

2026

Fiscal Year 2nd Quarter Report



Rolla Municipal Utilities

Provided to Rolla City Council

June 1, 2026

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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 2025</i>	<i>2nd Quarter FYTD 2026</i>	<i>CHANGE</i>
OPERATING REVENUES	\$17,973,802	\$19,060,400	\$1,086,598
OPERATING EXPENSES	(\$18,748,450)	(\$20,204,936)	(\$1,456,486)
OPERATING INCOME	(\$774,648)	(\$1,144,536)	(\$369,888)
OTHER INCOME & EXP.	\$770,316	\$980,700	\$210,384
NET INCOME or LOSS	(\$4,332)	(\$163,836)	(\$159,504)

At the end of the second quarter of Fiscal Year 2026, operating loss totaled \$1,144,536, up \$369,888 from the second quarter of 2025.

Total operating expenses through the second quarter of 2026 were \$20,204,936, an increase of approximately \$1.5 million from the second quarter of 2025.

Through the second quarter of Fiscal Year 2026, year-to-date net loss was (\$163,836). Compared with the prior fiscal year, the change was primarily due to higher purchased power and supply costs, as well as expenses from Winter Storm Fern in January.



STATUS OF RMU PROJECTS



ELECTRIC DEPARTMENT

- Projects
 - US Department of Veterans Affairs facility – Completed conduit installation
 - The Highlands Subdivision – Electric for Phase I is complete. Roadway lighting installed in conjunction with the new residential development.
 - Phelps Health – New Emergency Department – Adjustment of circuit to accommodate site work modifications.
 - 625 Tim Bradley Way – Electric Service for Missouri S&T Bioplex facility
 - RMU Service Center project
- Aesthetic Work
 - Scottsdale Drive and Ashley Drive – Installation of roadway lighting
 - Cedar Street between 7th & 10th Streets – Replacement of five street light poles & fixtures.
 - Highway 72 – Reconfiguration of roadway lighting
- Upcoming Projects
 - Hartmann – RMU switchgear – Summer 2026
 - Audubon Hills (Woodcrest Drive) – Electric & Water system improvements
 - Heritage Substation

WATER DEPARTMENT

- Projects
 - Highway O from Winchester Drive to Commercial Drive – Water main replacement
 - 5th Street – Service Line replacement
 - Nagogami Pressure Zone: White Columns Pump Station
 - McCutchen Standpipe & Well #12 – Reconfiguration of well bypass, standpipe overflow & drainage
 - Highway 72 (north side): New water main in conjunction with MoDOT's sidewalk improvements
 - Phelps Health: Services for new Emergency Department
- Upcoming Projects – Replacement of old water main
 - Rolla Street storm sewer system improvements
 - Main Street from 4th to 11th Streets - Replacement of water main
 - Audubon Hills – Water system improvements



MPUA/MoPEP UPDATES

- Winter Storm Fern: The cold stretch of weather towards the end of January from Winter Storm Fern significantly impacted the MISO market. As demand increased, natural gas prices spiked 10x higher than normal. RMU's purchased power costs in were \$2M above normal due to the winter storm. MoPEP reserves were used to cover a portion of the immediate cost and RMU paid much of the immediate cost in February and split the remaining amount evenly to be paid monthly through the remaining fiscal year (through September).
- The utility industry is shifting toward "seasonal planning." Historically resource planning focused on summer peaks, but now regional transmission requirements are increasingly driven by winter reliability needs. This shift, combined with extreme natural gas price volatility, is a primary focus for MPUA's leadership. Earlier this year Rodney sent a letter to our senate representative on RMU's behalf that centered around the need for increased regulation around natural gas price market gauging and policy form to buffer natural gas price volatility. Additionally, MPUA staff attended the APPA Legislative Rally in Washington, D.C. in February which Bourne attended. The issue was highlighted in discussions with congressional delegates to help ensure support for federal policies to include stronger protections against extreme natural gas pricing and strengthen consumer protections.
- Strategic Risks & Planning: 1) Volatility in the gas market is currently a major driver of electric price spikes. Because these costs are often "buried" in utility bills as fuel impacts rather than base rate increases, MPUA is advocating for better market monitoring to protect affordability. 2) Large-load "data centers" are straining supply chains and fuel use across the region. MPUA is developing a *Large Load Policy* to ensure that if a member city adds a data center, other member cities (like Rolla) are insulated from the associated financial and reliability risks. There is a specific concern regarding data centers failing to commit to long-term agreements, which could leave municipal utilities with the "stranded costs" of new infrastructure.
- Generation Projects: 1) Chillicothe Gas Turbine - The unit, had been offline since 2020, is now back in service. It adds critical capacity to the MoPEP pool before this summer's peak. 2) Future Capacity- MPUA is exploring a potential expansion of the Dogwood Energy Facility and a new Central Missouri project to fill energy supply gaps projected for 2030

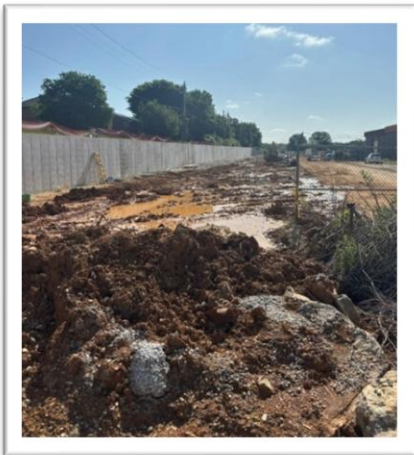
MISCELLANEOUS

➤ General Manager Transition

New RMU General Manager, Floyd Wolf, began on Monday, March 9th. The first week was filled with meetings & events to attend including a Meet & Greet luncheon with RMU staff. The shift in leadership was carefully structured to prevent operational disruptions and was a smooth transition.

➤ **RMU Service Center Expansion Project**

- The team is about **75–80% finished with the framing** in the existing building, and plumbing work in the basement is wrapping up.
- **Within the next 30 days**, they expect to begin excavation for the new entry vestibule and the upcoming addition.
- **Within the next 60 days**, they plan to install door frames and pour the footings for the new structure.
- The **large retaining wall on the north side** of the property has been installed, and they're completing the final steps on that project.



➤ **FEMA Update**

RMU's submitted all required documentation and expense records to FEMA. Following the 76-day Department of Homeland Security shutdown, we have finally received notice that we should receive \$1.2 million in FEMA funding from the EF2 tornado that occurred in Rolla on March 14, 2025.