

2024

Fiscal Year 1st Quarter Report



Rolla Municipal Utilities

Provided to Rolla City Council

February 20, 2024

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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 2023	1st Quarter FYTD 2024	CHANGE
OPERATING REVENUES	\$7,273,504	\$7,689,070	\$415,566
OPERATING EXPENSES	(\$8,677,335)	(\$7,750,895)	\$926,440
OPERATING INCOME	(\$1,403,831)	(\$61,825)	\$1,342,006
OTHER INCOME & EXP.	\$294,923	\$562,274	\$267,351
NET INCOME / LOSS	(\$1,108,908)	\$500,449	\$1,609,357

Upon completion of the first quarter of Fiscal Year 2024, we are showing operating loss of \$61,825. This is a decrease of \$1,342,006 from the 1st quarter of 2023.

Total operating expenses for the 1st quarter of 2024 was \$7,750,895. This is down \$926,440 from the 1st quarter of 2023.

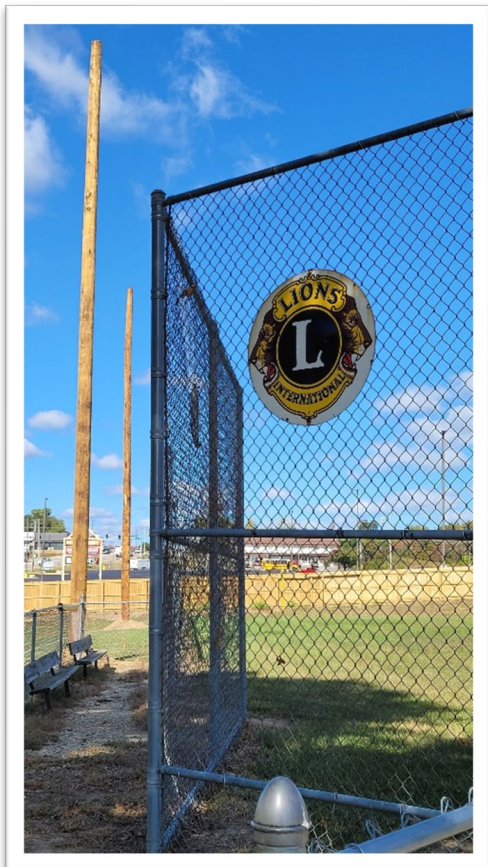
Total Net Income for the 1st quarter of 2024 was \$500,449 which is a gain of over \$1.6M from 2023. This is largely attributed to the milder temperatures, decrease in purchased power and small rate increases effective October 1, 2023.



STATUS OF RMU PROJECTS

ELECTRIC DEPARTMENT

- Rolla Senior Apartments – 1101 McCutchen
Replacement of underground primary. Converted from 4 kV system to 12 kV.
- Tower Road Substation
Failure in cubicle happened January 30, 2023. Lengthy wait for parts. Replaced circuits, conductors, main breaker. Completed in October.
- Lion's Club Baseball fields
Installed light poles around perimeter of fields - In coordination with Rolla Youth Baseball.
- Generators
Installation of louvers over openings in containers to better retain heat in the units when not in operation.
- Upcoming Projects
 - a. MS&T Protoplex
 - b. Development areas – Lewis Lane, Sunny Drive, Ann Lee Estates, Hypoint area
 - c. Repairs to and replacement of poles identified by pole audit, as needed.
 - d. Additional pole attachments by multiple companies expanding telecommunication infrastructure in Rolla.
 - e. Installation of services, pole replacements & other work as needed to accommodate installation of new meter reading equipment being installed by Ameren.
 - f. Aesthetic changes – Removal of overhead services not in use.



WATER DEPARTMENT

- Replacement of old water main
 - a. Avon Court
 - b. Vienna Road
 - c. Sycamore Drive from Cypress Drive to Cedar Hill Court – In Progress
- Fire Hydrants – Painting hydrants within City of Rolla
- Nagogami Pressure Zone
 - Engineering Study for water distribution system improvements to development area(s) north of I-44
- Lead Service Line inventory
- Upcoming Projects – Replacement of old water main
 - a. Eastwood Drive
 - b. Elmwood Drive
 - c. Cedar Hill Court
 - d. Mimosa Court
 - e. South Olive Street



FIBER

- 9th Street Conversion – Converting overhead to underground 9th & Rolla Street to 10th & State Street
- Nagogami Substation to Nagogami Standpipe – Extension of fiber system to reduce reliance on radios.
- Extensions of fiber optic system for service providers to provide service to new customers.

MPUA/MoPEP UPDATES

- Bourne testified at the State Capitol on Thursday, October 19th at the Task Force for Distributed Energy Resources and Net Metering. This Task Force was created by the legislature to primarily study net metering in the state, whereas the state statute has remained unchanged since inception in 2007. Greg Beavers, Farmington City Administrator, is on the Task Force representing municipal utility interests. Bourne's testimony primarily covered Net Metering and Solar Energy with a focus on consumer protections as they relate to installation issues we have seen in Rolla.
- Grain Belt Modification - There was a recent filing by Invenenergy to relocate and increase the size of the converter station in Missouri which has been approved by MoPSC. The inverter will now be located near Moberly and the capacity was increased from 500MW to 2,500MW.
- Ameren Missouri filed a petition with MoPSC for early retirement of Rush Island Coal Plant (October 2024). Rush Island is a 1,178MW facility, and if retired, will leave Ameren MO with two coal facilities remaining (Labadie and Sioux). This is using a new provision in state law that allows Ameren to write off \$500M in facility debt which includes lost revenue and life of plant costs (2039) and savings to customers for issuing debt vs. amortizing the remainder of its expected life in retail rates. It is not clear how this early retirement may affect grid reliability in the region which we will monitor for updates.
- Demand Side Resources - Discussion on Demand Voltage Regulation, Thermostats and Energy Efficiency incentives. Demand Voltage Reduction can reduce system distribution losses by adjusting substation voltages based on end-of-line voltage signals. This typically requires an AMI system to obtain real time signals. A customer-controlled thermostat program would allow us to control customer thermostats (who voluntarily sign up for the program) during peak load periods. These programs are currently widely implemented by the IOUs. One vendor can also operate EV charging control through the same software. Also discussed were various Energy Efficiency incentive programs. No action was taken by MoPEP.
- Time-of-use rates, which are being utilized more frequently by utility companies, have come to the attention of legislators due to Evergy's initial drastic difference between the high-cost rate during peak times and the nighttime rates. Legislation has been filed to crack down on the Public Service Commission's ability to approve these rate structures and limit the rates of Investor-owned Utilities (IOU's) moving forward.

MISCELLANEOUS

- Operations Software – Expected date to implement customer portion is March 15, 2024.
- Prairie State Energy Campus with local and state representatives
- Leak Detection Survey Results
- Community Outreach