

2025

Fiscal Year 2nd Quarter Report



Rolla Municipal Utilities

Provided to Rolla City Council

May 19, 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

SECOND QUARTER FINANCIAL RECAP (Unaudited)

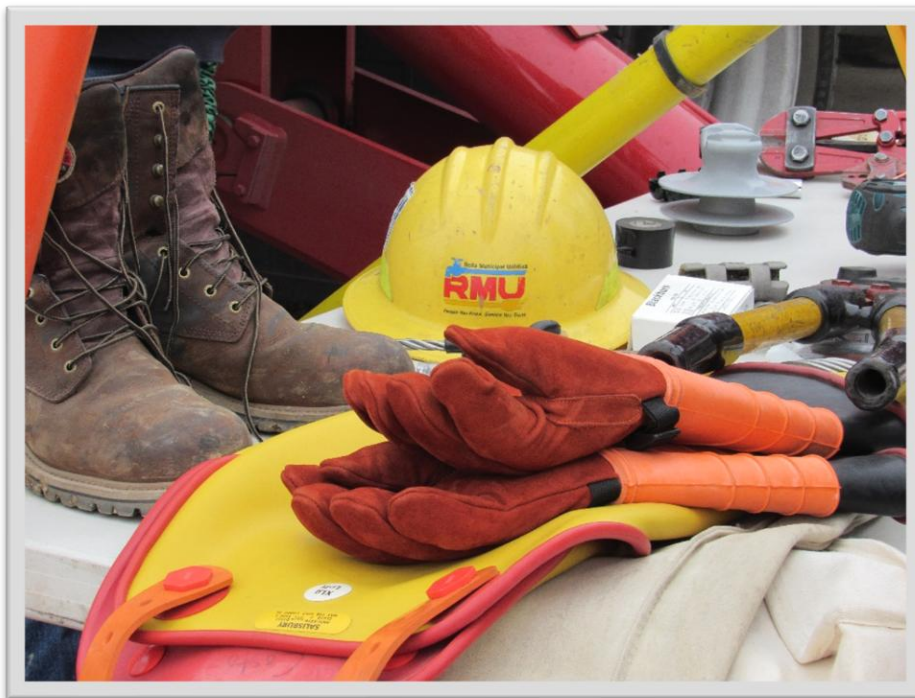
OPERATING INCOME and EXPENSES

	<i>2nd Quarter FYTD 2024</i>	<i>2nd Quarter FYTD 2025</i>	<i>CHANGE</i>
OPERATING REVENUES	\$16,442,221	\$17,973,802	\$1,531,581
OPERATING EXPENSES	(\$16,792,314)	(\$18,748,450)	(\$1,956,136)
OPERATING INCOME	(\$350,093)	(\$774,648)	(\$424,555)
OTHER INCOME & EXP.	\$727,988	\$770,316	\$42,328
NET INCOME or LOSS	\$377,895	(\$4,332)	(\$382,227)

Upon completion of the second quarter of Fiscal Year 2025, we are showing an operating loss of \$774,648, which is \$424,555 more than the 2nd quarter of 2024.

Total operating expenses through the 2nd quarter of 2024 are \$18,748,450. This is up approximately \$2M from the 2nd quarter of 2024.

Total Net Loss Year-to-Date through the 2nd quarter of 2025 is (\$4,332). The difference from the previous fiscal year is due to higher purchased power costs and the expenses from the March 14th tornado.



STATUS OF PENDING PROJECTS



ELECTRIC DEPARTMENT

- Aintree Road (East & West sides) – Replaced underground primary
- 500 South Bishop Road- Revision of electric distribution system, in progress
- Rustic Lakes RV Camping (Bridge School Road) – Electric services to new development
- Lions Club Drive from Rolla Street to Bishop Ave (Hwy 63): Electric work associated with developing connection between Bridge School Road and Dewing Substations, in progress
- Aesthetic Work
- Restoring damage to electric infrastructure due to March 14th tornado
- Upcoming Projects
 - Pole attachments by companies expanding telecommunications infrastructure
 - Repairs and/or replacement of poles that were identified by our pole audit.
 - Reviewing transformer sizing relative to customer loads
 - The Highlands Subdivision

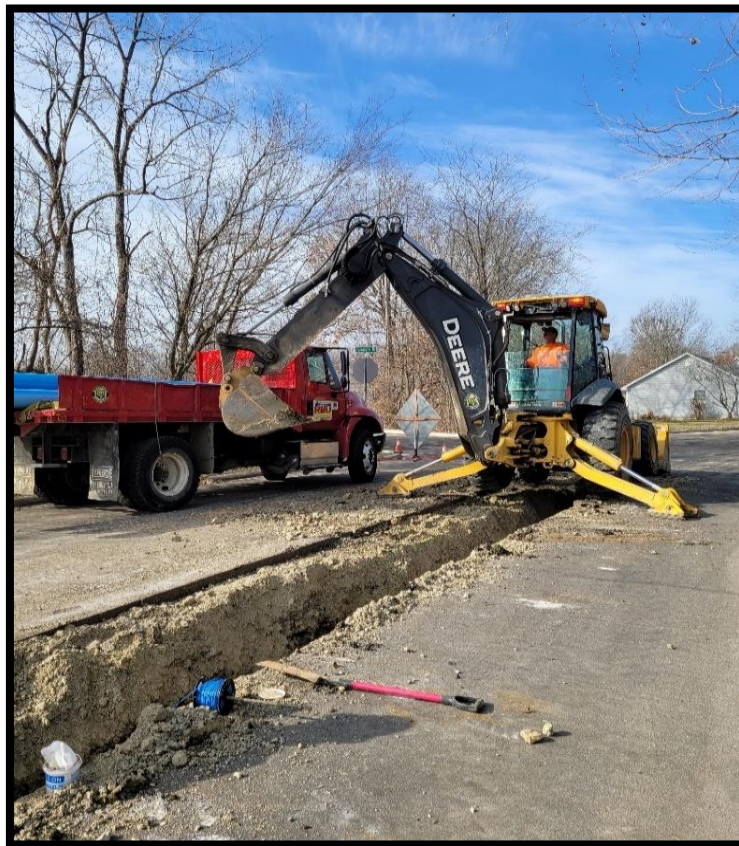
WATER DEPARTMENT

- 7th Street from Pine to Rolla Streets: Replaced old, small line to support commercial redevelopment that requires larger service line.
- Southwest of I-44 Exit 189 to HyPoint Industrial Park: Replacement of water main between the South Outer Road and Old St. James Road, including main under railroad.
- Well #10: Pump system replaced due to diminished output. Also completed electric system upgrades.
- Miscellaneous Projects
 - Winter water leaks
 - Replacement of old water main
 - Lead Service Line Inventory

- Upcoming Projects – Replacement of old water main
 - Highway O from Winchester Drive to Commercial Drive
 - 10th Street from Main to Rolla Streets
 - Rolla Street from 10th to 11th Street

FIBER

- Wells #2 and #10: Conversion of monitoring from radio to fiber while pump system and electric system improvements were made.
- SCADA system: Upgrades to allow for improved remote access for RMU staff
- Fiber extensions requests for customers



MISCELLANEOUS

➤ **RMU 80th Anniversary**

RMU is celebrating a significant milestone in 2025: the 80th Anniversary of the formation of the Rolla Board of Public Works and Rolla Municipal Utilities. Throughout the year, we are highlighting the utility's history through the monthly newsletter & posts on social media.

➤ **Customer Account Update Incentive**

Starting on February 1st, RMU announced a contest that runs through the end of 2025. RMU customers with a valid email address on file with RMU are automatically entered for a chance to win a \$50 utility credit every month. We also encourage customers to update phone numbers as well. At the end of each month, one winner is randomly selected and notified via email. The winner is announced on our Facebook page. The more months customers are entered, the better their chances of winning. If they already have an email address on file, they are automatically entered to win. The goal is to increase RMU's ability to contact customers.

➤ **RMU Generators**

RMU's current diesel generation 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. We are very mindful in our MoPEP pool discussions about the possibility of replacing the local generation with larger centralized units that are more suited to long-term power supply requirements. 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, so we as a power pool are analyzing options for retaining the local generation.

➤ **Nagogami Pressure Zone: Pressure Reducing Valve Program**

With the water distribution system improvements to the development area(s) north of I-44, the operating pressures will increase for all customers within this area. The operating pressures now generally range from about 30 psi to around 90 psi. Increasing the pressure by about 45 psi may result in the need for many customers in this area to install a Pressure Reducing Valve (PRV). A PRV allows the pressure to be reduced to a level that is not in excess of what plumbing fixtures can handle. The Board of Public Works voted to develop a program that will help offset some of the cost, up to \$300 per customer, for a PRV installation for customers affected by the increased pressure from the Nagogami Pressure Zone project.

➤ **Tornado Recovery Overview**

RMU will give an overview of the tornado that struck Rolla on March 14th, the recovery and restoration process, and where RMU currently stands in the recovery efforts.