

2023

Fiscal Year 1st Quarter Report



Rolla Municipal Utilities

Provided to Rolla City Council

February 21, 2023

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A STATEMENT BY THE BOARD OF PUBLIC WORKS

The Electric Power and Water System of the City of Rolla will be known as the **ROLLA MUNICIPAL UTILITIES**. Mr. J. B. Bronson will continue as general manager.

It will be the policy of the Board to operate the Rolla Municipal Utilities strictly on a business basis. There will be no change in the general policies of the management. All rates will be the same for the present.

The Board has three primary obligations:

1. To give the best possible service to the Citizens of Rolla.
2. To accumulate funds for the payment of the indebtedness. (Bond Issue and Revenue Certificates).
3. To build up reserve funds for any emergency and for replacement of machinery and equipment.

Regarding Service Interruptions:

This trouble is not in the local system, but in the source of supply. We hope eventually to have other sources of supply available and improve the electric service in Rolla.

Beginning immediately, \$1000.00 per month from the profits will be paid to the General Fund of the City of Rolla, which is to replace the Franchise Tax formerly paid by the Missouri General Utilities.

No merchandise will be sold in competition with local merchants.

No repair service will be maintained in competition with local Electric Service men.

Next Monday, November 12th, our offices will open in our new building, formerly the Negro U. S. O. Building, 102 W. 9th Street. All business will be transacted from this location after that date. The Rolla Free Public Library will occupy the second floor, and the State Board of Health and the County Agent the basement of this building. These quarters are furnished to the above organizations without cost as a public service of the Rolla Municipal Utilities.

Rolla Board of Public Works

H. E. CASTLEMAN, President
F. H. FRAME, Vice-President
R. E. SCHUMAN, Secretary
F. A. CAMERON, Member

FIRST QUARTER FINANCIAL RECAP (Unaudited)

OPERATING INCOME and EXPENSES

	1st Quarter FYTD 2022	1st Quarter FYTD 2023	CHANGE
OPERATING REVENUES	\$7,223,454	\$7,273,504	\$50,050
OPERATING EXPENSES	(\$7,147,325)	(\$8,677,335)	\$1,530,010
OPERATING INCOME	\$76,129	(\$1,403,831)	(\$1,479,960)
OTHER INCOME & EXP.	\$213,840	\$294,923	\$81,083
NET INCOME	\$289,969	(\$1,108,908)	(\$1,398,877)

Upon completion of the first quarter of Fiscal Year 2023, we are showing operating loss of \$1,403,831. This is a decrease of over \$1,327,702 from the 1st quarter of 2022.

Total operating expenses for the 1st quarter of 2023 was \$8,677,335. This is up \$1,530,010 from the 1st quarter of 2022.

Total Net Income for the 1st quarter of 2023 was (\$1,108,908). The overall loss of the first quarter is largely due to an increase in wholesale cost and an increase in MWh purchased.



STATUS OF PENDING PROJECTS



ELECTRIC DEPARTMENT

- 18th Street from McCutchen Drive to Harvey Lane
Relocated existing overhead 34kV sub-transmission to 18th Street right-of-way and construction of new 12 kV overhead distribution was completed in November and the line was energized on December 14, 2022.
- Generators
Crews worked to install fuel filter heaters at the generation systems in order to help with fuel gelling issues. This was brought to light during winter storm Uri and the project was completed December 8, 2022.
- 602 North Cedar
Reconfiguration of electric distribution including conversion of overhead lines to underground to provide new transformer and metering for commercial development.
- Upcoming Projects
 - a. New electric and water services for MO S&T Protoplex - pending University work
 - b. Replacement of underground primary on Aintree Road, Steeplechase Road, Lariat Lane, Fox Creek Road, Rolla Apartments, Brighton Court
 - c. 9th Street Conversion – Phase 1 – Convert overhead electric distribution to underground from 9th and Rolla St to 10th and State St.
 - d. New underground distribution at Ann Lee Estates subdivision on S. Rolla Street will take place as construction progresses.
 - e. Ongoing changes – Removal of overhead services not in use.

WATER DEPARTMENT

- Well 15 Failure
Pump and motor failure on December 8th. Replaced pump, motor, check valves and piping. Returned to service December 16, 2022
- HyPoint 3 Well – Placing well into service – In Progress
- MO S&T relocation of water meter on State Street north of 11th Street pending work by University contractor
- Upcoming Projects – Replacement of old water main
 - a. Eastwood Drive
 - b. Elmwood Drive
 - c. Main Street from 9th Street to 10th Street
 - d. Main Street from Main to Rolla Street
 - e. 10th Street from Main Street to State Street
 - f. Rolla Street from 10th Street to 11th Street
 - g. Avon Court



FIBER

- MO S&T - Extension of fiber system to new S&T General Services Building on Spruce Drive is in progress
- Nagogami Substation to Nagogami Standpipe – Extension of fiber system to reduce reliance on radios.
- Heritage Substation – Fiber extension to allow for high bandwidth connection instead of utilizing radio system.

MPUA/MoPEP UPDATES

➤ December MoPEP Board meetings

There were three MoPEP meetings in December. Highlights from those meetings:

- a) Winter Capacity Markets for SPP & MISO look good for typical winter scenarios, however under extreme winter conditions coupled with extreme facility outages, capacity could be problematic in MISO RTO markets. SPP appears OK in this extreme scenario.
- b) One of the new features at the MPUA Board meeting is a Spotlight Issue section. This month was on Banking Fraud Awareness. There were some good ideas and recommendations to include ACH Blocks on accounts and Positive Pay Controls to prevent fraud on our accounts.
- c) 10 of our 11 solar farms will be under MJMEUC ownership by years end.
- d) We are reviewing the feasibility of a jointly owned natural gas facility in Illinois with approximate 2026 commercial operation. Many of our same partners in Prairie State could be involved in the project. One downside is the fossil fuel moratorium recently passed by the IL legislature which will be factored into any decision.
- e) Ameren and Evergy have initiated electric rate cases with MoPSC. Requested electric increases range from 5.65% -11.6%.
- f) We are researching Electric Infrastructure Grants available with IIJA funding. Next application deadline is early next year and we are investigating possibility of a qualifying AMI system.
- g) MoPEP Capacity Credits are scheduled to increase just over 6% starting in January.
- h) We have started Generation Roundtables to discuss our local generation, maintenance and operational strategies and virtual ownership/control.
- i) On the legislative front, bills are being pre-filed for next year's session. Many of the pre-filed bills affecting our operations are similar to bills we have seen in previous sessions.
- j) Bourne is being nominated by MPUA for a position on APPA's Deed Board.

MISCELLANEOUS

- Winter Storm Elliott - December 23, 2022
- Challenges with replacement time frames for line truck and supplies and modifications to RMU purchasing policies to accommodate.
- Leak Detection Survey Results
- Community Outreach Efforts