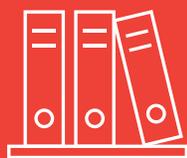


2025 Governance Survey

July 2025

AMERICAN
**PUBLIC
POWER**
ASSOCIATION

Powering Strong Communities



PREPARED BY

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PUBLISHED JULY 2025

The American Public Power Association is the voice of not-for-profit, community-owned utilities that power approximately 2,000 towns and cities nationwide. We represent public power before the federal government to protect the interests of the 55 million people that public power utilities serve across the United States and its territories. We advise on electricity policy, grid technology and operations, and workforce development in support of safe, modern, and resilient utilities.

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Introduction

This report on the eleventh Governance Survey from the American Public Power Association summarizes the various ways local governments exercise control over public power utilities. This includes the type of governing bodies that oversee public power utilities; how the members of the governing body are selected; what, if any, term limits and compensation to which governing body members are subject; and the authorities granted to utility governing bodies.

This report provides a look into the trends in these structures nationally and which structures are more common based on the utility's revenue, total customer count, and type of governing body. The trends are not meant to convey a sense of which governance structure is "right" for public power, rather, they aim to show the breadth of choices that can comprise local decision-making. Communities evaluating their governance structure, or those looking to establish a public power utility, might wish to review these options to see what choices are right for their utility and community.

Profile of Respondents

From February to April 2025, approximately 1,900 public power utilities received the questionnaire and 284 participated in the survey. Excluded from the survey are public power organizations that primarily sell power at wholesale, such as joint action agencies. Although 284 utilities completed the survey, not all respondents answered every question.

Please note that due to rounding, some data may not equal 100%.

Tables 1 and 2 provide breakdowns of respondents by utility revenue and customer count. This can be useful to further describe the utilities in a selected class. Revenue and customer data are from the Energy Information Administration (EIA) Form EIA-861 and EIA-861S, using 2023 data.

Table 1. Number of Respondents by Customer Count

Customers	Number of Responses	Percent
Less than 1,000	43	15%
1,000 to 2,000	32	11%
2,000 to 4,000	44	16%
4,000 to 10,000	69	24%
10,000 to 20,000	39	14%
20,000 to 40,000	25	9%
40,000 to 100,000	18	6%
100,000 or more	13	5%

Table 2. Number of Respondents by Revenue Class

Revenue (In Millions)	Number of Responses	Percent
Less than \$3	56	20%
\$3 to \$6	29	10%
\$6 to \$10	25	9%
\$10 to \$15	30	11%
\$15 to \$25	36	13%
\$25 to \$50	38	13%
\$50 to \$100	37	13%
\$100 or more	33	12%

Ninety-five percent of respondents are municipally owned utilities. The other 5% are state-owned utilities or political subdivisions, for example countywide utilities, tribally owned utilities, public power districts or public utility districts in Washington, Oregon, and Nebraska, and irrigation or utility districts in Arizona and California.

The majority of respondents are governed by a city council (57%), and 40% are governed by an independent utility board. The term "city council" includes similar entities such as a county council, town council, borough council, board of selectmen, and board of aldermen. The remaining 2% of respondents are governed by a utility improvement district, board of directors, board of trustees, or a utility commission.

Independent utility boards that are appointed are more than twice as common as independent utility boards that are elected. However, almost all public power utilities not owned by a municipality are governed by elected independent utility boards, a

mix of elected and appointed independent utility boards, or a unique scenario. The majority of city council members are elected, though 4%, or seven utilities, say that their city council is comprised of appointed members or a mix of elected and

appointed members. Tables 3 and 4 summarize survey respondents by customer and revenue size and the by type of governing body which exercises primary control over the utility.

Table 3. Type of Primary Governing Body

	Number of Responses	Independent Utility Board			City Council	Other
		<i>Elected</i>	<i>Appointed</i>	<i>Mixed</i>		
Total	284	11%	28%	1%	57%	2%
Revenue (in Millions)						
Less than \$3	56	0%	9%	0%	91%	0%
\$3 to \$6	29	7%	10%	0%	79%	3%
\$6 to \$10	25	12%	24%	0%	64%	0%
\$10 to \$15	30	23%	33%	0%	43%	0%
\$15 to \$25	36	8%	28%	3%	58%	3%
\$25 to \$50	38	8%	53%	0%	39%	0%
\$50 to \$100	37	27%	38%	5%	22%	8%
\$100 or more	33	12%	33%	3%	45%	6%
Customers						
Less than 1,000	43	2%	5%	0%	93%	0%
1,000 to 2,000	32	3%	19%	0%	78%	0%
2,000 to 4,000	44	7%	23%	0%	68%	2%
4,000 to 10,000	69	16%	36%	1%	45%	1%
10,000 to 20,000	39	15%	38%	3%	41%	3%
20,000 to 40,000	25	24%	40%	4%	28%	4%
40,000 to 100,000	18	11%	33%	0%	44%	11%
100,000 or more	13	15%	38%	8%	38%	0%

A large majority (90%) of elections for the utility's governing body are nonpartisan, which means the individual running does not declare a political party

or allegiance. All utilities with independent utility boards indicated that their elections are nonpartisan, as well as 87% of utilities governed by a city council.

Table 4. Governing Body Election by Type of Governing Body

Type of Governing Body	Number of Responses	Nonpartisan Elections	Partisan Elections
City Council	151	87%	13%
Independent Utility Board	34	100%	0%
Total	187	90%	10%



City councils play a large part in determining the makeup of appointed independent utility boards as they either appoint or approve the board in most cases. Forty-seven percent of the boards are appointed by the mayor, but 82% of the time, the city council must approve the appointed position. Over half (53%) of appointees need to be approved. The city council appoints the board jointly with the mayor for 6% of utilities and on its own for 26% of utilities. Another 17% of utilities have alternative situations for who appoints the governing board, including a combination of the city council and county commissioners, a combination of the city manager and city council, public utility commission, select

board, utility supervisor, village president, county commission or other members of the independent utility board.

The majority of respondents with appointed and elected independent utility boards said those boards name their own chair (84%). When the city council is the governing body, the mayor is the chair for 62% of respondents, the city council names its own chair for 27% of respondents, and for 10% of respondents, the chair is elected in the general election. Other ways the governing chair is named include by rotation.

Table 5. How Governing Body Chair Is Named

Type of Governing Body	Number of Responses	Mayor Is Chair	Chair Is Elected	Named by Other Members of the Governing Body	Appointed	Other
Elected Independent Utility Board	32	0%	13%	84%	0%	3%
Appointed Independent Utility Board	79	0%	8%	84%	8%	1%
City Council	162	62%	10%	27%	3%	1%
Other	7	0%	0%	71%	29%	0%
Total	284	36%	9%	50%	5%	1%

Term Length of Governing Body

Term lengths typically range from one to seven years, with 70% of respondents reporting term lengths of three to four years. Approximately 87% of the utilities reporting governing body terms longer than four years are governed by independent utility boards. Table 6 shows the percentage of respondents by length of governing body term

for each type of governing body. Most of the term lengths that are five years or longer occur at utilities with more than \$15 million in revenue, or with more than 20,000 customers.

Table 6. Term Length by Type of Governing Body

Type of Governing Body	Number of Responses	2 Years or Fewer	3 to 4 Years	5 to 6 Years	7 Years or More	Unlimited
Elected Independent Utility Board	30	0%	60%	23%	13%	3%
Appointed Independent Utility Board	78	3%	62%	19%	15%	1%
City Council	160	19%	77%	1%	1%	3%
Other	7	0%	57%	43%	0%	0%
Total	279	11%	70%	9%	7%	3%

Term Limits on Governing Body

Nearly one in five (18%) of individuals serving on public power utility governing bodies are subject to term limits. The overwhelming majority (83%) of reported term limits were either two or three terms. Utilities with appointed independent utility boards, more than \$25 million in revenue, and more than 40,000 customers are most likely to apply term limits to those serving on the governing body.

Table 7. Term Limits on Governing Bodies

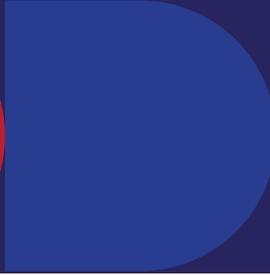
	Number of Responses	Percent with Term Limits
Total	282	18%
Type of Governing Body		
Elected Independent Utility Board	32	6%
Appointed Independent Utility Board	79	28%
City Council	160	13%
Other	7	43%
Revenue (in Millions)		
Less than \$3	42	10%
\$3 to \$6	32	6%
\$6 to \$10	44	7%
\$10 to \$15	69	12%
\$15 to \$25	39	21%
\$25 to \$50	25	44%
\$50 to \$100	18	39%
\$100 or more	13	46%
Customers		
Less than 1,000	55	11%
1,000 to 2,000	28	0%
2,000 to 4,000	25	8%
4,000 to 10,000	30	7%
10,000 to 20,000	36	17%
20,000 to 40,000	38	21%
40,000 to 100,000	37	30%
100,000 or more	33	45%

Citizens Advisory Committee

Ten percent of respondents have a citizens advisory committee or board that serves in an advisory capacity to the governing body. Utilities governed by city councils are more likely than those governed by independent utility boards to have a citizens advisory committee.

Table 8. Citizens Advisory Committee

	Number of Responses	Percent with Citizens Advisory Committee
Total	284	10%
Type of Governing Body		
Elected Independent Utility Board	32	6%
Appointed Independent Utility Board	79	1%
City Council	162	14%
Other	7	14%
Revenue (in Millions)		
Less than \$3	56	2%
\$3 to \$6	29	7%
\$6 to \$10	25	8%
\$10 to \$15	30	3%
\$15 to \$25	36	11%
\$25 to \$50	38	8%
\$50 to \$100	37	14%
\$100 or more	33	27%
Customers		
Less than 1,000	43	0%
1,000 to 2,000	32	6%
2,000 to 4,000	44	7%
4,000 to 10,000	69	7%
10,000 to 20,000	39	8%
20,000 to 40,000	25	20%
40,000 to 100,000	18	28%
100,000 or more	13	31%



As shown in Table 9, the primary activities of the citizens advisory committee involve rates, budget, and sustainability. Respondents could select multiple activities. “Other” responses include feedback on customer experience, development, land use, recreation, legal hearings, planning, capital projects, compliance oversight, enterprise policy, power supply, and recommendations for items needing board approval.

Table 9. Activities of the Citizens Advisory Committee

Primary Activities	Number of Responses	Percent
Rates	18	69%
Budget	13	50%
Sustainability	12	46%
Environmental Stewardship	10	38%
Other	9	35%
Purchasing	8	31%
Technology Adoption	8	31%
Staffing	6	23%
Customer Complaints	4	15%
None of the Above	1	4%

Number of Meetings

Governing bodies have a median of 13 meetings per year, or approximately one per month, and an average of 17 meetings per year. City council governing bodies have a median of 24 meetings.

Table 10. Number of Meetings per Year

	Number of Responses	Median	Average
Total	282	13	17
Type of Governing Body			
Elected Independent Utility Board	32	12	14
Appointed Independent Utility Board	79	12	13
City Council	160	24	20
Other	7	12	22

Table 10. Number of Meetings per Year

Revenue (in Millions)	Number of Responses	Median	Average
Less than \$3	56	12	14
\$3 to \$6	28	24	19
\$6 to \$10	25	24	20
\$10 to \$15	29	13	17
\$15 to \$25	36	24	20
\$25 to \$50	38	13	17
\$50 to \$100	37	12	17
\$100 or more	33	13	18

Customers

	Number of Responses	Median	Average
Less than 1,000	43	12	13
1,000 to 2,000	32	20	18
2,000 to 4,000	42	17	18
4,000 to 10,000	69	15	19
10,000 to 20,000	39	12	17
20,000 to 40,000	25	12	18
40,000 to 100,000	18	20	21
100,000 or more	13	12	13

Four in ten utilities do not conduct work sessions, which are often used to allow board members to focus on long-term planning and do not involve direct actions and decisions, in addition to regular meetings. Governing bodies that do conduct work sessions typically conduct two to three sessions per year.

Table 11. Number of Work Sessions

Number of Work Sessions	Number of Responses	Percent
None or as needed	113	40%
1 to 2 sessions	35	13%
2 to 3 sessions	59	21%
4 to 5 sessions	24	9%
6 to 10 sessions	13	5%
More than 10 sessions	36	13%
Total	280	



A plurality (42%) of governing bodies has an orientation with city or utility staff, including training from the heads of various utility departments, such as legal and human resources. “Other” responses include private business, state resources, and a combination of provider types, such as the city manager and utility staff, the chair of the board, general manager and utility staff, the city administrator and city clerk, utility staff and an association, the city manager and utility department heads, the general manager and commission members, and the mayor and utility director.

Table 13. Provider of Board Member Orientation

Provider	Number of Responses	Percent
Utility or city staff	50	42%
General manager or equivalent position	22	18%
Association	19	16%
City attorney	3	3%
City manager	3	3%
Other	23	19%
Total	120	

Seventy percent of governing bodies do not commit time to ongoing board development. Governing bodies that do commit time toward ongoing board development spend a median of 10 hours per year on this effort. Elected independent utility boards are more likely to spend time toward ongoing board development, with a median of 22 hours per year.

Table 14. Median Hours per Year Spent on Ongoing Board Development

Type of Governing Body	Number of Responses	Median Number of Hours
Elected Independent Utility Board	10	22
Appointed Independent Utility Board	33	9
City Council	33	8
Total	80	10

Compensation of Governing Body Members

Overall, 80% of members of utility governing bodies are paid, and this percentage is roughly the same for both city councils and independent utility boards. Utilities in the top revenue and customer classes are less likely to compensate members of their governing bodies.

Table 15. Governing Body That Exercises Control Over the Utility Is Paid

	Number of Responses	Percent with Paid Governing Body
Total	282	80%
Type of Governing Body		
Elected Independent Utility Board	32	81%
Appointed Independent Utility Board	79	78%
City Council	160	81%
Other	7	86%
Revenue (in Millions)		
Less than \$3	54	87%
\$3 to \$6	29	86%
\$6 to \$10	25	88%
\$10 to \$15	30	77%
\$15 to \$25	36	89%
\$25 to \$50	38	79%
\$50 to \$100	37	73%
\$100 or more	33	64%
Customers		
Less than 1,000	41	85%
1,000 to 2,000	32	97%
2,000 to 4,000	44	77%
4,000 to 10,000	69	86%
10,000 to 20,000	39	74%
20,000 to 40,000	25	80%
40,000 to 100,000	18	50%
100,000 or more	13	69%

Survey respondents reported compensation data on either an annual, monthly, or per meeting basis. All responses were converted to an average rate per meeting. Table 16 shows the median compensation for each type of governing body and customer and revenue class. Median compensation generally increases as customer count and revenue increases. When respondents provided multiple payment amounts, the median compensation was selected. For the 210 utilities that pay their board members, the median payment per meeting is \$150.

Table 16. Median Meeting Compensation of Governing Body Members

	Number of Responses	Median Payment Per Meeting
Total	210	\$150.00
Type of Governing Body		
Elected Independent Utility Board	25	\$475.00
Appointed Independent Utility Board	60	\$122.50
City Council	119	\$150.00
Revenue (in Millions)		
Less than \$3	46	\$89.19
\$3 to \$6	21	\$100.00
\$6 to \$10	21	\$100.00
\$10 to \$15	21	\$106.25
\$15 to \$25	30	\$183.33
\$25 to \$50	28	\$216.67
\$50 to \$100	23	\$325.00
\$100 or more	19	\$543.48
Customers		
Less than 1,000	34	\$70.83
1,000 to 2,000	29	\$102.27
2,000 to 4,000	31	\$100.00
4,000 to 10,000	56	\$196.15
10,000 to 20,000	24	\$248.17
20,000 to 40,000	17	\$325.00
40,000 to 100,000	10	\$373.61
100,000 or more	8	\$1,391.74

A majority of utilities (60%) do not reimburse members for board-related travel and expenses. Of the 103 utilities that do pay for board-related travel, including but not limited to, attending meetings with regional, state, or national representatives; attending conferences; and attending events on behalf of the utility, the median annual payment per person is \$1,000.

Table 17. Median Compensation Per Person for Board-Related Travel

	Number of Responses	Median Payment Per Person
Total	103	\$1,000.00
Type of Governing Body		
Elected Independent Utility Board	18	\$3,550.00
Appointed Independent Utility Board	36	\$1,096.50
City Council	45	\$750.00
Revenue (in Millions)		
Less than \$10	40	\$550.00
\$10 or more	63	\$1,500.00
Customers		
Less than 10,000	56	\$775.00
10,000 or more	47	\$1,500.00

Survey respondents were asked whether governing board members were eligible for either the city's or utility's medical benefit plans. Members elected to independent utility boards are more likely to receive medical, vision, and dental benefits from the city or utility than members appointed to independent utility boards. Utilities in the highest revenue and customer classes are more likely to provide benefits to their governing body. Other benefits include discounts on their utility bill, telehealth, business travel accident insurance, life insurance, health reimbursement accounts, phone stipends, and gym memberships.



Table 18. Percent of Governing Board Members Eligible for City/Utility's Employee Benefit Plans

	Medical	Vision and Dental	Retirement	Other
Total	17%	15%	12%	8%
Type of Governing Body				
Elected Independent Utility Board	43%	40%	24%	19%
Appointed Independent Utility Board	11%	9%	6%	3%
City Council	13%	13%	12%	7%
Other	29%	29%	29%	17%
Revenue (in Millions)				
Less than \$3	2%	0%	9%	4%
\$3 to \$6	7%	7%	4%	0%
\$6 to \$10	16%	16%	13%	13%
\$10 to \$15	10%	7%	14%	13%
\$15 to \$25	17%	17%	15%	10%
\$25 to \$50	8%	5%	6%	6%
\$50 to \$100	31%	29%	14%	19%
\$100 or more	48%	48%	25%	4%
Customers				
Less than 1,000	2%	0%	2%	3%
1,000 to 2,000	3%	3%	19%	4%
2,000 to 4,000	16%	16%	7%	7%
4,000 to 10,000	11%	9%	14%	16%
10,000 to 20,000	13%	11%	5%	3%
20,000 to 40,000	40%	36%	21%	14%
40,000 to 100,000	33%	33%	12%	8%
100,000 or more	69%	69%	38%	0%

Note that the survey asked only about *eligibility* for medical, vision, dental, and retirement benefits. It did not ask who was responsible for paying for the benefit plans: the city/utility or the governing board member.

Authority of Governing Body

Survey respondents were asked to indicate which governing body or individual has final approval for eight specific actions: setting retail electric rates, approving the utility budget, setting salaries of key utility officials, issuing long-term bonds, making financial investments for the electric utility, approving purchased power contracts, exercising the right of eminent domain, and hiring and firing utility personnel. For utilities under city council control, the authority for these functions overwhelmingly resides with the city council, except for the last function — hiring and firing utility personnel. However, for utilities under the control of an independent utility board, the results are more mixed. While the independent utility board has authority for at least half of the functions for a majority of utilities, the city council – either on its own or jointly with the independent utility board – retains authority for a significant number of utilities with an appointed independent utility board.

The following descriptions and tables summarize the distribution of the authority under independent utility boards as the primary governing body and under city councils as the primary governing body.

Elected Independent Utility Board as Primary Governing Body

Approximately 32 utilities reported that an elected independent utility board is their primary governing body. A majority of these utilities list the elected independent utility board as retaining final authority for half of the functions. Elected independent utility boards are most likely to have final approval over the utility budget (88%), setting retail electric rates (84%), approving purchased power contracts (75%), and issuing long-term bonds (72%). Half of the elected independent utility boards have final approval over setting salaries of key utility officials. Fewer elected utility boards have the final approval for exercising the right of eminent domain (45%), making financial investments for the utility (35%), and hiring and firing personnel (3%).

Table 19 summarizes the results by revenue class. For each of the eight functions, the table shows the percentage of responses indicating power of final approval for the general manager, independent utility board, city council, state utility commission, or other position. The city manager and mayor are not included as options as no utilities with elected independent utility boards indicated their authority over the given actions.

Most of the “other” responses shown in Table 19 indicate a board of citizen commissioners among one public utility district. Additional “other” responses include:

- The chief financial officer or city treasurer to make financial investments for the utility;
- A risk management committee to approve purchased power contracts and the energy management staff to make smaller transactions; and
- The CEO, vice presidents, and directors or immediate supervisors for larger utilities to hire and dismiss utility personnel.



There are differences when comparisons are made by revenue class, but the same general pattern remains. Larger percentages of utilities report that the independent utility board has final approval over setting retail rates, approving the utility budget, issuing long-term bonds, and approving power

purchase contracts. Smaller percentages report that the board has approval over setting salaries of key utility personnel, making financial investments, exercising the right of eminent domain, and hiring and dismissing utility personnel.

Table 19. Exercise of Specific Authorities for Utilities with Elected Independent Utility Boards, by Revenue

Authorities	Number of Responses	General Manager	Independent Utility Board	City Council	State Utility Commission	Other
Less than \$10 Million in Revenue						
Set retail electric rates	12	17%	67%	-	8%	8%
Approve utility budget	12	-	83%	-	8%	8%
Set salaries of key utility officials	12	33%	58%	-	-	8%
Issue long-term bonds	12	8%	67%	8%	8%	8%
Make financial investments for electric utility	11	45%	36%	9%	-	9%
Approve purchased power contracts	12	8%	83%	-	-	8%
Exercise right of eminent domain	11	18%	36%	27%	9%	9%
Hire and dismiss utility personnel	12	92%	8%	-	-	-
\$10 Million or More in Revenue						
Set retail electric rates	20	-	95%	5%	-	-
Approve utility budget	20	5%	90%	5%	-	-
Set salaries of key utility officials	20	55%	45%	-	-	-
Issue long-term bonds	20	5%	75%	20%	-	-
Make financial investments for electric utility	20	50%	35%	-	-	15%
Approve purchased power contracts	20	20%	70%	-	-	10%
Exercise right of eminent domain	20	30%	50%	15%	-	5%
Hire and dismiss utility personnel	20	95%	-	-	-	5%

Appointed Independent Utility Board as Primary Governing Body

Approximately 79 utilities reported that an appointed independent utility board is their primary governing body. A majority of these utilities list the appointed independent utility board as retaining final authority for all of the eight functions except for issuing long-term bonds (44%) and hiring and dismissing utility personnel (14%). Appointed independent utility boards are most likely to have final approval over approving the utility budget (77%), approving purchased power contracts (75%), setting retail electric rates (73%), setting salaries of key utility officials (62%), making financial investments for the electric utility (57%), and exercising the right of eminent domain (51%).

Table 20 summarizes the results by revenue class. For each of the eight functions, the table shows the percentage of responses indicating power of final approval for the general manager, independent utility board, city council, city manager, state utility commission, mayor, or other position.

Most of the "other" responses shown in Table 20 indicate split responsibilities, such as one body having authority over residential rates and another commercial, the board setting the general manager's salary and the general manager setting the salaries of other staff members, and board decisions needing approval from the city council. Additional "other" responses include:

- The state power authority to set retail electric rates;
- The president/CEO and audit and financial committee to set salaries of key utility officials;
- The state's local government commission and voters in some cases to issue long-term bonds; and
- The finance director or manager to make financial investments for the electric utility.

There are differences when comparing by revenue, but the same general pattern remains. Larger percentages of utilities report that the appointed



independent utility board has final approval over retail rates, budget, salaries, and purchased power contracts, and smaller percentages report that the board has approval over hiring and firing personnel. Responsibilities of issuing long-term bonds, making financial investments, and exercising the right of eminent domain differ by utility size.

Appointed independent utility boards are more likely to have the final authority to set salaries of key officials and make financial investments for the electric utility compared to elected independent

utility boards, especially at utilities with less than \$10 million in revenue. At utilities with elected independent utility boards, the general manager (or equivalent position) is more likely to have decision-making power for these functions. Elected independent utility boards are also more likely to have final authority to issue long-term bonds, especially at utilities with more than \$10 million in revenue, compared to appointed independent utility boards, where the city council is more likely to have final authority.

Table 20. Exercise of Specific Authorities for Utilities with Appointed Independent Utility Boards, by Revenue

Authorities	Number of Responses	General Manager	Independent Utility Board	City Council	City Manager	Mayor	State Utility Commission	Other
Less than \$10 Million in Revenue								
Set retail electric rates	24	-	83%	4%	-	-	8%	4%
Approve utility budget	24	-	96%	4%	-	-	-	-
Set salaries of key utility officials	24	8%	88%	4%	-	-	-	-
Issue long-term bonds	24	4%	63%	29%	-	-	-	4%
Make financial investments for electric utility	24	17%	79%	-	-	-	-	4%
Approve purchased power contracts	24	4%	83%	4%	-	-	-	8%
Exercise right of eminent domain	23	-	65%	30%	-	-	-	4%
Hire and dismiss utility personnel	24	67%	29%	4%	-	-	-	-
\$10 Million or More in Revenue								
Set retail electric rates	55	-	69%	16%	-	-	13%	2%
Approve utility budget	55	-	69%	27%	-	-	2%	2%
Set salaries of key utility officials	55	35%	51%	5%	2%	2%	-	5%
Issue long-term bonds	55	-	36%	55%	-	-	-	9%
Make financial investments for electric utility	55	36%	47%	5%	2%	2%	-	7%
Approve purchased power contracts	55	7%	71%	16%	-	-	-	5%
Exercise right of eminent domain	55	4%	45%	44%	-	2%	-	5%
Hire and dismiss utility personnel	54	85%	7%	4%	-	2%	-	2%

City Council as Primary Governing Body

One hundred sixty-two utilities reported that the city council is their primary governing body. For all customer classes combined, two-thirds or more of these utilities indicate that the city council has final approval for seven of the eight functions surveyed. The lone exception is hiring and firing utility personnel (34%). For this function, where a city council does not have final approval, an individual controls these decisions in most other cases. The utility general manager or the city manager most often has final hiring and firing authority.

Most of the "other" responses shown in Table 21 indicate split responsibilities, such as the city council and mayor sharing responsibilities. Additional "other" responses include:

- Human resources and special committees on the governing board to set salaries of key utility officials;

- The city's finance director, treasurer, or a town meeting to issue long-term bonds;
- The city treasurer, finance director, or controller to make financial investments for the electric utility;
- Shared responsibility with the utility's joint action agency for approving purchased power contracts;
- A town meeting to exercise the right of eminent domain; and
- The CEO, human resources, and direct supervisors to hire and dismiss utility personnel.

There are differences in the city council's authority when comparing by utility revenue. For example, the proportion of city councils that maintain authority for hiring and firing, setting salaries, and making financial investments decreases as utility size increases.

Table 21. Exercise of Specific Authorities for Utilities with City Councils, by Revenue

Authorities	Number of Responses	General Manager	Independent Utility Board	City Council	City Manager	Mayor	State Utility Commission	Other
Less than \$10 Million in Revenue								
Set retail electric rates	102	-	1%	89%	-	1%	7%	2%
Approve utility budget	102	1%	1%	96%	-	1%	-	1%
Set salaries of key utility officials	101	3%	1%	84%	7%	3%	-	2%
Issue long-term bonds	99	1%	1%	94%	-	1%	-	3%
Make financial investments for electric utility	101	6%	-	74%	11%	2%	-	7%
Approve purchased power contracts	101	6%	1%	90%	-	1%	-	2%
Exercise right of eminent domain	98	3%	-	94%	-	1%	-	2%
Hire and dismiss utility personnel	102	24%	-	49%	18%	7%	-	3%
\$10 Million or More in Revenue								
Set retail electric rates	59	-	3%	81%	3%	2%	10%	-
Approve utility budget	59	-	7%	88%	-	3%	2%	-
Set salaries of key utility officials	59	15%	7%	41%	29%	7%	-	2%
Issue long-term bonds	58	3%	2%	79%	2%	3%	2%	9%
Make financial investments for electric utility	59	14%	5%	51%	3%	2%	2%	24%
Approve purchased power contracts	59	12%	8%	68%	5%	2%	2%	3%
Exercise right of eminent domain	58	2%	-	90%	-	3%	3%	2%
Hire and dismiss utility personnel	59	51%	-	7%	31%	7%	-	5%



Issuing Bonds and Selling the Utility

Tables 22 and 23 present information on actions required to issue bonds and sell the utility. Eighteen percent of responding utilities require a voter referendum to issue bonds, and smaller utilities are more likely than larger utilities to require a referendum.

Table 22. Voter Referendum Required to Issue Revenue Bonds

	Number of Responses	Percent Requiring Referendum
Total	270	18%
Type of Governing Body		
Elected Independent Utility Board	30	20%
Appointed Independent Utility Board	78	8%
City Council	151	23%
Other	7	14%
Revenue (in Millions)		
Less than \$3	52	37%
\$3 to \$6	26	15%
\$6 to \$10	22	32%
\$10 to \$15	30	17%
\$15 to \$25	35	11%
\$25 to \$50	36	8%
\$50 to \$100	36	14%
\$100 or more	33	3%
Customers		
Less than 1,000	40	35%
1,000 to 2,000	29	28%
2,000 to 4,000	41	22%
4,000 to 10,000	66	14%
10,000 to 20,000	38	8%
20,000 to 40,000	24	17%
40,000 to 100,000	18	6%
100,000 or more	13	0%

Fifty-five percent of utilities require a voter referendum to sell the utility. Of those requiring a referendum, 77% require the approval of a simple majority to sell the utility, and 23% require a supermajority.

Fifty-eight percent of utilities require a vote of the governing body to sell the utility. Of those requiring a vote by the governing body, 79% require a simple majority of the vote and 21% require a supermajority.

A few entities either did not indicate the action needed to sell the utility or said that the utility cannot be sold. "Other" requirements to sell the utility included permission from bond holders or beneficiaries of trust, action from the state, including the legislature or public service commissions, approval from the city council (for utilities governed by an independent board), completion of contractual implications with a joint action agency, a town vote, or vote of multiple parties, such as board, city council, and mayor. A quarter of utilities require both a vote of the governing body and a voter referendum to sell the utility.

Table 23. Action Required to Sell the Utility

	Number of Respondents	Vote of Governing Body	Referendum of Voters	Both	Other
Total	264	58%	55%	25%	10%
Type of Governing Body					
Elected Independent Utility Board	29	38%	72%	24%	14%
Appointed Independent Utility Board	77	43%	77%	31%	14%
City Council	147	73%	41%	22%	7%
Other	7	14%	43%	14%	0%
Revenue (in Millions)					
Less than \$3	49	76%	43%	27%	6%
\$3 to \$6	28	75%	32%	14%	14%
\$6 to \$10	23	74%	52%	30%	9%
\$10 to \$15	28	50%	61%	18%	4%
\$15 to \$25	34	53%	47%	24%	18%
\$25 to \$50	35	49%	69%	29%	14%
\$50 to \$100	36	42%	64%	19%	3%
\$100 or more	31	48%	71%	35%	16%
Customers					
Less than 1,000	38	74%	34%	18%	3%
1,000 to 2,000	30	73%	47%	27%	17%
2,000 to 4,000	40	60%	58%	20%	8%
4,000 to 10,000	66	58%	50%	27%	12%
10,000 to 20,000	36	58%	64%	25%	8%
20,000 to 40,000	24	33%	71%	21%	8%
40,000 to 100,000	16	38%	75%	25%	19%
100,000 or more	13	54%	69%	46%	15%



Payments in Lieu of Taxes

Seventy-one percent of survey respondents make payments in lieu of taxes (PILOT) to their state or local governments. These payments may be called by a different name, such as tax equivalents or transfers to the general fund. Results differ by utility size, as less than half of the utilities in the smallest revenue and customer classes make payments in lieu of taxes, compared to approximately 80% or more of the utilities in the five largest classes. Table 24 shows the percentage of respondents that make payments in lieu of taxes by governing body, revenue class, and customer count.

Table 24. Utilities that Make Payments in Lieu of Taxes

	Number of Responses	Percent Making PILOT Transactions
Total	281	71%
Type of Governing Body		
Elected Independent Utility Board	32	50%
Appointed Independent Utility Board	79	89%
City Council	159	69%
Other	7	29%
Revenue (in Millions)		
Less than \$3	54	43%
\$3 to \$6	28	64%
\$6 to \$10	25	64%
\$10 to \$15	30	80%
\$15 to \$25	36	81%
\$25 to \$50	38	89%
\$50 to \$100	37	78%
\$100 or more	33	82%
Customers		
Less than 1,000	41	37%
1,000 to 2,000	32	56%
2,000 to 4,000	43	77%
4,000 to 10,000	69	80%
10,000 to 20,000	39	82%
20,000 to 40,000	25	88%
40,000 to 100,000	18	78%
100,000 or more	13	85%

More detailed information on payments in lieu of taxes and other payments and contributions is available in APPA's biannual *Public Power Pays Back* report. The report includes data on the amount and type of payments and contributions, summaries by customer size class and region, and comparisons with investor-owned utilities. The most recent report is available at www.PublicPower.org/Resource/Public-Power-Pays-Back

Utility Service to Customers Outside of Municipal Boundaries

The public power utilities that completed APPA's survey include both municipally owned utilities and other political subdivisions that provide electric service — such as state-owned utilities, public power districts, public utility districts, tribally-owned districts, and municipal utility districts. Only the 269 respondents that are municipally owned utilities provided information about service to customers outside of the municipality's boundaries. One hundred and fifty-nine, or 60% of respondents from municipally owned utilities, serve at least some customers located outside the municipality's boundaries.

Table 25. Utilities Serving Customers Outside of Municipal Boundary

	Number of Responses	Percent
Total	265	60%
Type of Governing Body		
Elected Independent Utility Board	21	38%
Appointed Independent Utility Board	79	65%
City Council	157	59%
Other	5	80%
Revenue (in Millions)		
Less than \$3	54	50%
\$3 to \$6	28	54%
\$6 to \$10	25	48%
\$10 to \$15	28	68%
\$15 to \$25	33	64%
\$25 to \$50	37	68%
\$50 to \$100	32	59%
\$100 or more	28	75%
Customers		
Less than 1,000	41	46%
1,000 to 2,000	32	56%
2,000 to 4,000	43	58%
4,000 to 10,000	63	63%
10,000 to 20,000	37	62%
20,000 to 40,000	23	70%
40,000 to 100,000	16	50%
100,000 or more	10	100%

Utilities that served customers outside of the municipality’s boundaries were asked to estimate the percentage of their total customers residing outside of the boundaries. Table 26 shows that 44% of these utilities serve a relatively small number of customers – 5% or less of their total customers – outside of the boundaries. Alternatively, approximately a quarter of the utilities reported that more than 20% of their customers are outside of the municipal boundaries.

Table 26. Share of Customers Outside Municipal Boundaries

Share of Customers	Number of Responses	Percent
1% or less	27	17%
More than 1% and up to 5%	42	27%
More than 5% and up to 10%	25	16%
More than 10% and up to 20%	21	13%
More than 20%	41	26%
Total	156	

The 159 utilities that serve customers outside municipal boundaries were asked about the relationship between the utility and customers located outside of the municipality. Seven percent of these utilities include a representative for customers outside the municipality on the governing body. Fourteen percent make payments in lieu of taxes, conduct in-kind services, provide grants, or conduct annual meetings with governing officials to jurisdictions served outside of the municipal boundaries. A quarter (25%) have separate rate schedules for customers outside of the municipal boundaries. Larger utilities are the most likely to have a governing body representative for customers outside the municipality and are most likely to make payments to jurisdictions outside the municipal boundaries, but there is little difference in utility size for the likelihood of having a separate rate schedule.



Table 27. Utilities that Serve Customers Outside Municipal Boundaries

	Number Of Responses	Requirement To Serve Outside Of Municipal Boundary	Requirement To Make PILOT, Provide Grants, Or Conduct Meetings Outside Of Municipal Boundary	Separate Rate Schedule For Customers Outside Of Municipal Boundary
Total	157	7%	14%	25%
Type of Governing Body				
Elected Independent Utility Board	8	38%	25%	25%
Appointed Independent Utility Board	50	12%	24%	12%
City Council	91	2%	5%	34%
Revenue (in Millions)				
Less than \$3	27	0%	4%	22%
\$3 to \$6	15	0%	13%	33%
\$6 to \$10	12	0%	0%	50%
\$10 to \$15	19	5%	11%	26%
\$15 to \$25	20	5%	5%	40%
\$25 to \$50	24	4%	21%	17%
\$50 to \$100	19	11%	21%	11%
\$100 or more	20	30%	35%	15%
Customers				
Less than 1,000	19	0%	5%	21%
1,000 to 2,000	18	0%	6%	33%
2,000 to 4,000	25	0%	4%	32%
4,000 to 10,000	39	5%	13%	38%
10,000 to 20,000	22	5%	9%	9%
20,000 to 40,000	16	19%	38%	6%
40,000 to 100,000	8	38%	50%	13%
100,000 or more	9	22%	22%	22%

Finally, 227 utilities (85%) that provide utility services in addition to electricity were asked which other utility services are provided by the municipal government. Utilities governed by a city council are more likely to provide additional services (92%) compared to utilities governed by an independent utility board, including both appointed (80%) and elected (52%) independent utility boards. There is little difference between revenue and customer count. Water and sewer are the most common utility services provided by the municipal government.

Table 28. Other Utility Services Provided by the Municipal Government

Service	Number of Responses	Percent
Gas	41	18%
Water	213	94%
Sewer	166	73%
Wastewater	136	60%
Broadband	37	16%
Fiber (leasing)	37	16%
Other	45	20%

Respondents included services such as stormwater, garbage/trash, sanitation, landfill, solid waste, and phone and cable services in the "other" category.

Among utilities that provide services in addition to electricity, 92% of governing bodies also oversee the additional services.

Table 29. Percent of Utilities Whose Governing Body Oversees Additional Services

	Number of Responses	Percent
Total	225	92%
Type of Governing Body		
Elected Independent Utility Board	10	70%
Appointed Independent Utility Board	63	84%
City Council	144	99%
Other	5	80%
Revenue (in Millions)		
Less than \$3	47	96%
\$3 to \$6	24	100%
\$6 to \$10	21	95%
\$10 to \$15	22	91%
\$15 to \$25	29	93%
\$25 to \$50	30	93%
\$50 to \$100	29	86%
\$100 or more	23	83%
Customers		
Less than 1,000	36	94%
1,000 to 2,000	27	100%
2,000 to 4,000	36	94%
4,000 to 10,000	56	93%
10,000 to 20,000	30	90%
20,000 to 40,000	18	89%
40,000 to 100,000	13	85%
100,000 or more	9	78%

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