

2025

Fiscal Year 1st Quarter Report



Rolla Municipal Utilities

Provided to Rolla City Council

February 18, 2025

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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

	<i>1st Quarter FYTD 2024</i>	<i>1st Quarter FYTD 2025</i>	<i>CHANGE</i>
OPERATING REVENUES	\$7,689,070	\$8,148,485	\$459,415
OPERATING EXPENSES	(\$7,760,519)	(\$8,886,786)	\$1,126,267
OPERATING INCOME	(\$71,449)	(\$738,301)	(\$666,852)
OTHER INCOME & EXP.	\$562,274	\$401,126	(\$161,148)
NET INCOME / LOSS	\$490,825	(\$337,175)	(\$828,000)

Upon completion of the first quarter of Fiscal Year 2025, we are showing operating loss of \$738,301. This is a decrease of \$666,852 from the 1st quarter of 2024.

Total operating expenses for the 1st quarter of 2025 were \$8,886,786. This is up \$1,126,267 from the 1st quarter of 2024.

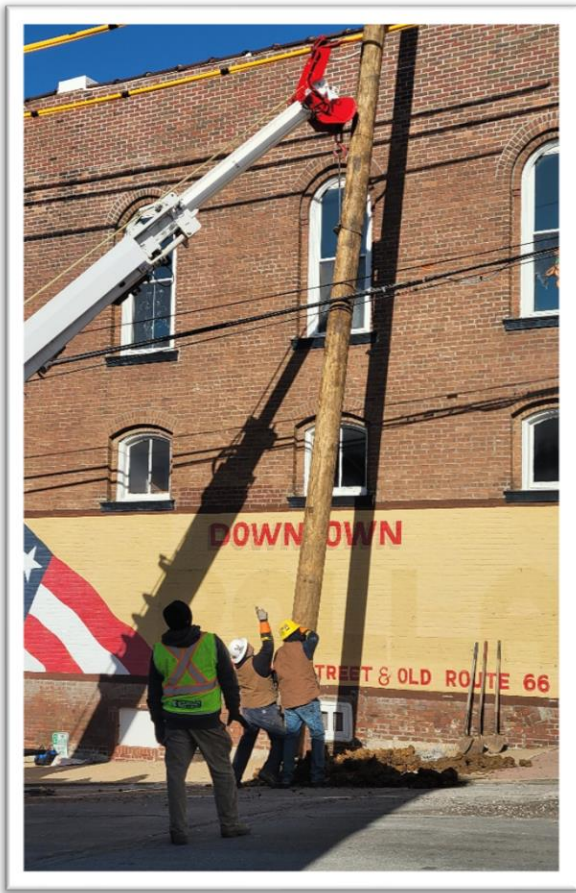
Total Net Loss for the 1st quarter of 2025 was \$337,175 which is a loss of over \$800,000 from 2024. This is largely attributed to increased purchased power.



STATUS OF RMU PROJECTS

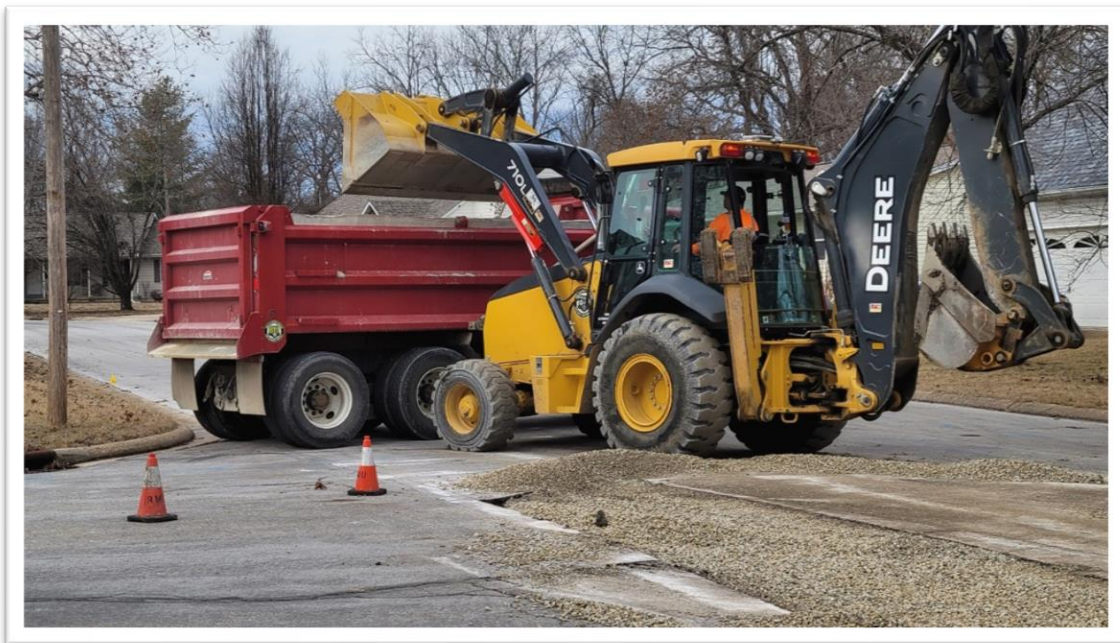
ELECTRIC DEPARTMENT

- Projects
 - Aintree Road (East & West sides) – Replacement of underground primary
 - Scottsdale Drive to Curtis Drive – Conversion of overhead to underground
 - McCutchen Drive from 10th Steet to Truman Ave – Conversion of overhead to underground and conversion from 4 kV to 12 kV
 - Downtown Area – Removal of three delta services
- Aesthetic Work
 - Pershing Lane: Removal of four poles & overhead lines & reconfigured area.
 - Woodcrest: Removal of 12 spans of overhead electric and 12 poles no longer in use
 - Removal of conductor and/or poles no longer needed as a result of Cellnet removal of equipment: 8th & Main – One pole and 8 spans of overhead conductor
- Upcoming Projects
 - Phelps Health: New Emergency Department
 - Old Wire Outer Road: US Department of Veterans Affairs facility
 - The Highlands Subdivision



WATER DEPARTMENT

- Lead Service Line Inventory – Initial report filed with MO DNR in October. Inspections ongoing.
- Nagogami Pressure Zone: Construction permit for pump station has been received from MO DNR. Bids for generator, pump skid and construction have been Board approved.
- Completed Projects
 - 2000 block of North Bishop Ave: Sinclair station water distribution improvements
 - Well #2: New pump & motor installed
 - SW of I-44 Exit 189 to HyPoint Industrial Park: Replacement of Water Main
 - Ashley Drive: Replacement of copper service lines
- Upcoming Projects – Replacement of old water main
 - Truman Avenue east of Forum: Upgrade water distribution system
 - Highway O from Winchester Drive to Commercial Dr: Water main replacement



FIBER

- SCADA System upgrade for improved remote access
- Additional fiber circuits installed for customers
- Wells #2 and #10 – converted to fiber optic communications
- Heritage Substation – Spring 2025

MPUA/MoPEP UPDATES

➤ CEO Retirement

John Twitty is retiring late February as MPUA's President and CEO. He has served MPUA in that role since July 2020. John also served as RMU General Manager (1988-91). A CEO search committee comprised of 7 MPUA board members, with assistance of Mycoff & Fry Partners, completed search process for new CEO. Finalist interviews were held mid-January. Steve Stodden hired, effective mid-February.

➤ Missouri Electric Commission (MEC) Integrated Resource Plan (IRP)

- MEC started a 20-year IRP for the three all-requirements pools last year where we should expect results this summer. The base model is almost complete, whereupon MEC will begin testing various scenarios to assist in determining future resource (generation) decisions. Different scenarios could include:
 - High Natural Gas Pricing
 - High Customer Demand
 - Higher Distributed Generation Adoption
 - Behind the Meter Generation Replacement/Value (local generation)
- Of particular interest for Rolla is the future of our local generation (diesels). Our current units, which are similar to units in other MoPEP cities, are approaching 25 years old. With age, these units will require some very extensive upkeep in the next few years. So we are very mindful in our pool discussions about the possibility of replacing the local generation with larger centralized units that are more suited to long-term power supply requirements. To be sure, the local units were a good solution in the early days of the MoPEP power supply resource planning. However, they may not be the best solution going forward for our pool. I will report findings from the MEC formal IRP process as they become available.

MISCELLANEOUS

- Leak Detection Survey Results
- Winter Storm Blair – Ice Event
- Hometown Grid – Outage Tracking Software
 - Report power outages, call or text 1-866-733-1701
 - Tracks RMU outages
 - Ability to text updates to customers
- RMU 80th Anniversary
 - Highlight RMU's history through social media & monthly newsletter #80for80
- Customer Account Update Incentive
 - Ensure email is on file for chance to win \$50 utility credit
 - Monthly drawing through 2025