

A few words as to how RMU operates and how I approach any topic that comes before the Board.

1. First I consider the **technical aspects of the topic or project**. What is the safety and reliability aspect of what RMU wants to accomplish. Will it provide a safe and reliable source of electric or water service to the citizens of Rolla? Will it be safe for RMU employees?
2. The second thing I consider is the **cost of the project**. Can RMU afford it? Will it pay for itself? Or does RMU have to do it and absorb the cost and/or pass it along as part of the rate structure. What will be the cost if RMU does not do the project?
3. The third thing is the **political aspects of the project**. Will there be a political backlash from the public? Will the citizens see the benefit of the project?

We use our in house technical expertise. We have had two senior managers, Dan with 30 years experience with RMU and Dave with 29 years experience with RMU. We have three engineers on staff, two of which set on all Board meetings. Rodney Bourne is an electrical engineer with 10 years with RMU and another 10 years as a practicing electrical engineer dealing with utilities. And Vicki Cason is a civil engineer with over 5 years experience with RMU. Both Rodney and Vicki are Professional Engineers, with a P.E. License. The P.E. License is granted by the State of Missouri. This denotes that they are certified to practice and be an engineer in their respective fields, Rodney with electrical matters and Vicki with civil matters, i.e. water service. The fifth member of our management team is Dennis Roberts who provides advice on financial matters. The Board is very comfortable with all of their expertise and recommendations. If we have extremely large projects with high dollar value, we seek additional help from other recognized experts in the field by requesting bids to provide professional services. This is done also because the work load for these projects would or could overwhelm present staff.

Our new acting general manager is Rodney Bourne and our acting operations manager is Tom Parker. Others in our present management team include Vicki Cason and Dennis Roberts. The RMU Board is presently considering our next steps as we prepare to respond to the audit report and the City/RMU committee report.

RMU provides electric and water service to the citizens of Rolla as well as the Missouri University of Science and Technology.

During the last few years, RMU has seen many changes, some of which are:

- ✓1. The change of power supply for Rolla and RMU from Ameren UE to the Missouri Joint Municipal Electric Utility Commission through MOPEP.
- ✓2. Worked through MOPEP to secure a stable, reliable and cost effective source of power for Rolla for many years into the future. (Base load generation)
- ✓3. The purchase of seventeen diesel fired generators with 34 MW of power for emergency power supply for Rolla. This is 50% of peak load.
- ✓4. Instillation and subsequent upgrade of a Supervisory Control and Data Acquisition System (SCADA) for computer monitoring of the Rolla electric and water system.
- ✓5. Increased the storage capacity of the water system with two new storage tanks which should be a sufficient supply of water for Rolla for many years into the future.
6. Upgraded the water system from old cast iron pipes to where over 50 per cent is now plastic PVC pipe.
7. Helped RMU secure a Class 1 ISO rating for its water supply to the city of Rolla which gives citizens and especially commercial businesses a decrease in insurance rates along with better fire protection. We have the highest level of service in outstate Missouri.
- ✓8. Is in the process of building a new 15 million dollar main substation for RMU and Rolla which will provide more reliable and cost effective electric service for Rolla citizens.
- ✓9. Through MOPEP, RMU secures and provides approximately 15 % of its power from renewable resources, such as wind, hydro, and biomass.
10. All this with keeping rates competitive.