



**ANNUAL BUDGET
FISCAL YEAR 2025-2026**



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MARSHALL, MISSOURI 65340-2198

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August 26, 2025

Board of Public Works
Marshall Municipal Utilities
Marshall, MO 65340

Gentlemen:

The proposed 2025–2026 Budget for the Electric, Water, Wastewater, IT & Broadband, and Natural Gas Departments of Marshall Municipal Utilities is submitted for your consideration. The budget includes a 5% increase to water and internet rates. These increases are to help fund major infrastructure improvements at the Water Treatment Plant beginning in 2027 and to address rising plant operating costs. The internet increase will help offset capital costs of constructing a new building to accommodate the growing IT & Broadband staff, which is currently housed within the Electric Distribution building. No rate changes are proposed for any other departments.

Marshall Municipal Utilities' operating revenue and other income of \$35,616,181 is based on minimum growth in all departments. MMU's operating expense, less depreciation, is projected to total \$30,464,682 with capital improvements of \$9,279,224. A decrease in working capital is projected for all departments. Wholesale power costs are forecast to remain fairly stable for fiscal year 2026.

The budget includes several significant capital expenditure items:

- Continued work on the Miami #1 substation switchgear replacement. Due to lead times this project is expected to be completed in 2027.
- Wastewater will start work on replacing the belt filter presses and the sludge conveyor. This equipment was put into service in 1993. These projects have a total budgeted cost of \$3,500,000 and are expected to be completed in 2027.
- Underground Facilities will continue working on water main replacement projects as MMU was able to purchase \$630,000 of water main materials using MODNR grant funds.
- Beginning planning for replacement of the 12" inch water transmission line from the Water Treatment Plant to Marshall.
- Continued work on second USDA broadband grant to extend fiber to the home to rural areas of Saline County.
- Planning and construction of a new IT & Broadband facility that will include offices for Administration. This would be located at the old Marshall Power Plant location on W. North St.

PROVIDING HOMETOWN RELIABILITY



ELECTRIC / WATER / WASTEWATER / INTERNET

American Public Power Association

Each department's budget also outlines future capital outlays, with cost estimates and anticipated timelines. Within the Water Department, MMU is working with Burns & McDonnell Engineering to evaluate and plan for several major infrastructure projects at the Water Treatment Plant and the replacement of the 12" water transmission line that runs from the Water Treatment Plant to the City of Marshall.

The addition of the Marshall Energy Center will provide additional income, but the first phase is not projected to be in service until 2027. MMU will not include this income in its budget until MMU staff has a better handle on those amounts.

MMU also anticipates receiving an increase in the capacity credits it receives for its generating units. Because this increase will be phased in, and no formal plan has been finalized, this revenue increase is not included in the budget.

Staff continues to refine long-term planning and project scheduling to align with budgeted cash flows. However, supply chain issues and third-party delays remain challenges that can impact project timing.

This budget reflects our best estimates of revenues and expenses for the upcoming year. As always, unforeseen issues may arise, and staff will monitor the finances of each department closely ensuring that we not only meet the needs of this budget year, but also maintain stability for future budgets.

Respectfully submitted,

/s/ 

Jeff Bergstrom
General Manager

By action at its August 27th 2025 meeting, the Board of Public Works recommends approval

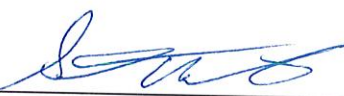
_____ of the 2025-2026 Budget.

/s/ 

President

Date 8/28/25

Attest:

/s/ 

Secretary (or other title)

Date 8/28/25

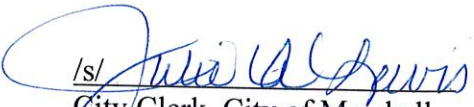
Approved by the City Council of the City of Marshall by Ord. # 8898



Mayor, City of Marshall

Date 9/22/2025

Attest:

/s/ 

City Clerk, City of Marshall

Date 9/22/25

ORDINANCE NO. # 8898

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") has prepared and submitted to the City Council a proposed budget for the coming fiscal year beginning October 1, 2025, and ending September 30, 2026;

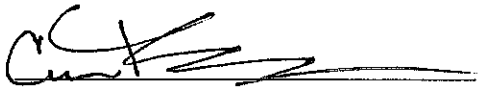
WHEREAS, the City's Code of Ordinances require the City Council to approve the Board's annual budget.

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, 2025, and ending September 30, 2026, 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 City Council.

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

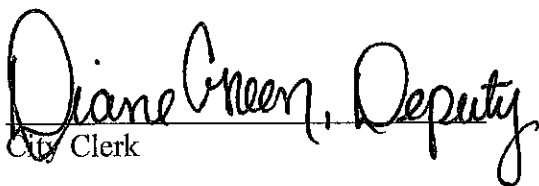
PASSED by the Council of the City of Marshall, Missouri, this ___ day of _____, 2025.


President of City Council

APPROVED by the Mayor this 16th day of Sept, 2025.


Mayor

FILED this 16th day of Sept, 2025.


City Clerk

Marshall Municipal Utilities

BOARD OF PUBLIC WORKS

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

MARSHALL CITY COUNCIL

Craig Thompson,	Mayor
John Allen Jr,	Ward I
Drew Green,	Ward I
Jim Papreck,	Ward II
Nathan Swisher,	Ward II
Dan Brandt,	Ward III
Jeremy Gibson,	Ward III
Carter Fawkes,	Ward IV
Harold Simmons,	Ward IV

DIRECTORS

Jeff Bergstrom,	General Manager
Megan Baldrige,	People, Risk & Outreach
Tony Bersano,	Administrative Services
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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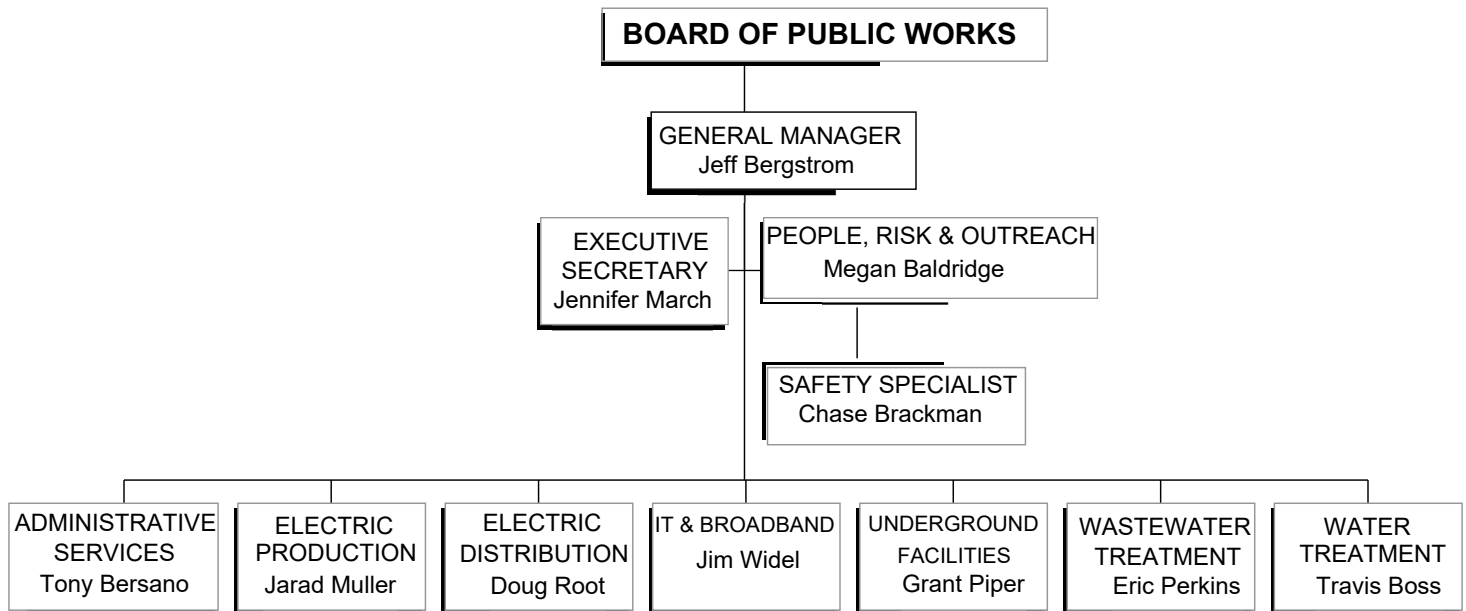
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MARSHALL MUNICIPAL UTILITIES

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**2026-2030 Capital Outlay Summary**

MARSHALL MUNICIPAL UTILITIES	TOTAL PROJECT COST	BUDGET 2026	BUDGET 2027	BUDGET 2028	BUDGET 2029	BUDGET 2030
ELECTRIC PRODUCTION	\$ 1,161,000	\$ 435,000	\$ 350,000	\$ 51,000	\$ 30,000	\$ 295,000
ELECTRIC DISTRIBUTION	5,887,345	1,669,484	1,271,085	1,015,588	700,000	1,030,000
ELECTRIC DEPARTMENT TOTAL	7,048,345	2,104,484	1,621,085	1,066,588	730,000	1,325,000
WATER TREATMENT PLANT	805,000	150,000	145,000	120,000	120,000	270,000
WATER DISTRIBUTION	10,456,000	810,000	4,520,000	4,446,000	304,000	376,000
WATER DEPARTMENT TOTAL	11,261,000	960,000	4,665,000	4,566,000	424,000	646,000
WASTEWATER PLANT	4,180,000	1,850,000	1,785,000	90,000	165,000	290,000
WASTEWATER COLLECTION	650,000	50,000	50,000	50,000	250,000	250,000
WASTEWATER DEPARTMENT TOTAL	4,830,000	1,900,000	1,835,000	140,000	415,000	540,000
IT & BROADBAND DEPARTMENT	11,131,695	4,474,740	4,506,994	907,961	442,000	800,000
ADMINISTRATIVE SERVICES	6,300,000	6,300,000	-	-	-	-
TOTAL	\$40,571,040	\$ 15,739,224	\$ 12,628,079	\$ 6,680,549	\$ 2,011,000	\$ 3,311,000

Marshall Municipal Utilities

Statement of Financial Position

	Actual 2024	Estimated 2025	Budget 2025	Budget 2026	Budget % Difference
Electric Department					
Operating Revenue	\$ 19,815,255	\$ 21,683,468	\$ 21,004,178	\$ 21,028,103	0.1%
Operating Expense	20,517,080	20,892,745	22,559,451	22,878,770	1.4%
Net Income	(701,825)	790,723	(1,555,273)	(1,850,667)	19.0%
Add: Depreciation And Amortization	1,087,201	1,094,457	1,215,400	1,635,275	34.5%
Add: Loan payments from:					
Water Dept	290,202	286,000	410,468	232,164	-43.4%
Wastewater Dept	(505,144)	732,000	840,222	422,308	-49.7%
IT Broadband Dept	200,948	200,000	613,821	491,953	-19.9%
City of Marshall	217,861	220,000	279,492	253,969	-9.1%
	203,867	1,438,000	2,144,003	1,400,394	
Less: Loan Payments to:					
MPUA	-	-	291,378	152,257	-47.7%
Add: Transfer payments from:					
IT & Broadband	120,000	120,000	120,000	120,000	0.0%
Natural Gas	200,000	400,000	250,000	300,000	20.0%
	320,000	520,000	370,000	420,000	
Less: Capital Projects	982,336	4,470,103	3,939,600	2,104,484	-46.6%
Increase (Decrease) in Working Capital	(73,093)	(626,923)	(2,056,848)	(651,739)	-68.3%
Water Department					
Operating Revenue	\$ 4,450,548	\$ 8,623,908	\$ 6,102,768	\$ 4,790,609	-21.5%
Operating Expense	4,907,546	5,107,278	5,229,498	5,332,574	2.0%
Net Income	(456,998)	3,516,630	873,270	(541,966)	-162.1%
Add: Depreciation And Amortization	744,542	782,309	815,000	855,000	4.9%
Less: Loan Principal Payments	290,202	306,725	410,468	232,164	-43.4%
Less: Capital Projects	3,346,406	1,230,607	2,317,019	800,000	-65.5%
Increase (Decrease) in Working Capital	(3,349,064)	2,761,607	(1,039,217)	(719,130)	-30.8%
Wastewater Department					
Operating Revenue	3,924,689	4,109,469	3,888,100	3,898,385	0.3%
Operating Expense	3,433,193	3,861,342	3,907,133	3,968,540	1.6%
Net Income	491,496	248,128	(19,033)	(70,156)	268.6%
Add: Depreciation And Amortization	716,701	1,161,887	1,186,000	1,258,900	6.1%
Less: Loan Principal Payments	(505,144)	422,308	318,973	422,308	32.4%
Less: Capital Projects	2,223,351	1,484,003	1,305,000	1,900,000	45.6%
Increase (Decrease) in Working Capital	(510,010)	(496,297)	(457,006)	(1,133,564)	148.0%

Marshall Municipal Utilities

Statement of Financial Position

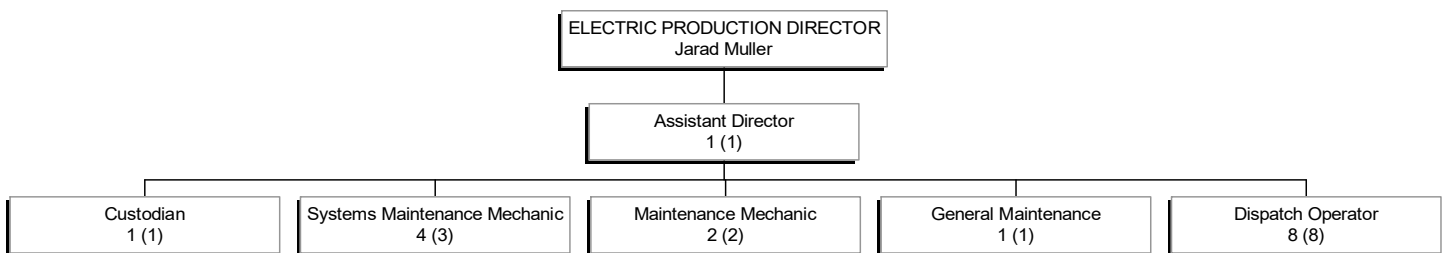
	Actual 2024	Estimated 2025	Budget 2025	Budget 2026	Budget % Difference
IT & Broadband Department					
Operating Revenue	\$ 2,400,474	\$ 3,589,022	\$ 5,701,664	\$ 5,610,324	-1.6%
Operating Expense	2,097,958	2,025,957	2,446,627	2,458,846	0.5%
Net Income	302,516	1,563,065	3,255,037	3,151,478	-3.2%
Add: Depreciation And Amortization	445,407	419,804	553,400	490,400	-11.4%
Less: Transfer to Electric	120,000	120,000	120,000	120,000	0.00%
Less: Capital Projects	1,618,914	2,486,201	2,765,544	4,474,740	61.8%
Less: Loan Principal Payments	200,948	218,677	316,977	491,953	55.2%
USDA Loan Principal Payments	88,478	110,035	111,700	98,329	-12.0%
Increase (Decrease) in Working Capital	(1,280,416)	(952,044)	494,216	(1,543,144)	-412.2%
Natural Gas Department					
Operating Revenue	299,050	284,465	286,000	288,760	1.0%
Operating Expense	312,890	275,512	319,936	260,581	-18.6%
Net Income	(13,840)	8,954	(33,936)	28,179	-183.0%
Add: Depreciation And Amortization	257,423	208,216	258,066	195,054	-24.4%
Less: Transfer to Electric	850,000	400,000	250,000	250,000	0.0%
Increase (Decrease) in Working Capital	\$ (606,416)	\$ (182,829)	\$ (25,870)	\$ (26,767)	3.5%
Marshall Municipal Utilities					
Total Operating Revenue	30,890,016	38,290,333	36,982,710	35,616,181	-3.7%
Total Operating Expense	31,268,667	32,162,833	34,462,645	34,899,311	1.3%
Total Net Income	(378,651)	6,127,500	2,520,065	716,870	-71.6%
Add: Total Depreciation	3,251,275	3,666,673	4,027,866	4,434,629	10.1%
Add: Total Payments					
Paid To Electric City	217,861	220,000	279,492	253,969	-9.1%
Paid To Electric MMU	306,006	1,738,000	2,234,511	1,566,425	-29.9%
	523,867	1,958,000	2,514,003	1,820,394	
Less: Total Loan Payments					
Paid From Electric	-	-	291,378	152,257	
Paid From Water	290,202	306,725	410,468	232,164	-43.4%
Paid From Wastewater	(505,144)	422,308	318,973	422,308	32.4%
Paid From IT & Broadband	200,948	218,677	316,977	491,953	55.2%
Paid From IT & Broadband USDA	88,478	110,035	111,700	98,329	-12.0%
	74,484	1,057,745	1,449,496	1,397,011	
Less: Total Transfer Payments					
Paid From IT & Broadband	120,000	120,000	120,000	120,000	0.0%
Paid From Natural Gas	850,000	400,000	250,000	250,000	0.0%
	970,000	520,000	370,000	370,000	
Less: Total Capital Projects	8,171,007	9,670,914	10,327,163	9,279,224	-10.1%
Increase (Decrease) in Working Capital	\$ (5,818,999)	\$ 503,514	\$ (3,084,725)	\$ (4,074,344)	32.1%

ELECTRIC DEPARTMENT

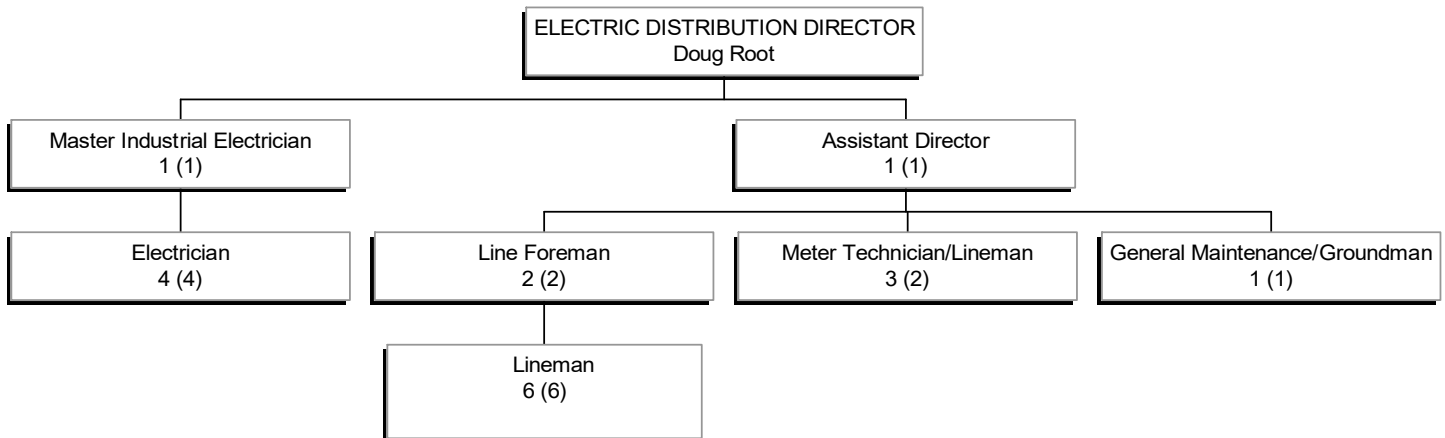
Mission Statement

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	
Replace Governors for Units #10 and #11 (Carryover 2025)	\$ 200,000
Balance Units #10 and #11 (Carryover 2025)	25,000
Replace A/C unit for Unit #6 Control Room	20,000
Replace Unit #6 Batteries	65,000
Unit #6 Roof and Gutters	30,000
New Electric Gate Benton Building	25,000
Total	\$ 365,000

Replace Governors for Units #10 & #11 (Carryover 2025)

Budget: \$200,000

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

Duration: Anticipated completion 2026.

Balance Units #10 & #11 (Carryover 2025)

Budget: \$25,000

Purpose: Balancing units #10 & #11 is something we have had done a couple of times in the past. Cooper Machinery Services LLC 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.

Replace A/C unit for Unit #6 Control Room

Budget: \$20,000

Purpose: The A/C unit for the control room of unit #6 was replaced in 2004. The last couple of summers the unit has struggled to keep the control room cool. The control room houses the PLC and all the controls for the unit.

Duration: Anticipated completion 2026.

Replace Unit #6 Batteries

Budget: \$65,000

Purpose: The battery bank in unit #6 was last replaced in 2004. This last year a couple of bad cells have been found during regular monthly testing. These are getting into the later part of their lifespan, and it would be good to get them replaced before we have too many more cells go bad.

Duration: Anticipated completion 2026.

Unit #6 Roof and Gutters**Budget:** \$30,000

Purpose: The metal roof and gutters on the unit 6 building are in very bad shape. The roof panels have to be removed to do overhauls or other major work on the unit, and over the years this constant removing and reinstalling has been hard on the roof panels and the gutters. The roof portion of this project we would do with inhouse labor.

Duration: Anticipated completion 2026.

New Electric Gate Benton Building**Budget:** \$25,000

Purpose: The gate on the north side of the Benton building is used to access the public RV dump station. We also have contractors that store equipment and materials in the back lots and they come and go at different hours. This electric gate would allow the operator in the control room to be able to open the gate for RV dumps or contractors. This would allow us to keep better track of who is in the facility.

Duration: Anticipated completion 2026.

ELECTRIC DISTRIBUTION	
Major Capital Improvements	
Miami #2 Substation Breaker/Relay Testing	\$ 40,000
Replace Truck #303	400,000
Replace Gator	35,000
Electric Distribution Building Maintenance	45,000
Recurring Capital Improvements	
Convert Overhead Single Phase in Walkway Easements to Underground	150,000
Contract Tree Trimming/Brush Spraying	175,000
Total	\$ 845,000

Miami #2 Substation Breaker/Relay Testing

Budget: \$40,000

Purpose: Miami #2 Substation was completed in 2003; it has one 2,000-amp main breaker and one 2,000-amp switchgear tie breaker. It also has five 1,200-amp feeder/generator breakers along with several Sweitzer transmission and distribution relays. We would like to have the breakers and relays tested to ensure correct operation. This project would be scheduled for fall of 2025 or spring of 2026.

Duration: Anticipated completion 2026.

Replace Truck #303

Budget: \$400,000

Purpose: This truck is a 2005 47ft digger derrick. It is one of two line trucks in Electric Distribution. This digger derrick is used to install poles and anchors; it is also used to install pad and pole mount transformers and other distribution equipment. Altec continues to estimate 24 to 60-month deliveries. We planned to replace this truck during the 2027 budget year but with extended lead times we should move the purchase of a new digger derrick up and hopefully avoid delays. We would like to replace this unit with a similar unit; the old unit would then be sold.

Duration: Anticipated delivery 2028.

Replace Gator

Budget: \$35,000

Purpose: This unit is a 2006 John Deere Gator. It is used to spray substation lots and other MMU properties. It is also used on other distribution projects for hauling tools and material. We would like to replace this unit with a similar unit that has four-wheel drive. The old unit would then be sold.

Duration: Anticipated purchase 2026.

Electric Distribution Building Maintenance**Budget:** \$45,000

Purpose: The Electric Distribution building was completed in 2000. The office area has three offices, a breakroom, and conference room. Several of the exterior doors have rusted and do not close properly. The closers and panic bars have been worked on several times. Also, the windows allow air infiltration and are not energy efficient. Replacing these doors and windows would make this building more energy efficient and save on energy cost.

Duration: Anticipated completion 2026.**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. We are requesting easements in the area between Benton and Highland Ct. north of College St. Once easements are signed, we plan to complete this area. In 2026 we will complete the 900, 1000, and 1100 blocks of Sunrise and Whippoorwill along with the 800 block of E Rea. If time allows, we plan to continue moving east between Whippoorwill and Red Wing.

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

Purpose: We are currently on the third 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

2026-2030 Capital Outlay

PROJECT	TOTAL PROJECT COST	BUDGET 2026	BUDGET 2027	BUDGET 2028	BUDGET 2029	BUDGET 2030
ELECTRIC PRODUCTION						
Skid-Steer Loader (Approved 2025) *	\$ 50,000	\$ 50,000	-	-	-	-
Recycle Building Heat (Approved 2025)	20,000	20,000	-	-	-	-
Replace Governors for Unit #10 and #11 (Carryover 2025)	200,000	200,000	-	-	-	-
Balance Units #10 & #11 (Carryover 2025)	25,000	25,000	-	-	-	-
Replace A/C unit for Unit #6 Control Room	20,000	20,000	-	-	-	-
Replace Batteries Unit #6	65,000	65,000	-	-	-	-
Unit #6 Roof & Gutters	30,000	30,000	-	-	-	-
New Electric Gate Benton Building	25,000	25,000	-	-	-	-
Replace Insulation Unit #6	150,000	-	150,000	-	-	-
New Shop Truck	65,000	-	65,000	-	-	-
Forklift **	40,000	-	40,000	-	-	-
Retrofit #4 Cooling Tower Basin for Storage **	80,000	-	80,000	-	-	-
NESHAP RICE Testing Units #7,#8, and #9	15,000	-	-	15,000	-	-
New Concrete at Recycle Center	36,000	-	-	36,000	-	-
NESHAP RICE Testing Units #10 & #11	15,000	-	15,000	-	-	-
Cover Over Loading Dock	30,000	-	-	-	30,000	-
Part 70 Operating Permit	15,000	-	-	-	-	15,000
Unit #6 Inspection	280,000	-	-	-	-	280,000
ELECTRIC PRODUCTION TOTAL	\$ 1,161,000	\$ 435,000	\$ 350,000	\$ 51,000	\$ 30,000	\$ 295,000

* BOPW approved on 5/14/25 Region F Solid Waste Funding, which would cover 85% of the total cost.

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

Electric Department

2026-2030 Capital Outlay

PROJECT	TOTAL PROJECT COST	BUDGET 2026	BUDGET 2027	BUDGET 2028	BUDGET 2029	BUDGET 2030
ELECTRIC DISTRIBUTION						
Miami #1 Substation Switchgear Replacement (Approved 2023)	\$ 1,849,532	\$ 1,224,484	\$ 423,860	-	-	-
Replace Truck 305 (Approved 2023)	397,225	-	397,225	-	-	-
Replace Truck #320 (Approved 2025)	365,588	-	-	365,588	-	-
Miami #2 Substation Breaker/Relay Testing	40,000	40,000	-	-	-	-
Replace Truck #303	400,000	-	-	400,000	-	-
Replace Gator	35,000	35,000	-	-	-	-
Electric Distribution Building Maintenance	45,000	45,000	-	-	-	-
Contract Tree Trimming	575,000	175,000	100,000	100,000	100,000	100,000
Convert Overhead Single Phase in Walkway Easements to Underground	750,000	150,000	150,000	150,000	150,000	150,000
Replace 2008 Ditch Witch Boring Machine	200,000	-	200,000	-	-	-
Update System Study	50,000	-	-	-	50,000	-
Replace Truck #307	400,000	-	-	-	400,000	-
Replace Truck #319	150,000	-	-	-	-	150,000
Replace Truck #317	400,000	-	-	-	-	400,000
Replace Turbine Leads Unit #10 & #11	180,000	-	-	-	-	180,000
Arc Flash Study	50,000	-	-	-	-	50,000
ELECTRIC DISTRIBUTION TOTAL	5,887,345	1,669,484	1,271,085	1,015,588	700,000	1,030,000
ELECTRIC DEPARTMENT TOTAL	\$ 7,048,345	\$ 2,104,484	\$ 1,621,085	\$ 1,066,588	\$ 730,000	\$ 1,325,000

Marshall Municipal Utilities

Financial Statements

ELECTRIC DEPARTMENT	Actual	Estimated	Budget	Budget	Budget	Projected	Projected	Projected	Projected
Operating Revenues:	2024	2025	2025	2026	%	2027	2028	2029	2030
Charges for Services									
Residential	\$ 5,556,924	\$ 5,891,678	\$ 6,127,500	\$ 6,158,138	0.5%	\$ 6,219,719	\$ 6,281,916	\$ 6,344,735	\$ 6,408,183
Residential - TOU	2,298	9,685	15,000	15,075	0.5%	22,613	33,919	50,878	76,317
Small General	1,966,334	2,116,541	2,042,500	2,052,713	0.5%	2,073,240	2,093,972	2,114,912	2,136,061
Large General	2,188,120	2,218,322	3,010,000	3,025,050	0.5%	3,055,301	3,085,854	3,116,712	3,147,879
Industrial	5,309,574	5,622,937	4,945,000	4,969,725	0.5%	5,019,422	5,069,616	5,120,313	5,171,516
Resale	25,321	55,808	-	-	0.0%	-	-	-	-
Commercial	1,383,772	1,600,881	1,612,500	1,620,563	0.5%	1,636,768	1,653,136	1,669,667	1,686,364
Other	268,385	155,660	253,875	254,838	0.4%	506,509	510,195	764,343	769,002
PILOT	1,556,173	1,680,694	1,773,750	1,773,750	0.0%	1,773,750	1,773,750	1,773,750	1,773,750
Total Charges for Services	18,256,900	19,352,207	19,780,125	19,869,850	0.5%	20,307,321	20,502,358	20,955,309	21,169,071
Miscellaneous Revenue	245,317	1,353,376	155,300	156,920	1.0%	157,746	158,581	159,423	160,275
Grant Income	22,214	-	180,000	42,500	-76.4%	34,000	51,000	-	-
Interest Income	1,290,824	977,886	888,753	958,833	7.9%	890,591	822,528	752,215	659,549
Total Operating Revenue	19,815,255	21,683,468	21,004,178	21,028,103	0.1%	21,389,658	21,534,466	21,866,948	21,988,895
Operating Expenses:									
Salaries and Benefits	4,724,727	5,001,839	4,993,740	5,046,813	1.1%	5,265,258	5,485,089	5,714,219	5,904,944
Fuel and Purchased Power	11,391,363	11,508,325	12,381,924	12,315,506	-0.5%	12,314,518	12,313,518	12,312,507	12,311,485
Insurance	276,423	272,336	313,500	313,500	0.0%	322,905	339,050	356,003	373,803
Utilities	219,489	253,110	252,150	246,592	-2.2%	256,726	257,814	239,456	239,101
Maintenance	621,904	634,096	624,525	609,428	-2.4%	534,790	537,642	549,037	562,328
Supplies	215,035	181,958	161,490	163,226	1.1%	165,865	168,068	170,377	172,783
Depreciation	1,087,201	1,094,457	1,215,400	1,635,275	34.5%	1,767,175	1,822,749	1,875,986	1,932,842
Payment In Lieu Of Taxes	1,709,814	1,653,960	1,951,950	1,969,679	0.9%	1,947,139	1,929,107	1,914,681	1,903,141
Other General Expenses	271,122	292,664	354,250	296,475	-16.3%	309,009	321,505	384,825	453,906
Interest Expense	-	-	310,522	282,276	-9.1%	255,415	227,180	197,499	166,301
Total Operating Expense	20,517,080	20,892,745	22,559,451	22,878,770	1.4%	23,138,799	23,401,723	23,714,589	24,020,634
Operating Income (Loss)	\$ (701,825)	\$ 790,723	\$(1,555,273)	\$(1,850,667)	19.0%	\$(1,749,141)	\$(1,867,257)	\$(1,847,641)	\$(2,031,739)

Salaries and Benefits: MMU has budgeted for a 3.7% annual wage increase for budget year 2026. Employee benefits for the 2026 budget year are estimated to increase as follows (Medical 15%; Dental 8%; Vision 4%; Disability & Life: 5%).

Depreciation: With the completion of the Unit #6 Overhaul and several other capital projects MMU will see an increase in depreciation expense.

Interest Expense: For budget year 2025 MMU has budgeted interest expense in relation to MPAU financing of the new IT Broadband/Office building.

Marshall Municipal Utilities

Statement of Financial Position

	Actual 2024	Estimated 2025	Budget 2025	Budget 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030
ELECTRIC DEPARTMENT								
Operating Revenue	\$ 19,815,255	\$ 21,683,468	\$ 21,004,178	\$ 21,028,103	\$ 21,389,658	\$ 21,534,466	\$ 21,866,948	\$ 21,988,895
Operating Expense	20,517,080	20,892,745	22,559,451	22,878,770	23,138,799	23,401,723	23,714,589	24,020,634
Net Income (Loss)	(701,825)	790,723	(1,555,273)	(1,850,667)	(1,749,141)	(1,867,257)	(1,847,641)	(2,031,739)
Add: Depreciation	1,087,201	1,094,457	1,215,400	1,635,275	1,767,175	1,822,749	1,875,986	1,932,842
Add: Loan Payments from:								
Water Dept	290,202	286,000	410,468	232,164	77,264	81,217	85,372	89,740
Wastewater Dept	(505,144)	732,000	840,222	422,308	441,097	460,723	481,226	502,644
IT Broadband Dept	200,948	200,000	613,821	491,953	515,320	539,804	565,457	592,338
City of Marshall	217,861	220,000	279,492	253,969	265,055	26,600	22,684	-
	203,867	1,438,000	2,144,003	1,400,394	1,298,736	1,108,344	1,154,739	1,184,722
Less: Loan Payments to:								
MPUA	-	-	291,378	152,257	160,047	168,235	176,843	185,890
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	200,000	400,000	250,000	300,000	350,000	400,000	450,000	450,000
	320,000	520,000	370,000	420,000	470,000	520,000	570,000	570,000
Less: Capital Projects								
Electric Production	501,110	4,204,671	2,073,600	435,000	350,000	51,000	30,000	295,000
Electric Distribution	481,226	265,432	1,866,000	1,669,484	1,271,085	1,015,588	700,000	1,030,000
	982,336	4,470,103	3,939,600	2,104,484	1,621,085	1,066,588	730,000	1,325,000
Increase (Decrease) in Working Capital	(73,093)	(626,923)	(2,056,848)	(651,739)	5,638	349,013	846,241	144,935

Cash Operating & Reserve Funds

	Actual 2024	Estimated 2025	Budget 2025	Budget 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030
ELECTRIC FUNDS								
Operating Fund	\$ 2,145,612	\$ 2,072,519	\$ 5,019,727	\$ 1,708,978	\$ 857,239	\$ 662,877	\$ 836,890	\$ 1,533,131
Reserve Fund	3,913,382	3,913,382	3,973,382	3,650,000	3,850,000	4,050,000	4,225,000	4,375,000
Total Beginning Cash	6,058,994	5,985,901	8,993,109	5,358,978	4,707,239	4,712,877	5,061,890	5,908,131
Working Capital	(73,093)	(626,923)	(2,056,848)	(651,739)	5,638	349,013	846,241	144,935
Total Ending Cash	5,985,901	5,358,978	6,936,261	4,707,239	4,712,877	5,061,890	5,908,131	6,053,066

Cash Reserve Policy

Minimum	9,658,130	8,865,888	9,363,173	7,105,624	6,196,744	5,822,242	5,757,667	6,127,392
Over (under)	(3,672,229)	(3,506,910)	(2,426,912)	(2,398,385)	(1,483,867)	(760,352)	150,464	(74,326)
Maximum	16,759,444	16,109,519	16,815,117	15,001,923	14,144,253	13,848,548	13,880,009	14,341,909
Over (under)	(\$10,773,543)	(\$10,750,541)	(\$9,878,856)	(\$10,294,684)	(\$9,431,377)	(\$8,786,658)	(\$7,971,878)	(\$8,288,844)

Cash Restricted Funds

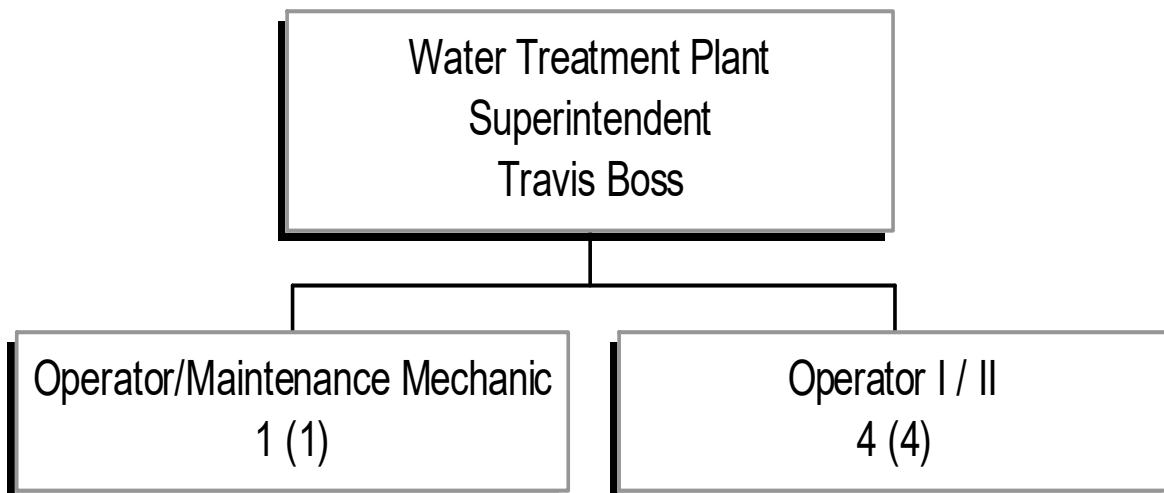
	Actual 2024	Estimated 2025	Budget 2025	Budget 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030
Interdepartmental Loan Fund	\$ 785,641	\$ 785,641	\$ 785,641	\$ 785,641	\$ 785,641	\$ 785,641	\$ 785,641	\$ 785,641
Economic Development Fund	150,000	170,000	150,000	190,000	210,000	230,000	250,000	270,000
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	705,526	754,000	944,625	754,000	754,000	754,000	754,000	754,000
	\$ 1,928,475	\$ 1,996,949	\$ 2,167,574	\$ 2,016,949	\$ 2,036,949	\$ 2,056,949	\$ 2,076,949	\$ 2,096,949

WATER DEPARTMENT

Mission Statement

- 1. Provide safe, quality drinking water in sufficient quantity to meet all customer needs using operating procedures 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	
Clean and Inspect Contact Basins #1, #2, and Clearwell	\$ 30,000
Recurring Capital Improvements	
Well Treatment & Maintenance	120,000
Total	<u>\$ 150,000</u>

Clean and Inspect Contact Basins #1, #2, and Clearwell

Budget: \$30,000

Purpose: The contact basins were last cleaned and inspected during the 2018 upgrades here at the plant. The Clearwell was constructed and put in service during the 2018 upgrades at the plant. We will utilize divers to complete the cleaning and inspection. MDNR recommends all storage facilities be cleaned and inspected every 2 to 5 years.

Duration: Anticipated completion in 2026

Well Treatment & Maintenance

Budget: \$120,000

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 2026	BUDGET 2027	BUDGET 2028	BUDGET 2029	BUDGET 2030
WATER TREATMENT PLANT						
Clean and Inspect Contact Basins #1 and #2 and Clearwell	\$ 30,000	\$ 30,000	-	-	-	-
Replace Zero-Turn Mower	25,000	-	25,000	-	-	-
Well Treatment & Maintenance	600,000	120,000	120,000	120,000	120,000	120,000
Online Instrument Replacement	150,000	-	-	-	-	150,000
WATER TREATMENT PLANT TOTAL	\$ 805,000	\$ 150,000	\$ 145,000	\$ 120,000	\$ 120,000	\$ 270,000

The projects below are currently being evaluated. The Water Treatment Plant projects were identified in the Water Treatment Plant Systems Study in 2023. MMU is currently working with Burns & McDonnell on a Water Distribution Master Plan to address the 12" water transmission line from the Water Treatment Plant to the City of Marshall. The Water Distribution Master Plan is expected to be completed in the Fall of 2025. These projects will require outside funding in order to be completed.

PROJECT	
WATER TREATMENT PLANT	
CO2 Feed System	\$ 1,560,000
Flexibility Improvements	490,000
Plant Service Water	860,000
Aerators	4,260,000
Electric Motor Control Center (MCC)	1,020,000
	<u>8,190,000</u>

PROJECT	
WATER DISTRIBUTION	
Water Main Replacement 12" Transmission Line	8,250,000
	<u>16,440,000</u>

Water Department

Financial Statements

WATER DEPARTMENT	Actual	Estimated	Budget	Budget	Budget	Projected	Projected	Projected	Projected
Operating Revenues:	<u>2024</u>	<u>2025</u>	<u>2025</u>	<u>2026</u>	<u>%</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Charges for Services									
Residential	\$ 1,649,434	\$ 1,654,005	\$ 1,666,500	\$ 1,749,825	5.0%	\$ 1,819,818	\$ 1,892,611	\$ 1,949,389	\$ 2,007,871
Small General	203,619	195,668	215,000	225,750	5.0%	234,780	244,171	251,496	259,041
Large General	285,891	311,195	255,000	280,500	10.0%	291,720	303,389	312,490	321,865
Industrial	808,713	880,935	782,800	876,736	12.0%	911,805	948,278	976,726	1,006,028
Resale	895,516	1,015,476	925,000	1,036,000	12.0%	1,077,440	1,120,538	1,154,154	1,188,778
Commercial	329,812	332,710	330,350	346,868	5.0%	360,742	375,172	386,427	398,020
PILOT	202,730	216,053	208,000	220,480	6.0%	229,299	238,471	245,625	252,994
Total Charges for Services	4,375,715	4,606,042	4,382,650	4,736,159	8.1%	\$ 4,925,605	\$ 5,122,629	\$ 5,276,308	\$ 5,434,597
Miscellaneous Revenue	46,616	1,686	1,950	1,950	0.0%	1,950	1,950	1,950	1,950
Grant Income	-	3,913,168	1,688,168	-	-100.0%	-	-	-	-
Interest Income	28,217	103,011	30,000	52,500	75.0%	57,750	49,088	39,270	27,489
Total Operating Revenue	4,450,548	8,623,908	6,102,768	4,790,609	-21.5%	4,985,305	5,173,667	5,317,528	5,464,036
Operating Expenses:									
Salaries and Benefits	2,149,768	2,317,953	2,334,459	2,311,228	-1.0%	2,427,102	2,549,485	2,678,788	2,815,448
Insurance	89,621	82,963	104,500	104,500	0.0%	107,635	113,017	118,668	124,601
Utilities	301,433	324,327	308,300	327,386	6.2%	322,940	322,692	322,446	322,202
Maintenance	479,735	549,598	397,850	419,775	5.5%	353,295	354,070	355,111	356,183
Supplies	705,971	726,977	717,225	828,192	15.5%	836,586	845,077	853,685	862,399
Depreciation	744,542	782,309	815,000	855,000	4.9%	911,480	1,300,807	1,339,979	1,382,047
Payment In Lieu Of Taxes	243,360	219,761	245,500	254,780	3.8%	262,159	270,784	277,670	284,773
Other General Expenses	158,983	85,463	243,975	189,865	-22.2%	110,239	113,891	117,847	134,637
Interest Expense	34,134	17,927	62,689	41,849	-33.2%	35,758	31,805	27,650	23,282
Total Operating Expense	4,907,546	5,107,278	5,229,498	5,332,574	2.0%	5,367,194	5,901,628	6,091,843	6,305,572
Operating Income (Loss)	(\$456,998)	\$3,516,629	\$873,270	(\$541,966)	-162.1%	(\$381,889)	(\$727,961)	(\$774,315)	(\$841,536)

Charge for Services: With large infrastructure improvements beginning in 2027 and increases in plant operating cost MMU has budgeted a 5% increase in water rates for budget year 2026. MMU is also projecting 3%-4% annual increases over the next five years.

Salaries and Benefits: MMU has budgeted for a 3.7% annual wage increase for budget year 2026. Employee benefits for the 2026 budget year are estimated to increase as follows (Medical 15%; Dental 8%; Vision 4%; Disability & Life: 5%).

Supplies: MMU has continued to see double digit increases in the costs to treat water specifically Lime. For the 2026 budget year MMU has budgeted a 40% increase in Lime costs.

Water Department

Statement of Financial Position

	Actual <u>2024</u>	Estimated <u>2025</u>	Budget <u>2025</u>	Budget <u>2026</u>	Projected <u>2027</u>	Projected <u>2028</u>	Projected <u>2029</u>	Projected <u>2030</u>
WATER DEPARTMENT								
Operating Revenue	\$4,450,548	\$8,623,908	\$6,102,768	\$4,790,609	\$4,985,305	\$5,173,667	\$5,317,528	\$5,464,036
Operating Expense	4,907,546	5,107,278	5,229,498	5,332,574	5,367,194	5,901,628	6,091,843	6,305,572
Net Income (Loss)	(456,998)	3,516,629	873,270	(541,966)	(381,889)	(727,961)	(774,315)	(841,536)
Add: Depreciation	744,542	782,309	815,000	855,000	911,480	1,300,807	1,339,979	1,382,047
Less: MMU Loan Principal Payments	290,202	306,725	306,725	158,660	-	-	-	-
Less: MPUA Loan Principal Payments	-	-	41,054	73,504	77,264	81,217	85,372	89,740
Less: Capital Projects								
Water Treatment Plant	476,000	466,231	759,500	30,000	25,000	-	-	150,000
Water Distribution	2,870,406	764,376	1,620,208	770,000	4,520,000	4,416,000	304,000	176,000
	3,346,406	1,230,606	2,379,708	800,000	4,545,000	4,416,000	304,000	326,000
Increase (Decrease) in Working Capital	(3,349,064)	2,761,607	(1,039,217)	(719,130)	(4,092,673)	(3,924,371)	176,292	124,771

Cash Operating & Reserve Funds

	Actual <u>2024</u>	Estimated <u>2025</u>	Budget <u>2025</u>	Budget <u>2026</u>	Projected <u>2027</u>	Projected <u>2028</u>	Projected <u>2029</u>	Projected <u>2030</u>
Beginning Cash								
Operating Fund	695,664	94,619	2,445,285	1,102,637	2,194,324	(1,898,349)	(5,822,720)	(5,646,428)
Reserve Fund	2,748,019	57,228	67,000	1,810,817	-	-	-	-
Total Beginning Cash	3,443,683	151,847	2,512,285	2,913,454	2,194,324	(1,898,349)	(5,822,720)	(5,646,428)
Working Capital	(3,349,064)	2,761,607	(1,039,217)	(719,130)	(4,092,673)	(3,924,371)	176,292	124,771
Total Ending Cash	94,619	2,913,454	1,473,068	2,194,324	(1,898,349)	(5,822,720)	(5,646,428)	(5,521,657)

Cash Reserve Policy

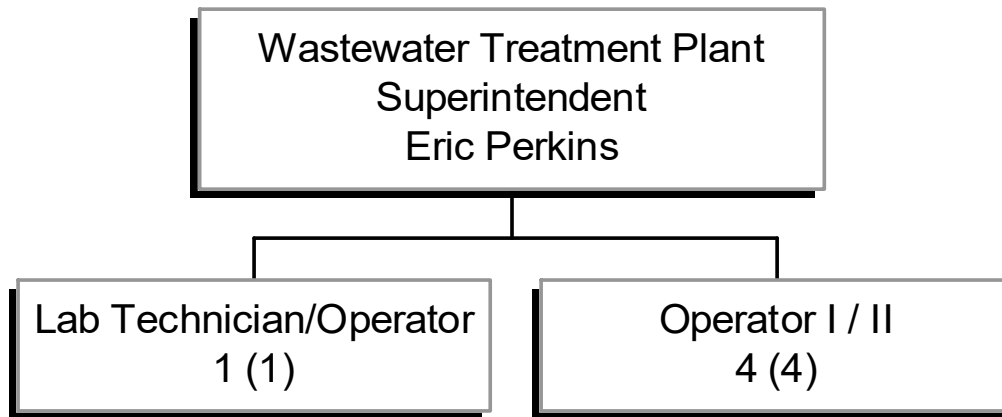
Minimum	3,384,070	5,307,667	4,526,929	9,113,862	10,348,671	7,106,654	3,151,902	3,359,433
Over (under)	(3,289,451)	(2,394,213)	(3,053,861)	(6,919,538)	(12,247,020)	(12,929,374)	(8,798,330)	(8,881,091)
Maximum	4,206,562	6,228,944	5,555,079	10,218,032	11,447,450	8,882,775	4,323,711	4,573,575
Over (under)	(\$4,111,943)	(\$3,315,490)	(\$4,082,011)	(\$8,023,708)	(\$13,345,799)	(\$14,705,495)	(\$9,970,140)	(\$10,095,232)

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 (Carryover 2025)	\$ 10,000
Replace Belt Filter Presses	\$ 3,000,000
Replace Sludge Conveyor	500,000
Replace Four Sludge Pumps	90,000
Total	\$ 3,600,000

Rebuild RAS Pump (Carryover 2025)

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 2026.

Replace Belt Filter Presses

Budget: \$3,000,000

Purpose: The filter presses were installed in 1993 and are showing their age. We have started to have to make regular repairs and rebuilds to keep them operating. These presses were also flooded in the 2021 flood. We would like to replace these with an upgraded system.

Duration: Anticipated completion 2027.

Replace Sludge Conveyor

Budget: \$500,000

Purpose: The sludge conveyor was also installed in 1993 and is also in need of replacement. We would like to replace this as we replace the filter presses

Duration: Anticipated completion 2027.

Replace Four Sludge Pumps

Budget: \$90,000

Purpose: The sludge pumps were installed in 1993 along with the filter presses and conveyer. These pumps were also flooded in 2020. We have had to make regular repairs and rebuilds to keep these operating. We would like to replace these along with the filter press and conveyer projects.

Duration: Anticipated completion 2026.

Wastewater Department**2026-2030 Capital Outlay**

PROJECT	TOTAL PROJECT COST	BUDGET 2026	BUDGET 2027	BUDGET 2028	BUDGET 2029	BUDGET 2030
WASTEWATER PLANT						
RAS Pump (Carryover 2025)	\$ 10,000	\$ 10,000	-	-	-	-
Replace Belt Filter Presses	3,000,000	1,500,000	1,500,000	-	-	-
Replace Sludge Conveyor	500,000	250,000	250,000	-	-	-
Replace Four Sludge Pumps	90,000	90,000	-	-	-	-
Replace Ventrac Mower	35,000	-	35,000	-	-	-
Replace Flooring in Office	40,000	-	-	40,000	-	-
Replace Truck #416	50,000	-	-	50,000	-	-
Paint Filter Building	80,000	-	-	-	80,000	-
Concrete FEQ	85,000	-	-	-	85,000	-
Siding, gutters, and roof on Office	85,000	-	-	-	-	85,000
Asphalt Driveway and Aeration Basin	75,000	-	-	-	-	75,000
Replace Gator	40,000	-	-	-	-	40,000
New Tractor with Bucket Loader	90,000	-	-	-	-	90,000
WASTEWATER PLANT TOTAL	\$ 4,180,000	\$ 1,850,000	\$ 1,785,000	\$ 90,000	\$ 165,000	\$ 290,000

Wastewater Department

Financial Statements

WASTEWATER DEPARTMENT	Actual	Estimated	Budget	Budget	Budget	Projected	Projected	Projected	Projected
Operating Revenues:	2024	2025	2025	2026	%	2027	2028	2029	2030
Charges for Services									
Residential	\$ 2,197,332	\$ 2,197,408	\$ 2,211,000	\$ 2,222,055	0.5%	\$ 2,233,165	\$ 2,244,331	\$ 2,255,553	\$ 2,266,831
Small General	182,994	175,564	180,900	181,805	0.5%	182,714	183,627	184,545	185,468
Large General	159,881	173,757	151,500	153,015	1.0%	154,545	156,091	157,652	159,228
Industrial	859,467	1,092,183	866,400	870,732	0.5%	875,086	879,461	883,858	888,278
Commercial	302,402	291,410	322,000	323,610	0.5%	325,228	326,854	328,488	330,131
Extra Strength	42,937	44,892	36,800	37,168	1.0%	37,540	37,915	38,294	38,677
Total Charges for Services	3,745,013	3,975,214	3,768,600	3,788,385	0.5%	3,808,277	3,828,279	3,848,391	3,868,612
Miscellaneous Revenue	35,320	11,672	24,500	24,500	0.0%	24,500	24,500	24,500	24,500
Grant Income	28,994	-	-	-	0.0%	-	-	-	-
Interest Income	115,362	122,584	95,000	85,500	-10.0%	81,225	77,164	73,306	69,640
Total Operating Revenue	3,924,689	4,109,469	3,888,100	3,898,385	0.3%	3,914,002	3,929,943	3,946,196	3,962,753
Operating Expenses:									
Salaries and Benefits	1,255,916	1,293,135	1,299,038	1,347,129	3.7%	1,413,057	1,482,586	1,555,936	1,633,344
Insurance	72,844	70,761	88,000	83,600	-5.0%	86,108	90,413	94,934	99,681
Utilities	433,247	471,364	445,370	454,566	2.1%	446,862	444,975	443,096	441,228
Maintenance	159,687	178,892	141,750	132,750	-6.3%	135,998	138,504	141,252	144,264
Supplies	151,459	140,984	129,950	173,602	33.6%	180,071	187,147	194,886	203,331
Depreciation	716,701	1,161,887	1,186,000	1,258,900	6.1%	1,277,745	1,297,091	1,316,959	1,337,371
Payment In Lieu Of Taxes	15,719	12,013	7,500	7,250	-3.3%	7,013	6,787	6,573	6,369
Other General Expenses	127,887	92,656	89,525	99,006	10.6%	100,162	101,401	102,725	104,137
Interest Expense	499,733	439,649	520,000	411,737	-20.8%	392,951	373,324	352,822	331,404
Total Operating Expense	3,433,193	3,861,342	3,907,133	3,968,540	1.6%	4,039,966	4,122,228	4,209,184	4,301,129
Operating Income (Loss)	\$ 491,496	\$ 248,128	\$ (19,033)	\$ (70,156)	268.6%	\$ (125,963)	\$ (192,285)	\$ (262,988)	\$ (338,376)

Salaries and Benefits: MMU has budgeted for a 3.7% annual wage increase for budget year 2026. Employee benefits for the 2026 budget year are estimated to increase as follows (Medical 15%; Dental 8%; Vision 4%; Disability & Life: 5%).

Supplies: MMU has continued to see double digit increases in the costs to treat wastewater specifically Lime. For budget year 2026 MMU has budgeted for a 60% increase in Lime over budget year 2025. Also, due to supply levels we have also budgeted for an additional load of Polymers for 2026.

Wastewater Department

Statement of Financial Position

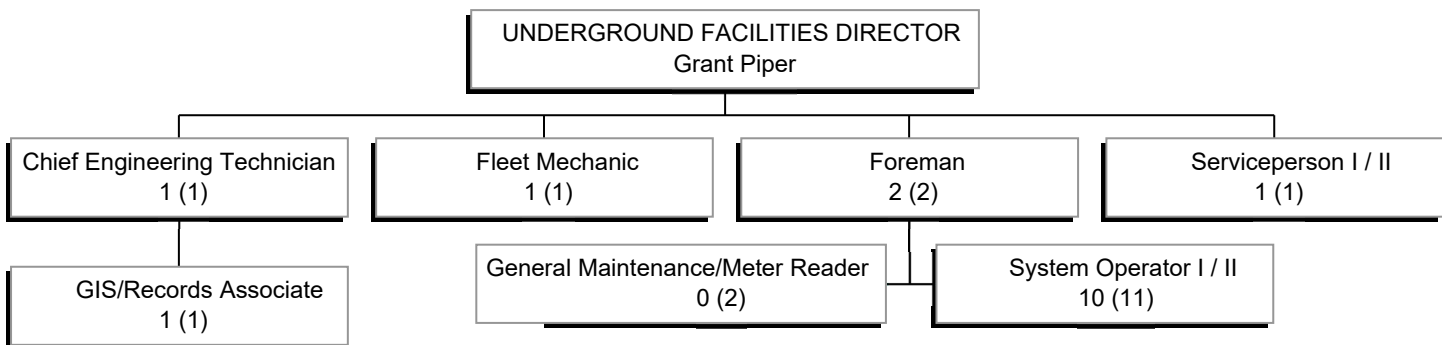
	Actual 2024	Estimated 2025	Budget 2025	Budget 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030
WASTEWATER DEPARTMENT								
Operating Revenue	\$ 3,924,689	\$ 4,109,469	\$ 3,888,100	\$ 3,898,385	\$ 3,914,002	\$ 3,929,943	\$ 3,946,196	\$ 3,962,753
Operating Expense	3,433,193	3,861,342	3,907,133	3,968,540	4,039,966	4,122,228	4,209,184	4,301,129
Net Income (Loss)	491,496	248,128	(19,033)	(70,156)	(125,963)	(192,285)	(262,988)	(338,376)
Add: Depreciation	716,701	1,161,887	1,186,000	1,258,900	1,277,745	1,297,091	1,316,959	1,337,371
Less: Loan Principal Payments	(505,144)	422,308	318,973	422,308	441,097	460,723	481,226	502,644
Less: Capital Projects								
Wastewater Plant	1,725,211	1,316,394	1,170,000	1,850,000	1,785,000	90,000	165,000	290,000
Underground Collection	498,140	167,609	135,000	50,000	50,000	50,000	250,000	250,000
	2,223,351	1,484,003	1,305,000	1,900,000	1,835,000	140,000	415,000	540,000
Increase (Decrease) in Working Capital	(510,010)	(496,297)	(457,006)	(1,133,564)	(1,124,315)	504,083	157,745	(43,649)
Cash Operating & Reserve Funds								
	Actual 2024	Estimated 2025	Budget 2025	Budget 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030
Beginning Cash								
Operating Fund	1,263,352	253,342	1,032,848	291,195	(442,368)	(1,566,684)	(1,062,600)	(904,855)
Reserve Fund	434,150	934,150	535,000	400,000	-	-	-	-
Total Beginning Cash	1,697,502	1,187,492	1,567,848	691,195	(442,368)	(1,566,684)	(1,062,600)	(904,855)
Working Capital	(510,010)	(496,297)	(457,006)	(1,133,564)	(1,124,315)	504,083	157,745	(43,649)
Total Ending Cash	1,187,492	691,195	1,110,842	(442,368)	(1,566,684)	(1,062,600)	(904,855)	(948,504)
Cash Reserve Policy								
Minimum	4,307,521	5,139,126	5,212,007	5,066,808	3,845,775	2,405,290	2,712,834	2,743,474
Over (under)	(3,120,029)	(4,447,931)	(4,101,165)	(5,509,176)	(5,412,458)	(3,467,890)	(3,617,689)	(3,691,978)
Maximum	4,801,608	5,705,037	5,877,559	5,735,005	4,526,938	3,101,968	3,426,056	3,474,336
Over (under)	(3,614,116)	(5,013,842)	(4,766,717)	(6,177,374)	(6,093,622)	(4,164,569)	(4,330,911)	(4,422,841)
Cash - Sewer Main Fund								
	Actual 2024	Estimated 2025	Budget 2025	Budget 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030
Sewer Main Fund								
Beginning Balance	1,203,799	1,387,799	1,384,799	1,268,799	1,449,799	1,630,799	1,811,799	1,811,799
Transfers In	184,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000
Underground Collection	-	-	(300,000)	-	-	-	(50,000)	(50,000)
Ending Balance	1,387,799	1,568,799	1,265,799	1,449,799	1,630,799	1,811,799	1,942,799	1,942,799
Cash Reserve Policy								
Minimum	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Over (under)	1,087,799	1,268,799	965,799	1,149,799	1,330,799	1,511,799	1,642,799	1,642,799
Maximum	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Over (under)	487,799	668,799	365,799	549,799	730,799	911,799	1,042,799	1,042,799
Cash - Inflow & Infiltration Fund								
	Actual 2024	Estimated 2025	Budget 2025	Budget 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030
Inflow and Infiltration Fund								
Beginning Balance	1,483,742	1,771,742	1,599,468	1,891,033	2,129,033	2,367,033	2,605,033	2,605,033
Transfers In	288,000	288,000	288,000	288,000	288,000	288,000	288,000	288,000
Underground Collection	-	(168,709)	(300,000)	(50,000)	(50,000)	(50,000)	(200,000)	(200,000)
Ending Balance	1,771,742	1,891,033	1,587,468	2,129,033	2,367,033	2,605,033	2,693,033	2,693,033
Cash Reserve Policy								
Minimum	-	-	300,000	300,000	300,000	300,000	300,000	300,000
Over (under)	1,771,742	1,891,033	1,287,468	1,829,033	2,067,033	2,305,033	2,393,033	2,393,033
Maximum	-	-	900,000	900,000	900,000	900,000	900,000	900,000
Over (under)	\$ 1,771,742	\$ 1,891,033	\$ 687,468	\$ 1,229,033	\$ 1,467,033	\$ 1,705,033	\$ 1,793,033	\$ 1,793,033

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 the needs of our owners.

Water Distribution / Wastewater Collection



WATER DISTRIBUTION	
Major Capital Improvements	
Replace Mini Excavator	\$ 85,000
New Skid Steer	85,000
Replace Truck #404	50,000
Water Main Replacement (Bond, Wall, and Ted)	200,000
Water Main Replacement (North English Ave)	55,000
Cleaning and Inspecting Reservoir #2	40,000
Water Distribution Building Maintenance	45,000
Water Main Replacement 12" Transmission Line	250,000
Total	\$ 810,000

Replace Mini Excavator

Budget: \$85,000

Purpose: The current unit is a 2017 E55 Bobcat, with over 2,000 Hrs. This unit would be replaced with a similar model. The old unit would be sold.

Duration: Anticipated purchase 2026.

New Skid Steer

Budget: \$85,000

Purpose: This unit would be used on both water and sewer main projects. In receiving the legislative grant from the state, MMU has purchased several thousand feet of water main material for future projects. The additional unit would assist this department in reaching our goal of replacing 5,280' of water main per year.

Duration: Anticipated purchase 2026.

Replace Truck #404

Budget: \$50,000

Purpose: This truck is a 2013 Ford F-150, with over 96,000 miles and 11,000 hours. This truck is driven/used daily, to monitor and maintain all (water) pumping stations, as well as (sewer) lift stations. This would be replaced with a similar 4X4 unit, the old unit would be sold.

Duration: Anticipated purchase 2026.

Water Main Replacement 4" to 6", on Bond Ave (from High to Wall St) on Wall St (from Bond to Ted Ave) and on Ted Ave (from Wall to High St)

Budget: \$200,000

Purpose: The 4" cast iron water main on Ted Ave, Bond Ave, and Wall St. was installed (the majority) in 1924. The remainder being installed in 1949. This section of water main has failed several times in the past. Approximately 3,000' of new C900 plastic water main would replace the old cast iron.

Duration: Anticipated completion 2026.

Water Main Replacement 8" on N. English Ave (from Boyd to Marion St)**Budget:** \$55,000

Purpose: The 8" ductile iron main on North English Ave (from Boyd to Marion St) was installed in 1976. This section of main has failed several times in the past. Approximately 750' of new C900 plastic water main would replace the ductile iron main.

Duration: Anticipated completion 2026**Cleaning and Inspecting Reservoir #2****Budget:** \$40,000

Purpose: Reservoir #2 has been budgeted to be demolished since 2020. However, this inspection would determine if the reservoir could be rehabilitated, or repurposed. This inspection would be completed by outside engineers.

Duration: Anticipated completion 2026**Water Distribution Building Maintenance****Budget:** \$45,000

Purpose: The Underground Facilities Building was completed in 2000. The doors are showing rust and disrepair. While shut, they allow cold/hot air to leak into the building. The windows do not seal well, and also allow cold/hot air to leak into the building. Both issues cause the newer HVAC system to run constantly. This project would include new exterior doors and windows, to improve the building's energy efficiency.

Duration: Anticipated completion 2026.**Water Main Replacement 12" Transmission Line****Budget:** \$250,000

Purpose: The 12" cast iron transmission flow line is the original flow line that was installed in 1945/1946, to supply water to the City of Marshall from the Water Treatment Plant. Due to the type of joint material used when installing the 8 miles of transmission main, MMU has experienced several main breaks over the years, most caused by joint failures. The flowline is included in the updated Master Plan for possible resizing and replacement. These improvements would help increase the capacity of water that the Water Treatment Plant could provide.

Duration: Anticipated completion 2026.

Underground Facilities

2026-2030 Capital Outlay

PROJECT	TOTAL PROJECT COST	BUDGET 2026	BUDGET 2027	BUDGET 2028	BUDGET 2029	BUDGET 2030
WATER DISTRIBUTION						
Replace Mini Excavator	\$ 85,000	\$ 85,000	\$ -	-	-	-
New Skid Steer	85,000	85,000	-	-	-	-
Replace Truck #404	50,000	50,000	-	-	-	-
Water Main Replacement on Bond, Wall, and Ted (3,000')	200,000	200,000	-	-	-	-
Water Main Replacement on English from Boyd to Marion (750')	55,000	55,000	-	-	-	-
Cleaning & Inspecting Reservoir #2	40,000	40,000	-	-	-	-
Replace Doors & Windows (UF Building)	45,000	45,000	-	-	-	-
Water Main Replacement 12" Transmission Line	8,250,000	250,000	4,000,000	4,000,000	-	-
Replace Kubota Mini (2017) (1,290 hrs.)	100,000	-	100,000	-	-	-
Replace Vermeer Vac Trailer	125,000	-	125,000	-	-	-
Water Main Replacement on Eastwood from Park Ave to Osage Dr (1,830')	119,000	-	119,000	-	-	-
Water Main Replacement on Rea from Brunswick to Sharp (889')	58,000	-	58,000	-	-	-
Replace Truck #322	60,000	-	60,000	-	-	-
Water Main Replacement on Brunswick from Porter to Lacy (879')	58,000	-	58,000	-	-	-
Replace Kubota Skid Steer (2018) (1,015 hrs.)	100,000	-	-	100,000	-	-
Owner Supervised Plan (Five Years)	30,000	-	-	30,000	-	-
Water Main Replacement on College St from Brunswick to Sharp (910')	60,000	-	-	60,000	-	-
Water Main Replacement on Rea from Sharp to Lincoln (310')	28,000	-	-	28,000	-	-
Water Main Replacement on Vest St from Redman to Lincoln (1,714')	128,000	-	-	128,000	-	-

Underground Facilities

2026-2030 Capital Outlay

PROJECT	TOTAL PROJECT COST	BUDGET 2026	BUDGET 2027	BUDGET 2028	BUDGET 2029	BUDGET 2030
WATER DISTRIBUTION						
Water Main Replacement on Sharp Ave from College to Morrow (1,450')	100,000	-	-	100,000	-	-
Replace Zero Turn Mower	35,000	-	-	-	35,000	-
Water Main Replacement on Ellsworth Ave from Vest to Jackson (785')	59,000	-	-	-	59,000	-
Water Main Replacement on Washington from Lincoln to Brunswick (1,280')	103,000	-	-	-	103,000	-
Water Main Replacement on Conway from Washington to Thomas (660')	55,000	-	-	-	55,000	-
Water Main Replacement on Thomas from Lincoln to Conway (580')	52,000	-	-	-	52,000	-
Risk and Resilience Update (Five Years)	50,000	-	-	-	-	50,000
Master Plan Update	150,000	-	-	-	-	150,000
Water Main Replacement on Lincoln Ave from Eastwood to Thomas (2,200')	176,000	-	-	-	-	176,000
WATER DISTRIBUTION TOTAL	\$ 10,456,000	\$ 810,000	\$ 4,520,000	\$ 4,446,000	\$ 304,000	\$ 376,000

WASTEWATER COLLECTION	
<i>Recurring Capital Improvements</i>	
Inflow and Infiltration Improvements	50,000
Total	\$ 50,000

Inflow and Infiltration Improvements

Budget: \$50,000

Purpose: MMU will address issues identified in the Burns & McDonnell 2022 study. This includes MMU's side and the customer's side. We will develop customer mailers so customers can be notified of issues found on their property. The study also highlighted twenty storm inlets/catch basins and twenty-one sanitary manholes that will need to be addressed in-house. MMU is also working with a large industry to resolve inflow & infiltration issues on their property.

Duration: Ongoing

Underground Facilities

2026-2030 Capital Outlay

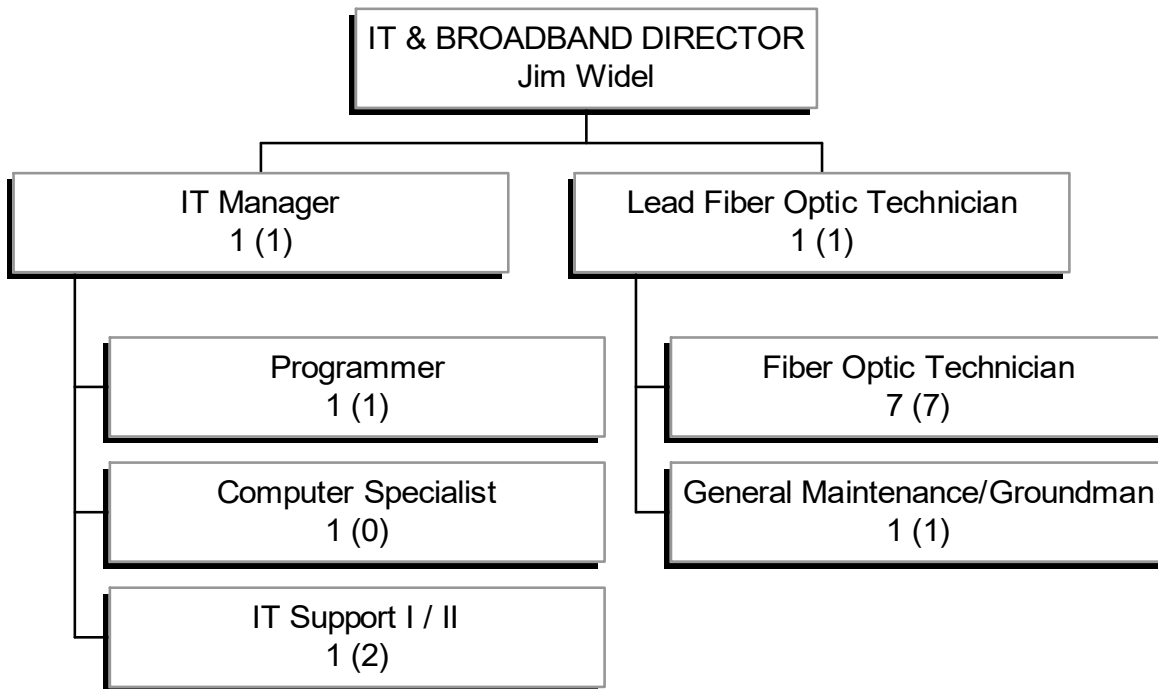
PROJECT	TOTAL PROJECT COST	BUDGET 2026	BUDGET 2027	BUDGET 2028	BUDGET 2029	BUDGET 2030
WASTEWATER COLLECTION						
Inflow and Infiltration Improvements	\$ 250,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Sewer Main Replacement	100,000	-	-	-	50,000	50,000
Collection System Rehabilitation Using the Cured-in-Place Pipe CIPP Method	300,000	-	-	-	150,000	150,000
WASTEWATER COLLECTION TOTAL	\$ 650,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000	\$ 250,000

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	\$ 4,274,740
Fiber at Junction	60,000
Replace Truck #313	60,000
Total	\$4,394,740

Broadband Grant #2

Budget: \$4,274,740

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 February 2028.

Fiber at Junction

Budget: \$60,000

Purpose: In order to get fiber to the south side of the junction, we are planning on using a casing under I-70 that was installed by the county commission for us to use a couple of years ago. We recently found out that the casing will require a large excavator and shoring to access it and we will need easements on both sides of the highway. In addition, there will be some plowing and boring to get to the wastewater facility, as well as several other likely customers. Due to the timing we plan on contracting most of this work out as we need to have a majority of this completed before the end of 2025. This area is not part of the USDA grant areas.

Duration: Anticipated completion 2026.

Replace Truck #313

Budget: \$60,000

Purpose: This is a utility body that was a hand-me-down from Underground Facilities. With the current workload this truck is being used daily and needs to be replaced.

Duration: Anticipated purchase 2026.

IT & Broadband Department

2026-2030 Capital Outlay

PROJECT	TOTAL PROJECT COST	BUDGET 2026	BUDGET 2027	BUDGET 2028	BUDGET 2029	BUDGET 2030
IT & BROADBAND						
Broadband Grant #2 I.	\$ 9,389,695	\$ 4,274,740	\$ 4,206,994	\$ 907,961	\$ -	\$ -
Replace Van #336 (Carryover 2023)	35,000	35,000	-	-	-	-
Replace Truck #415 (Carryover 2023)	45,000	45,000	-	-	-	-
Replace Truck #313	60,000	60,000	-	-	-	-
Fiber at junction	60,000	60,000	-	-	-	-
Replace Bucket Truck #342	200,000	-	200,000	-	-	-
New Mini Excavator	100,000	-	100,000	-	-	-
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	\$ 11,131,695	\$ 4,474,740	\$ 4,506,994	\$ 907,961	\$ 442,000	\$ 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	Actual	Estimated	Budget	Budget	Budget	Projected	Projected	Projected	Projected
Operating Revenues:	2024	2025	2025	2026	%	2027	2028	2029	2030
Charges for Services									
IT 100 Mbps - City Limits	\$ 789,196	\$ 800,959	\$ 797,900	\$ 841,785	5.5%	\$ 843,468	\$ 845,155	\$ 846,845	\$ 848,539
IT 250 Mbps - City Limits	761,409	790,965	756,000	793,800	5.0%	797,769	801,758	805,767	809,795
IT 1 Gbps - City Limits	241,097	267,562	237,600	297,000	25.0%	305,910	315,087	324,540	334,276
IT 100 Mbps - Grant 1	37,095	38,884	37,080	39,305	6.0%	39,698	40,095	40,496	40,901
IT 250 Mbps - Grant 1	45,579	46,636	38,880	48,600	25.0%	50,058	51,560	53,107	54,700
IT 1 Gbps - Grant 1	24,750	24,985	23,100	25,410	10.0%	26,172	26,957	27,766	28,599
IT 100 Mbps - Grant 2	8,444	25,745	26,280	45,068	71.5%	65,540	82,852	101,401	101,401
IT 250 Mbps - Grant 2	8,828	24,334	26,460	45,646	72.5%	66,770	84,699	103,246	103,246
IT 1 Gbps - Grant 2	5,726	8,796	12,600	23,081	83.2%	33,957	40,391	50,007	50,007
Other	122,092	98,236	114,740	89,049	-22.4%	90,191	91,349	92,524	93,716
Total Charges for Services	2,044,216	2,127,102	2,070,640	2,248,744	8.6%	2,319,532	2,379,902	2,445,699	2,465,181
Miscellaneous Revenue	130,231	128,745	103,250	99,000	-4.1%	112,238	122,413	126,562	132,429
Grant Income	124,739	1,291,120	3,468,274	3,206,055	-7.6%	3,155,246	907,961	-	-
Interest Income	101,289	42,056	59,500	56,525	-5.0%	53,699	51,014	61,217	73,460
Total Operating Revenue	2,400,474	3,589,022	5,701,664	5,610,324	-1.6%	5,640,714	3,461,290	2,633,477	2,671,070
Operating Expenses:									
Salaries and Benefits	878,202	895,410	947,261	1,068,080	12.8%	1,123,254	1,181,630	1,243,418	1,308,839
Purchased Bandwidth	386,594	392,319	410,880	410,880	0.0%	410,880	410,880	410,880	410,880
Insurance	38,860	37,038	44,000	48,400	10.0%	53,240	58,564	64,420	70,862
Utilities	10,532	10,051	10,000	18,080	80.8%	18,411	18,748	19,091	19,441
Maintenance	53,298	36,587	67,900	55,000	-19.0%	58,065	62,249	67,139	72,863
Supplies	79,647	72,721	81,240	86,485	6.5%	89,320	92,304	95,443	98,749
Depreciation	445,407	419,804	553,400	490,400	-11.4%	545,600	572,992	595,252	617,557
Payment In Lieu Of Taxes	12,295	12,187	20,000	20,000	0.0%	20,000	20,000	20,000	20,000
Other General Expenses	53,032	39,549	38,200	47,105	23.3%	48,564	50,096	51,708	53,403
Interest Expense	140,091	110,291	273,746	214,416	-21.7%	187,757	159,875	131,818	104,862
Total Operating Expense	2,097,958	2,025,957	2,446,627	2,458,846	0.5%	2,555,090	2,627,338	2,699,169	2,777,456
Operating Income (Loss)	\$ 302,516	\$ 1,563,065	\$ 3,255,037	\$ 3,151,478	-3.2%	\$ 3,085,624	\$ 833,952	\$ (65,692)	\$ (106,386)

Charge for Services: MMU has budgeted a 5% increase in internet rates to help offset capital costs of constructing a new building to accommodate its growing staff. Currently, the IT & Broadband department is housed within the Electric Distribution building.

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 3.7% annual wage increase for budget year 2026. Employee benefits for the 2026 budget year are estimated to increase as follows (Medical 15%; Dental 8%; Vision 4%; Disability & Life: 5%).

Purchased Bandwidth: MMU was anticipating a 25% increase in budget year 2026 and another 25% increase in budget year 2027, however we were able to increase bandwidth at no additional cost.

Insurance: MMU is anticipating a 10% increase to insurance for budget year 2026 due to increases in Cyber liability.

IT & Broadband Department

Statement of Financial Position

	Actual <u>2024</u>	Estimated <u>2025</u>	Budget <u>2025</u>	Budget <u>2026</u>	Projected <u>2027</u>	Projected <u>2028</u>	Projected <u>2029</u>	Projected <u>2030</u>
IT & BROADBAND								
Operating Revenue	\$2,400,474	\$3,589,022	\$5,701,664	\$5,610,324	\$5,640,714	\$3,461,290	\$2,633,477	\$2,671,070
Operating Expense	2,097,958	2,025,957	2,446,627	2,458,846	2,555,090	2,627,338	2,699,169	2,777,456
Net Income (Loss)	302,516	1,563,065	3,255,037	3,151,478	3,085,624	833,952	(65,692)	(106,386)
Add: Depreciation	445,407	419,804	553,400	490,400	545,600	572,992	595,252	617,557
Less: Equity Payments to Electric	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Less: Loan Principal Payments	200,948	218,677	316,977	491,953	515,320	539,804	565,457	592,338
USDA Principal Payments	88,478	110,035	111,700	98,329	101,622	105,022	17,817	-
Less: Capital Projects	1,618,914	2,486,201	2,765,544	4,474,740	4,506,994	907,961	442,000	800,000
Increase (Decrease) in Working Capital	(1,280,416)	(952,044)	494,216	(1,543,144)	(1,612,712)	(265,843)	(615,715)	(1,001,167)
Cash Operating & Reserve Funds								
	Actual <u>2024</u>	Estimated <u>2025</u>	Budget <u>2025</u>	Budget <u>2026</u>	Projected <u>2027</u>	Projected <u>2028</u>	Projected <u>2029</u>	Projected <u>2030</u>
Beginning Cash								
Operating Fund	2,264,176	1,006,568	1,633,046	570,000	1,070,000	109,692	409,692	701,938
Reserve - Grant 1 Fund	152,876	4,595	-	-	-	-	-	-
Reserve - Grant 2 Fund	457,337	915,283	-	2,060,365	1,560,365	907,961	907,961	500,000
Total Beginning Cash	2,874,389	1,926,446	1,633,046	2,630,365	2,630,365	1,017,653	1,317,653	1,201,938
Working Capital	(1,280,416)	(952,044)	494,216	(1,543,144)	(1,612,712)	(265,843)	(615,715)	(1,001,167)
Total Ending Cash	1,593,973	974,402	2,127,262	1,087,221	1,017,653	751,810	701,938	200,771
Cash Reserve Policy								
Minimum	4,368,121	2,134,036	2,102,463	3,107,877	2,463,003	1,565,185	2,119,697	2,244,600
Over (under)	(2,774,148)	(1,159,634)	24,799	(2,020,656)	(1,445,350)	(813,375)	(1,417,759)	(2,043,828)
Maximum	4,657,251	2,650,906	2,657,124	3,836,005	3,206,313	2,325,087	2,897,936	3,043,546
Over (under)	(\$3,063,278)	(\$1,676,504)	(\$529,862)	(\$2,748,784)	(\$2,188,661)	(\$1,573,277)	(\$2,195,998)	(\$2,842,775)

NATURAL GAS DEPARTMENT

Natural Gas Department

Financial Statement

NATURAL GAS DEPARTMENT	Actual	Estimated	Budget	Budget	Budget	Projected	Projected	Projected	Projected
Operating Revenues:	<u>2024</u>	<u>2025</u>	<u>2025</u>	<u>2026</u>	<u>%</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Charges for Services									
Transportation	\$ 276,787	\$ 265,752	\$ 276,000	\$ 278,760	1.0%	\$ 334,512	401,414	481,697	578,037
Total Charges for Services	<u>276,787</u>	<u>265,752</u>	<u>276,000</u>	<u>278,760</u>	1.0%	<u>334,512</u>	<u>401,414</u>	<u>481,697</u>	<u>578,037</u>
Miscellaneous Revenue	(1,740)	124	-	-	0.0%	-	-	-	-
Interest Income	24,003	18,589	10,000	10,000	0.0%	10,200	10,506	10,926	11,363
Total Operating Revenue	<u>299,050</u>	<u>284,465</u>	<u>286,000</u>	<u>288,760</u>	1.0%	<u>344,712</u>	<u>411,920</u>	<u>492,624</u>	<u>589,400</u>
Operating Expenses:									
Insurance	2,275	2,365	2,420	2,662	10.0%	2,928	3,221	3,543	3,897
Utilities	4,121	4,188	4,200	4,362	3.9%	4,532	4,709	4,895	5,090
Maintenance	46,167	59,091	51,250	53,750	4.9%	56,375	59,131	62,025	65,064
Supplies	283	807	1,300	1,303	0.2%	1,306	1,309	1,312	1,316
Depreciation	257,423	208,216	258,066	195,054	-24.4%	195,054	195,054	195,054	195,054
Other General Expenses	2,621	844	2,700	3,450	27.8%	3,588	3,732	3,883	4,043
Total Operating Expense	<u>312,890</u>	<u>275,512</u>	<u>319,936</u>	<u>260,581</u>	-18.6%	<u>263,782</u>	<u>267,157</u>	<u>270,714</u>	<u>274,464</u>
Operating Income (Loss)	<u>\$ (13,840)</u>	<u>\$ 8,954</u>	<u>\$ (33,936)</u>	<u>\$ 28,179</u>	-183.0%	<u>\$ 80,930</u>	<u>144,764</u>	<u>221,910</u>	<u>314,936</u>

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

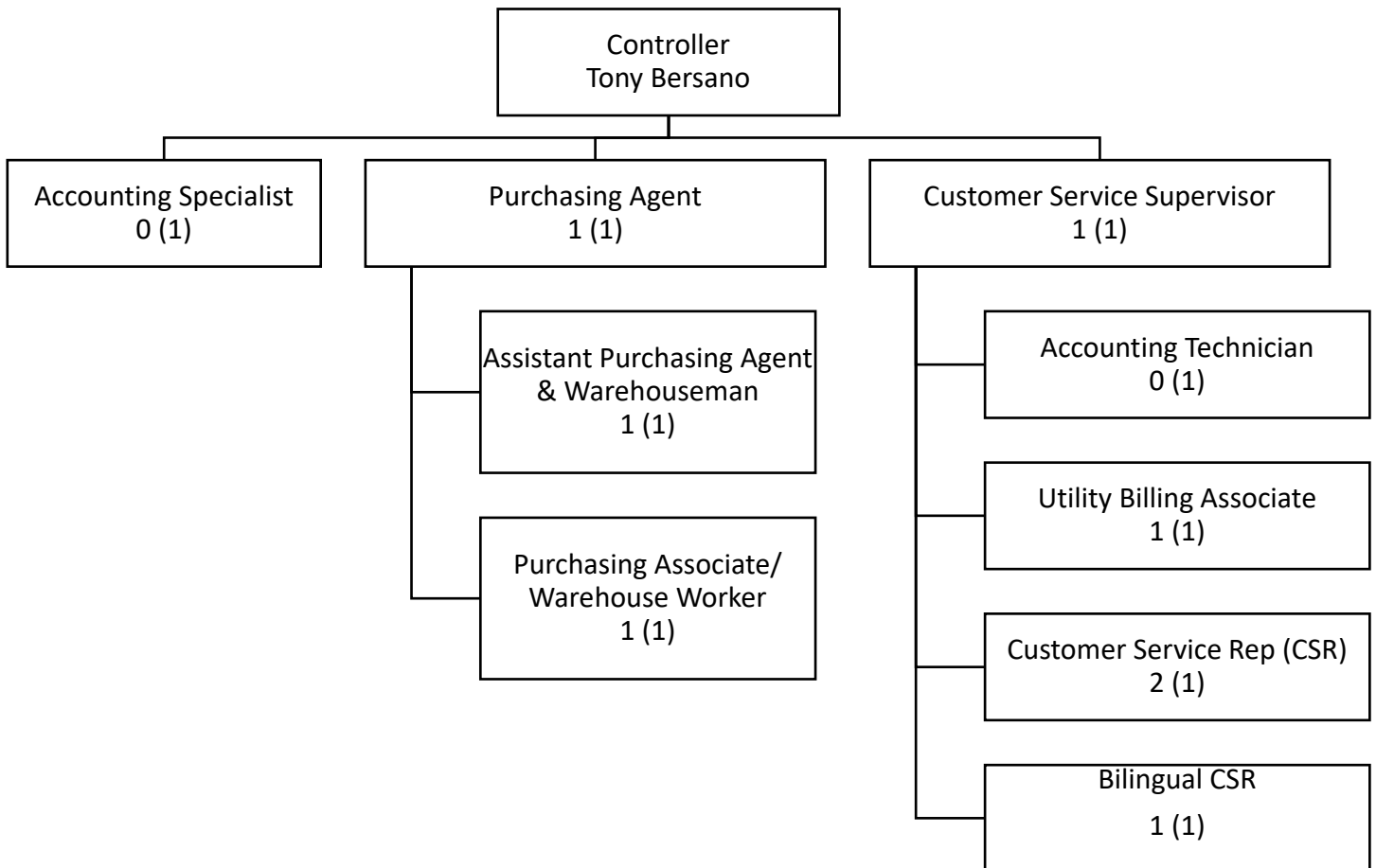
Statement of Financial Position

	Actual 2024	Estimated 2025	Budget 2025	Budget 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030
Natural Gas Department								
Operating Revenue	\$ 299,050	284,465	286,000	288,760	344,712	411,920	492,624	589,400
Operating Expense	312,890	275,512	319,936	260,581	263,782	267,157	270,714	274,464
Net Income (Loss)	(13,840)	8,954	(33,936)	28,179	80,930	144,764	221,910	314,936
Add: Depreciation	257,423	208,216	258,066	195,054	195,054	195,054	195,054	195,054
Less: Transfer to Electric	850,000	400,000	250,000	250,000	300,000	350,000	400,000	450,000
Increase (Decrease) in Working Capital	(606,416)	(182,829)	(25,870)	(26,767)	(24,016)	(10,182)	16,964	59,990
Cash Operating & Reserve Funds								
	Actual 2024	Estimated 2025	Budget 2025	Budget 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030
Beginning Cash								
Operating Fund	933,808	337,449	366,349	160,390	139,393	121,147	116,734	139,468
Reserve Fund	5,507	5,770	5,770	5,770	5,770	5,770	5,770	5,770
Total Beginning Cash	939,315	343,219	372,119	166,160	145,163	126,917	122,504	145,238
Working Capital	(606,416)	(182,829)	(25,870)	(26,767)	(24,016)	(10,182)	16,964	59,990
Total Ending Cash	332,899	160,390	346,249	139,393	121,147	116,734	139,468	205,229
Cash Reserve Policy								
Minimum	89,637	81,674	81,674	82,292	82,687	83,103	83,542	84,004
Over (under)	243,262	78,716	264,575	57,100	38,459	33,631	55,927	121,224
Maximum	112,741	107,057	107,057	106,531	108,110	109,774	111,528	113,378
Over (under)	\$ 220,158	\$ 53,333	\$ 239,192	\$ 32,862	\$ 13,037	\$ 6,960	\$ 27,940	\$ 91,851

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 (Carryover 2025)	\$ 6,300,000

Administrative and IT & Broadband Building (Carryover 2025)

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 & Broadband 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 & Broadband 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 MPAU finance program. MMU is estimating a 10-year term at a five percent interest rate through MPAU finance. The cost allocation for this project was based on square footage with costs broken out by departments below.

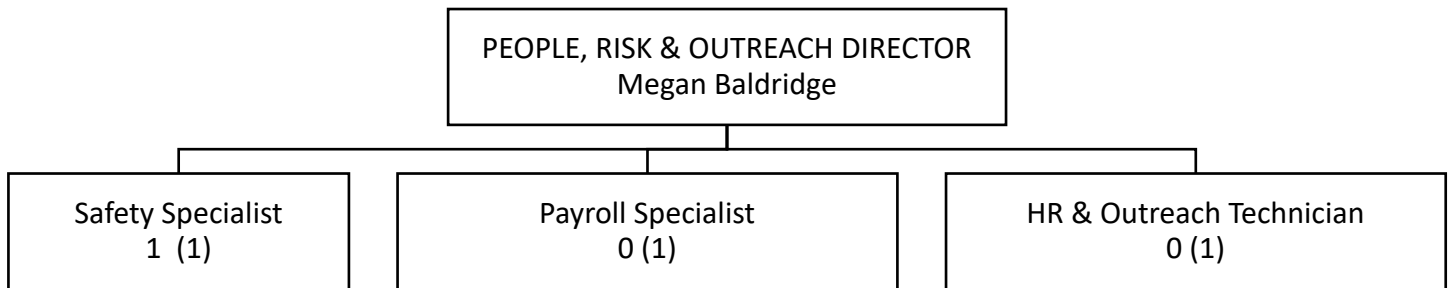
Department	Allocation	Cost	Estimated Annual Payment
Electric Department	29%	\$1,804,427	\$231,228
Water Department	14%	902,213	115,608
Wastewater Department	9%	541,328	69,372
IT & Broadband Department	48%	3,052,032	391,092
MPAU Financing	100%	\$6,300,000	\$807,300

Duration: Anticipated completion 2027.

PEOPLE, RISK & OUTREACH

Mission Statement

Great service to customers begins with great service to employees.



PERSONNEL OVERVIEW:

As of 6/27/25:	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		3	17
Wastewater Treatment	6			6
Water Treatment	6			6
TOTAL	96	2	3	95

- ⇒ Open positions(s):
 - Underground Facilities General Maintenance/Meter Reader (2)
 - Underground Facilities System Operator (1)
- ⇒ Overages/surplus FTE staffing (temporary until FTE loss through attrition):
 - Electric Distribution Lineman/Meter Technician (1)
 - Electric Production Systems Maintenance Mechanic (1)
- ⇒ Upcoming retirements:
 - Electric Distribution Journey Meter Technician/Lineman (October 1, 2025)
- ⇒ Upcoming recommendations to change overall staffing levels/authorized positions:
 - Add one full-time position in HR/risk management group (approved)
 - Add one part-time Custodian for the Service Center

