

MARSHALL MUNICIPAL UTILITIES

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September 29, 2016

Board of Public Works
Marshall Municipal Utilities
Marshall, MO 65340

Gentlemen:

The proposed 2016-17 Budget for the Water, Electric, Wastewater, Internet, and Natural Gas Departments of Marshall Municipal Utilities is hereby submitted for your consideration. The budget, as presented, reflects an increase in water revenue of 10% effective January 1, 2017. No other rate increases are projected at this time.

The budget projects operating revenues and other income of \$28,238,000 based on minimum growth in all departments. Operating expenses and interest expenses are projected to total \$23,940,000 and capital improvements of \$11,475,000. Current operations and capital improvements will result in a projected decrease of \$7,177,000 in reserves.

The budget includes eight significant capital expenditure items:

1. Replacement of the Warehouse.
2. Replacement of the shop/garage at the Wastewater Treatment Plant.
3. Water Treatment Plant construction to address a THM issue.
4. Replacement of the North English sewer lift station.
5. Installation of stirring equipment in the Water Tower and #3 Reservoir.
6. Replacement of the MIOX generators at the Water Plant over a two year schedule.
7. Replacement of water and electric meters over 2 to 5 years.
8. Establish and fund an Electric Power Plant decommissioning reserve.

Also included are estimates for several other items that bear mentioning.

- * Replacement of the CO₂ tank at the Water Treatment Plant
- * Replacement of meters at various locations at the Water Treatment Plant
- * Replacement of blowers at the Waste Water Treatment Plant
- * Replacement of the spreader truck at the Waste Water Treatment Plant

PROVIDING HOMETOWN RELIABILITY

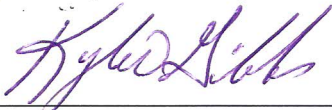


ELECTRIC / WATER / WASTEWATER / INTERNET

The list of major projects attached to this budget includes significant future projects as a reminder of things we expect to see.

This budget reflects our best assumptions and guesses as to revenues and expenses for the next year. As we go through the year, it is likely that some of our assumptions will not prove to be valid. For this reason, we will need to remain watchful of our financial situation.


Respectfully submitted,



Kyle D. Gibbs
General Manager

BOARD OF PUBLIC WORKS

Approved this 29 day of SEPTEMBER 2016



Spencer Fricke, President