



**ANNUAL BUDGET
FISCAL YEAR 2024-2025**



75 EAST MORGAN
MARSHALL, MISSOURI 65340-2198

PHONE: 660/886-6966
FAX: 660/886-6724
Email: mmu@mmumo.net
Homepage: www.mmumo.net

August 29, 2024

Board of Public Works
Marshall Municipal Utilities
Marshall, MO 65340

Gentlemen:

The proposed 2024-2025 Budget for Electric, Water, Wastewater, IT & Broadband, and Natural Gas Departments of Marshall Municipal Utilities is hereby submitted for your consideration. As presented, the budget includes the removal of the 7.5% discount for electric customers that was implemented in May of 2020. This is necessary to keep pace with the increase in costs for wholesale power supply and delivery (transmission). We anticipate an approximate increase of 10-11% in transmission charges for 2025. In addition to the removal of the 7.5% discount we are proposing the addition of a time-of-use residential rate. This rate will be optional (customer choice) and allow customers an opportunity to save if they can shift load to off-peak hours. No changes in rates are proposed for any other departments.

Marshall Municipal Utilities' operating revenue and other income of \$36,982,710 is based on minimum growth in all departments except IT & Broadband, where an increase is projected due to the expansion of our high-speed fiber to Saline County. Also included in the revenue is \$5,336,442 in grant income in several departments: \$1,688,168 in Water, \$3,468,274 in IT & Broadband and \$180,000 in Electric. MMU's operating expense, less depreciation, is projected to total \$30,434,779 with capital improvements of \$10,389,852. A decrease in working capital is projected for all departments except IT & Broadband. Wholesale power costs are forecast to remain fairly stable for fiscal year 2025.

Not included in the 5-year budget is the Missouri Electric Commission's Marshall Generation Project. Work on phase one is scheduled to begin in March of 2025 with completion in the fall of 2026. If approved, phase 2 would be completed in 2028. Once completed, we will see an increase in revenue for the electric and natural gas departments. We will also be contracted with the Missouri Electric Commission for operation and maintenance of the units. This may require the addition of staff in the Electric Production department. This additional revenue will be included in future budgets after project completion and a better revenue estimate can be made.

The budget includes several significant capital expenditure items:

- Overhaul of generating Unit #6 turbine and maintenance of auxiliary systems (completion 2025).

- Miami #1 substation switchgear replacement (completion 2025).
- Continued expansion of fiber to the home availability, including rural areas outside the City of Marshall into Saline County through USDA funding (completion 2028).
- Replacement of the ultraviolet lighting system for Wastewater Treatment Plant (completion 2025).
- Ongoing construction of North Street Pump Station improvements (expected project completion in fall of 2024).
- Painting of water tower wet interior (completion 2025).
- Replacement of a digger derrick truck in the Electric Distribution department (delivery 2027).
- Water main replacement projects on Park Ave. and College St.
- Planning and construction of a new "Customer Connect Center" for IT & Broadband and administration (anticipated completion 2026).

Also included for each department is a list of future capital improvements needed, including cost estimates and the year anticipated. This information is especially important when projects span multiple years and budgets. It also provides a much broader view of the financial health and requirements of each department over a longer period of time.

Staff continues to work on planning for future improvements and the timing of project completions as it relates to budgeted cash flows. Supply chain issues and third-party delays continue to make this more difficult.

Staff has worked to extend the financial statement forecast to five years; this would match the five-year capital improvements forecast. We also added information in the budget proposal regarding the various funds within each department, including a description of each fund and its purpose. Improvements to the budget process and the information included will be ongoing and will expand on what has historically highlighted capital projects.

Also in need of consideration are the inflationary cost increases we have seen. While inflation has slowed, we continue to see increases for most materials and services. While hard to predict, these types of increases need to be considered when making long range plans.

This budget reflects our best estimates as to revenues and expenses for the next year. As always, there will be issues that arise that were not anticipated. We will need to closely monitor the finances of each department as we move forward, not only considering the impact on this budget year, but future budgets as well.

Respectfully submitted,

/s/ 

Jeff Bergstrom
General Manager

By action at its 8/29/2024 meeting, the
Board of Public Works recommends approval

_____ of the 2024-2025 Budget.

/s/

President

Date

9/12/2024

Attest:

/s/

Secretary (or other title)

Date

9/12/2024

Approved by the City Council of the
City of Marshall by Ord. # 8849

Mayor, City of Marshall

Date

9/17/2024

Attest:

/s/

City Clerk, City of Marshall

Date

9/17/2024

ORDINANCE NO. 8849

AN ORDINANCE OF THE CITY OF MARSHALL, MISSOURI, APPROVING THE ANNUAL OPERATING BUDGET FOR THE CITY'S BOARD OF PUBLIC WORKS.

WHEREAS, the City of Marshall's Board of Public Works ("Board"), operating as Marshall Municipal Utilities, has prepared and submitted to the City Council a proposed budget for the coming fiscal year beginning October 1, 2024, and ending September 30, 2025; and

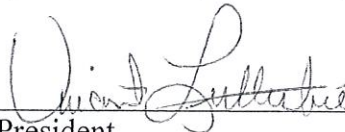
WHEREAS, the City's Code of Ordinances requires the City Council to approve the Board's annual budget.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MARSHALL, MISSOURI:

Section 1. The proposed budget of the City's Board of Public Works for the fiscal year beginning October 1, 2024, and ending September 30, 2025, which has been approved by the Board of Public Works, shall be deemed to be an appropriation of the money authorized for disbursement thereby and is hereby approved by the City Council.

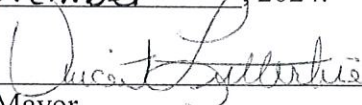
Section 2. This ordinance shall be in force and take effect from and after its passage and approval.

PASSED by the Council of the City of Marshall, Missouri, this 17th day of September, 2024.



President

APPROVED by the Mayor this 17th day of September, 2024.



Mayor

FILED this 17th day of September, 2024.



City Clerk

BOARD OF PUBLIC WORKS

Chuck Hines,	President
Ken Bryant,	Vice President
Steve Mills,	Secretary
Wick Jacobi,	Member

MARSHALL CITY COUNCIL

Vince Lutterbie,	Mayor
John Allen Jr,	Ward I
Drew Green,	Ward I
Jim Papreck,	Ward II
Nathan Swisher,	Ward II
Dan Brandt,	Ward III
Charles Guthrey,	Ward III
Craig Thompson,	Ward IV
Steve Cook,	Ward IV

DIRECTORS

Jeff Bergstrom,	General Manager
Megan Baldrige,	Human Resources
Tony Bersano,	Controller
Jarad Muller,	Electric Production
Doug Root,	Electric Distribution
Jim Widel,	IT & Broadband
Grant Piper,	Underground Facilities
Eric Perkins,	Wastewater Treatment
Travis Boss,	Water Treatment

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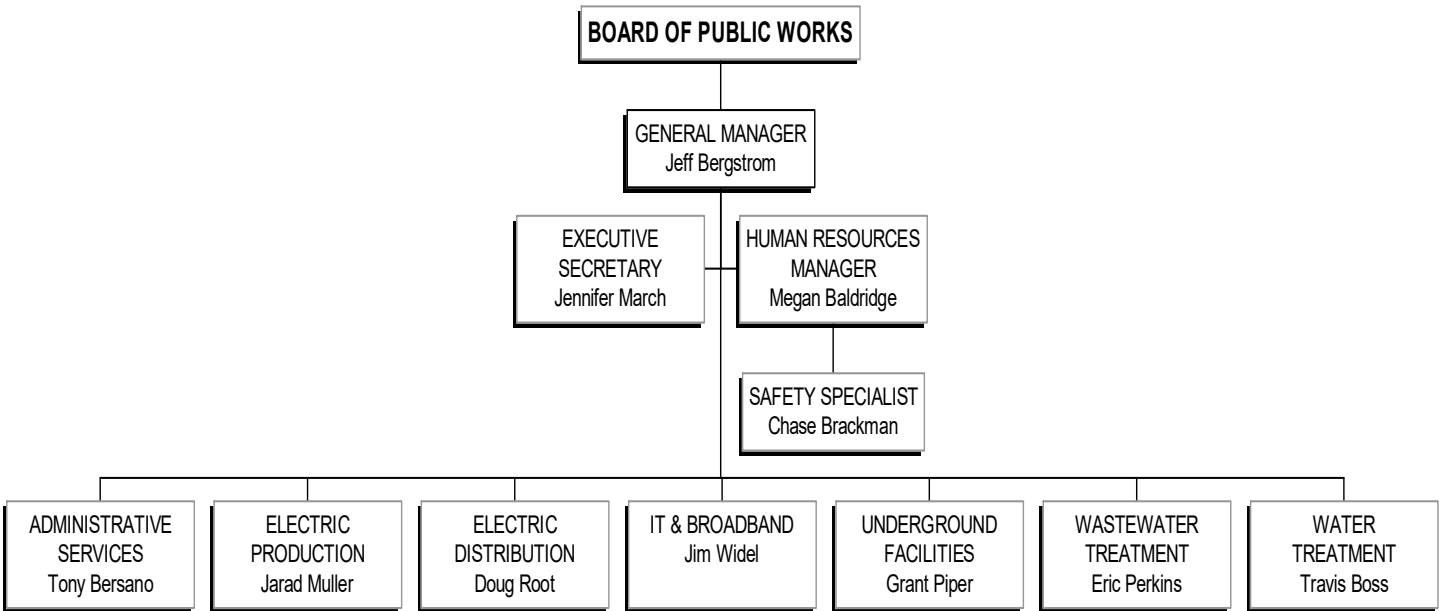
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MARSHALL MUNICIPAL UTILITIES

Mission Statement

Provide reliable utility service for our owners at the lowest reasonable cost. Maintain and operate facilities that will assure safe, dependable electricity, potable water, wastewater treatment, IT & broadband services, and natural gas transportation giving due consideration to conservation and environmental impacts. Plans for the future to assure adequate resources with progressive but sound economic reasoning.



Marshall Municipal Utilities**2025-2029 Capital Outlay Summary**

	TOTAL PROJECT COST	BUDGET 2025	BUDGET 2026	BUDGET 2027	BUDGET 2028	BUDGET 2029
MARSHALL MUNICIPAL UTILITIES						
ELECTRIC PRODUCTION	\$ 2,786,000	\$ 2,073,600	\$ 91,000	\$ 60,000	\$ 30,000	\$ -
ELECTRIC DISTRIBUTION	5,826,000	1,866,000	585,000	1,550,000	950,000	330,000
ELECTRIC DEPARTMENT TOTAL	8,612,000	3,939,600	676,000	1,610,000	980,000	330,000
WATER TREATMENT PLANT	8,834,500	759,500	70,000	245,000	675,000	2,175,000
WATER DISTRIBUTION	6,491,160	1,620,208	130,000	100,000	1,220,000	750,000
WATER DEPARTMENT TOTAL	15,325,660	2,379,708	200,000	345,000	1,895,000	2,925,000
WASTEWATER PLANT	4,981,000	1,170,000	2,000,000	1,540,000	106,000	165,000
WASTEWATER COLLECTION	3,135,000	735,000	600,000	600,000	600,000	600,000
WASTEWATER DEPARTMENT TOTAL	8,116,000	1,905,000	2,600,000	2,140,000	706,000	765,000
IT & BROADBAND DEPARTMENT	12,262,784	2,765,544	2,620,660	2,570,660	1,482,215	800,000
ADMINISTRATIVE SERVICES	6,300,000	6,300,000	-	-	-	-
TOTAL	\$50,616,444	\$17,289,852	\$6,096,660	\$6,665,660	\$5,063,215	\$4,820,000

Marshall Municipal Utilities**Statement of Financial Position**

	Actual 2023	Estimated 2024	Budget 2024	Budget 2025	Budget % Difference
Electric Department					
Operating Revenue	19,393,075	19,840,373	19,157,500	21,004,178	9.6%
Operating Expense	20,629,611	19,668,667	20,505,495	22,559,451	10.0%
Net Income	(1,236,536)	171,706	(1,347,995)	(1,555,273)	15.4%
Add: Depreciation And Amortization	1,016,374	1,086,276	1,064,500	1,215,400	14.2%
Add: Loan payments from:					
Water Dept	279,914	289,700	286,000	410,468	43.5%
Wastewater Dept	332,632	(74,557)	732,000	840,222	14.8%
IT Broadband Dept	(2,369,623)	183,688	200,000	613,821	206.9%
City of Marshall	212,949	217,445	220,000	279,492	27.0%
	(1,544,128)	616,276	1,438,000	2,144,003	
Less: Loan Payments to: MPUA	-	-	-	291,378	0.0%
Add: Transfer payments from:					
IT & Broadband	120,000	120,000	120,000	120,000	0.0%
Natural Gas	850,000	200,000	200,000	250,000	25.0%
	970,000	320,000	320,000	370,000	
Less: Capital Projects	2,100,693	760,296	4,036,000	3,939,600	-2.4%
Increase (Decrease) in Working Capital	(2,894,983)	1,433,962	(2,561,495)	(2,056,848)	-19.7%
Water Department					
Operating Revenue	\$ 4,495,796	\$ 6,509,599	\$ 6,565,350	\$ 6,102,768	-7.0%
Operating Expense	4,526,522	5,050,928	4,881,317	5,229,498	7.1%
Net Income	(30,726)	1,458,671	1,684,033	873,270	-48.1%
Add: Depreciation And Amortization	668,340	729,692	681,000	815,000	19.7%
Less: Loan Principal Payments	279,914	289,700	286,000	347,779	21.6%
Less: Capital Projects	769,170	3,016,901	4,066,000	2,379,708	-41.5%
Increase (Decrease) in Working Capital	(411,470)	(1,118,238)	(1,986,967)	(1,039,217)	-47.7%
Wastewater Department					
Operating Revenue	3,955,744	3,665,059	3,871,500	3,888,100	0.4%
Operating Expense	3,290,866	3,425,458	4,024,694	3,907,133	-2.9%
Net Income	664,878	239,601	(153,194)	(19,033)	-87.6%
Add: Depreciation And Amortization	631,159	709,569	1,080,000	1,186,000	9.8%
Less: Loan Principal Payments	332,632	(74,557)	732,000	318,973	-56.4%
Less: Capital Projects	1,180,004	745,880	1,772,644	1,305,000	-26.4%
Increase (Decrease) in Working Capital	(216,599)	277,847	(1,577,838)	(457,006)	-71.0%

Annual Operating Budget**Fiscal Year 2024-2025**

Marshall Municipal Utilities

Statement of Financial Position

	Actual 2023	Estimated 2024	Budget 2024	Budget 2025	Budget % Difference
IT & Broadband Department					
Operating Revenue	\$ 2,632,171	\$ 2,421,883	\$ 4,181,750	\$ 5,701,664	36.3%
Operating Expense	1,935,649	2,109,941	2,279,161	2,446,627	7.3%
Net Income	696,522	311,942	1,902,589	3,255,037	71.1%
Add: Depreciation And Amortization	438,334	445,062	484,000	553,400	14.3%
Less: Transfer to Electric	120,000	120,000	120,000	120,000	0.00%
Less: Capital Projects	2,166,123	1,555,681	2,220,000	2,765,544	24.6%
Less: Loan Principal Payments	(2,369,623)	183,688	200,000	316,977	58.5%
USDA Loan Principal Payments	(575,000)	90,891	70,000	111,700	59.6%
Increase (Decrease) in Working Capital	1,793,356	(1,193,256)	(223,411)	494,216	-321.2%
Natural Gas Department					
Operating Revenue	310,241	294,945	286,000	286,000	0.0%
Operating Expense	333,215	319,241	321,166	319,936	-0.4%
Net Income	(22,974)	(24,296)	(35,166)	(33,936)	-3.5%
Add: Depreciation And Amortization	257,423	257,423	258,066	258,066	0.0%
Less: Transfer to Electric	850,000	200,000	200,000	250,000	25.0%
Increase (Decrease) in Working Capital	\$ (615,551)	\$ 33,127	\$ 22,900	\$ (25,870)	-213.0%
Marshall Municipal Utilities					
Total Operating Revenue	30,787,027	32,731,859	34,062,100	36,982,710	8.6%
Total Operating Expense	30,715,863	30,574,235	32,011,833	34,462,645	7.7%
Total Net Income	71,164	2,157,624	2,050,267	2,520,065	22.9%
Add: Total Depreciation	3,011,630	3,228,022	3,567,566	4,027,866	12.9%
Add: Total Payments					
Paid To Electric City	212,949	217,445	220,000	279,492	27.0%
Paid To Electric MMU	(787,077)	718,831	1,538,000	2,234,511	45.3%
	(574,128)	936,276	1,758,000	2,514,003	
Less: Total Loan Payments					
Paid From Electric	-	-	-	291,378	
Paid From Water	279,914	289,700	286,000	347,779	21.6%
Paid From Wastewater	332,632	(74,557)	732,000	318,973	-56.4%
Paid From IT & Broadband	(2,369,623)	183,688	200,000	316,977	58.5%
Paid From IT & Broadband USDA	(575,000)	90,891	70,000	111,700	59.6%
	(2,332,077)	489,722	1,288,000	1,386,807	
Less: Total Transfer Payments					
Paid From IT & Broadband	120,000	120,000	120,000	120,000	0.0%
Paid From Natural Gas	850,000	200,000	200,000	250,000	25.0%
	970,000	320,000	320,000	370,000	
Less: Total Capital Projects	6,215,990	6,078,758	12,094,644	10,389,852	-14.1%
Increase (Decrease) in Working Capital	\$ (2,345,247)	\$ (566,558)	\$ (6,326,811)	\$ (3,084,725)	-51.2%

Annual Operating Budget

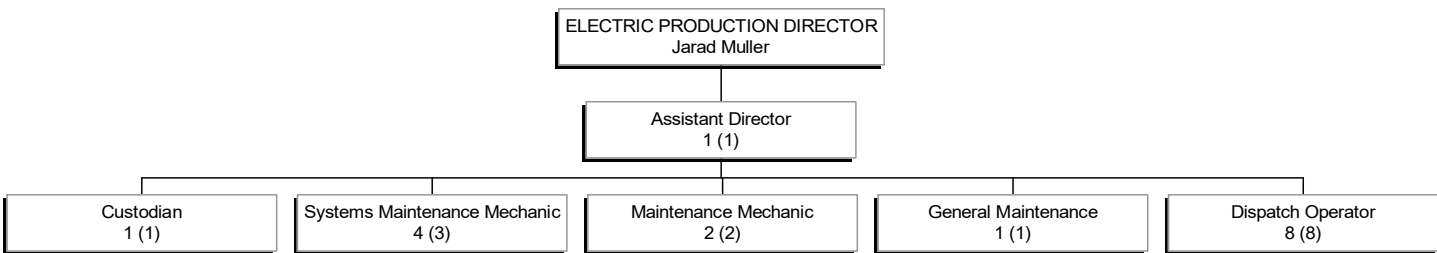
Fiscal Year 2024-2025

ELECTRIC DEPARTMENT

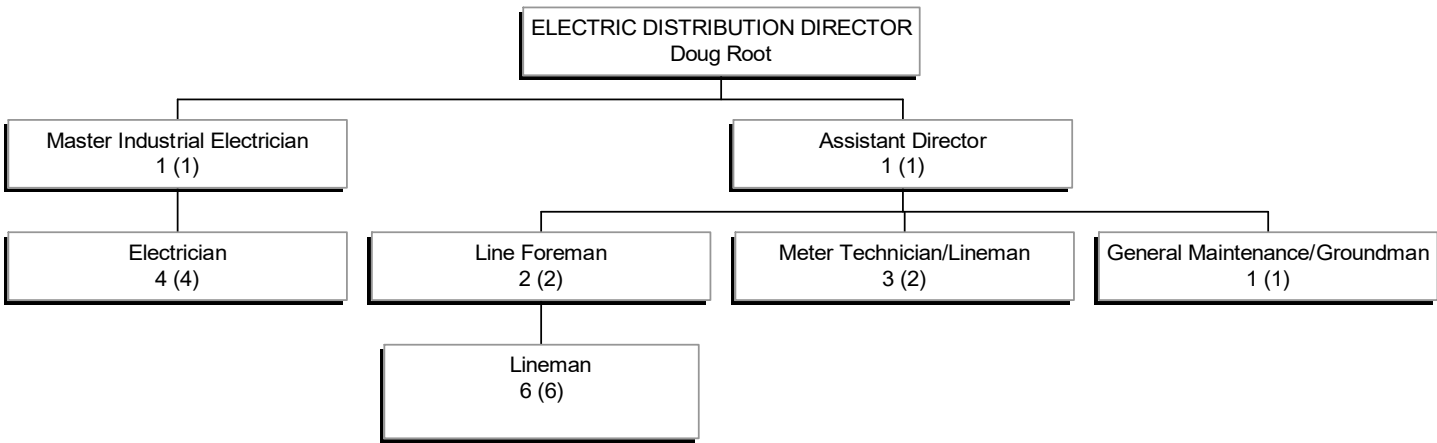
Mission Statement

To provide reliable and dependable service and ensuring safety, all in the best interest of our customers, and good working relations with neighboring power companies.

Electric Production



Electric Distribution



ELECTRIC PRODUCTION	
Major Capital Improvements	
Skid-Steer Loader (Carryover 2024)	\$ 50,000
Part 70 Operating Permit	15,000
NESHAP RICE Testing Units #7, #8, and #9	15,000
Electric Governors for Units #10 & #11	120,000
Balance Units #10 & #11	25,000
Benton Building HVAC and Duct Work	15,000
Recycle Building Heat	20,000
Total	\$ 260,000

Skid-Steer Loader (Region F Solid Waste Grant 85%) (Carry Over 2024)**Budget:** \$50,000

Purpose: The skid-steer in the recycle center is used on a daily basis to sort products and load products into the baler for baling. The current skid-steer was purchased in 2017 with a grant received from Region F Solid Waste District. We try to replace this unit every five years as it is a key part of the recycling process and it does get used on a daily basis. We would apply for a grant from the Solid Waste District to purchase this unit.

Duration: Anticipated purchase 2025.**Part 70 Operating Permit****Budget:** \$15,000

Purpose: Our current operating permit will expire on January 13, 2026. This permit is required in order to run our generators and will take most of the 2025 year to complete. An engineering firm will need to be retained to complete this work

Duration: Anticipated completion 2025.**NESHAP RICE Testing Units #7, #8, and #9****Budget:** \$15,000

Purpose: This stack testing is required every 3 years by DNR for our reciprocating internal combustion engine generators. Units #7, #8, and #9 will be due for testing in 2025.

Duration: Anticipated completion 2025.**Electronic Governors for Units #10 & #11****Budget:** \$120,000

Purpose: Over the last several years units 10 & 11 have been harder to keep the voltage consistent. After some discussion with Cooper, we have decided the old mechanical governors would be a good candidate to upgrade them to a newer style electronic governor. This should allow the voltage to stay more consistent making the units easier to operate.

Duration: Anticipated completion 2025.

Balance Units #10 & #11**Budget:** \$25,000

Purpose: Balancing units #10 & #11 is something we have had done a couple of times in the past. Cooper will come in and balance the fuel mixture between the right and left bank of the engine. This will improve engine performance and reliability. The last time the engines were balanced was 2016.

Duration: Anticipated completion 2025.

Benton Building HVAC and Duct Work**Budget:** \$15,000

Purpose: We have had to have the A/C serviced at the Benton building twice since we moved in. The last time the capacitor was bad and the outside unit was drawing a little high on amps. They were unable to determine how old the unit was. There are also no return ducts in the office area and different rooms vary in temperature. It was recommended to install some return ducts to improve this.

Duration: Anticipated completion 2025.

Recycle Building Heat**Budget:** \$20,000

Purpose: The small boiler that was installed in the recycle center to run the floor heat has had several issues the past several years. The heat exchanger had a crack in it and was replaced the first year under warranty. We have had service people in to look at it a few times last winter and believe that the boiler is undersized for the application. The radiant floor heat only runs around the outside edges of the concrete floor which requires a lot more heat to keep the entire building at a reasonable temperature. It has been recommended in going to a ceiling mounted radiant tube heat. That is something we are still looking into.

Duration: Anticipated completion 2025.

ELECTRIC DISTRIBUTION	
Major Capital Improvements	
Update Arc Flash Study	\$ 45,000
Electricians Building HVAC Replacement	26,000
Truck #320 (Expected Delivery 2027)	400,000
Kubota Tractor	90,000
Recurring Capital Improvements	
Convert Overhead Single Phase in Walkway Easements to Underground	150,000
Contract Tree Trimming/Brush Spraying	175,000
Total	\$ 886,000

Update Arc Flash Study

Budget: \$45,000

Purpose: The last ARC Flash Hazard Study was completed in 2020 by LDB. The updated study would account for any changes on MMU's electrical system since the last study such as the elimination of the power plant and addition of the Southeast Substation T2. This study also considers changes made to switchgear and motor control centers. The Arc Flash Study looks at different scenarios to account for the different hazard's contingent on the power source, Evergy, Central (Emergency Tie), + Generation, or Generation only. The engineering firm would also create Arc Flash Labels that indicate the proper PPE to be used when working on specific equipment.

Duration: Anticipated completion 2025.

Electrician Building HVAC Replacement

Budget: \$26,000

Purpose: The Electricians moved into the Benton Building in October 2020. The Electrician area consists of an office, a break room, work shop and storage area. The existing HVAC unit has trouble keeping up in the summer and has had several service calls. We would like to replace this unit with a similar size or slightly larger unit.

Duration: Anticipated completion 2025.

Truck #320

Budget: \$400,000

Purpose: This truck is a 2006 42ft digger derrick. It is one of two-line trucks in Electric Distribution. Truck #320 is a year newer than the other truck but gets used twice as much due to the shorter boom. The digger derricks are used to set poles and anchors, they are also used to install pad and pole mount transformers and for lifting other electric distribution equipment. We would like to replace this unit with a similar size unit, the old unit would then be sold. At this time Altec has estimated deliveries of 24 to 60 months so a new unit may not be delivered until 2030. We planned to replace this truck during the 26-27 budget year but with extended lead times we should move the purchase of a new digger derrick up and hopefully avoid delays.

Duration: Anticipated delivery 2027.

Kubota Tractor**Budget:** \$90,000

Purpose: The Electric Distribution tractor is a 2012 Kubota with a quick detach front end loader. The tractor is used to mow right of way and on several electric distribution projects. It is also used in the winter for snow removal. We would like to replace this unit with one of equal size or slightly larger and include a grapple attachment for picking up limbs and debris.

Duration: Anticipated delivery 2025.

Convert Overhead Single Phase in Walkway Easements to Underground**Budget:** \$150,000

Purpose: This is a long-term project to convert single-phase overhead lines in walkway easements to underground. These lines are difficult to access, cost more to maintain than overhead lines on the street and are a major tree trimming burden. Converting these lines to underground lowers future maintenance cost, eliminates the tree trimming burden and increases reliability. For this fiscal year we will focus on the 900, 1000, and 1100 blocks of South Lincoln and Fairlawn. We plan to continue moving east between Fairlawn and Stonehaven.

Duration: Ongoing.

Contract Tree Trimming/Brush Spraying**Budget:** \$175,000

Purpose: We are currently on the second year of a three-year contract with Poor Boy Tree Service for tree trimming/brush spraying through 2026. We plan to continue concentrating on three phase distribution lines along the street, along with single phase along the street and backyards. We would also like to continue focusing on areas that need sprayed for trees and brush along the transmission and distribution right of way. These areas are very difficult to access and mow.

Duration: Contract ends 2026.

Electric Department**2025-2029 Capital Outlay**

PROJECT	TOTAL PROJECT COST	BUDGET 2025	BUDGET 2026	BUDGET 2027	BUDGET 2028	BUDGET 2029
ELECTRIC PRODUCTION						
Unit #11 Intercoolers (Approved 2024)	\$ 170,000	\$ 170,000	-	-	-	-
Unit #6 Overhaul (Approved 2024)	1,850,000	1,373,600	-	-	-	-
Auto-Tie Baler (Approved 2024) *	300,000	300,000	-	-	-	-
Skid-Steer Loader (Carryover 2024) **	50,000	50,000	-	-	-	-
Part 70 Operating Permit	10,000	10,000	-	-	-	-
NESHAP RICE Testing Units #7,#8, and #9	30,000	15,000	-	-	15,000	-
Electronic Governors for Unit #10 and #11	120,000	120,000	-	-	-	-
Balance Units #10 & #11	25,000	25,000	-	-	-	-
Benton Building HVAC and Duct Work	15,000	15,000	-	-	-	-
Recycle Building Heat	20,000	20,000	-	-	-	-
Forklift **	40,000	-	40,000	-	-	-
Unit #6 HVAC Control Room	15,000	-	15,000	-	-	-
Concrete at Recycle Center	36,000	-	36,000	-	-	-
NESHAP RICE Testing Units #10 & #11	15,000	-	-	15,000	-	-
Retrofit #4 Cooling Tower Basin for Storage **	60,000	-	-	60,000	-	-
Cover Over Loading Dock	30,000	-	-	-	30,000	-
ELECTRIC PRODUCTION TOTAL	\$ 2,786,000	\$ 2,098,600	\$ 91,000	\$ 75,000	\$ 45,000	\$ -

* BOPW approved Region F Solid Waste Funding, which would cover 40% of the total cost.

** Eligible for Region F Solid Waste Funding, which would cover 85% of the total cost.

Electric Department**2025-2029 Capital Outlay**

PROJECT	TOTAL PROJECT COST	BUDGET 2025	BUDGET 2026	BUDGET 2027	BUDGET 2028	BUDGET 2029
ELECTRIC DISTRIBUTION						
Miami #1 Substation Switchgear Replacement (Approved 2024)	\$ 1,700,000	\$ 1,600,000	-	-	-	-
Update Arc Hazard Study	45,000	45,000	-	-	-	-
Electrician Building HVAC Replacement	26,000	26,000	-	-	-	-
Truck #320	400,000	-	-	400,000	-	-
Replace 2012 Kubota Tractor	90,000	90,000	-	-	-	-
Convert Overhead Single Phase in Walkway Easements to Underground	750,000	150,000	150,000	150,000	150,000	150,000
Contract Tree Trimming	350,000	175,000	175,000	-	-	-
Replace Gator	35,000	-	35,000	-	-	-
Truck #303	400,000	-	400,000	-	-	-
Truck #317	400,000	-	-	400,000	-	-
2008 Ditch Witch Boring Machine	200,000	-	-	200,000	-	-
Replace Truck 305 (Approved 2023)	400,000	-	-	400,000	-	-
Truck #307	400,000	-	-	-	400,000	-
Truck #319	400,000	-	-	-	400,000	-
Replace Turbine Leads Unit #10 & #11	180,000	-	-	-	-	180,000
Update System Study	50,000	-	-	-	-	50,000
ELECTRIC DISTRIBUTION TOTAL	5,826,000	2,086,000	760,000	1,550,000	950,000	380,000
ELECTRIC DEPARTMENT TOTAL	\$ 8,612,000	\$ 4,184,600	\$ 851,000	\$ 1,625,000	\$ 995,000	\$ 380,000

Marshall Municipal Utilities

Financial Statements

ELECTRIC DEPARTMENT	Actual	Estimated	Budget	Budget	Budget	Projected	Projected	Projected	Projected
Operating Revenues:	2023	2024	2024	2025	%	2026	2027	2028	2029
Charges for Services									
Residential	\$ 5,622,287	\$ 5,638,300	\$ 5,700,000	\$ 6,127,500	7.5%	\$ 6,127,500	\$ 6,127,500	\$ 6,127,500	\$ 6,127,500
Residential - TOU	-	2,000	-	15,000	0.0%	22,500	33,750	50,625	75,938
Small General	1,933,781	1,965,090	1,900,000	2,042,500	7.5%	2,042,500	2,042,500	2,042,500	2,042,500
Large General	2,761,996	2,298,690	2,800,000	3,010,000	7.5%	3,010,000	3,010,000	3,010,000	3,010,000
Industrial	4,554,515	5,158,387	4,600,000	4,945,000	7.5%	4,945,000	4,945,000	4,945,000	4,945,000
Resale	360,119	17,050	-	-	0.0%	-	-	-	-
Commercial	1,415,355	1,394,696	1,500,000	1,612,500	7.5%	1,612,500	1,612,500	1,612,500	1,612,500
Other	187,306	245,206	239,000	253,875	6.2%	254,838	506,509	510,195	764,343
PILOT	1,547,264	1,580,984	1,650,000	1,773,750	7.5%	1,773,750	1,773,750	1,773,750	1,773,750
Total Charges for Services	18,382,624	18,300,404	18,389,000	19,780,125	7.6%	19,788,588	20,051,509	20,072,070	20,351,530
Miscellaneous Revenue	180,250	210,201	153,500	155,300	1.2%	156,920	157,746	158,581	159,423
Grant Income	52,567	29,618	265,000	180,000	-32.1%	42,500	34,000	51,000	-
Interest Income	777,634	1,300,150	350,000	888,753	153.9%	845,335	806,131	767,531	749,330
Total Operating Revenue	19,393,075	19,840,373	19,157,500	21,004,178	9.6%	20,833,343	21,049,386	21,049,182	21,260,284
Operating Expenses:									
Salaries and Benefits	4,549,287	4,902,385	4,835,495	4,993,740	3.3%	5,235,555	5,452,115	5,677,766	5,912,895
Fuel and Purchased Power	11,599,110	10,400,740	11,190,000	12,381,924	10.7%	12,380,953	12,379,971	12,378,978	12,377,974
Insurance	270,982	295,517	285,000	313,500	10.0%	329,175	345,634	362,915	381,061
Utilities	237,686	229,615	248,750	252,150	1.4%	235,975	250,649	251,777	233,457
Maintenance	695,923	642,873	634,500	624,525	-1.6%	608,125	433,390	436,135	446,586
Supplies	199,934	208,771	154,750	161,490	4.4%	165,388	167,916	170,098	172,388
Depreciation	1,016,374	1,086,276	1,064,500	1,215,400	14.2%	1,264,972	1,388,887	1,433,347	1,479,448
Payment In Lieu Of Taxes	1,705,226	1,590,061	1,835,000	1,951,950	6.4%	1,906,870	1,893,346	1,882,527	1,873,871
Other General Expenses	355,089	312,429	257,500	354,250	37.6%	308,850	322,724	336,552	401,334
Interest Expense	-	-	-	310,522	0.0%	295,615	279,945	263,473	246,158
Total Operating Expense	20,629,611	19,668,667	20,505,495	22,559,451	10.0%	22,731,478	22,914,577	23,193,568	23,525,173
Operating Income (Loss)	\$(1,236,537)	\$ 171,706	\$(1,347,995)	\$(1,555,273)	15.4%	\$(1,898,136)	\$(1,865,191)	\$(2,144,386)	\$(2,264,890)

Cost adjustment 7.5%: In June 2020 the BOPW approved a -7.5% cost adjustment to lower electric reserves and assist the Marshall community during the Covid-19 pandemic. Since June 2020, MMU has saved the Marshall electric customers \$5.90 million. Due to the increase cost over the years, MMU is recommending that the -7.5% cost adjustment be removed as of October 1, 2024. This will increase sales revenues by an estimated \$1.3 million in 2025.

Time-of-Use (TOU) Rate: To help offset the 7.5% cost adjustment MMU will recommend that effective October 1, 2024 a time-of-use rate option will be available for Marshall residential customers. This rate will be optional and will allow MMU residential customers to save on electricity during off-peak times.

Salaries and Benefits: MMU has budgeted for a 4% annual wage increase for budget year 2025. Employee benefits for the 2025 budget year are expected to increase as follows (Medical 15%; Dental 6%; Vision 3%; Disability & Life: 20%).

Fuel and Purchased Power: Based on MPA forecast MMU will budget for a 10.7% increase in purchased power.

Insurance: MMU is anticipating a 10% increase to our general liability insurance for budget year 2025.

Interest Expense: For budget year 2025 MMU has budgeted interest expense in relation to MPA financing of the new Administrative and IT Broadband building.

Marshall Municipal Utilities

Statement of Financial Position

	Actual 2023	Estimated 2024	Budget 2024	Budget 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
ELECTRIC DEPARTMENT								
Operating Revenue	\$ 19,393,075	\$ 19,840,373	\$ 19,157,500	\$ 21,004,178	\$ 20,833,343	\$ 21,049,386	\$ 21,049,182	\$ 21,260,284
Operating Expense	20,629,611	19,668,667	20,505,495	22,559,451	22,731,478	22,914,577	23,193,568	23,525,173
Net Income (Loss)	(1,236,537)	171,706	(1,347,995)	(1,555,273)	(1,898,136)	(1,865,191)	(2,144,386)	(2,264,890)
Add: Depreciation	1,016,374	1,086,276	1,064,500	1,215,400	1,264,972	1,388,887	1,433,347	1,479,448
Add: Loan Payments from:								
Water Dept	279,914	289,700	286,000	410,468	248,335	86,197	86,198	597,892
Wastewater Dept	332,632	(74,557)	732,000	840,222	840,223	840,222	840,222	840,221
IT Broadband Dept	(2,369,623)	183,688	200,000	613,821	613,821	613,821	613,821	613,821
City of Marshall	212,949	217,445	220,000	279,492	279,492	279,492	279,492	23,291
	(1,544,128)	616,276	1,438,000	2,144,003	1,981,871	1,819,732	1,819,733	2,075,225
Less: Loan Payments to:								
MPUA	-	-	-	291,378	306,286	321,956	338,428	355,742
Add: Transfers from:								
IT Broadband Dept	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Natural Gas Dept	850,000	200,000	200,000	250,000	300,000	350,000	400,000	450,000
	970,000	320,000	320,000	370,000	420,000	470,000	520,000	570,000
Less: Capital Projects								
Electric Production	147,481	523,771	2,435,000	2,073,600	91,000	60,000	30,000	-
Electric Distribution	1,953,212	236,525	1,601,000	1,866,000	585,000	1,550,000	950,000	330,000
	2,100,693	760,296	4,036,000	3,939,600	676,000	1,610,000	980,000	330,000
Increase (Decrease) in Working Capital	(2,894,984)	1,433,962	(2,561,495)	(2,056,848)	786,421	(118,528)	310,265	1,174,041

Cash Operating & Reserve Funds

	Actual 2023	Estimated 2024	Budget 2024	Budget 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
ELECTRIC FUNDS								
Operating Fund	\$ 5,714,764	\$ 3,800,000	\$ 1,700,000	\$ 5,205,247	\$ 2,948,399	\$ 3,534,820	\$ 3,241,292	\$ 3,401,557
Reserve Fund	3,606,392	3,621,285	3,400,000	3,650,000	3,850,000	4,050,000	4,225,000	4,375,000
Total Beginning Cash	9,321,156	7,421,285	5,100,000	8,855,247	6,798,399	7,584,820	7,466,292	7,776,557
Working Capital	(2,894,984)	1,433,962	(2,561,495)	(2,056,848)	786,421	(118,528)	310,265	1,174,041
Total Ending Cash	6,426,172	8,855,247	2,538,505	6,798,399	7,584,820	7,466,292	7,776,557	8,950,598

Cash Reserve Policy

Minimum	9,751,313	9,658,130	9,658,130	9,363,173	6,158,477	6,104,307	5,077,117	4,580,691
Over (under)	(3,325,141)	(802,883)	(7,119,625)	(2,564,774)	1,426,343	1,361,985	2,699,440	4,369,907
Maximum	16,759,621	16,759,444	16,759,444	16,815,117	13,939,533	13,875,853	12,917,093	12,488,390
Over (under)	\$ (10,333,449)	\$ (7,904,197)	\$ (14,220,939)	\$ (10,016,718)	\$ (6,354,713)	\$ (6,409,561)	\$ (5,140,536)	\$ (3,537,792)

Cash Restricted Funds

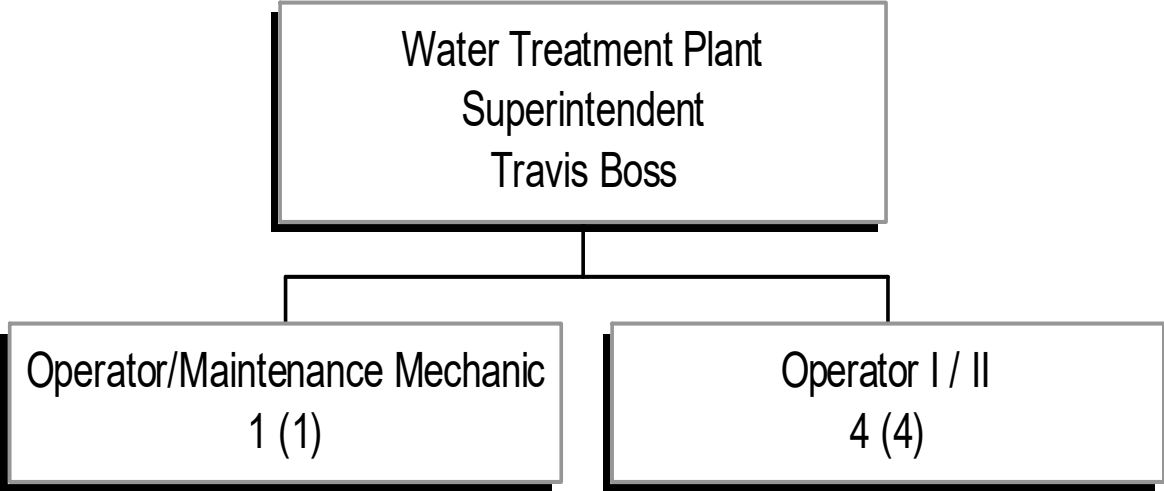
	Actual 2023	Estimated 2024	Budget 2024	Budget 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Interdepartmental Loan Fund	\$ 699,368	\$ 785,641	\$ 785,641	\$ 785,641	\$ 785,641	\$ 785,641	\$ 785,641	\$ 785,641
Economic Development Fund	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Electric Genset #6 Fund	161,193	161,193	161,193	161,193	161,193	161,193	161,193	161,193
Electric Genset #7 & #9 Fund	12,625	12,625	12,625	12,625	12,625	12,625	12,625	12,625
Electric Genset #10 & #11 Fund	113,490	113,490	113,490	113,490	113,490	113,490	113,490	113,490
Customer Deposit Fund	830,528	944,625	944,625	944,625	944,625	944,625	944,625	944,625
	\$ 1,967,204	\$ 2,167,574	\$ 2,167,574	\$ 2,167,574	\$ 2,167,574	\$ 2,167,574	\$ 2,167,574	\$ 2,167,574

WATER DEPARTMENT

Mission Statement

- 1. Provide safe, quality drinking water in sufficient quantity to meet all customer needs using operating procures and water treatment methods federal and state requirements.
- 2. Maintain water treatment integrity.
- 3. Plan and provide for improvements and expansions necessary to meet needs of our owners.

Water Treatment Plant



WATER TREATMENT PLANT	
Major Capital Improvements	
Replace Air Compressors (Carryover 2024)	\$ 65,000
Led Lighting Upgrade	35,000
Replace Filter Drain Valves & Actuators 16"	133,000
Dredge Lagoon #2	145,000
Replace Electric Motor Control Center (MCC)	65,000
Acid Disposal	45,000
Replace Filter Surface-Wash Valves & 6" Actuators	82,500
Air Dryers	25,000
Recurring Capital Improvements	
Well Treatment & Maintenance	60,000
Total	\$ 655,500

Replace Air Compressors (Carryover 2024)**Budget:** \$ 65,000

Purpose: The current air compressors were installed in 2002 and they run 24 hours per day. These air compressors supply air for control and operation of valves and equipment at the plant.

Duration: Anticipated purchase in 2025

Led Lighting Upgrade**Budget:** \$35,000

Purpose: This upgrade will replace all fluorescent and incandescent lighting at the water treatment plant. This will lower energy use and allow the plant to be more energy efficient.

Duration: Anticipated completion in 2025

Replace Filter Drain Valves & Actuators 16"**Budget:** \$133,000

Purpose: The filter drain valves are leaking and will no longer completely seal. The valves are allowing water to continuously flow to the lagoon.

Duration: Anticipated completion in 2025

Dredge Lagoon #2**Budget:** \$145,000

Purpose: The lagoon has become filled with residual particles (silt and lime sludge). This has caused operational issues. It has reduced the available capacity to properly treat the wastewater and it could become a regulatory issue in the near future.

Duration: Anticipated completion in 2025

Replace Electrical Motor Control Center (MCC)**Budget:** \$65,000

Purpose: This MCC was installed during the 1977 plant upgrade. Several items on the MCC are no longer used and need to be removed. This unit has become obsolete and finding parts is becoming more difficult. This MCC is a vital component of the operation of the water treatment plant.

Duration: Anticipated completion in 2025**Acid Disposal****Budget:** \$45,000

Purpose: The acid is hydro fluorosilicic acid which was used for water fluoridation years ago. Due to some type of equipment failure in 2015, the process had halted. This acid is in the bulk storage tank and we have approximately 2,200 gallons onsite and it needs to be disposed of.

Duration: Anticipated completion in 2025**Replace Filter Surface-Wash Valves and 6" Actuators****Budget:** \$82,500

Purpose: The filter surface-wash valves have leaked and have caused operational issues. The actuators are using older technology and have become unreliable.

Duration: Anticipated completion in 2025**Air Dryers****Budget:** \$25,000

Purpose: The current air dryers were purchased in 2000 and are now obsolete and it is extremely difficult or impossible to get repair parts.

Duration: Anticipated purchase in 2025**Well Treatment & Maintenance****Budget:** \$60,000

Purpose: We will treat five wells and pull two for inspection and repair. This project has lengthened the life of our wells and maintained the product of said wells at almost new levels.

Duration: Annually

PROJECT	TOTAL PROJECT COST	BUDGET 2025	BUDGET 2026	BUDGET 2027	BUDGET 2028	BUDGET 2029
WATER TREATMENT PLANT						
Spreader Truck (Approved 2024)	\$ 209,000	\$ 209,000	-	-	-	-
Replace Air Compressors (Carryover 2024)	65,000	65,000	-	-	-	-
Led lighting Upgrade	35,000	35,000	-	-	-	-
Replace Filter Drain Valves & Actuators 16"	133,000	133,000	-	-	-	-
Dredge Lagoon #2	145,000	145,000	-	-	-	-
Replace Electric Motor Control Center (MCC)	65,000	65,000	-	-	-	-
Acid Disposal	45,000	45,000	-	-	-	-
Replace Filter Surface-Wash Valves & 6" Actuators	82,500	82,500	-	-	-	-
Air Dryers	25,000	25,000	-	-	-	-
Well Treatment & Maintenance	300,000	60,000	60,000	60,000	60,000	60,000
Filter Building HVAC Improvements (WTP Study)	490,000	-	-	245,000	245,000	-
Garage Building	70,000	-	70,000	-	-	-
Plant Service Water (WTP Study)	860,000	-	-	-	430,000	430,000
Flexibility Improvements (WTP Study)	490,000	-	-	-	-	245,000
CO2 Feed, Train 3 & Lagoon (WTP Study) I	1,560,000	-	-	-	-	500,000
Aerators (WTP Study) I	4,260,000	-	-	-	-	1,000,000
WATER TREATMENT PLANT TOTAL	\$ 8,834,500	\$ 864,500	\$ 130,000	\$ 305,000	\$ 735,000	\$ 2,235,000

WTP Study: In 2023 Burns & McDonnell conducted a plant system study of the Water Treatment Plant. During the study the following items labeled above (WTP Study) were identified as improvements that should be addressed within the next five years.

Note I – Due to the scope and timeline of these capital projects, MMU will look at financing through the State Revolving Fund, or MPUA financing.

Water Department

Financial Statements

WATER DEPARTMENT	Actual	Estimated	Budget	Budget	Budget	Projected	Projected	Projected	Projected
Operating Revenues:	2023	2024	2024	2025	%	2026	2027	2028	2029
Charges for Services									
Residential	\$ 1,678,296	\$ 1,608,432	\$ 1,650,000	\$ 1,666,500	1.0%	\$ 1,674,833	\$ 1,674,833	\$ 1,683,207	\$ 1,683,207
Small General	208,489	199,925	215,000	215,000	0.0%	215,000	216,075	216,075	217,155
Large General	304,059	271,053	250,000	255,000	2.0%	255,000	256,275	257,556	258,844
Industrial	737,615	753,431	760,000	782,800	3.0%	782,800	790,628	794,581	798,554
Resale	949,429	851,514	925,000	925,000	0.0%	925,000	934,250	943,593	953,028
Commercial	327,356	325,570	330,350	330,350	0.0%	330,350	330,350	330,350	330,350
PILOT	204,962	193,953	200,000	208,000	4.0%	209,040	210,085	211,136	212,191
Total Charges for Services	4,410,206	4,203,876	4,330,350	4,382,650	1.2%	\$ 4,392,023	\$ 4,412,496	\$ 4,436,497	\$ 4,453,330
Miscellaneous Revenue	82,003	49,099	5,000	1,950	-61.0%	1,950	1,950	1,950	1,950
Grant Income	-	2,225,000	2,225,000	1,688,168	-24.1%	-	-	-	-
Interest Income	3,587	31,623	5,000	30,000	500.0%	30,000	30,000	30,000	30,000
Total Operating Revenue	4,495,796	6,509,599	6,565,350	6,102,768	-7.0%	4,423,973	4,444,446	4,468,447	4,485,280
Operating Expenses:									
Salaries and Benefits	1,892,192	2,272,484	2,097,134	2,334,459	11.3%	2,449,171	2,550,579	2,656,268	2,766,420
Insurance	88,252	90,560	95,000	104,500	10.0%	109,725	115,211	120,972	127,020
Utilities	304,599	296,316	318,500	308,300	-3.2%	303,828	299,716	299,448	299,183
Maintenance	300,584	508,306	512,000	397,850	-22.3%	354,150	355,476	357,319	359,698
Supplies	735,900	697,990	712,000	717,225	0.7%	724,304	731,768	739,320	746,980
Depreciation	668,340	729,692	681,000	815,000	19.7%	860,040	916,570	949,621	985,280
Payment In Lieu Of Taxes	252,336	220,152	257,500	245,500	-4.7%	243,340	242,945	243,448	244,236
Other General Expenses	244,691	199,330	172,183	243,975	41.7%	92,807	94,772	123,880	99,144
Interest Expense	39,628	36,098	36,000	62,689	74.1%	45,245	40,090	37,732	162,474
Total Operating Expense	4,526,522	5,050,928	4,881,317	5,229,498	7.1%	5,182,611	5,347,127	5,528,007	5,790,436
Operating Income (Loss)	\$ (30,726)	\$ 1,458,671	\$ 1,684,033	\$ 873,270	-48.1%	\$ (758,638)	\$ (902,681)	\$ (1,059,560)	\$ (1,305,156)

Grant Income: In 2023 MMU was awarded \$3,913,168 from the Missouri State General Revenue and Budget Stabilization Funds for drinking water. These funds will be allocated to water capital project expenditures made after March 3, 2021. MMU was required a 25% match of \$434,796 in order to receive the grant funds. These funds will be used to reimburse MMU for the North Street Pump Station project, Water Treatment Plant Study, and the Water Owners Supervisor Plan. Any remaining grant funds will be allocated to future water main projects with a project completion date of June 30, 2025.

Salaries and Benefits: MMU has budgeted for a 4% annual wage increase for budget year 2025. Employee benefits for the 2025 budget year are expected to increase as follows (Medical 15%; Dental 6%; Vision 3%; Disability & Life: 20%).

Insurance: MMU is anticipating a 10% increase to our general liability insurance for budget year 2025.

Maintenance: Maintenance expense for budget year 2025 is expected to decrease due to past reservoir maintenance completed in fiscal year 2024.

Interest Expense: For budget year 2025 MMU has budgeted additional interest expense in relation to MPUA financing of the new Administrative and IT Broadband building.

Water Department

Statement of Financial Position

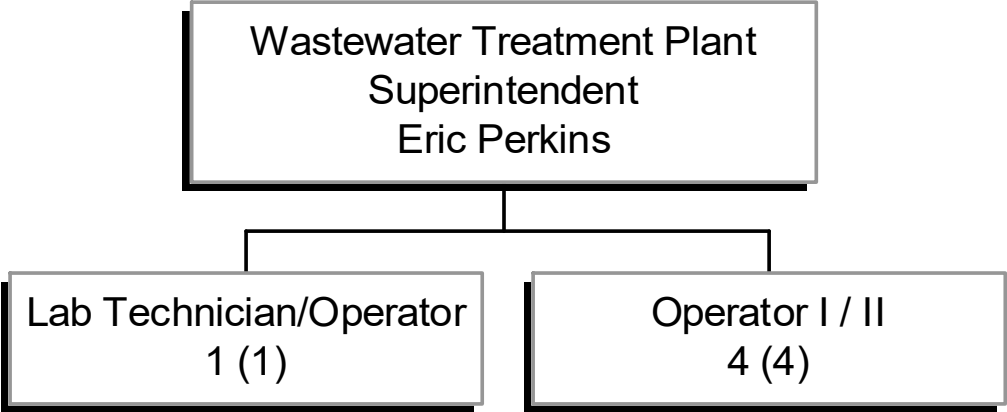
	Actual 2023	Estimated 2024	Budget 2024	Budget 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
WATER DEPARTMENT								
Operating Revenue	\$4,495,796	\$6,509,599	\$6,565,350	\$6,102,768	\$4,423,973	\$4,444,446	\$4,468,447	\$4,485,280
Operating Expense	4,526,522	5,050,928	4,881,317	5,229,498	5,182,611	5,347,127	5,528,007	5,790,436
Net Income (Loss)	(30,726)	1,458,671	1,684,033	873,270	(758,638)	(902,681)	(1,059,560)	(1,305,156)
Add: Depreciation	668,340	729,692	681,000	815,000	860,040	916,570	949,621	985,280
Less: Loan Principal Payments	279,914	289,700	286,000	347,779	203,090	46,107	48,466	435,418
Less: Capital Projects								
Water Treatment Plant	96,776	351,087	636,000	759,500	70,000	245,000	675,000	2,175,000
Water Distribution	672,394	2,665,814	3,670,000	1,620,208	130,000	100,000	1,220,000	750,000
	769,170	3,016,901	4,306,000	2,379,708	200,000	345,000	1,895,000	2,925,000
Increase (Decrease) in Working Capital	(411,470)	(1,118,238)	(2,226,967)	(1,039,217)	(301,688)	(377,218)	(2,053,405)	(3,680,294)
Cash Operating & Reserve Funds								
	Actual 2023	Estimated 2024	Budget 2024	Budget 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Beginning Cash								
Operating Fund	1,169,746	3,506,295	2,445,285	2,445,285	1,473,068	1,244,380	945,162	(1,027,243)
Reserve Fund	2,748,019	57,228	60,000	67,000	73,000	78,000	81,000	84,000
Total Beginning Cash	3,917,765	3,563,523	2,505,285	2,512,285	1,546,068	1,322,380	1,026,162	(943,243)
Working Capital	(411,470)	(1,118,238)	(2,226,967)	(1,039,217)	(301,688)	(377,218)	(2,053,405)	(3,680,294)
Total Ending Cash	3,506,295	2,445,285	278,318	1,473,068	1,244,380	945,162	(1,027,243)	(4,623,536)
Cash Reserve Policy								
Minimum	4,272,927	3,384,070	3,384,070	4,526,929	3,839,087	4,614,558	5,276,069	4,072,737
Over (under)	(766,632)	(938,785)	(3,105,752)	(3,053,861)	(2,594,707)	(3,669,396)	(6,303,312)	(8,696,273)
Maximum	5,033,149	4,206,562	4,206,562	5,555,079	4,905,894	5,690,836	6,373,858	5,210,195
Over (under)	(\$1,526,854)	(\$1,761,277)	(\$3,928,244)	(\$4,082,011)	(\$3,661,514)	(\$4,745,674)	(\$7,401,101)	(\$9,833,731)

WASTEWATER DEPARTMENT

Mission Statement

Provide reliable and courteous service to our customers and protect the public and environment utilizing quality operational and maintenance techniques.

Wastewater Treatment Plant



WASTEWATER PLANT	
Major Capital Improvements	
Rebuild RAS Pump	\$ 10,000
Replace Windows in Waste Aeration and Return Activated Sludge Building	10,000
Asphalt Driveway by UV Building	70,000
Total	\$ 90,000

Rebuild RAS Pump

Budget: \$10,000

Purpose: The return activated sludge pump #1 has been operating continuously for a little over two years. We will look at getting this pump rebuilt.

Duration: Anticipated completion 2025.

Replace Windows in Waste Aeration Building and Return Activated Sludge Building

Budget: \$10,000

Purpose: Two Windows in the Waste Aeration Building have fallen out and broken, we will be looking to replace three windows in that building, the outside window on the door is broken and we will be looking to replace that as well.

Duration: Anticipated completion 2025.

Asphalt Driveway by UV Building

Budget: \$70,000

Purpose: The existing driveway going up the hill to the North of the UV Building is Gravel, every time we get a good amount of rain it washes out, we have tried Crowning the road to resolve the issue but this hasn't helped. We will be looking to asphalt this section of driveway.

Duration: Anticipated completion 2025.

Wastewater Department**2025-2029 Capital Outlay**

PROJECT	TOTAL PROJECT COST	BUDGET 2025	BUDGET 2026	BUDGET 2027	BUDGET 2028	BUDGET 2029
WASTEWATER PLANT						
Crack Seal Asphalt (Approved 2024)	\$ 10,000	\$ 10,000	-	-	-	-
Driveway Asphalt Overlay and Repairs (Approved 2024)	70,000	70,000	-	-	-	-
Replace UV System (Approved 2024)	1,000,000	1,000,000	-	-	-	-
Rebuild RAS Pump	10,000	10,000	-	-	-	-
Replace Windows in Waste Aeration and Return Activated Sludge Building	10,000	10,000	-	-	-	-
Asphalt Driveway by UV Building	70,000	70,000	-	-	-	-
Replace Sludge Conveyor	500,000	-	500,000	-	-	-
Replace Belt Filter Presses	3,000,000	-	1,500,000	1,500,000	-	-
Replace Flooring in Office	40,000	-	-	40,000	-	-
Truck #416	26,000	-	-	-	26,000	-
Paint Filter Building	80,000	-	-	-	80,000	-
Siding, gutters, and roof on Office	85,000	-	-	-	-	85,000
Replace Four Sludge Pumps	80,000	-	-	-	-	80,000
WASTEWATER PLANT TOTAL	\$ 4,981,000	\$ 1,170,000	\$ 2,000,000	\$ 1,540,000	\$ 106,000	\$ 165,000

Wastewater Department

Financial Statements

WASTEWATER DEPARTMENT	Actual	Estimated	Budget	Budget	Budget	Projected	Projected	Projected	Projected
Operating Revenues:	2023	2024	2024	2025	%	2026	2027	2028	2029
Charges for Services									
Residential	\$ 2,165,934	\$ 2,002,058	\$ 2,200,000	\$ 2,211,000	0.5%	\$ 2,222,055	\$ 2,233,165	\$ 2,244,331	\$ 2,255,553
Small General	168,023	182,780	180,000	180,900	0.5%	181,805	182,714	183,627	184,545
Large General	168,682	147,316	150,000	151,500	1.0%	153,015	154,545	156,091	157,652
Industrial	787,999	811,288	912,000	866,400	-5.0%	870,732	875,086	879,461	883,858
Commercial	313,289	299,070	322,000	322,000	0.0%	323,610	325,228	326,854	328,488
Extra Strength	33,908	40,240	32,000	36,800	15.0%	37,168	37,540	37,915	38,294
Total Charges for Services	3,637,835	3,482,752	3,796,000	3,768,600	-0.7%	3,788,385	3,808,277	3,828,279	3,848,391
Miscellaneous Revenue	47,267	38,017	25,500	24,500	-3.9%	24,500	24,500	24,500	24,500
Grant Income	162,280	28,994	-	-	0.0%	-	-	-	-
Interest Income	108,362	115,296	50,000	95,000	90.0%	85,500	81,225	77,164	73,306
Total Operating Revenue	3,955,744	3,665,059	3,871,500	3,888,100	0.4%	3,898,385	3,914,002	3,929,943	3,946,196
Operating Expenses:									
Salaries and Benefits	1,324,116	1,226,646	1,495,994	1,299,038	-13.2%	1,360,885	1,416,928	1,475,317	1,536,150
Insurance	69,850	72,556	80,000	88,000	10.0%	96,800	106,480	117,128	128,841
Utilities	425,419	448,149	412,200	445,370	8.0%	441,518	433,891	432,022	430,163
Maintenance	502,416	168,565	226,500	141,750	-37.4%	141,525	144,971	147,498	150,266
Supplies	151,101	134,667	124,000	129,950	4.8%	134,820	139,870	145,392	151,428
Depreciation	631,159	709,569	1,080,000	1,186,000	9.8%	1,227,400	1,245,930	1,264,958	1,284,505
Payment In Lieu Of Taxes	11,436	13,571	5,000	7,500	50.0%	7,250	7,013	6,787	6,573
Other General Expenses	128,279	153,488	81,000	89,525	10.5%	90,892	92,288	93,776	95,361
Interest Expense	47,091	498,247	520,000	520,000	0.0%	503,944	485,699	466,465	446,186
Total Operating Expense	3,290,866	3,425,458	4,024,694	3,907,133	-2.9%	4,005,034	4,073,070	4,149,343	4,229,472
Operating Income (Loss)	\$ 664,878	\$ 239,601	\$ (153,194)	\$ (19,033)	-87.6%	\$ (106,650)	\$ (159,067)	\$ (219,400)	\$ (283,276)

Charges for Service: For budget year 2025 MMU is estimating a slight increase in sales. Industrial sales for budget year 2025 have decreased to be more in line with past budget versus actual sales.

Salaries and Benefits: MMU has budgeted for a 4% annual wage increase for budget year 2025. Employee benefits for the 2025 budget year are expected to increase as follows (Medical 15%; Dental 6%; Vision 3%; Disability & Life: 20%). The decrease in budget year 2025 over 2024 is due to correction in wage allocations.

Depreciation: Completion of the aeration basin and final clarifiers was completed in 2024 with a cost of \$8.9 million. For budget year 2025 we will see depreciation expense increase over \$400,000.

Wastewater Department

Statement of Financial Position

	Actual 2023	Estimated 2024	Budget 2024	Budget 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
WASTEWATER DEPARTMENT								
Operating Revenue	\$ 3,955,744	\$ 3,665,059	\$ 3,871,500	\$ 3,888,100	\$ 3,898,385	\$ 3,914,002	\$ 3,929,943	\$ 3,946,196
Operating Expense	3,290,866	3,425,458	4,024,694	3,907,133	4,005,034	4,073,070	4,149,343	4,229,472
Net Income (Loss)	664,878	239,601	(153,194)	(19,033)	(106,650)	(159,067)	(219,400)	(283,276)
Add: Depreciation	631,159	709,569	1,080,000	1,186,000	1,227,400	1,245,930	1,264,958	1,284,505
Less: Loan Principal Payments	332,632	(74,557)	732,000	318,973	336,279	354,523	373,757	394,035
Less: Capital Projects								
Wastewater Plant	769,170	358,964	1,125,144	1,170,000	2,000,000	1,540,000	106,000	165,000
Underground Collection	410,834	386,916	647,500	135,000	-	-	-	-
	1,180,004	745,880	1,772,644	1,305,000	2,000,000	1,540,000	106,000	165,000
Increase (Decrease) in Working Capital	(216,599)	277,848	(1,577,838)	(457,006)	(1,215,529)	(807,660)	565,801	442,194

Cash Operating & Reserve Funds

	Actual 2023	Estimated 2024	Budget 2024	Budget 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Beginning Cash								
Operating Fund	1,392,357	785,000	1,723,462	1,032,848	1,110,842	544,313	499,653	1,942,454
Reserve Fund	547,704	505,000	520,000	535,000	649,000	763,000	877,000	991,000
Total Beginning Cash	1,940,061	1,290,000	2,243,462	1,567,848	1,759,842	1,307,313	1,376,653	2,933,454
Working Capital	(216,599)	277,848	(1,577,838)	(457,006)	(1,215,529)	(807,660)	565,801	442,194
Total Ending Cash	1,723,462	1,567,848	665,624	1,110,842	544,313	499,653	1,942,454	3,375,648

Cash Reserve Policy

Minimum	4,307,521	4,110,178	4,110,178	5,212,007	4,718,939	3,180,577	1,898,864	2,030,746
Over (under)	(2,584,059)	(2,542,330)	(3,444,554)	(4,101,165)	(4,174,626)	(2,680,924)	43,590	1,344,902
Maximum	4,801,608	4,657,251	4,657,251	5,877,559	5,394,221	3,865,297	2,597,671	2,744,435
Over (under)	(3,078,146)	(3,089,403)	(3,991,627)	(4,766,717)	(4,849,908)	(3,365,644)	(655,217)	631,213

Cash - Sewer Main Fund

	Actual 2023	Estimated 2024	Budget 2024	Budget 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Sewer Main Fund								
Beginning Balance	1,021,840	1,203,799	1,203,799	1,384,799	1,265,799	1,146,799	1,027,799	1,027,799
Transfers In	181,959	181,000	181,000	181,000	181,000	181,000	181,000	181,000
Underground Collection	-	-	-	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Ending Balance	1,203,799	1,384,799	1,384,799	1,265,799	1,146,799	1,027,799	908,799	908,799

Cash Reserve Policy

Minimum	-	-	-	300,000	300,000	300,000	300,000	300,000
Over (under)	1,203,799	1,384,799	1,384,799	965,799	846,799	727,799	608,799	608,799
Maximum	-	-	-	900,000	900,000	900,000	900,000	900,000
Over (under)	1,203,799	1,384,799	1,384,799	365,799	246,799	127,799	8,799	8,799

Cash - Inflow & Infiltration Fund

	Actual 2023	Estimated 2024	Budget 2024	Budget 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Inflow and Infiltration Fund								
Beginning Balance	1,195,742	1,483,742	1,611,468	1,599,468	1,587,468	1,575,468	1,563,468	1,563,468
Transfers In	288,000	288,000	288,000	288,000	288,000	288,000	288,000	288,000
Underground Collection	-	(160,274)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Ending Balance	1,483,742	1,611,468	1,599,468	1,587,468	1,575,468	1,563,468	1,551,468	1,551,468

Cash Reserve Policy

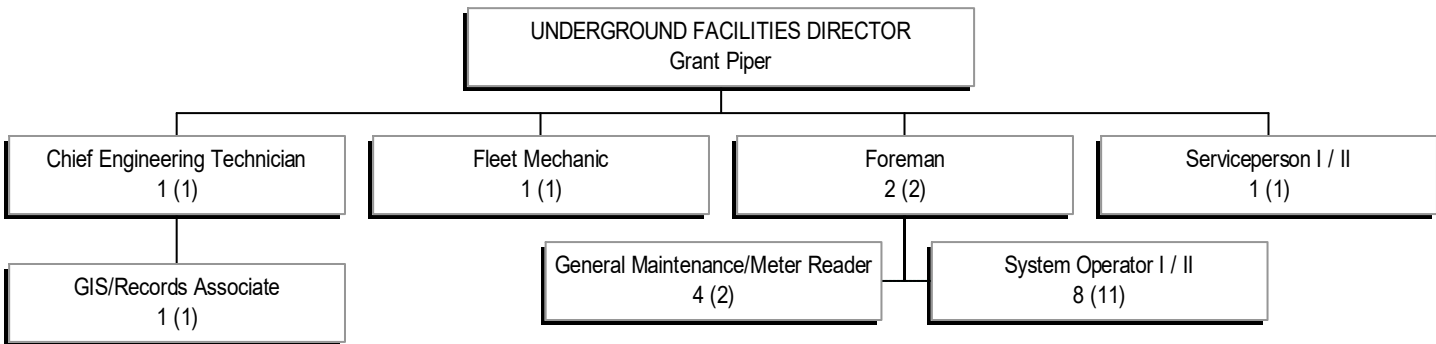
Minimum	-	-	-	300,000	300,000	300,000	300,000	300,000
Over (under)	1,483,742	1,611,468	1,599,468	1,287,468	1,275,468	1,263,468	1,251,468	1,251,468
Maximum	-	-	-	900,000	900,000	900,000	900,000	900,000
Over (under)	\$ 1,483,742	\$ 1,611,468	\$ 1,599,468	\$ 687,468	\$ 675,468	\$ 663,468	\$ 651,468	\$ 651,468

UNDERGROUND FACILITIES

Mission Statement

- 1. Provide safe, quality drinking water in sufficient quantity to meet all customer needs maintain water distribution and wastewater collection systems; using operating procedures and service maintenance methods to meet all federal and state requirements.
- 2. Maintain water and collection systems' integrity.
- 3. Plan and provide for water and collection systems improvements and expansions necessary to meet needs of our owners.

Water Distribution / Wastewater Collection



WATER DISTRIBUTION	
Major Capital Improvements	
Truck #510	\$ 50,000
Park Ave 12" Water Main Replacement Sand Hollow to Vest (Carryover 2022)	250,000
College St 6" Water Main Replacement from Grant to Lafayette	270,000
Risk and Resilience Update	35,000
Water Distribution Master Plan Update	140,000
Total	\$ 745,000

Truck #510**Budget:** \$50,000

Purpose: The truck is a 2006 Ford F-150. This truck is used by meter readers on a daily basis. This unit would be replaced with a compact truck 4x4 model. Once the AMI water meter project is complete the need for this truck will be re-examined and possibly transferred to the IT & Broadband department to replace the need for truck #415. The old unit #510 would be sold.

Duration: Anticipated purchase 2025.

Park Ave 12" Water Main Replacement Sand Hollow to Vest (Carryover 2022)**Budget:** \$250,000

Purpose: This 12" water main was installed in 1971 from East Eastwood St, going south to the bottom of the hill in the Sand Hollow area. This project will extend the original water main with a new 12' water main, continuing south to East Vest St. This will provide a two-way feed to customers on North Park Ave, and the east end of Eastwood. This will also eliminate a dead end and improve flows throughout the area.

Duration: Anticipated completion 2025.

College St. 6" Water Main Replacement from Grant to Lafayette**Budget:** \$270,000

Purpose: This 6" cast iron water main on W. College St, (was installed in sections) between 1930 to 1954. The majority of the installation took place in 1934. This section has failed several times in the past. A new 6" C900 plastic water main would be installed.

Duration: Anticipated completion 2025.

Risk and Resilience Update**Budget:** \$35,000

Purpose: This study is mandated by the EPA. The study will determine MMU's water system vulnerabilities and help to update the Emergency Response Plan. The last study was completed in 2020 and must be updated every five years.

Duration: Anticipated completion 2025.

Water Distribution Master Plan Update

Budget: \$140,000

Purpose: This plan will update water main replacements and additions to MMU's water distribution system. We will also request review and evaluation of the 12" transmission line that runs roughly ten miles from the water treatment plant to the City of Marshall. A Master Plan update must be completed before projects are added to the Owner Supervised Plan (OSP).

Duration: Anticipated completion 2025.

Underground Facilities**2025-2029 Capital Outlay**

PROJECT	TOTAL PROJECT COST	BUDGET 2025	BUDGET 2026	BUDGET 2027	BUDGET 2028	BUDGET 2029
WATER DISTRIBUTION						
AMI Water Meters (Carryover 2024)	\$ 1,500,000	\$ -	\$ -	-	750,000.00	750,000.00
Truck #403 (Approved 2024)	60,000	60,000	-	-	-	-
Paint Water Tower Wet Interior (Approved 2024)	160,000	160,000	-	-	-	-
Remove #2 Reservoir (Carryover 2020)	130,000	-	130,000	-	-	-
North Steet Pump Station (Approved 2022)	3,396,160	830,208	-	-	-	-
Mini Excavator	100,000	-	-	100,000	-	-
Truck #510	50,000	50,000	-	-	-	-
Park Ave 12" Main Replacement Sand Hollow to Vest (Carryover 2022)	250,000	250,000	-	-	-	-
College St. 6" Water Main Replacement from Grant to Lafayette	270,000	270,000	-	-	-	-
Risk and Resilience Update (Five Years)	35,000	35,000	-	-	-	-
Water Distribution Master Plan Update	140,000	140,000	-	-	-	-
Replace 2011 CAT Backhoe	180,000	-	-	-	180,000	-
Replace Skid Steer	70,000	-	-	-	70,000	-
Replace Truck 203	40,000	-	-	-	40,000	-
Replace Truck 322	40,000	-	-	-	40,000	-
Replace Truck 404	40,000	-	-	-	40,000	-
Replace Truck 503	40,000	-	-	-	40,000	-
Rea 6" Main Replacement Brunswick to Sharp	60,000	-	-	-	60,000	-
Owner Supervised Plan (Five Years)	35,000	-	-	-	35,000	-
WATER DISTRIBUTION TOTAL	6,596,160	1,795,208	130,000	100,000	1,255,000	750,000

WASTEWATER COLLECTION	
Major Capital Improvements	
Valves for Southwest Lift Station (Carryover 2020)	\$ 35,000
Trailer Mounted Sewer Jetter	100,000
Recurring Capital Improvements	
Sewer Main Replacement	300,000
Inflow and Infiltration Improvements	150,000
Collection System Rehabilitation (CIPP)	150,000
Total	\$ 735,000

Valves for Southwest Lift Station (Carryover 2020)**Budget:** \$35,000

Purpose: The valves on the two force mains are not working or sealing properly. The new valves would be installed by outside contractors. These valves are installed with special equipment without shutting down the lift stations. These valves will allow us to perform maintenance on the force mains.

Duration: Anticipated completion 2025.**Trailer Mounted Sewer Jetter****Budget:** \$100,000

Purpose: The current unit is a 2016 model with 560.1 hours. This unit will be replaced with a similar model. The old unit will be sold.

Duration: Anticipated completion 2024.**Inflow and Infiltration Improvements****Budget:** \$150,000

Purpose: Based on the Burns & McDonnell 2022 study we will work to develop a plan to correct inflow and infiltration of private sewer laterals and foundation drains.

Duration: Ongoing**Sewer Main Replacement****Budget:** \$300,000

Purpose: Will continue to replace some of the older sewer mains that cannot be improved by the Cured in Place Pipe (CIPP) method. These Mains are often 6" and are in poor condition. We anticipate completing one or two main replacements each year with an estimated total annual cost of \$200,000 - \$300,000.

Duration: Ongoing.

Collection System Rehabilitation (CIPP)**Budget:** \$150,000

Purpose: Will continue to improve the collection system with the Cured in Place Pipe (CIPP) method. This type of rehab will improve a main that is structurally sound, but has cracks, leaking joints, roots, and small holes. Mains rehabbed with CIPP are in excellent condition when finished. This year we are planning to rehab mains from 6" up to 10". The CIPP project will be completed by outside contractors.

Duration: Ongoing.

Underground Facilities

2025-2029 Capital Outlay

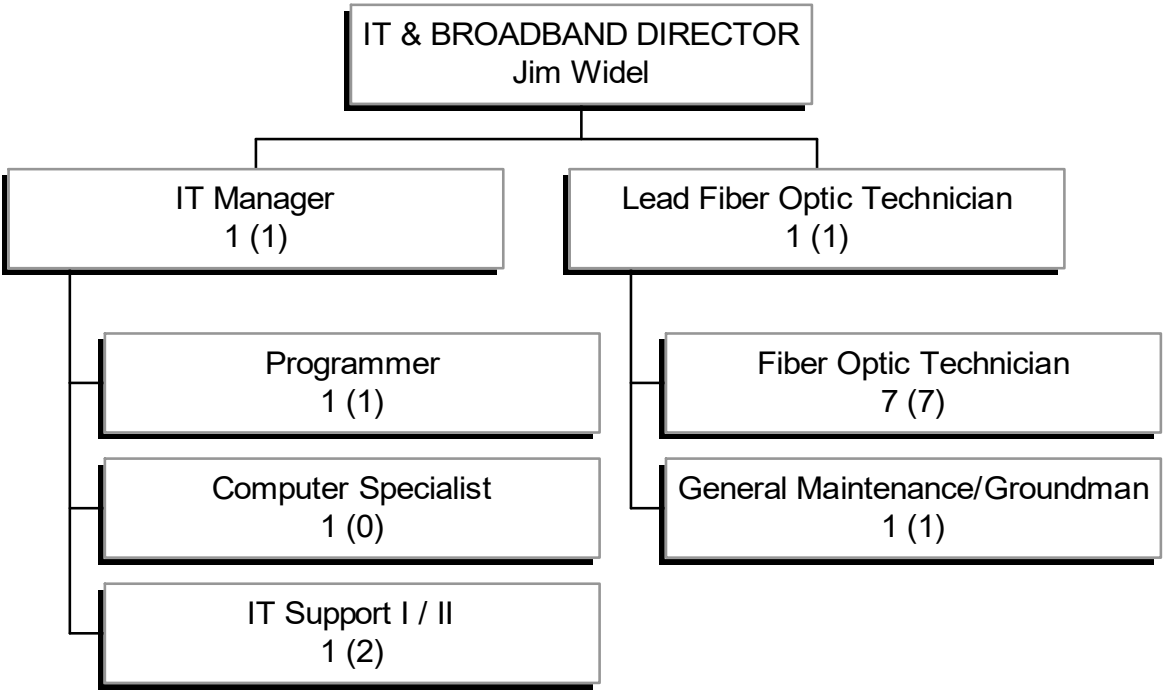
PROJECT	TOTAL PROJECT COST	BUDGET 2025	BUDGET 2026	BUDGET 2027	BUDGET 2028	BUDGET 2029
WASTEWATER COLLECTION						
Valves For Southwest Lift Station (Carryover 2020)	\$ 35,000	\$ 35,000	-	-	-	-
Sewer Jetter	100,000	100,000	-	-	-	-
Inflow and Infiltration Improvements	750,000	150,000	150,000	150,000	150,000	150,000
Sewer Main Replacement	1,500,000	300,000	300,000	300,000	300,000	300,000
Collection System Rehabilitation Using the Cured-in-Place Pipe CIPP Method	750,000	150,000	150,000	150,000	150,000	150,000
WASTEWATER COLLECTION TOTAL	\$ 3,135,000	\$ 735,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000

IT & BROADBAND DEPARTMENT

Mission Statement

Provide reliable and dependable broadband communication services. Develop and support computer software and operations that will enhance MMU’s ability to perform necessary functions.

Information Technology / Broadband



IT & BROADBAND	
Major Capital Improvements	
Broadband Grant #2	\$ 2,520,660
Van #336 (Carryover 2023)	35,000
Truck #415 (Carryover 2023)	45,000
Bucket Truck #342 (Delivery 2028)	200,000
Backyard Machine Trailer & Accessories	35,000
SCADA Upgrade	40,000
Total	\$ 2,875,660

Broadband Grant #2**Budget:** \$2,520,660

Purpose: In October 2021, MMU was awarded \$7,578,843 in grant funding for broadband expansion in a majority of Saline County. In July of 2023 MMU was awarded an additional \$1,032,346 in supplemental funding and one additional year from USDA bringing the total Grant #2 amount to \$8,611,189 with a six-year completion time. In 2024 MMU was allowed to receive 75% reimbursement on all grant #2 submissions instead of having to spend the 25% matching funds first. Contractor began conduit installation in May of 2023.

Duration: USDA completion 2028.**Van #336 (Carryover 2023)****Budget:** \$35,000

Purpose: This is a 2010 Ford cargo van used by the IT & Broadband Director. We would like to replace this van with a similar van.

Duration: Anticipated purchase 2025.**Truck #415 (Carryover 2023)****Budget:** \$45,000

Purpose: This is a 2011 Ford Escape SUV, originally used by the Environmental Service Director and now by IT support staff. Depending on the completion of the water AMI meter project we would like to replace this unit with vehicle #510 from underground facilities. We are currently budgeting for unit #415 in case there is an immediate need to purchase between now and the completion of the AMI water meter project that is being pushed back to budget year 2028 and 2029.

Duration: Anticipated purchase 2025.**Bucket Truck #342****Budget:** \$200,000

Purpose: The current truck should have several years of life left. However, lead times are potential up to five years. We would like to have a replacement sometime around 2028. For the current budget 2025 year we would like to check lead times and proceed with bidding a new unit as appropriate.

Duration: Anticipated purchase 2028.

Backyard Machine Trailer & Accessories**Budget:** \$35,000

Purpose: We had planned to replace the backyard machine in budget year 2026, but needed to make an expedited purchase in 2024 when the old one had problems. If the repairs for the old one are successful, as is expected, we will keep it and use for odd jobs. In order to do that, we'll need another trailer and a limited number of attachments.

Duration: Anticipated purchase 2025.

SCADA Upgrade**Budget:** \$40,000

Purpose: There are two pieces of software for each of MMU's five SCADA servers. One piece provides data to all the clients (HMI to the operators, etc.). This piece was updated for all five SCADA servers in 2024. The other piece has drivers to get the data to and from the field devices. We would like to update this software for the Electric Distribution, Underground Facilities, and Water Treatment Plant servers. The Electric Production server has drivers built into the main software and has already been updated. The Wastewater server does not need this since it gets data from the Underground Facilities server. This should be a simple process of downloading and installing.

Duration: Anticipated completion 2025.

IT & Broadband Department

2025-2029 Capital Outlay

PROJECT	TOTAL PROJECT COST	BUDGET 2025	BUDGET 2026	BUDGET 2027	BUDGET 2028	BUDGET 2029
IT & BROADBAND						
Broadband Grant #2 I.	\$ 10,505,900	\$ 2,520,660	\$ 2,520,660	\$ 2,520,660	\$ 840,215	-
Van #336 (Carryover 2023)	35,000	35,000	-	-	-	-
Truck #415 (Carryover 2023)	45,000	45,000	-	-	-	-
New IT Truck (Approved 2024)	45,000	45,000	-	-	-	-
Backyard Plow (Approved 2024)	44,884	44,884	-	-	-	-
Backyard Machine Trailer & Accessories	35,000	35,000	-	-	-	-
SCADA Upgrade	40,000	40,000	-	-	-	-
Bucket Truck #342 (Order 2025)	200,000	-	-	-	200,000	-
Mini Excavator	100,000	-	100,000	-	-	-
Truck #313	50,000	-	-	50,000	-	-
Replace Fiber Truck #331	42,000	-	-	-	42,000	-
In-Town Expansion & Replacement	200,000	-	-	-	200,000	-
County Expansion II.	600,000	-	-	-	200,000	400,000
Town Overhead to Underground	400,000	-	-	-	-	400,000
IT & BROADBAND TOTAL	\$ 12,342,784	\$ 2,765,544	\$ 2,620,660	\$ 2,570,660	\$ 1,482,215	\$ 800,000

- I.** This project was awarded by USDA for total amount of \$11,111,189, with 25% matching funds and \$8,611,189 in grant funding.
- II.** MMU will look at applying for additional USDA grant funding to expand in additional areas within Saline County, specifically the Napton area. If no grant funding is available MMU will look at developing a long-term capital plan to expand into this area using internal funding.

IT & Broadband Department

Financial Statement

IT & BROADBAND	Actual	Estimated	Budget	Budget	Budget	Projected	Projected	Projected	Projected
Operating Revenues:	2023	2024	2024	2025	%	2026	2027	2028	2029
Charges for Services									
IT 50 Mbps - City Limits	\$ 787,591	\$ 787,946	\$ 790,000	\$ 797,900	1.0%	\$ 857,743	\$ 919,500	\$ 921,339	\$ 923,182
IT 150 Mbps - City Limits	694,429	756,672	720,000	756,000	5.0%	816,480	877,716	882,105	886,515
IT 450 Mbps - City Limits	212,602	235,316	220,000	237,600	8.0%	261,360	287,496	296,121	305,005
IT 50 Mbps - Grant 1	23,325	36,050	36,000	37,080	3.0%	40,046	43,250	43,683	44,119
IT 150 Mbps - Grant 1	28,659	45,542	36,000	38,880	8.0%	43,546	47,900	49,337	50,817
IT 450 Mbps - Grant 1	14,479	24,600	21,000	23,100	10.0%	25,872	28,459	29,313	30,192
IT 50 Mbps - Grant 2	102	5,692	-	26,280	0.0%	45,068	65,540	82,852	101,401
IT 150 Mbps - Grant 2	22	6,026	-	26,460	0.0%	45,646	66,770	84,699	103,246
IT 450 Mbps - Grant 2	10	5,055	-	12,600	0.0%	23,081	33,957	40,391	50,007
Other	111,815	114,477	112,000	114,740	2.4%	116,136	117,550	118,985	120,439
Total Charges for Services	1,873,033	2,017,376	1,935,000	2,070,640	7.0%	2,274,978	2,488,139	2,548,824	2,614,924
Miscellaneous Revenue	91,416	125,577	101,750	103,250	1.5%	100,250	108,125	114,319	115,948
Grant Income	599,739	166,318	2,075,000	3,468,274	67.1%	1,890,495	2,412,205	990,215	300,000
Interest Income	67,983	112,612	70,000	59,500	-15.0%	56,525	53,699	51,014	61,217
Total Operating Revenue	2,632,171	2,421,883	4,181,750	5,701,664	36.3%	4,322,248	5,062,167	3,704,371	3,092,088
Operating Expenses:									
Salaries and Benefits	767,235	915,822	1,013,161	947,261	-6.5%	994,541	1,035,845	1,078,900	1,123,782
Purchased Bandwidth	375,245	382,941	384,000	410,880	7.0%	513,600	642,000	642,000	642,000
Insurance	31,355	38,256	40,000	44,000	10.0%	48,400	53,240	58,564	64,420
Utilities	8,966	10,667	8,500	10,000	17.6%	10,172	10,347	10,526	10,707
Maintenance	39,264	42,880	75,750	67,900	-10.4%	69,500	72,435	76,476	81,209
Supplies	82,468	82,337	80,250	81,240	1.2%	83,850	86,593	89,478	92,511
Depreciation	438,334	445,062	484,000	553,400	14.3%	749,833	946,266	1,087,083	1,259,646
Payment In Lieu Of Taxes	12,222	12,294	20,000	20,000	0.0%	20,000	20,000	20,000	20,000
Other General Expenses	89,304	37,139	43,500	38,200	-12.2%	39,300	40,459	41,681	42,970
Interest Expense	91,256	142,545	130,000	273,746	110.6%	251,570	228,293	203,854	179,511
Total Operating Expense	1,935,649	2,109,941	2,279,161	2,446,627	7.3%	2,780,765	3,135,479	3,308,562	3,516,757
Operating Income (Loss)	\$ 696,523	\$ 311,942	\$ 1,902,589	\$ 3,255,037	71.1%	\$ 1,541,482	\$ 1,926,688	\$ 395,810	\$ (424,668)

Grant Income: In 2024 USDA approved MMU to receive 75% grant funds for all project submissions versus having to spend the first 25% matching funds.

Salaries and Benefits: MMU has budgeted for a 4% annual wage increase for budget year 2025. Employee benefits for the 2025 budget year are expected to increase as follows (Medical 15%; Dental 6%; Vision 3%; Disability & Life: 20%). The decrease in budget year 2025 over 2024 is due to correction in wage/benefit allocations and comp time.

Purchased Bandwidth: In August of 2024 MMU increased bandwidth, which will increase cost 7% in budget year 2025. With the expansion into Saline County, we are anticipating a 25% increase in budget year 2026 and another 25% increase in budget year 2027.

Insurance: MMU is anticipating a 10% increase to our general liability insurance for budget year 2025.

Interest Expense: For budget year 2025 MMU has budgeted interest expense in relation to MPUA financing of the new Administrative and IT Broadband building.

Projected 2026: MMU will look at a possible 7% increase in customer rates. This would Increase revenues by \$134,000 annually.

Projected 2027: Depending on bandwidth cost MMU will look at an additional 7% increase in customer charges. This would increase review by an estimated \$144,000 annually.

Annual Operating Budget

Fiscal Year 2024-2025

IT & Broadband Department

Statement of Financial Position

	Actual <u>2023</u>	Estimated <u>2024</u>	Budget <u>2024</u>	Budget <u>2025</u>	Projected <u>2026</u>	Projected <u>2027</u>	Projected <u>2028</u>	Projected <u>2029</u>
IT & BROADBAND								
Operating Revenue	\$2,632,171	\$2,421,883	\$4,181,750	\$5,701,664	\$4,322,248	\$5,062,167	\$3,704,371	\$3,092,088
Operating Expense	1,935,649	2,109,941	2,279,161	2,446,627	2,780,765	3,135,479	3,308,562	3,516,757
Net Income (Loss)	696,523	311,942	1,902,589	3,255,037	1,541,482	1,926,688	395,810	(424,668)
Add: Depreciation	438,334	445,062	484,000	553,400	749,833	946,266	1,087,083	1,259,646
Less: Equity Payments to Electr	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Less: Loan Principal Payments	(2,369,623)	183,688	200,000	316,977	370,033	389,719	410,570	432,121
USDA Principal Payments	(575,000)	90,891	70,000	111,700	115,097	118,598	122,205	16,509
Less: Capital Projects	2,166,123	1,555,681	2,220,000	2,765,544	2,620,660	2,570,660	1,482,215	800,000
Increase (Decrease) in Working Capital	1,793,357	(1,193,255)	(223,411)	494,216	(934,475)	(326,023)	(652,097)	(533,652)
Cash Operating & Reserve Funds								
	Actual <u>2023</u>	Estimated <u>2024</u>	Budget <u>2024</u>	Budget <u>2025</u>	Projected <u>2026</u>	Projected <u>2027</u>	Projected <u>2028</u>	Projected <u>2029</u>
Beginning Cash								
Operating Fund	425,558	2,218,915	1,633,046	1,633,046	2,127,262	1,192,787	866,765	214,668
Reserve - Grant 1 Fund	-	150,280	-	-	-	-	-	-
Reserve - Grant 2 Fund	-	457,107	-	-	-	-	-	-
Total Beginning Cash	425,558	2,826,302	1,633,046	1,633,046	2,127,262	1,192,787	866,765	214,668
Working Capital	1,793,357	(1,193,255)	(223,411)	494,216	(934,475)	(326,023)	(652,097)	(533,652)
Total Ending Cash	2,218,915	1,633,046	1,409,635	2,127,262	1,192,787	866,765	214,668	(318,984)
Cash Reserve Policy								
Minimum	78,834	4,368,121	4,368,121	2,102,463	1,767,863	1,408,926	1,614,960	1,463,303
Over (under)	2,140,081	(2,735,075)	(2,958,486)	24,799	(575,076)	(542,161)	(1,400,292)	(1,782,287)
Maximum	1,797,638	4,790,898	4,790,898	2,657,124	2,425,500	2,159,974	2,414,275	2,293,646
Over (under)	\$421,277	(\$3,157,852)	(\$3,381,263)	(\$529,862)	(\$1,232,713)	(\$1,293,209)	(\$2,199,607)	(\$2,612,630)

NATURAL GAS DEPARTMENT

Natural Gas Department

Financial Statement

NATURAL GAS DEPARTMENT	Actual	Estimated	Budget	Budget	Budget	Projected	Projected	Projected	Projected
Operating Revenues:	2023	2024	2024	2025	%	2026	2027	2028	2029
Charges for Services									
Transportation	\$ 276,021	\$ 275,646	\$ 276,000	\$ 276,000	0.0%	\$ 278,760	334,512	401,414	481,697
Total Charges for Services	276,021	275,646	276,000	276,000	0.0%	278,760	334,512	401,414	481,697
Miscellaneous Revenue	9,444	(3,297)	4,000	-	0.0%	-	-	-	-
Interest Income	24,776	22,596	6,000	10,000	66.7%	9,800	9,996	10,296	10,708
Total Operating Revenue	310,241	294,945	286,000	286,000	0.0%	288,560	344,508	411,710	492,405
Operating Expenses:									
Salaries and Benefits	42	-	-	-	0.0%	-	-	-	-
Insurance	2,105	2,214	2,200	2,420	10.0%	2,662	2,928	3,221	3,543
Utilities	4,266	4,183	4,500	4,200	-6.7%	4,362	4,532	4,709	4,895
Maintenance	66,297	51,876	53,500	51,250	-4.2%	53,750	56,375	59,131	62,025
Supplies	1,474	50	1,400	1,300	-7.1%	1,303	1,306	1,309	1,312
Depreciation	257,423	257,423	258,066	258,066	0.0%	258,066	258,066	258,066	258,066
Other General Expenses	1,609	3,495	1,500	2,700	80.0%	2,800	2,905	3,015	3,131
Total Operating Expense	333,215	319,241	321,166	319,936	-0.4%	322,943	326,112	329,452	332,973
Operating Income (Loss)	\$ (22,974)	\$ (24,296)	\$ (35,166)	\$ (33,936)	-3.5%	\$ (34,383)	18,396	82,258	159,432

Projected 2027: MMU is budgeting additional revenue due to the addition of the MEC generation units that are scheduled to be completed in 2026.

Natural Gas Department

Statement of Financial Position

	Actual 2023	Estimated 2024	Budget 2024	Budget 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Natural Gas Department								
Operating Revenue	\$ 310,241	294,945	286,000	286,000	288,560	344,508	411,710	492,405
Operating Expense	333,215	319,241	321,166	319,936	322,943	326,112	329,452	332,973
Net Income (Loss)	(22,974)	(24,296)	(35,166)	(33,936)	(34,383)	18,396	82,258	159,432
Add: Depreciation	257,423	257,423	258,066	258,066	258,066	258,066	258,066	258,066
Less: Transfer to Electric	850,000	200,000	200,000	250,000	300,000	350,000	400,000	450,000
Increase (Decrease) in Working Capital	(615,551)	33,127	22,900	(25,870)	(76,317)	(73,538)	(59,676)	(32,502)

Cash Operating & Reserve Funds

	Actual 2023	Estimated 2024	Budget 2024	Budget 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Beginning Cash								
Operating Fund	933,808	337,449	337,449	366,349	346,249	275,702	207,934	154,028
Reserve Fund	5,507	5,770	6,000	5,770	5,770	5,770	5,770	5,770
Total Beginning Cash	939,315	343,219	343,449	372,119	352,019	281,472	213,704	159,798
Working Capital	(615,551)	33,127	22,900	(25,870)	(76,317)	(73,538)	(59,676)	(32,502)
Total Ending Cash	323,764	376,346	366,349	346,249	275,702	207,934	154,028	127,296

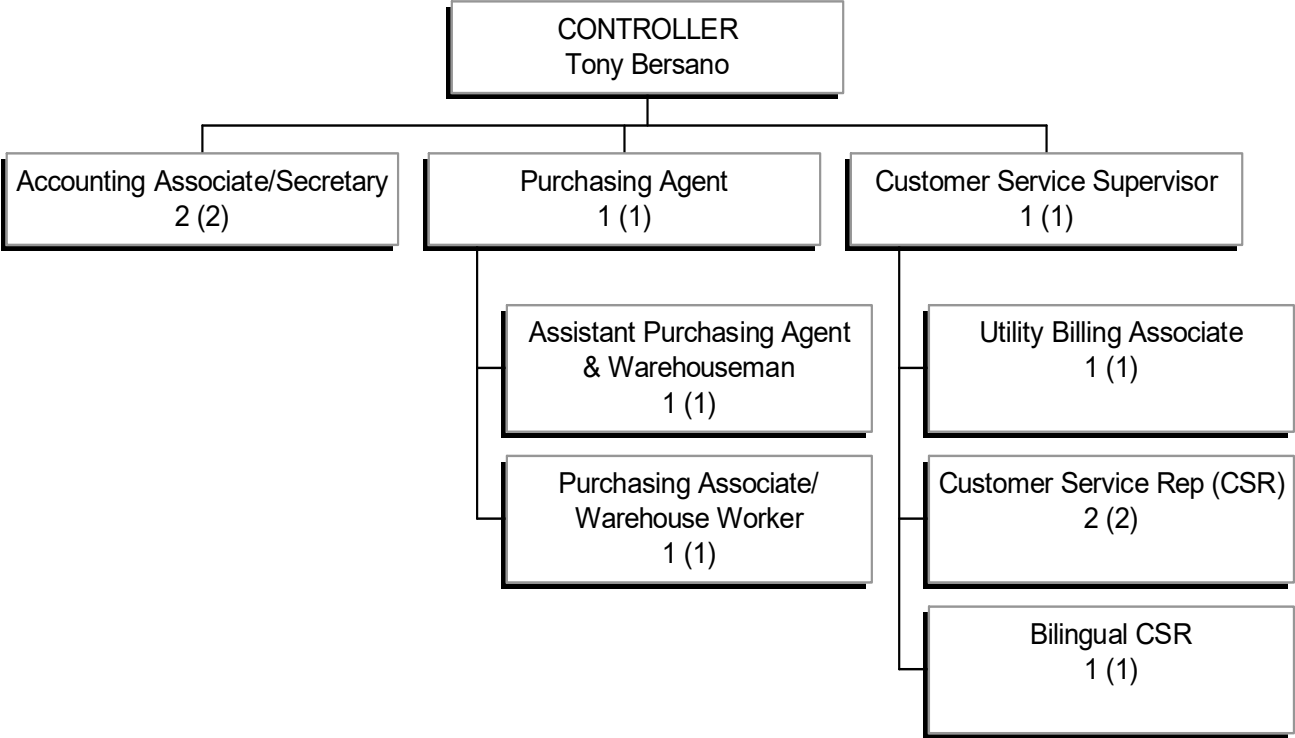
Cash Reserve Policy

Minimum	158,074	89,637	89,637	90,134	89,686	89,942	90,333	90,745
Over (under)	165,690	286,709	276,712	256,115	186,016	117,992	63,695	36,551
Maximum	179,296	112,741	112,741	114,730	112,936	113,960	115,524	117,173
Over (under)	\$ 144,468	\$ 263,605	\$ 253,608	\$ 231,519	\$ 162,766	\$ 93,974	\$ 38,504	\$ 10,123

ADMINISTRATIVE SERVICES

Mission Statement

Provide accurate billing on a timely basis to customers for the services they use. Handle requests from customers in a friendly and efficient manner. Provide accountability for the funds entrusted to MMU.



ADMINISTRATIVE SERVICES		
Major Capital Improvements		
Administrative and IT Broadband Building	\$	6,300,000

Administrative and IT Broadband Building

Budget: \$6,300,000

Purpose: The growth of our IT & Broadband Department has created the need to expand some facilities. In addition to needing more room, we need to consolidate staff in this department into one location. The construction of a new administrative building, including a shop area for IT field staff, would support this continued growth.

With the demolition of the power plant completed in 2022 we are looking at building an administrative building at this site. This new administrative building would house the administrative, customer service and IT staff. The building would possibly allow two drive-thru lanes to shorten customer wait time. The building would have a hardened room to protect IT and broadband equipment that supplies broadband internet to the city and county, as well as the servers involved in operation of the utility. This building would also include a board room constructed to allow enough room for guests, hard-wired to allow presentations, and have the ability to broadcast live streams of board meetings to the public.

In 2024, MMU selected SOA Architecture for the design and supplemental services for a new Administrative and IT Broadband building for a total cost of \$74,860. The next step in the process would be for MMU to work with SOA Architecture in selecting contractors and beginning the construction phase. In financing a project of this size management is recommending that MMU take advantage of the MPUA finance program. MMU is estimating a 15-year term at a five percent interest rate through MPUA finance. The cost allocation for this project was based on square footage with costs broken out by departments below.

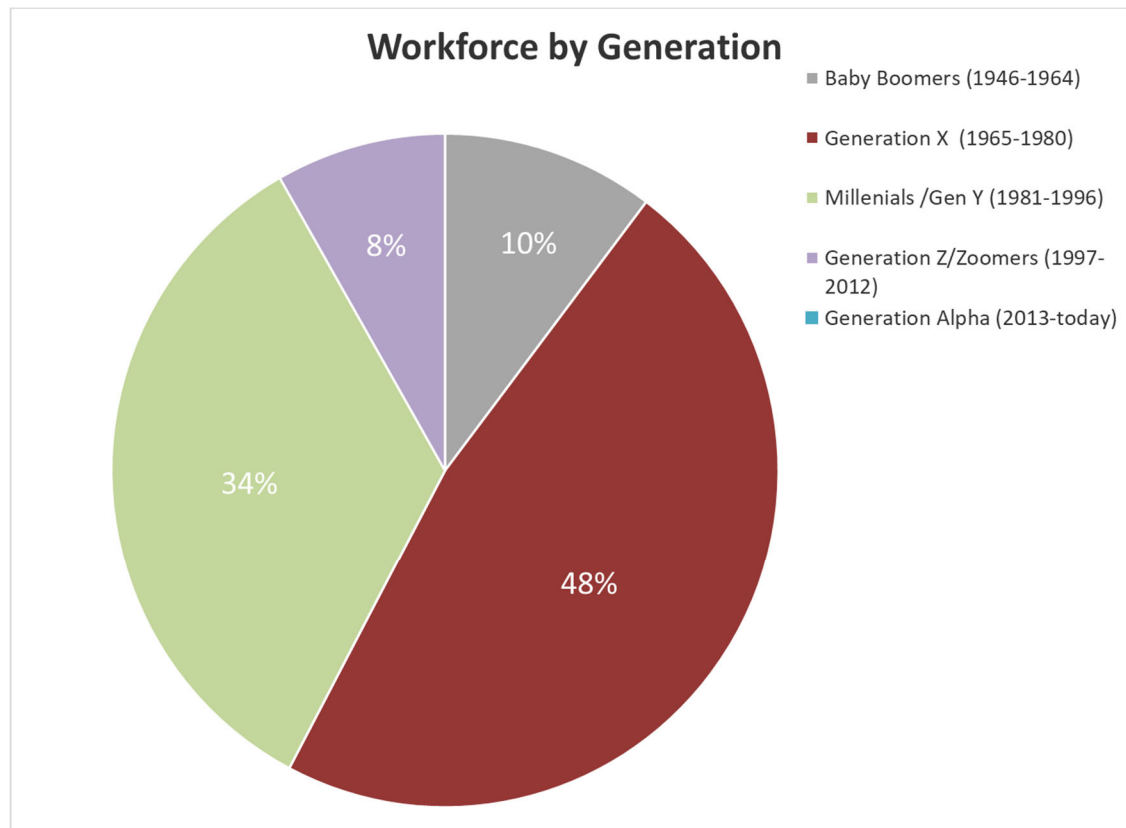
Department	Allocation	Cost	Estimated Annual Payment
Electric Department	29%	\$1,804,427	\$171,228
Water Department	14%	902,213	86,196
Wastewater Department	9%	541,328	51,720
IT & Broadband Department	48%	3,052,032	291,600
MPUA Financing	100%	\$6,300,000	\$600,744

Duration: Anticipated completion 2026.

PERSONNEL OVERVIEW:

As of 7/26/24:	Authorized Positions	Authorized Overage (Temp)	Vacancies	Headcount
Administration	4			4
Administrative Services	11			11
Electric Distribution	18	1		19
Electric Production	17	1		18
IT & Broadband	14			14
Underground Facilities	20		1	19
Wastewater Treatment	6			6
Water Treatment	6			6
TOTAL	96	2	1	97

- ⇒ Open positions(s):
- UF general maintenance/meter reader (1)
- ⇒ Overages/surplus FTE staffing (temporary until FTE loss through attrition):
- Electric Distribution Lineman/Meter Technician (1)
 - Electric Production Systems Maintenance Mechanic (1)



LAGERS:

