Securing Our Water Future

Charlie Zitnik
D.A. Davidson & Co.

Randy Irey
Gilmore & Bell, P.C.

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Regionalization of Water Production in Missouri

How to get from Here to There
What Is The Vehicle, Under State Law, That Provides A Pathway Toward Regionalization?

Joint Municipal Utility Commission

JMUC

(A Jointly Owned Producer with numerous member distributors)

- Formation
- Governance
- Financial Considerations
- Withdrawal
- Questions & Answers
Regulation is Encouraging It

- **Regulatory & Enforcement**
  - Favorable light in the eyes of USDA, RD and MoDNR

- **Financial**
  - The larger the system, the lower the cost per 1,000 gallons or so the story goes
Formation of a Joint Municipal Utility Commission

Any combination of two or more entities can join together to form a JMUC
How It Used To Be Prior to 2004...

- Required a Public Vote by each participating community and district
- Subject to Missouri Public Service Commission jurisdiction
How it is Now

- No Public Vote required – simple vote by Council/Board
- No Missouri Public Service Commission jurisdiction
Who is Responsible?
Who Issues the Debt?
What is the Security?
What if I want Out?
Who is Responsible?

- Simply being a member of a JMUC does not obligate the member, other than what is provided for in the Joint Contract creating the JMUC.
- Not all members of a JMUC may benefit from a given project. Only the purchasers of water out of the project are the benefitted members of the JMUC and sign a purchase contract and assume responsibility for the given project.
- Responsibility for a given project is in the form of “Hell or High Water” take or pay contracts between the JMUC and the benefitted member.
Who Issues the Debt?

The JMUC is the Issuer
What is the Security

The Water Purchase Contract between the benefitted Community or District and the JMUC.

- It is a pledge to pay for the water (and thus debt service) come “hell or high water”.
- It typically is not a pledge of the asset or the improvements.
- It is not a debt of the benefitted Community or District – it is a contract to buy water.
What if I want Out?

- Tough
- You will need to find an entity to assume your liability (the Take or Pay Contract) who can access the water.
- Once the Debt of the JMUC is paid off an entity can withdraw.
JMUC’s

THE VEHICLE TO TRANSPORT MISSOURI UTILITIES INTO THE FUTURE
Thank You

Charlie Zitnik  
D.A. Davidson & Co.  
czitnik@dadco.com

Randy Irey  
Gilmore & Bell, P.C.  
rireya@gilmorebell.com