



Bryan Municipal Utilities Annual Report 2009

Letter from the Director

While the business climate has changed, our chief priorities have not. Bryan Municipal Utilities is committed to providing reliable and efficient services to our customers and a safe work environment for our employees.

I am happy to report that no BMU employee had a lost time injury or accident on the job in 2009. Our overall safety performance is outstanding.

The health of our economy is



inextricably linked to dependable, affordable electricity. Bryan Municipal Utilities is doing everything it can to control costs.

With the downturn in the economy, the demand for electricity is down and so are the costs. We were able to purchase some blocks of power for 2011, 2012 and 2013 at lower prices than we anticipated. This will help us stabilize rates.

The electric department completed one of its long-term projects in 2009. For many years, I have reported that the electric distribution crews continued to work on converting our electrical system from 4,160 to 12,470 volts. Now, I can say it is done. The electric crews are proud of the accomplishment that comes from the completion of a multi-year project. The higher voltage makes for a much more efficient and robust system.

The electric department also has been constructing a switchyard in order to interconnect with First Energy. BMU has been pursuing a second source of power since the early 1980s. We finally have contracts in place and our crews are close to completing the construction. The interconnect will give us more

reliability, more control of our voltage and more opportunities to generate power. The switchyard also allows us to isolate areas of our system in order to perform maintenance.

The water department constructed new water lines in the 100 and 200 blocks of West High Street and the 100 block of South Main Street. This completed water main replacement around the downtown square. Working on the main square in Bryan presented some scheduling challenges, but crews responded by working the night shift at times to lessen the disruption.

The communications department was busy building a new system to roll out digital cable television. They started connecting customers with digital services at the end of the year. The BMU TV video crew continues to produce local programming for our community to enjoy.

Our balance sheets remain strong. Revenues were down in all departments largely due to the economy and mild weather. However, we reduced expenditures, and we continue to look for ways to cut expenses.

Bryan Municipal Utilities was awarded an Electric System Improvement Award for a new electric SCADA system, an Innovation Award for building two separate primary circuits from two different substations for the Bryan hospital expansion project, two No Time Lost Safety Awards and two Hard Hat Safety Awards.

In 2009, **Lauren "Skip" Bechtol** decided not to seek another term on the Bryan Board of Public Affairs. He started his first term in 1974 and served until 1983. He was appointed to serve again in 1998 when the Board of Public Affairs went from three to five members. In all, he served more than 21 years over a span of 36 years and was involved with many utility developments.

Probably the greatest accomplishment of the BPA during Skip's terms was the construction of the Marquis Corridor and the switch from Toledo Edison to Ohio Power in 1982. This change saved the residents of Bryan well over \$1 million a year for more than 20 years. We are grateful to Skip for all the years of service and leadership he contributed to the utility and the community.

I want to thank all of the BMU employees as well as the other city employees for working hard and working together. Due to the poor economy, we have not replaced workers who have retired or moved on. Our crews continue to do the job with fewer people.

I am pleased to update you on the status of Bryan Municipal Utilities in 2009. We will continue to be good stewards of our infrastructure and work hard for our city.

Stephen Casebere
Director of Utilities

2009 Financial Highlights

	2009	2008	Change
Electric Department			
OPERATIONS			
Income	\$20,615,003	\$21,242,998	(\$627,995)
Expenses	18,257,925	19,654,156	(1,396,231)
Balance	2,357,078	1,588,842	768,236
FINANCE			
Capital Improvements	1,381,597	997,150	384,447
Debt Service	340,000	700,000	(360,000)
Fund Balance Dec. 31 (1)	6,720,138	6,090,241	629,897
Total Meters	6,037	6,034	3
Total kWhrs (2)	208,958,114	236,050,786	(27,092,672)
Peak Demand (kilowatts)	42,720	43,780	(1,060)

(1) \$5,584 transferred to Generator Maintenance Fund

(2) Includes line loss and power plant use

Water Department

OPERATIONS			
Income	\$1,677,370	\$2,218,815	(\$541,445)
Expenses	1,331,758	1,253,673	78,085
Balance	345,612	965,142	(619,530)
FINANCE			
Capital Improvements	324,260	916,688	(592,428)
Debt Service	49,562	0	49,562
Fund Balance Dec. 31	801,706	829,916	(28,210)
Total Meters	3,892	3,868	24
Total Gallons (1)	462,925,000	501,394,000	(38,469,000)

(1) Includes line loss and backwashes at the water plant

Communications Department

OPERATIONS			
Income	\$2,052,581	\$2,838,195	(\$785,614)
Expenses	1,917,332	1,752,514	164,818
Balance	135,249	1,085,681	(950,432)
FINANCE			
Capital Improvements	467,728	396,616	71,112
Debt Service	104,000	104,000	0
Fund Balance Dec. 31	517,286	953,765	(436,479)
Total Cable TV Customers	2,424	2,257	167
Total Internet Customers	1,370	1,343	27

Link to our Web site www.cityofbryan.net to view the complete Bryan Municipal Utilities Annual Report 2009. The report includes a review of our accomplishments and plans for the future, five-year utility summary, unbilled community services and detailed departmental reports. Printed copies of the 2009 BMU Annual Report are available at the utility office, 841 E. Edgerton St., Bryan.

Department Highlights

Electric

The Electric Department continues to work diligently to keep operational expenses down while still providing reliable power for the citizens of Bryan. In 2009, the department processed more than 1,552 customer service work orders as well as planned, engineered, and completed 22 major capital projects. Our primary objectives this year were to construct a new switchyard to interconnect with First Energy for backup power and complete our system voltage conversions for greater capacity and better reliability.

Power Plant

In 2009, the power plant met key generation requirements that will help lower our customers' electric bills and installed a new SCADA system that improves electrical distribution system operations and monitoring.

Water

Even with a struggling economy, the water department continues to focus on system improvements and the continuous cycle of annual maintenance. We are dedicated to operating a safe and reliable water system. In 2009, we installed 1,340 feet of new 12-inch water main in the 100 and 200 blocks of West High Street and the 100 block of South Main Street. This project completed a three-year effort to replace the water mains on all four sides of the Courthouse Square.

Communications

The year 2009 could be referred to as the Year of Digital for the Communications Department. In 2009, we met the challenge of providing new digital cable television programming for our customers. We are very happy with the digital picture quality and the entertainment choices we are now able to offer our customers. We continue to add new cable programming as well as provide high speed Internet and fiber network service in Bryan and Williams County.