

2025

Fiscal Year 3rd Quarter Report



Rolla Municipal Utilities

Provided to Rolla City Council

August 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

THIRD QUARTER FINANCIAL RECAP (Unaudited)

OPERATING INCOME and EXPENSES

	3rd Quarter FYTD 2024	3rd Quarter FYTD 2025	CHANGE
OPERATING REVENUES	\$24,237,631	\$25,476,620	\$1,238,989
OPERATING EXPENSES	(\$25,079,861)	(\$28,198,595)	\$3,118,734
OPERATING INCOME	(\$842,230)	(\$2,721,975)	(\$1,879,745)
OTHER INCOME & EXP.	\$1,309,674	\$2,136,723	\$827,049
NET INCOME	\$467,444	(\$585,252)	(\$1,052,696)

At the end of the 3rd quarter of Fiscal Year 2025, year-to-date operating revenues total \$25,476,620. This is an increase of \$1,238,989 compared to Fiscal Year 2024.

Total operating expenses through the 3rd quarter of 2025 are \$28,198,595. Our operating expenses increased \$3,118,734 from the end of 3rd quarter of 2024. This is due to tornado-related expenses and increased purchased power costs.

Total Net Loss year-to-date through the 3rd quarter of 2025 is \$585,252 which is a decrease of \$1,052,696 compared to Fiscal Year 2024.



STATUS OF WORK PROJECTS



ELECTRIC DEPARTMENT

- March 14th Tornado
 - Restoration of damage to electric infrastructure
 - Wyman Substation – New underground primary conductors from substation to overhead distribution system.
- 1009 South Bishop (former Cowtown Express Car Wash) – Overhead & underground distribution system extension
- 500 South Bishop Road (Walmart)– Completed upgrade of electric distribution system
- 11th Street from Oak Street to Rolla Street – Installation of underground electric distribution conduit conductor.
- Aesthetic Work
 - Revisions at Wyman Substation
 - Removal of 34.5 kV sub transmission conductor on South Bishop Ave from Williams Road to Lanning Lane & Lanning Lane from S Bishop Ave to Wyman Substation. Removal began as part of restoration from March 14th tornado. This portion of the 34.5 kV system was a redundant connection to Wyman substation.
- Pole Attachment Agreements
 - Work on additional pole attachments by multiple companies expanding telecommunication infrastructure in Rolla area.

WATER DEPARTMENT

- Nagogami Pressure Zone Project – Pump Station construction & water main improvements. Water main has been installed.
- North Bishop Ave (2000 block) – Water distribution system improvements & replacement of cast iron water mains.
- Belmont Court – Replace service lines
- Future Projects – Replacement of old water main
 - New developments – Rt 66 RV Park, MO S&T Protoplex, HyPoint area
 - Highway O from Winchester Drive to Commercial Drive

FIBER

- Well #4 – Conversion of monitoring from radio to fiber
- Restoration of damage to fiber system from tornado
- Fiber extension requests for customers



MISCELLANEOUS

➤ **Awards**

American Public Power Association (APPA) Award – RMU received an award for achieving exceptional electric reliability in 2024 acknowledging that RMU’s reliability is above average nationwide.

MIRMA 100% Loss Prevention Evaluation Score – RMU was awarded a perfect loss prevention score for 2024, which is the 23rd consecutive year to receive the award.

➤ **MPUA/MoPEP Updates**

- Integrated Resource Plan - Maintaining status quo with current resources, MoPEP would be slightly short of SPP resource adequacy requirements in 2026-8, and again after 2029. With that in mind these are the significant actions taken at the April 24 MoPEP Board meeting:
 - Work with Chillicothe to repair Unit 1 generator which is a 40MW combustion turbine. This unit has available diesel backup for winter operation if natural gas is in short supply. This helps fill the short-term needs for power supply.
 - We are already working on the Marshall Energy Center, and action was taken to participate in the NE Generation Project which will add combustion turbines in Fulton and Hannibal for a longer-term solution.
 - The other significant change was approving higher capacity credits for local generation to better match the market. This significantly increases the capacity credits RMU will receive and requires further review of whether to sell our local generation or reinvest.
- A good indicator of future wholesale market electric costs lies in MEC’s continued review of short- and long-term Power Purchase Agreements for the three state power pools and other Hometown Utilities. As reported at the meeting, the days of low-cost power contracts are gone. To continue to control our long-term costs, we are all working together with investment in future resources like the Marshall Energy Center or NE Generation Projects. There are preliminary discussions about additional resources to meet long-term needs and meet required SPP or MISO capacity requirements.
- MoPSC approved an approximate 12% rate increase for AmerenMissouri customers.
- Senate Bill 4 passed thru the legislature which was a Utility Omnibus bill. This comprehensive IOU bill (133 pages long) includes significant IOU ratemaking/operations changes along with regulatory reform.

FY2026 Budget

RMU Budget Timeline

- RMU's Fiscal Year is October 1 through September 30
- RMU starts the budget process in March with input from Board on:
 - Capital Projects
 - Operating Expenses
 - Rate Restructuring & Adjustments
 - Fees/Policy Changes
- Then staff completes:
 - Projections for Current Fiscal Year
 - Projections for the Upcoming Fiscal Year
- The Board reviews a preliminary budget in May
- Public Hearing on the budget and any proposed rate adjustments is held in June
- Final Budget Approval in July by RBPW
- RMU General Manager presents the approved budget and any approved rate changes to City Council for comment 30 days prior to effective date (Rolla City Code, Sec. 35-158)

BUDGET SUMMARY ANALYSIS - FY2026 BUDGETED			
	FY2026 - BUDGETED		
	ELECTRIC & PWR PROD	WATER	TOTAL
OPERATING REVENUE	\$32,874,065	\$5,125,680	\$37,999,744
OPERATING EXPENSE	-\$32,820,400	-\$4,814,489	-\$37,634,889
BUDGETED OPERATING MARGIN	\$53,665	\$311,191	\$364,855
 OTHER REVENUE & EXPENSE	 \$2,472,000	 \$1,390,500	 \$3,862,500
BUDGETED NET INCOME	\$2,525,665	\$1,701,691	\$4,227,355
 NON-CASH REVENUE			
Donated Capital Assets (Contractor Mains)	-----	\$0	\$0
NON-CASH EXPENSE			
Depreciation - RMU **	\$1,552,400	\$1,112,600	\$2,665,000
Depreciation - City	\$0	\$0	\$0
CAPITAL EXPENDITURES **	-\$4,564,400	-\$6,285,600	-\$10,850,000
LEASE OBLIGATIONS	\$0	\$0	\$0
 BUDGETED RESERVE TRANSFER	 -\$486,335	 -\$3,471,309	 -\$3,957,645
 CASH ACCOUNT FOR FY2026			
AS OF OCTOBER 1, 2026 - budgeted			\$24,269,187
Less OCTOBER 1, 2025 - projected			-\$31,348,585
 CHANGE IN CASH			 -\$7,079,398
 RESTRICTED ELECTRIC RESERVES			
Available Funds			\$12,361,941
Identified Projects			-\$8,950,000
 BALANCE			 \$3,411,941

Planned Water & Electric Rate Adjustments

We are increasing revenue thru minor rate increases in the electric and water departments. We would note that our energy rate in 2013 was \$0.089/kWh. Our Service Availability Fees have increased, but this is the first time in 12 years that our energy rate is higher than it was in 2013. Prior to this time period, we had a declining block rate with our first tier rate (1st 1,000kWh) of \$0.093/kWh and \$0.103/kWh. With that information, we can go all the way back to August 2006 to find a time period where the first 1,000kWh was less expensive than what it will be this fall.

RBPW approved the rate increases on July 29th to be implemented beginning October 1, 2025.

Suggested Rate Increases FY2026

Description	Rate Class	Current	FY2026
Water Service	All	\$4.35	\$4.65
SAF Water	< 1" meter	\$11.00	Same
	1.0" meter	\$15.00	Same
	1.5" meter	\$25.00	Same
	2.0" meter	\$35.00	Same
	3.0" meter	\$75.00	Same
	4.0" meter	\$125.00	Same
	6.0" meter	\$270.00	Same
Fire Sprinkler Line	<or= 4"	\$35.00	Same
	6"	\$60.00	Same
	8"	\$100.00	Same
	10"	\$200.00	Same

Electric Service	Rate Class	Current	FY2026
Residential	kWh	\$0.085	\$0.091
	SAF Single Phase	\$26.00	Same
	SAF Three Phase	\$50.00	Same
Commercial	kWh	\$0.085	\$0.091
	SAF Single Phase	\$26.00	Same
	SAF Three Phase	\$50.00	Same
Power Service	kWh	\$0.065	\$0.071
	Demand	\$9.00	Same
	SAF	\$250.00	Same
Industrial	kWh	\$0.063	\$0.069
	Demand	\$9.50	Same
	SAF	\$1,000.00	Same