

December 3, 2025: AMU 2026 Budget Report to City Council Steve Tjepkes, General Manager & Jennifer Saathoff, Comptroller

The 2025 Budget Amendment and 2026 Annual Budget have been reviewed and adopted by the AMU Board of Trustees, after a Public Hearing held this past Monday night.

- AMU provides electric service to about 4,000 residential and commercial customers within the City of Atlantic and to another 675 customers in the surrounding rural area.
- About 50% of Atlantic's power is provided from ownership in W/S#3 coal plant and 50% from Purchase Power contracts. 20% of power supply is Renewable energy.
- Both the Electric and Water Departments are debt-free.
- No rate increases planned for 2026.

Amendment of 2025 Budget:

Electric market prices are determined hourly and are subject to significant volatility. In 2025, market prices are averaging \$35/MWh which is over 50% higher than the previous two years. As a result, our purchased power costs are \$1.1 million over budget. This results in AMU needing to amend the 2025 Budget to account for these higher costs.

However, the higher prices also resulted in AMU receiving an additional \$1.7 million in revenue from sales into the energy market. So, because of our ownership in the W/S#3 coal plant, AMU has financially benefited from the higher market prices.

Adoption of 2026 Budget:

Electric Operations:

- 2025 Capital Projects included:
 - Completed upsizing the substation serving the Ethanol Plant \$4.3 million. All paid for by Elite Octane.
 - Replaced (2) 161 kV circuit breakers in Spruce substation \$600,000.
 - Infrastructure installed in Camblin Hills Addition \$400,000.
 - Other local infrastructure capital improvements \$1 million.
 - 2026 Capital Budget is \$2.2 million.
- AMU was awarded National Excellence in Reliability for reliable electric service compared to electric companies throughout the country with an average service availability rate exceeding 99.8%.
- American Public Power Association report: 181 electric utilities operating in the state of Iowa, AMU's electric rates are the 2nd lowest of all 181 utilities.

Water Operations:

- In early 2026, we plan to be going out for bids to install a 600,000-gallon above ground water storage tank. The estimated cost of the project is \$1.8 million. We have been awarded a \$500,000 CDBG grant to offset a portion of the cost.

