

2024

Fiscal Year 2nd Quarter Report



Rolla Municipal Utilities

Provided to Rolla City Council

May 6, 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

SECOND QUARTER FINANCIAL RECAP (Unaudited)

OPERATING INCOME and EXPENSES

	2nd Quarter FYTD 2023	2nd Quarter FYTD 2024	CHANGE
OPERATING REVENUES	\$15,650,258	\$16,442,221	\$791,963
OPERATING EXPENSES	(\$16,504,509)	(\$16,792,314)	(\$287,805)
OPERATING INCOME	(\$854,251)	(\$350,093)	\$504,158
OTHER INCOME & EXP.	\$603,623	\$727,988	\$124,365
NET INCOME or LOSS	(\$250,628)	\$377,895	\$628,523

Upon completion of the second quarter of Fiscal Year 2024, we are showing an operating loss of \$350,093. This is a decrease of \$504,158 from the 2nd quarter of 2023.

Total operating expenses through the 2nd quarter of 2024 are \$16,792,314. This is up \$287,805 from the 2nd quarter of 2023.

Total Net Income Year-to-Date through the 2nd quarter of 2024 is \$377,895. The difference from the previous fiscal year is due to milder winter weather and a decrease in MWh purchased.



STATUS OF PENDING PROJECTS



ELECTRIC DEPARTMENT

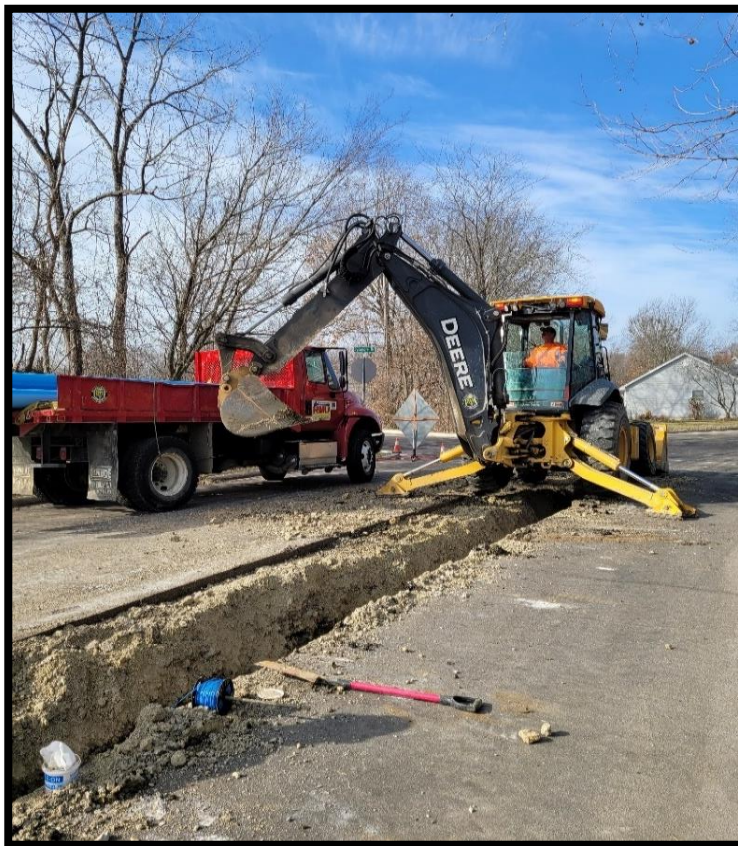
- Phelps County Law Enforcement Center - Installed new electric service for facility expansion.
- Lions Club Baseball Fields
Installed light poles around perimeter of fields - In coordination with Rolla Youth Baseball. Electric crew recently completed installing poles around the second field (across from the playground). As a thank you, RYBS is sponsoring a T-ball team on our behalf.
- Mercy Parkway - Installed roadway lighting.
- 3 Lewis Lane
Completed underground electric distribution system extension for new multi-unit residential complex.
- MO S&T North & South Substations
Extension/revision of overhead 34.5 kV system and installation of new metering. In discussions with S&T concerning monitoring their substation.
- 1011 West 14th Street
Commercial development (new ambulance facility) – Relocated existing overhead electric distribution lines for residents adjacent to facility. New electric service will be installed to building following construction.
- Upcoming Projects
Pole attachments by companies expanding telecommunications infrastructure
Repairs and/or replacement of poles that were identified by our pole audit.
9th Street Conversion / Pine Street work
Reviewing transformer sizing relative to customer loads

WATER DEPARTMENT

- Well 3 on Holloway Street
 - Motor & pump replaced after catastrophic failure. Well 3 is back in service.
- Miscellaneous Projects
 - Painting fire hydrants
 - Winter water leaks
 - Replacement of old water main
 - Sycamore Drive from Cypress Drive to Cedar Hill Court
 - Avon Court
 - Lead Service Line Inventory
- Upcoming Projects – Replacement of old water main
 - 10th Street from Main Street to State Street
 - Rolla Street from 10th Street to 11th Street
 - 10th Street from McCutchen to Condo Drive
 - Vienna Road

FIBER

- 9th Street Conversion
- Nagogami Substation to Nagogami Standpipe – Extension of fiber system to reduce reliance on radios
- Fiber extensions requests for customers
- Rolla Public Schools RTC building



MISCELLANEOUS

➤ Utility Software Update

RMU updated our Utility Operations Software. Overall, the new software is more efficient for our current and future needs. The final transition is currently underway.

➤ 10th Street Water Main Project

The north side of 10th Street from McCutchen Drive east to Condo Drive plus Condo Drive north of 10th Street. Replacing old piping along with fire hydrants, valves, and reconnecting services lines. RMU has contracted with Donald Maggi Inc to perform most of the construction work with RMU crews performing the final connections and connecting service lines to the new main.

➤ Grants

Climate Pollution Reduction Grant (CPRG) - MoDNR approved four requests to be included with their CPRG state-wide grant to EPA. These proposed projects are:

- 1MW Solar Farm, \$2,500,000 with 50% match
- 100kW Net Metering Projects, \$1,750,000 with 50% match
- Geothermal Heat Pump for Service Dept addition, \$350k with 50% match
- Peak Demand Response Program, \$600k with 50% match

Grid Resilience and Innovation Partnerships (GRIP) Grant

As part of the Bipartisan Infrastructure Law, the \$10.5 billion Grid Resilience and Innovation Partnerships (GRIP) Program is intended to enhance grid flexibility and improve the resilience of the power system.

\$3.9 billion is available through the second-round funding opportunity of the Grid Resilience and Innovation Partnerships (GRIP) Program for Fiscal Years 2024 and 2025. Successful projects will deploy Federal funding to maximize grid infrastructure deployment at-scale and leverage private sector and non-federal public capital to advance deployment goals.

It is anticipated the funding could be 50% to 80% of project costs. The full application was due April 17th. MPUA submitted a concept paper which has moved to the second stage of the grant process which included several funding requests from RMU as follows:

Hardening & Resiliency	
• Overhead	\$1,500,000
• Underground	\$3,000,000
• Substation	\$5,000,000
AMI	\$5,000,000
Smart Grid	
• SCADA	\$450,000
• Cybersecurity	\$450,000
• Wired/Wireless Communication Networks	\$300,000
TOTAL	\$15,700,000

➤ Nagogami Pressure Zone

Water distribution system improvements to development area(s) north of I-44. Engineering study is in progress. Improvements would likely utilize the \$2 million of funds allocated by Legislative Priority Projects by the State of Missouri for water and wastewater improvements.