

**2 0 0 0
ANNUAL
REPORT**

BRYAN MUNICIPAL UTILITIES

BRYAN, OHIO

BRYAN MUNICIPAL UTILITIES

◆ We are your hometown utility. We have been for over 100 years. We are your neighbors, relatives and friends working to provide the best quality water, electric, and communications service to our community. The utility began with the establishment of the Bryan Waterworks in 1892. Electric service was added in 1896 when Bryan residents voted to create their own electric company. Communications services were added in 1998 to provide Bryan with a fiber optic system designed to provide cutting-edge technology for cable television, high-speed Internet access and data transfer. Presently, the utility serves approximately 5,500 electric customers, 3,500 water customers, and 1,600 communications customers. We back those utilities with service 24 hours a day. Since its formation in 1906, the Board of Public Affairs has developed the policies that govern the utility's operation. The board, elected by the community at-large, has always focused on providing the residents and businesses of Bryan with superior utility services at a reasonable cost.



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FINANCIAL HIGHLIGHTS

	2000	1999	Change	% Change
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ELECTRIC DEPARTMENT

FINANCES (1)

Operating Income	\$17,684,800	\$15,516,414	\$2,168,386	12.3%
Operating Expenditures	16,165,361	14,393,580	1,771,781	11.0%
Total Fund Balance Dec. 31	4,591,537	2,768,628	1,822,909	39.7%

TOTAL METERS	5,647	5,371	276	4.9%
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TOTAL KWHRS (2)	266,582,442	277,236,289	(10,653,847)	(4.0%)
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PEAK DEMAND (megawatts)	53,400	51,100	2,300	4.3%
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(1) 2000 includes a \$3 million note

(2) Includes line loss and final bills

WATER DEPARTMENT

FINANCES

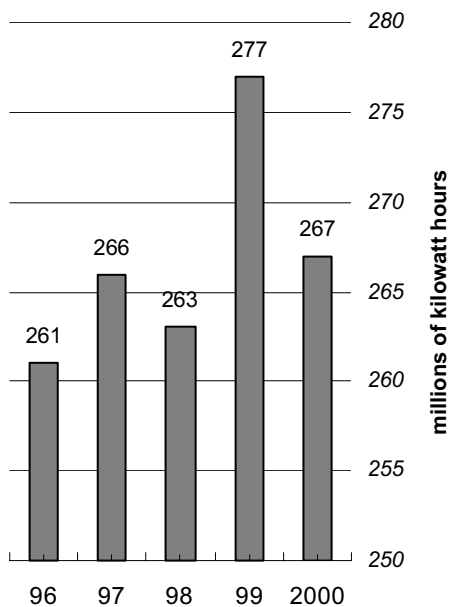
Operating Income	\$1,310,513	\$1,388,033	(77,520)	(5.9%)
Operating Expenditures	1,364,269	1,349,230	15,039	1.1%
Total Fund Balance Dec. 31	656,034	711,505	(55,471)	(8.5%)

TOTAL METERS	3,656	3,491	165	4.5%
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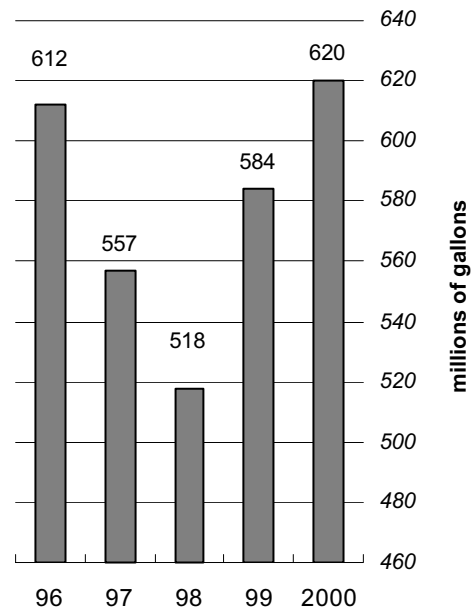
TOTAL GALLONS (3)	619,725,000	584,463,000	35,262,000	5.7%
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(3) Includes line loss and backwashes at the water plant

TOTAL KILOWATTS USED

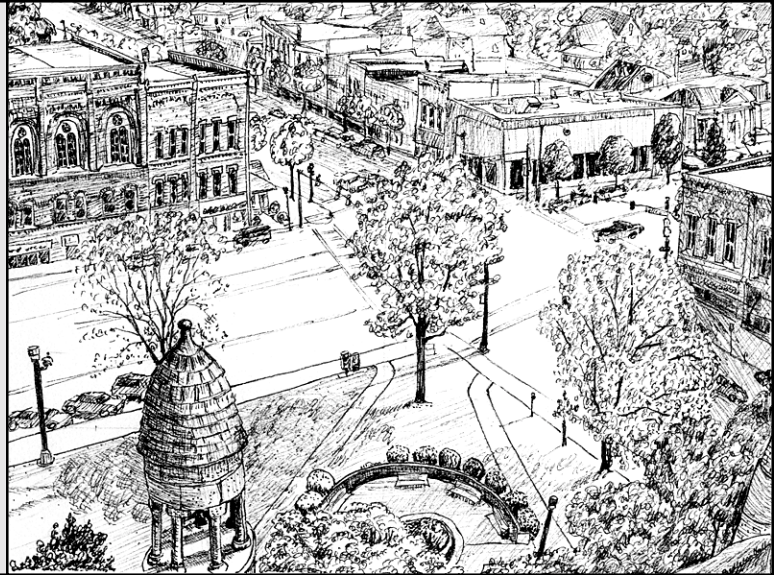


TOTAL GALLONS USED





Stephen Casebere
Director of Utilities



To OUR CUSTOMERS

◆ The year 2000 began with anxious moments as the calendar rolled over from 1999 to 2000. It continued with intensive construction, making this one of the biggest years in terms of adding assets to the utility. We finished 95 percent of the communication system inside the city limits. The water department spent much of the year protecting our water supply. The electric department continued to switch the city to a 12,470-volt system, and repairs and upgrades continued at the Auglaize hydroelectric plant. Construction also included a new electric warehouse and new office space at the utility main office.

The year started out with our electric crews stationed throughout the city at the substations and with our generators idling for the Y2K rollover. Thankfully, we had no problems and the year started on a good note. We had been waiting until after the New Year to do some major repairs to the Westinghouse turbine generator at the power plant. Power plant operators disassembled the turbine, replaced the seals, and worked on the blades. The turbine was successfully put back in service in March. The skill and hard work of our employees saved us many dollars.

We were in the second year of a contract with AMP-Ohio for 22 megawatts of generation capacity. In return, Bryan Municipal Utilities receives approximately \$1 million. This

is a big help to keep our electric rates low. We have about 40 megawatts of our own generation capacity inside Bryan's electric system. On November 11, the power to the whole city went down. Our crews were able to bring the town back up with generation in about 90 minutes. It is very beneficial to have a generation plant and experienced operators to get the power restored when we need to.

The communications department was busy with construction all around the city. Fiber lines were run underground to points out in our system called nodes. From the nodes, coax was run to homes and businesses. At the beginning of the year, we had about 100 cable television customers. By the end of the year, that number had increased to about

1,600. We also added Internet to our system. At the end of the year, we had about 50 test Internet customers up and running. We have very good products with both our cable TV and Internet. I want to thank all of our communications customers for choosing our system.

The water department had a busy year protecting our water supply. We felt it was necessary to have an environmental study of our well fields and aquifer to be sure we are doing everything we can to protect our water. In order to fund these studies, we started a surcharge to be used only to fund the studies of our drinking water. Thanks to the hard work of our crew at the water treatment plant, the first part of the study was completed at half the estimated cost.

"With all the changes in the utility business today, it is important to have a qualified team all working together for the common good of our city."

all the circuits back on in a few hours. Our linemen are a dedicated group. They worked 26 hours straight to return power to everyone. They could have gone home and come back after some sleep, but their pride kept them working. It is another example of our view of public service.

Crews at the Auglaize hydroelectric plant continued repairs and upgrades through the year. The construction is going well and should be completed in the summer of 2001. We were able to generate almost five million kWh in the year 2000. This is an impressive output considering we could use only half the plant while construction was being completed on the other half. With the price of energy going up like it has, we are anxious to see how valuable this plant really becomes.

The electric crews were busy as always. They made a lot of progress toward improving our distribution system by constructing a 12,470-volt system to replace the 4,160-volt system. The upgrade is part of a long-range goal to increase capacity, reliability, and voltage consistency. The electric department has been working on this for over five years. We have been averaging about \$350,000 per year on this project. With long-range planning, we have spread the cost out while keeping the distribution asset a valuable one for the city.

This was the second year of our new line-clearing program. There were fewer trees that needed trimmed or removed and fewer complaints than last year. Because of our line clearing, we had fewer nuisance power outages. When the big storm came through in May, we were in much better shape than many other power companies. Our crews had

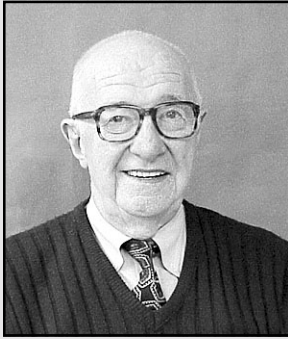
We also constructed a new electric warehouse at 841 East Edgerton Street. This allowed us to move our electric equipment and trucks out of the main building and created space to add new offices. Our own crews are completing most of the work when the weather is bad. With the new offices, we can keep all the department heads and office staff in the same building. I am surrounded by good people. With all the changes in the utility business today, it is important to have a qualified team all working together for the common good of our city.

Remember that our team works for you, the consumer-owners of Bryan Municipal Utilities.

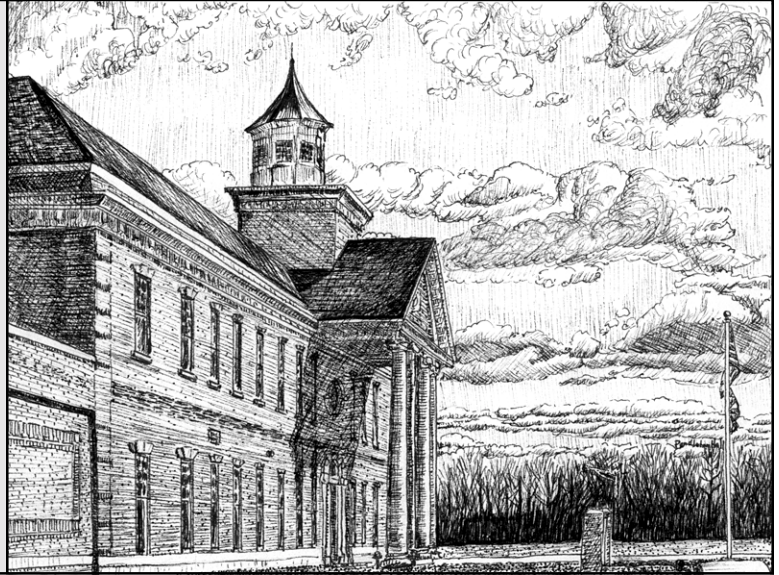


Director of Utilities

April 9, 2001



William C. Runkle
Mayor



TO THE CITIZENS OF BRYAN

◆ The year 2000 was another typical, comfortable year in our lovely town. Perhaps the biggest news of 2000 was the construction of the Don North Municipal Building. This structure enhances the efficiency of our municipal court and contributes to Bryan's beauty and prestige. The space and convenience has been greatly needed for many years and will benefit all our citizens.

New storm and sanitary sewers were installed on Noble Drive and Hamilton Street. Winzeler Drive was installed at the Bryan Industrial and Commercial Complex. Another part of Butler Street, from Allen to Emmett Streets, was improved. Using funds from a state downtown revitalization grant, various intersections throughout the city were refurbished with attractive streamlined poles, arms and signals.

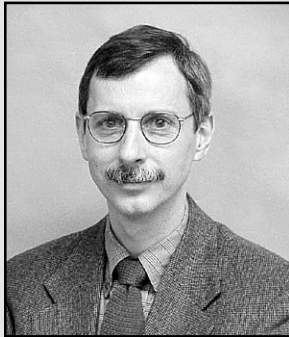
Our wonderful park system got even better. At the Recreation Park, Bryan Municipal Utilities installed new lights with underground wiring at the ball fields, and the Industrial League's concession/score stand was expanded and improved.

The parks department utilized a variety of free labor this year. The local Army Reserve helped put in a new parking lot at Fountain City Park. The Four County Vocational School shop class repaired Garver Park shelter house, and Williams County Leadership volunteers painted it and the Industrial League stand. The leadership volunteers also installed "dinosaurs" at Hitt Park. A new basketball court was built in Hitt Park with a donation from the Moose Lodge. Lions Club repaired and painted facilities at Roseland Park. A generous contribution allowed the construction of the Mansfield Shelter House at Roseland Park.

We continued our tradition as a Tree City USA for the eleventh year in a row by planting almost 300 trees in the parks and street terraces. This was accomplished with financial assistance from Bryan Municipal Utilities and Bryan Development Corporation.

Richard Wright replaced Keith Kuba on city council. Chief Gerald Robinson retired in October after heading the fire department for over 21 years. Assistant Chief Jerry Manon was appointed in his place and Bruce Siders became the new assistant chief.

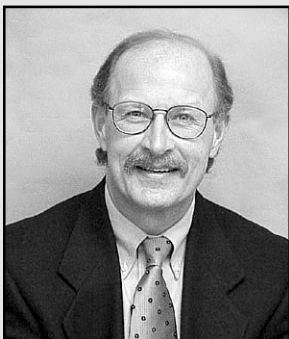
BOARD OF PUBLIC AFFAIRS



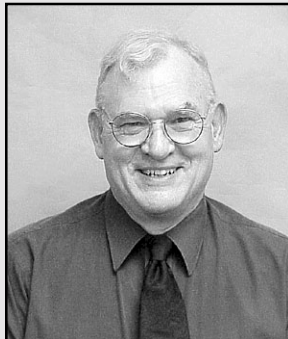
Lauren Bechtol



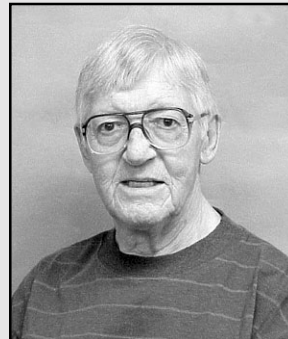
Mary Burns



Christopher Conti



Thomas Foster



Robert Hoffman

◆ The Bryan Board of Public Affairs is a five-person board elected to oversee the operations of the publicly-owned utility. Board members are liaisons between the utility and the people in the community. The BPA is ever sensitive to what the customer-owners have to say. This is one reason why Bryan Municipal Utilities is more service oriented than its investor-owned counterparts. Like many public power systems in the U.S., the structure of board allows for quick decisions that are typically devoid of political interference. In an era of open access and deregulation, the residents of Bryan are fortunate to have a seasoned Board of Public Affairs. This past year the BPA focused on providing fast, reliable Internet at the lowest possible rate. A lot of effort went into establishing the Internet service and entering into a contract to operate and maintain it. The board finalized new rules and regulations for the communications department and hired a technical director to help with the new technologies. Board members also prepared for changes due to electric deregulation. They held meetings with city council to determine allocation of the new kilowatt-hour tax. Another matter that required a lot of work by the board was protection of our water supply. The threat of pollution from a proposed dairy farm in an area sensitive to our aquifer required decisive action. The board contracted environmental specialists to prepare studies on our aquifer in order to protect it for future generations. The Board of Public Affairs continues to work hard to offer the best possible electric, water and communications services at the lowest possible rates.

FIVE YEAR UTILITY SUMMARY

	2000	1999	1998	1997	1996
ELECTRIC DEPARTMENT					

FINANCES (1)

Income	\$17,684,800	\$15,516,414	\$20,262,914	\$15,006,537	\$13,888,939
Expenditures	16,165,361	14,393,580	18,011,579	15,017,184	13,805,428
Fund Balance Dec. 31	4,591,537	2,768,628	5,061,941	2,810,606	2,816,377

METERS

Residential	4,778	4,580	4,572	4,514	4,455
Commercial	694	660	641	634	609
Industrial	41	45	43	42	44
Municipal	12	8	7	8	7
Free Service	121	77	66	61	60
AMP-Ohio	1	1	1	2	1
TOTAL METERS	5,647	5,371	5,330	5,261	5,176

KWHRS USED

Residential	41,957,508	44,028,290	42,924,990	42,210,380	43,373,057
Commercial	30,613,240	27,560,468	27,440,026	25,984,102	25,321,213
Industrial	173,984,950	187,057,663	184,036,405	180,618,628	177,427,212
Free Service	8,845,339	7,434,962	8,673,544	5,809,551	5,879,765
AMP-Ohio	804,000	3,549,000	2,294,000	7,024,420	1,264,133
TOTAL KWHRS (2)	266,582,442	277,236,289	263,312,759	265,681,131	261,157,723

PEAK DEMAND (megawatts)

	53,400	51,100	50,400	48,900	49,100
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(1) 2000 includes a \$3 million note

(2) Includes line loss and final bills

WATER DEPARTMENT

FINANCES

Income	\$1,310,513	\$1,388,033	\$1,248,883	\$1,096,834	\$1,140,326
Expenditures	1,364,269	1,349,230	1,205,052	1,135,480	1,199,085
Fund Balance Dec. 31	656,034	711,505	672,733	628,902	667,547

METERS

Residential	2,974	2,842	2,840	2,815	2,776
Commercial	535	504	502	502	500
Industrial	108	106	106	102	100
Free Service	39	39	38	39	35
TOTAL METERS	3,656	3,491	3,486	3,458	3,411

GALLONS USED

Residential	173,375,724	180,841,716	168,851,276	170,007,684	173,813,508
Commercial	60,682,452	64,325,008	65,438,032	60,794,448	62,028,648
Industrial	223,938,144	238,590,308	273,022,244	246,447,300	254,346,928
Free Service	9,654,912	8,957,300	7,232,412	8,352,168	8,321,500
TOTAL GALLONS (3)	619,725,000	584,463,000	517,596,939	556,719,982	612,434,854

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

WATER UTILITY

2000 OPERATING INCOME AND EXPENSES

OPERATING INCOME:	
Charges for Services	\$1,242,623
Other Operating Income	11,766
Total Operating Income	<u>1,254,389</u>
OTHER INCOME:	
Interest Income	34,829
Other Miscellaneous Income	21,295
Total Other Income	<u>56,124</u>
TOTAL INCOME	\$1,310,513
OPERATING EXPENSES:	
Supply and Distribution	668,951
Billing and Accounting	83,559
Customer Service and Administration	110,681
Total Operating Expenses	<u>863,191</u>
CAPITAL IMPROVEMENTS:	
Supply and Distribution	284,496
Billing and Accounting	6,831
Customer Service and Administration	10,783
Total Capital Improvements	<u>302,110</u>
OTHER EXPENSES:	
Transfer to Water Tower Debt Service Fund	198,968
TOTAL EXPENSES	\$1,364,269

2000 FUND TRANSACTIONS AND BALANCES

	BALANCE Dec. 31, 1999	INCOME	EXPENSES	BALANCE Dec. 31, 2000
Operations	\$490,854	\$1,310,513	\$1,364,269	\$437,098
Water Tower Debt Service	675	218,290	218,405	560
Tower Debt Service Reserve	219,976	13,745	15,345	218,376
TOTAL	\$711,505	\$1,542,548	\$1,598,019	\$656,034

WATER PRODUCTION STATISTICAL DATA

	METERS	GALLONS USED
Residential	2,974	173,375,724
Commercial	535	60,682,452
Industrial	108	223,938,144
City of Bryan	39	9,654,912
Filter Backwash Water	-	4,503,710
Total	<u>3,656</u>	<u>472,154,942</u>
Line Flushing, Losses, Fire Fighting (23.8%)		147,570,058
Total Metered and Line Loss in Gallons		619,725,000

COMMUNICATIONS UTILITY

2000 OPERATING INCOME AND EXPENSES

OPERATING INCOME:	
Charges for Services	\$183,763
Other Operating Income	4,758
Total Operating Income	<u>\$188,521</u>
OTHER INCOME:	
Interest Income	\$18,035
Loan from Electric Fund	400,000
Other Miscellaneous Income	6,182
Total Other Income	<u>\$424,217</u>
TOTAL INCOME	\$612,738
OPERATING EXPENSES:	
Customer Service and Administration	141,001
Programming Costs and Fees	159,672
Total Operating Expenses	<u>\$300,673</u>
CAPITAL IMPROVEMENTS:	
Construction Project	<u>\$328,413</u>
TOTAL EXPENSES	<u>\$629,086</u>

2000 FUND TRANSACTIONS AND BALANCES

	BALANCE Dec. 31, 1999	INCOME	EXPENSES	BALANCE Dec. 31, 2000
Construction	\$322,301	\$381,766	\$469,414	\$234,653
Operations	0	230,972	159,672	71,300
TOTAL	\$322,301	\$612,738	\$629,086	\$305,953

GENERATION

2000 POWER PRODUCTION DATA

Gross Kilowatt Hours Generated by Power Plant	1,527,800
Gross Kilowatt Hours Generated by Auglaize Hydro	4,983,030
Total Gross Kilowatt Hours Generated	<u>6,510,830</u>
Kilowatt Hours Purchased from:	
American Electric Power (AEP)	204,928,284
Belleville Hydroelectric Project (JV5)	7,606,164
New York Power Authority (NYPA)	4,755,633
Amp-Ohio	42,781,531
Total of Gross Kilowatt Hours Purchased	<u>260,071,612</u>
Gross Generated and Purchased Kilowatt Hours	266,582,442
Customer Metered Kilowatt Hours	256,205,037
Power Plant Use	1,531,900
Kilowatt Hour Line Loss (3.32%)	8,845,505
Total Metered and Line Loss	266,582,442

ELECTRIC UTILITY

2000 OPERATING INCOME AND EXPENSES

OPERATING INCOME:	
Charges for Services	\$14,232,178
Other Operating Income	8,279
Total Operating Income	<u>\$14,240,457</u>
OTHER INCOME:	
Interest Income	\$237,683
AMP-Ohio Loan & Premiums	3,025,710
Other Miscellaneous Income	180,950
Total Other Income	<u>\$3,444,343</u>
TOTAL INCOME	\$17,684,800
OPERATING EXPENSES:	
Power Plant Operations	\$8,645,842
Distribution Operations	1,159,061
Billing and Accounting	179,701
Customer Service and Administration	489,989
Maintenance	109,854
Board of Public Affairs	26,162
Electric Communications	262,148
Hydroelectric Plant Operations	204,884
Hydroelectric Plant Repairs	1,432,745
Total Operating Expenses	<u>\$12,510,386</u>
CAPITAL IMPROVEMENTS:	
Power Plant	\$64,722
Distribution	604,818
Billing and Accounting	26,526
Customer Service and Administration	244,612
Maintenance	309
Board of Public Affairs	189
Electric Communications	1,949,939
Hydroelectric Plant	15,931
Total Capital Improvements	<u>\$2,907,046</u>
OTHER EXPENSES:	
Interest and Fiscal Charges on AMP-Ohio Loans	\$330,775
Loan to Communications Department	400,000
Transfer to Generator Maintenance Fund	17,154
Total Debt Service Expenses	<u>\$747,929</u>
TOTAL EXPENSES	<u>\$16,165,361</u>

2000 FUND TRANSACTIONS AND BALANCES

	BALANCE Dec. 31, 1999	INCOME	EXPENSES	BALANCE Dec. 31, 2000
Operations	\$2,768,628	\$17,684,800	\$16,165,361	\$4,288,066
Utility Deposit Fund	232,750	73,603	59,099	247,254
Underground Storage Tanks	23,500	0	0	23,500
Generator Maintenance	15,564	17,154	0	32,718
TOTAL	\$3,040,442	\$17,775,557	\$16,224,460	\$4,591,538

FREE-OF-CHARGE UTILITY SERVICES

UTILITIES

	ELECTRICITY	WATER	COMMUNICATIONS
Street and Security Lights	\$228,742	\$0	\$0
Utility Departments, Building & Facilities	101,198	8,246	0
Parks, Pools & Other Recreational Areas	27,693	8,600	0
Bryan Community Center	3,916	178	0
Municipal Departments, Buildings & Facilities	43,020	2,163	7,500
County and EMS	3,331	140	0
Traffic Signals	6,713	0	0
Fiber Nodes	17,313	0	0
Bryan City Schools	0	0	21,600
Free-of-Charge Utilities	\$431,926	\$19,327	\$29,100

ELECTRIC SERVICES

Maintenance Services (Labor) Provided	
Street Light Installation and Maintenance	\$9,410
Traffic Light Installation and Maintenance	1,106
Lighting for Bryan Parks Installation and Maintenance	5,245
Christmas Decorations	8,380
Equipment	29,735
Unbilled Maintenance Provided including Equipment	\$53,876
Materials Provided	
New Street Lights and Replacements	\$22,499
Lighting for Bryan Parks Installation and Maintenance	4,669
Unbilled Materials Provided	\$27,168
Total Labor and Materials Provided	\$81,044
TOTAL FREE ELECTRICITY, LABOR AND MATERIALS	\$512,970

WATER SERVICES

Maintenance Services (Labor) Provided	
Installation and Services to City Facilities	\$6,454
Installation and Maintenance of Fire Hydrants	8,864
Unbilled Maintenance Provided	\$15,318
Materials Provided	
Water Lines and Services to City Facilities	\$3,937
New Fire Hydrants and Replacements	5,159
Unbilled Materials Provided	\$9,096
Total Labor and Materials Provided	\$24,414
TOTAL FREE WATER, LABOR AND MATERIALS	\$43,741

COMMUNICATIONS SERVICES

Maintenance Services (Labor) Provided	
Installation of Services to City Facilities	\$124
Installation of Services to Bryan City Schools	235
Unbilled Maintenance Provided	\$359
Materials Provided	
Cable and Accessories for Services to City Facilities	\$994
Cable and Accessories for Services to Bryan City Schools	1,506
Unbilled Materials Provided	\$2,500
Total Labor and Materials Provided	\$2,859
TOTAL FREE COMMUNICATIONS, LABOR AND MATERIALS	\$31,959

TOTAL FREE-OF-CHARGE UTILITY SERVICES	\$588,670
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