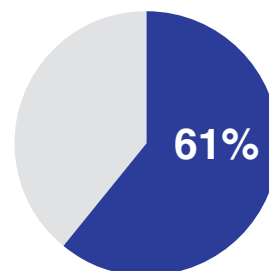
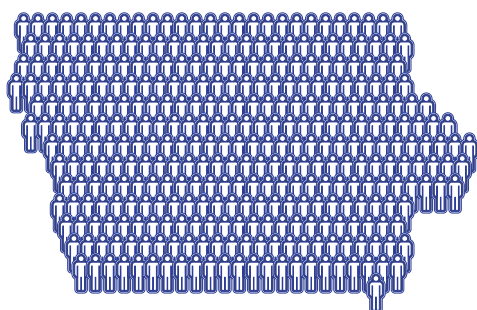
Data presented on these two pages was collected via the Iowa Auditor of State's website and the Iowa Utilities Board's utility annual report filings for 532 water utilities, 136 electric utilities, 51 natural gas utilities, and 21 telecommunications utilities. Due to varying fiscal years, data was reported for the most recently completed fiscal year at the end of 2018. *Source: Economic Impact Study prepared by KDW Advisors, LLC utilizing the IMPLAN regional model for the state of Iowa.

Water



532 Municipal Water Utilities*
66 Board Governed
466 Council Governed
1 Joint Water System

**Population served by a
municipal water utility: 1,915,035**



**61% of Iowa's population
is served by a municipal
water utility**

At least 1 municipal water utility in:

- ◆ All 99 counties
- ◆ 94 out of 100 Iowa House Districts
- ◆ 48 of 50 Iowa Senate Districts

JOBS = 4,532*



	1,943 (Direct - IAMU Members' Employees)
	1,345 (Indirect - B2B - In the Economy)
+	1,244 (Induced - In the Economy)
	4,532 Total Jobs

WAGES = \$289,006,631* ANNUALLY



	\$163,262,489 (Direct - IAMU Members' Employees)
	\$ 74,838,081 (Indirect - B2B - In the Economy)
+	\$ 50,906,061 (Induced - In the Economy)
	\$289,006,631

VALUE ADDED TO IOWA = \$490,565,353*



	\$291,289,364 (Direct - Operations Impact)
	\$106,294,559 (Indirect - B2B - In the Economy)
+	\$ 92,981,430 (Induced - In the Economy)
	\$490,565,353

ASSETS & REVENUE



◆	\$1,989,093,017 (Total Assets)
◆	\$ 458,852,222 (Total Operating Revenues)

INFRASTRUCTURE INVESTMENT



◆	\$118,847,053 Investment in Infrastructure
◆	\$129,139,719 Current Construction in Progress Projects

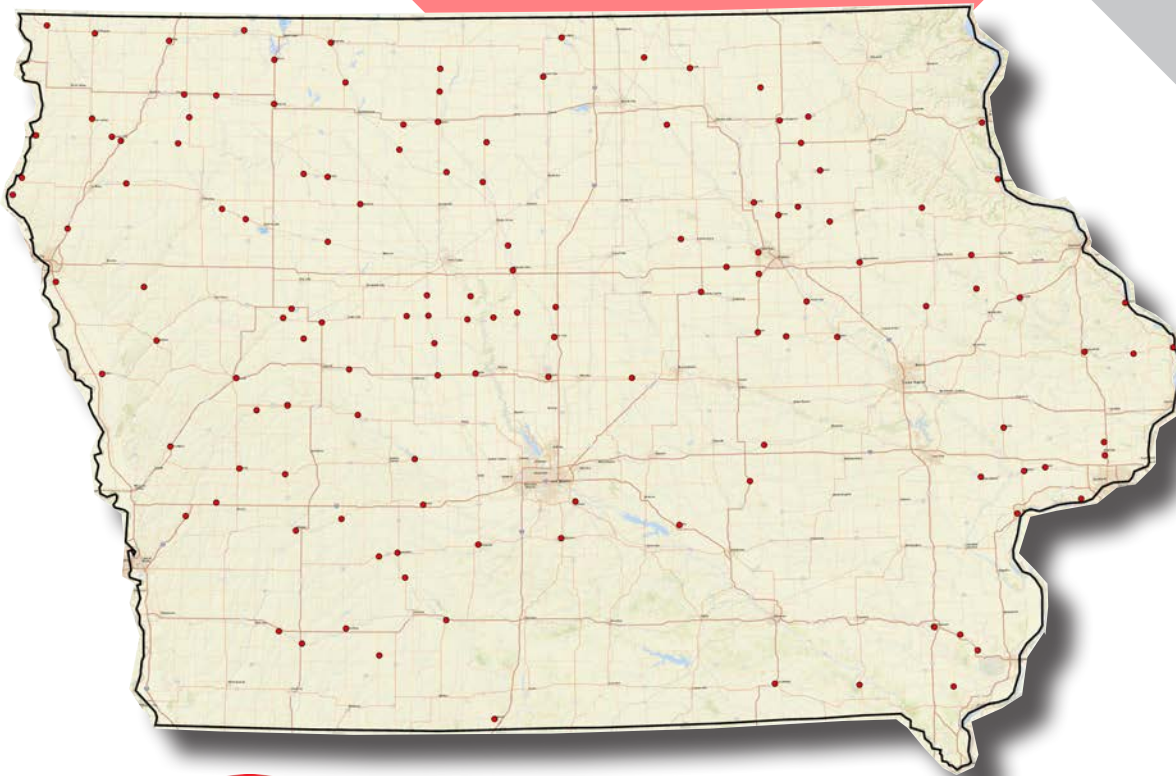
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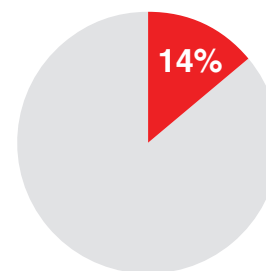
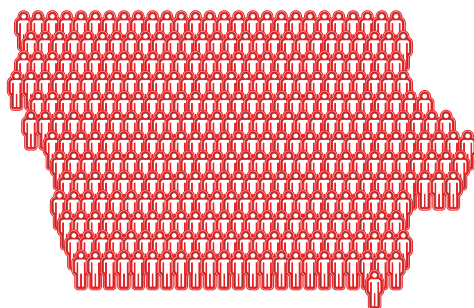
Due to the lack of available data, the following Municipal Water Utilities are not included in study: Aurora, Craig, Cylinder, Grand Junction, Park View, Paton, Rodman, University Heights, and Whitten.

Electric



136 Municipal Electric Utilities
60 Board Governed
76 Council Governed
5 Electric Joint Action Agencies

**Population served by a
municipal electric utility: 432,589**



**14% of Iowa's population
is served by a municipal
electric utility**

At least 1 municipal electric utility in:

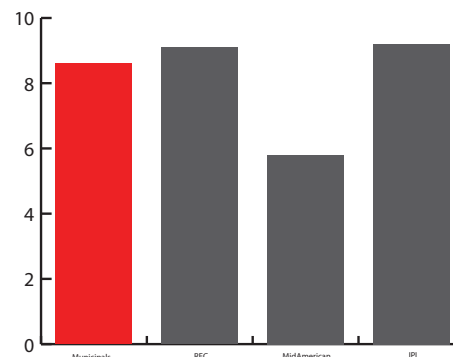
- ◆ 69 out of 99 counties
- ◆ 49 out of 100 Iowa House Districts
- ◆ 32 of 50 Iowa Senate Districts

Average Rates:

Per 2017 ME-1 data

- ◆ Municipals: 8.6 cents
- ◆ REC: 9.1 cents
- ◆ MidAmerican: 5.8 cents
- ◆ IPL: 9.2 cents

Total operating revenues divided by
Kwh sold



JOBS = 2,862*



1,018 (Direct - IAMU Members' Employees)
1,007 (Indirect - B2B - In the Economy)
837 (Induced - In the Economy)

+

2,862 Total Jobs

WAGES = \$194,130,774* ANNUALLY



\$83,718,760 (Direct - IAMU Members' Employees)
\$76,176,911 (Indirect - B2B - In the Economy)
\$34,235,103 (Induced - In the Economy)

+

\$194,130,774

VALUE ADDED TO IOWA = \$464,793,055*



\$197,062,303 (Direct - Operations Impact)
\$205,201,438 (Indirect - B2B - In the Economy)
\$ 62,529,314 (Induced - In the Economy)

+

\$464,793,055

ASSETS & REVENUE



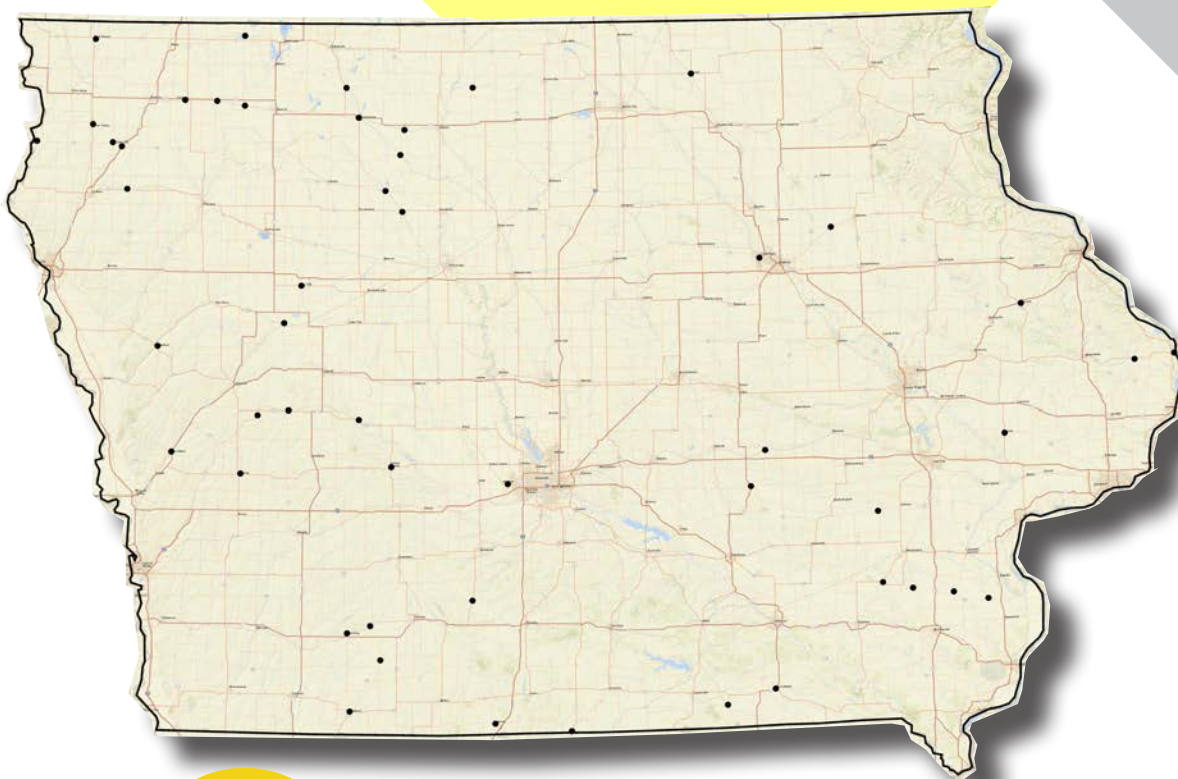
◆ **\$1,383,607,926** (Total Assets)
◆ **\$ 603,631,681** (Total Operating Revenues)

INFRASTRUCTURE INVESTMENT



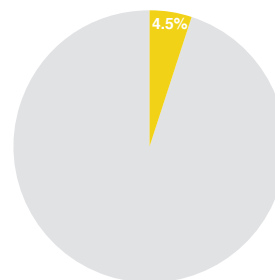
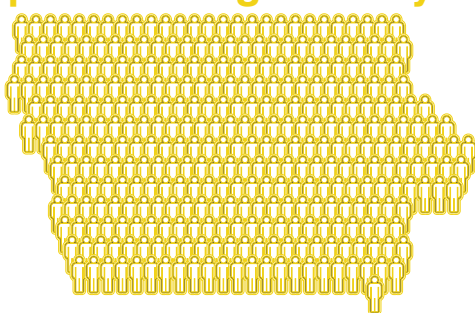
◆ **\$56,328,865** Investment in Infrastructure
◆ **\$50,894,198** Current Construction in Progress Projects

Natural Gas



51 Municipal Natural Gas Utilities
16 Board Governed
35 Council Governed

**Population served by a
municipal natural gas utility: 140,118**



**4.5% of Iowa's population
is served by a municipal
natural gas utility**

At least 1 municipal natural gas utility in:

- ◆ 35 out of 99 counties
- ◆ 29 out of 100 Iowa House Districts
- ◆ 23 of 50 Iowa Senate Districts

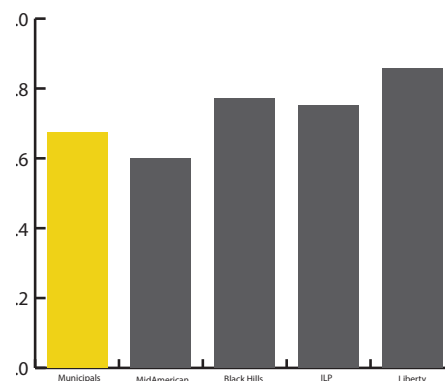
Average Rates:

Per 2017 MG-1 data

- ◆ Municipals: \$0.6733/CCF
- ◆ MidAmerican: \$0.5997/CCF
- ◆ Black Hills: \$0.7709/CCF
- ◆ ILP: \$0.7518/CCF
- ◆ Liberty: \$0.8579/CCF

Total operating revenues divided by CCF sold

**Current municipal customers are savings
approximately \$630,000 annually in natural
gas service compared to what they would pay
if they were served at the average IOU rate.**



JOBS = 444*



158 (Direct - IAMU Members' Employees)
189 (Indirect - B2B - In the Economy)
97 (Induced - In the Economy)

+

444 Total Jobs

WAGES = \$22,465,356* ANNUALLY



\$ 8,001,356 (Direct - IAMU Members' Employees)
\$10,511,084 (Indirect - B2B - In the Economy)
\$ 3,952,916 (Induced - In the Economy)

+

\$22,465,356

VALUE ADDED TO IOWA = \$48,120,325*



\$25,970,638 (Direct - Operations Impact)
\$14,928,920 (Indirect - B2B - In the Economy)
\$ 7,220,767 (Induced - In the Economy)

+

\$48,120,325

ASSETS & REVENUE



◆ **\$122,238,478** (Total Assets)
◆ **\$64,490,389** (Total Operating Revenues)

INFRASTRUCTURE INVESTMENT

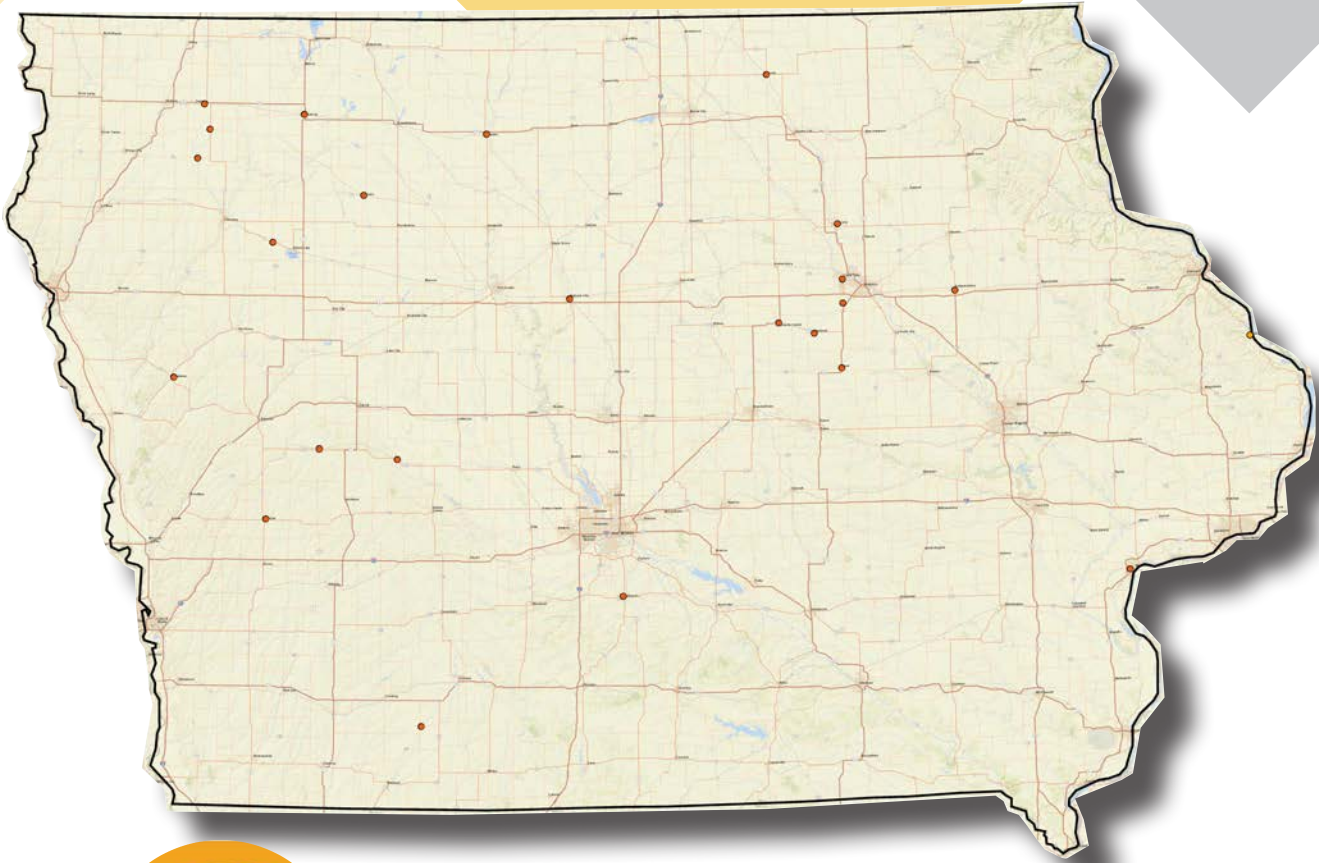


◆ **\$4,821,238** Investment in Infrastructure
◆ **\$ 411,747** Current Construction in Progress Projects

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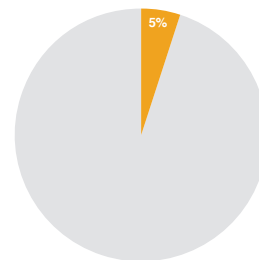
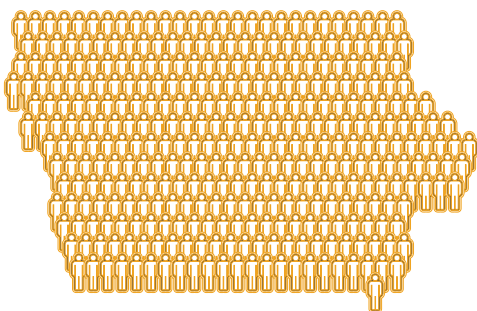
*Source: Economic Impact Study prepared by KDW Advisors, LLC utilizing the IMPLAN regional model for the state of Iowa.

Telecommunications



21 Municipal Telecommunications Utilities*
21 Board Governed
0 Council Governed

Population served by a municipal telecommunications utility: 154,755



5% of Iowa's population is served by a municipal telecommunications utility

At least 1 municipal telecommunications utility in:

- ◆ 19 out of 99 counties
- ◆ 23 out of 100 Iowa House Districts
- ◆ 17 of 50 Iowa Senate Districts

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Due to the lack of available data, the following Municipal Telecommunications Utilities are not included in study: Hudson, Webster City.

TCA – The Community Agency is a 28E between Paullina, Primghar, Sanborn and Hartley. Thus, each community's data is included within TCA's data and not broken out individually.

JOBS = 415*



155 (Direct - IAMU Members' Employees)
155 (Indirect - B2B - In the Economy)
105 (Induced - In the Economy)

+

415 Total Jobs

WAGES = \$24,147,171* ANNUALLY



\$13,196,677 (Direct - IAMU Members' Employees)
\$ 6,668,144 (Indirect - B2B - In the Economy)
\$ 4,282,350 (Induced - In the Economy)

+

\$24,147,171

VALUE ADDED TO IOWA = \$48,316,677*



\$28,114,840 (Direct - Operations Impact)
\$12,380,047 (Indirect - B2B - In the Economy)
\$ 7,821,790 (Induced - In the Economy)

+

\$48,316,677

ASSETS & REVENUE



◆ \$121,417,975 (Total Assets)
◆ \$ 69,070,459 (Total Operating Revenues)

INFRASTRUCTURE INVESTMENT



◆ \$11,441,085 Investment in Infrastructure
◆ \$11,164,593 Current Construction in Progress Projects



IOWA
ASSOCIATION OF MUNICIPAL
UTILITIES

1735 NE 70th Ave. Ankeny, Iowa 50021
515.289.1999 (p) 515.289.2499 (f)
www.iamu.org