

ANNUAL REPORT 2020

**BRYAN MUNICIPAL
UTILITIES**



BMU MISSION

Bryan Municipal Utilities is dedicated to providing reliable and responsive service while pursuing innovative solutions to create the best value for our customers.

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LETTER FROM THE DIRECTOR

To Our Customers,

As the new Director of Bryan Municipal Utilities, let me introduce myself. I was promoted from the Engineering Supervisor at BMU to the Director of Utilities in mid-August, 2020. I have over 18 years in the utilities industry. I have advanced my career at BMU as part of the Management team, starting as an Engineering Assistant, moving to the Water Supervisor role where I worked in treatment and distribution. My most recent role as Engineering Supervisor has afforded me the opportunity to assist all departments in planning and overseeing of capital and maintenance projects. I have also worked with various city, county, and state departments. I have resided in Bryan with my family for over 30 years.

One of the biggest justifications for accepting my new position at Bryan Municipal Utilities is the people. I am surrounded by great department heads and employees, they are one of BMU's greatest assets, and without them we would not be where we are today. Our faces may change over time, but our dedication and service to our customers and community is timeless as it has been for well over 100 years.

As Director of Utilities, it is my goal to continue the long-storied history and tradition of supplying quality services that your Utility has to offer. I look forward to seeing the positive things we can do together for our customers and our community in the years to come.

Sincerely,

A handwritten signature in black ink, appearing to read "Nathan Gardner".

Nathan Gardner
Director of Utilities

MANAGEMENT REPORT

As we have all experienced, 2020 was a very challenging year. For Bryan Municipal Utilities, it was no exception as the year started off with the recent departure of the previous Director and shortly thereafter the COVID-19 pandemic set in. Armed with a great team, BMU pulled together through adversity facing a divided government, a pandemic and an economic downturn. Resilience and responsiveness in a constantly changing environment, in the best interest of our customers and the City of Bryan, is the foundation of our Mission Statement and a testament to the Board of Public Affairs, Management Team, and Employees through this trying year.

There were many unknowns about COVID-19 in the beginning. Throughout the country, schools and businesses were shut down; state-issued stay-at-home orders were put in place, and a City of Bryan State of Emergency was enacted. Between the BPA and our Management team, continuous revisions to policies and procedures were warranted to continue operations in serving and helping our customers while keeping our employees safe. Utility disconnections for non-payment and late payment penalty policies were revised to give those experiencing financial hardship extra time to make payments. Our sick leave policy was amended to allow a 15-day sick leave donation for employees who needed help getting through the COVID-19 pandemic leave. The resilience of our department heads stood out as they put together plans to keep their employees and operations moving forward, on top of BMU and other government rules and guidelines. The BPA's meeting policy was also adjusted to permit meetings to be held via electronic means in this combined effort.

THE BRYAN COMMUNITY also stepped up during these unprecedented times. Donations to the Good Neighbors Utility Fund, administered by NOCAC, were greater than ever. It was great to see the compassion of people as they came together to help others in difficult times. The BPA in response approved temporary policy changes and increased the maximum assistance allowed, increased the eligibility income level of assistance and allowed for BMU communication services to be included for financial assistance.

FINANCES became critically important to monitor during this time. Department heads were asked to conserve and curtail, as much as possible. Open employee positions and some projects were postponed to assist in offsetting the economic impacts from the pandemic. A few key contractual and grant approved projects such as the North Industrial Park Street Extension already in motion continued, as well as the South Williams Street Water Main Replacement Project, the Industrial Drive Substation Project, and the GT Westinghouse Control Systems Upgrade. When we work together and are flexible to react and find solutions, good things happen for our community. An example of this, is the North Industrial Park Street Extension with a projected cost \$351,295. The City and Utility together benefited from a \$200,000 grant from the Transportation Improvement District (TID) along with a \$24,734 grant from Jobs & Commerce netting a final \$126,561 out of pocket cost for the City and Utility. We in turn received a new water main, new street, street lighting, and additional access to local businesses and the Industrial Park North.

THE ELECTRIC DEPARTMENT operating fund started the year healthy with about \$10.3 million, while the electric capital fund was just over \$6.3 million for an approximate total of \$16.6 million. **Revenues** were anticipated to be about \$20.7 million and ended the year about \$18.9 million, a decrease of \$1.8 million (-8.7%). **Expenses** were budgeted to be about \$21.6 million in the operating fund and with the efforts of our team came in about \$16.8 million, a decrease of about \$4.8 million (-16.3%). The ending operating fund balance was about \$11.1 million & the capital fund was around \$2.4 million for a combined total of approximately \$13.5 million, a decrease of about \$3 million combined.

Comparing 2020's Electric departments total cash to the previous two years, the downward trend was due to planned cash-funded large capital projects, as well as a decline in electric usage due to COVID-related business shut downs and/or reduced operations. 69% of the City of Bryan's electric use comes from commercial and industrial electric customers.

THE WATER DEPARTMENT operating fund started the year with about \$1.59 million, while the water capital fund was a little over \$727,000 for a total of just over \$2.3 million. **Revenues** were anticipated to be about \$2.4 million and ended as projected. **Expenses** were budgeted to be \$2.35 million in the operating fund and with conservation efforts ended the year about \$1.9 million, a decrease of about \$450,000. The ending operating fund balance was approximately \$2.1 million & the capital fund was about \$137,768 for a combined total of approximately \$2.2 million, a decrease of about \$92,584 combined.

Working jointly with City of Bryan departments, the water department was able to accomplish more for less utilizing available grants for the South Williams Street Water Main Replacement and the Bryan Industrial Park North Water Main Extension projects in 2020. Overall, the water department fared well during the pandemic mainly due to prior rate increases and conservative spending throughout the year.

THE COMMUNICATIONS DEPARTMENT operating fund started the year with approximately \$2.28 million, while the communications capital fund was \$80,170 for a total of just over \$2.36 million. **Revenues** were anticipated to be about \$2.49 million and came in at \$2.4 million. **Expenses** were budgeted to be \$2.76 million in the operating fund and came in about \$2.3 million, a decrease of \$432,128. The ending operating fund balance was approximately \$2.3 million & the capital fund was \$88,064 for a combined total of approximately \$2.39 million, an increase of \$25,598 combined.

POWER SUPPLY

costs are BMU's single greatest annual expense. In 2020, power supply costs represent approximately 78% of the total annual Operations and Maintenance expenses. Wholesale power rates for Bryan ended the year at \$59.68/MWh, which is approximately 7.1% higher than forecast and 11.9% higher than 2019 rates.

COVID-19 shut-downs contributed to a 15% drop in April and May loads compared to 2020 forecasts. This lowered the MWhs to spread fixed costs over resulting in an increase to our average power costs. Mild weather in 9 out of the 12 months of 2020 also resulted in Bryan loads being about 8% lower than expected. 2020 weather was highlighted by a warm winter (January, March, and November being in the top 10 warmest on record) and mild weather during shoulder months (very little air conditioning load in May, September, and October). A warmer than normal summer (June through August) did help to offset the other 9 months of lower energy usage.

RENEWABLE ENERGY Power Supply Strategies adopted in 2007 by the Board of Public Affairs set a goal to derive 20% of the city's power from renewable energy sources by 2015. This goal was then increased in 2012 to 25% of renewable energy sources by 2020, if economically feasible. We are happy to report that we have exceeded that goal with an average of 29% of renewable energy in our portfolio in 2020. We will continue to monitor our environmental footprint and work to maintain this goal while remaining economically responsible and competitively priced for our Bryan customers.

AS ONE OF BMU'S MOST CHALLENGING YEARS, we refused to get caught up in all the distractions of 2020. Bryan Municipal Utilities focused on what we needed to do to answer the call of our customers during this trying time. With the focus constantly changing amid the Covid-19 pandemic, we not only survived 2020 but we were able to accomplish many great things for our community, as will be evident as you continue to read our accomplishments in 2020.

RENEWABLE ENERGY

PUBLIC POWER – COMMUNITY OWNED – ENVIRONMENTAL FRIENDLY

The City of Bryan receives its electricity from Bryan Municipal Utilities, one of more than 2,000 not-for-profit, community-operated electric utilities that serve over 49 million Americans nationwide.

Since 1896, the City of Bryan and its citizens have owned and operated its own electric utility and have placed high value on local control of this community asset. Public power customers enjoy many benefits of having their own utility as they are consumers as well as owners with a voice in utility policies. In Bryan, the election of the Board of Public Affairs to oversee their utility is one of the benefits that our customer-owners pride themselves with in electing competent, dedicated and responsible citizens to oversee their investments. These investments in our community help to ensure low cost, safe, and reliable services and contribute substantially to the well-being of our Bryan citizens.

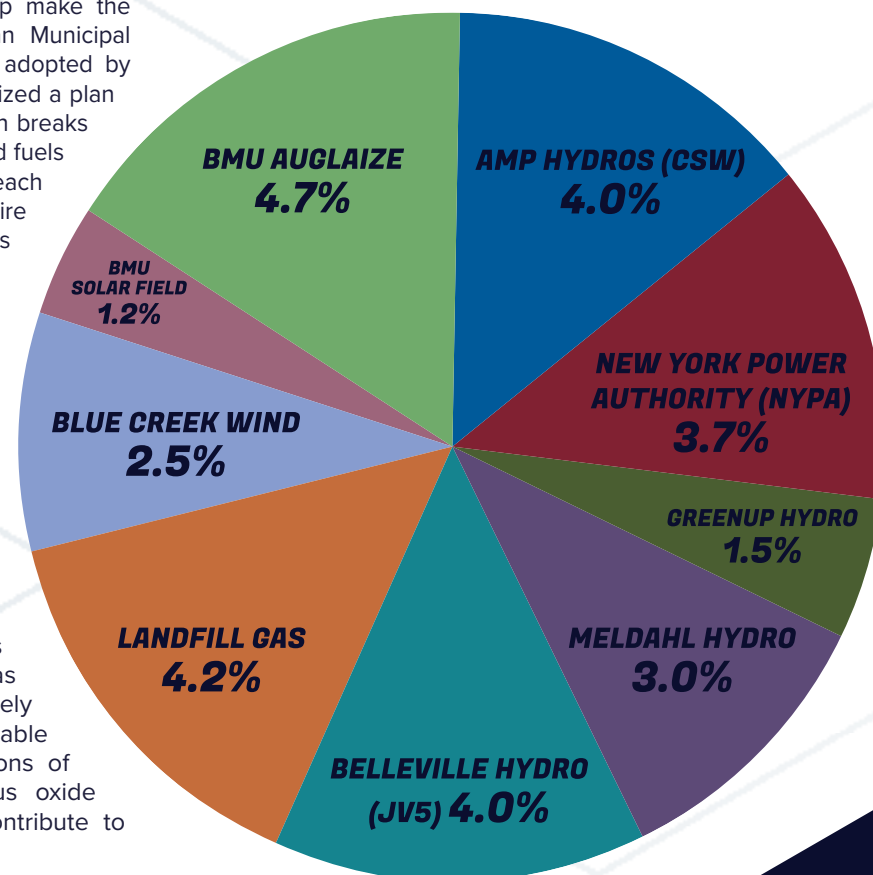
As a Public Power community, we choose the power supply resources to best provide cost-competitive and reliable electricity for our customers. To help make the best power supply decisions possible, Bryan Municipal Utilities developed a power supply strategy, adopted by the Board of Public Affairs in 2007, that formalized a plan to diversify Bryan's power supply mix. The plan breaks down the different types of power supplies and fuels and looks at different contract lengths for each of the different types. Keeping with the desire to be good stewards of the environment, this strategy included an initial goal set by the BPA of twenty percent renewable energy by 2015. When opportunities presented itself with the addition of the Bryan Solar Field in 2012, the BPA elected to increase the goal in our power supply strategy to have twenty-five percent of renewable energy sources by 2020.

In 2020, BMU was not only able to meet the BPA's goal of twenty-five percent but exceeded this goal by finishing the year with nearly 29 percent of renewable energy sources in its portfolio. The effects on the environment are also substantial, as our power resource portfolio is approximately thirty-seven percent carbon free. Our renewable energy strategy avoids air emissions of tons of carbon dioxide, sulfur dioxide and nitrous oxide pollutants every year. Those pollutants contribute to

acid rain, ozone depletion, and global warming, as well as contaminate the air we breathe. As a publicly owned utility, we can make choices regarding the sources of our electric power and consideration of our environment is an important part of our decision-making.

The Auglaize Hydroelectric Plant and Bryan Solar Field are PUCO certified renewable energy resource generating facilities. As such, each megawatt-hour (MWh) of energy production from these facilities creates an associated Renewable Energy Certificate/Credit (REC) that can be sold to parties interested in assuring part or all of their energy requirements are met by renewable energy resources. Sales of RECs in 2020 from these two facilities totaled \$147,916. These facilities also assist in peak shaving during times of high energy demand and the City of Bryan received over \$350,000 in

2020 BMU RENEWABLE ENERGY SOURCES



transmission and capacity savings in 2020. In more ways than one, these renewable energy assets are a benefit to the customers of Bryan and to the environment overall.

Our renewable energy resources are expansive, the Auglaize Hydroelectric Plant and the Bryan Solar Field provides 4.7% and 1.2% of renewable energy respectively. BMU has joint ownership on the Ohio River with AMP hydroelectric plants on Cannelton, Smithland and Willow Island (4%), as well as Meldahl Hydroelectric Plant (3%) and the Greenup Hydroelectric Plant (1.5%). Our part ownership of the Belleville Hydro Dam on the Ohio River provides another 4%, and we purchase 3.7% of our energy load from New York Power Authority's Niagara Falls Dam. Thus, about 21 percent of Bryan's power supply comes from clean, efficient and renewable hydroelectric power. We have also invested in contracts with the Blue Creek Wind Farm (2.5%) and the EDI Landfill Gas project (4.2%) to round out a diverse renewable energy portfolio.

These renewable energy resources are all part of the power supply strategy first discussed and implemented in 2007, which ensures a long-term commitment to a portion of our power supply that will be advantageous to the citizens of Bryan for years to come. It is a commitment that will return income, steady power costs and clean air. Bryan can proudly say we are doing our part to protect the environment, and we can save money while we do it.

BOARD OF PUBLIC AFFAIRS



2020 Board Members
Tom Sprow, Dick Long, Jim Salsbury,
Annette Schreiner and Karen Ford

The Bryan Board of Public Affairs is a five-person board elected to set direction and decide policy for the community-owned utility. The full Board meets on the first and third Tuesday of each month at 5 p.m. The meetings are open to the public and are broadcast on BMU cable television. In 2020, amid the COVID-19 pandemic, the Board met virtually and streamed their meetings live for the public on BMU's Video YouTube Channel.

The Board also has five committees that meet quarterly with the management team to discuss all significant utility activities. The Board keeps informed of utility services, financial position, and personnel.

Since its creation in 1906, the Board of Public Affairs has focused on providing the residents and businesses of Bryan with reliable, superior service at a competitive cost while planning for the future and addressing the unexpected challenges along the way. The Bryan Board of Public Affairs and Bryan Municipal Utilities is committed to ensuring our efforts continue to align with our mission, vision, and values for the success of our Bryan community.

FINANCIAL HIGHLIGHTS

ELECTRIC DEPARTMENT

	2020	2019	Change	%Change
Operations				
Income	\$18,925,398	\$20,388,803	-\$1,463,405	-7.2%
Expenses	16,841,184	16,971,859	-130,675	-0.8%
Margin	\$2,084,214	\$3,416,944	-\$1,332,730	-39.0%
Finance				
Capital Improvements	\$0	\$0	\$0	0.0%
Generator Maintenance Fund	0	23,779	-23,779	-100.0%
Capital Improvements Reserve Fund	1,300,000	4,550,000	-3,250,000	-71.4%
Total Fund Balances Available Dec. 31	\$13,744,236	\$17,099,613	-\$3,355,377	-19.6%
Total Meters	6,057	6,048	9	0.1%
Total Metered kWh	169,509,680	183,567,581	-14,057,901	-7.7%
Peak Demand (kilowatts)	37,758	37,533	225	0.6%

WATER DEPARTMENT

Operations				
Income	\$2,438,621	\$2,353,208	\$85,413	3.6%
Expenses	1,760,174	1,692,051	68,123	4.0%
Margin	\$678,447	\$661,157	\$17,290	2.6%
Finance				
Capital Improvements	\$0	\$15,736	-\$15,736	-100.0%
Debt Service	81,722	64,241	17,481	27.2%
410 Water Main Replacement Fund	0	16,905	-16,905	-100.0%
418 Industrial Park North Fund	62,323	0	62,323	100.0%
Capital Improvements Reserve Fund	37,682	980,000	-942,318	-96.2%
Total Fund Balances Available Dec. 31	\$2,397,437	\$2,489,784	-\$92,347	-3.7%
Total Meters	3,908	3,867	41	1.1%
Total Metered Gallons	323,286,075	331,628,356	-8,342,281	-2.5%

COMMUNICATIONS DEPARTMENT

Operations				
Income	\$2,400,387	\$2,474,493	-\$74,106	-3.0%
Expenses	2,329,432	2,337,172	-7,740	-0.3%
Margin	\$70,955	\$137,321	-\$66,366	-48.3%
Finance				
Capital Improvements	\$0	\$14,651	-\$14,651	-100.0%
Capital Improvements Reserve Fund	53,250	55,000	-1,750	-3.2%
Total Fund Balances Available Dec. 31	\$2,391,215	\$2,365,617	\$25,598	1.1%
Total Customers	2,842	2,995	-153	-5.1%

FUND BALANCES

2020 ELECTRIC UTILITY FUND TRANSACTIONS AND BALANCES

	Balance Dec. 31, 2019	Income	Expenditures	Capital	Balance Dec. 31, 2020
Electric Fund	\$10,326,534	\$18,925,398	\$16,841,184	\$0	\$11,110,748*
Electric Capital Improvement Fund	6,337,152	1,302,817	0	5,177,619	2,462,350
Utility Deposit Fund	170,901	33,870	33,633	0	171,138
Generator Maintenance Fund	265,025	0	265,025	0	0
TOTAL	\$17,099,612	\$20,262,085	\$17,139,842	\$5,177,619	\$13,744,236

* \$242,738 Dissolved Generator Maintenance Fund Transferred to Electric Fund

* \$1.3 million Transferred to Electric Capital Improvement Fund

2020 WATER UTILITY FUND TRANSACTIONS AND BALANCES

	Balance Dec. 31, 2019	Income	Expenditures	Capital	Debt Service	Balance Dec. 31, 2020
Water Fund	\$1,591,811	\$2,438,621	\$1,760,174	\$0	\$81,722	\$2,088,531*
Water Capital Improvement Fund	727,072	42,407	0	229,409	0	137,768**
Utility Deposit Fund	170,901	33,870	33,633	0	0	171,138
TOTAL	\$2,489,784	\$2,514,898	\$1,793,807	\$229,409	\$81,722	\$2,397,437

* \$62,323 Advanced to 418 Industrial Park North Project

* \$37,682 Transferred to Water Capital Improvement Fund

**\$373,371 Transferred to 415 S. Williams St. Project

**\$28,931 Transferred to 418 Industrial Park North Project

2020 COMMUNICATION UTILITY FUND TRANSACTIONS AND BALANCES

	Balance Dec. 31, 2019	Income	Expenditures	Capital	Balance Dec. 31, 2020
Communications Fund	\$2,285,446	\$2,400,387	\$2,329,432	\$0	\$2,303,151*
Communications Capital Fund	80,170	53,250	0	45,356	88,064
TOTAL	\$2,365,616	\$2,453,637	\$2,329,432	\$45,356	\$2,391,215

* \$53,250 transferred to Communications Capital Improvement Fund

ELECTRIC DEPARTMENT



THE BRYAN ELECTRIC DEPARTMENT

has continued to push on through these extraordinary times. The pandemic and the constant changes to work practice guidelines have been a challenge for our department's ability to operate and maintain a steady day to day workflow. Our department has continued to adapt to the adjustments during this epidemic and during these changing times. The Electric Department works hard and is dedicated to the work processes to perform required daily tasks and to complete numerous maintenance and capital projects throughout the year.

During 2020, the Electric Department worked on selected overhead to underground conversion projects. We started the year out on County Road 12, and then moved to a project in the 800 and 900 blocks of East Maple Street. Our final conversion project was completed with the assistance of adjacent property owners to clean up old overhead services located in a blocked-in location in the 200 block of West High Street. Other underground projects completed were service extension projects for new community businesses. Extensions to Nostrum Laboratories, Schlachter Investments, the Ohio Gas Company and the Amphitheater in the Bryan Recreation Park were installed to provide electric service to these business entities. The last electric underground project in 2020 was completed in the East Village Subdivision where we tied an existing dead end to create a redundant loop for better serviceability to our customers.

Overhead electric projects were also a primary focus this year. Our crews rebuilt a three phase line on North Union Street to accommodate the installation of a large fiber optic cable for our upgraded outer ring fiber optic loop. We also spent a lot of time constructing overhead projects in the Bryan Industrial Park South. The construction of a ductile iron pole line was completed to relocate the path of the 69 kV loop to feed the new Industrial Park Substation between the Bechtol Switchyard and Lorntz Substation. Numerous distribution circuits were rearranged to take load off of the existing Daggett Substation over to the new Industrial Park

"Our department has continued to adapt to the adjustments during this epidemic and during these changing times."

Substation. The Electric Crews spent a large amount of their time in and around the Industrial Park Substation this year. They worked hard and were able to finish the work needed to power up the new Industrial Park Substation.

The Electric Department also worked on Streetlight Improvement Projects in 2020. These streetlight projects were in coordination with the City of Bryan street improvement and extension projects. We began the year installing lighting on Johnson Way in the Industrial Park North, then followed the City of Bryan's street extension project on Swanson Drive, and then resumed the installation of street lighting throughout the Industrial Park North complex. The final City Street Improvement project was in the Bryan Recreation Park on Mayberry Drive. All of these 2020 lighting projects improved the aesthetics, security, safety, and increased quality of life for drivers, pedestrians, and for the general public.

The Electric Department completed numerous capital projects in 2020, and continued to work every day to maintain and provide our customers with continual utility services. The Employees of the Bryan Electric Department are dedicated to providing our customers and the community with reliable and affordable power, even amongst the toughest of times.

SINCE 1896

Bryan Electric Department maintains more than 130 miles of electric lines—10 miles of 138,000 volt transmission line, 26 miles of 69,000 volt transmission line, and more than 100 miles of distribution lines. Over 200 million kW hours go through approximately 6,050 electric meters every year.

We are continually improving our electric infrastructure by upgrading our substations, poles, transformers, and wires in order to deliver excellent service to the City of Bryan and the surrounding area, as we have for over 124 years.

And even in the most challenging year, our goal is to continue to provide affordable, reliable, and safe electric service with minimal power outages and prompt customer support. Our essential employees work and live in the community and are available 24 hours a day, 365 days a year and look forward to keeping the lights on for you for many years to come.

ELECTRIC FINANCIALS

ELECTRIC OPERATING INCOME AND EXPENSES 2020

Operating Income:		
	Charges for Services	\$18,096,788
	Other Operating Income	254,634
Total Operating Income		\$18,351,422
Other Income:		
	Interest Income	\$123,277
	Other Miscellaneous Income	207,961
	Transfer Income	242,738
Total Other Income		\$573,976
Total Income		\$18,925,398
Operating Expenses:		
	Purchase Power	\$10,329,480
	Power Plant Operations	1,335,931
	Solar Lease	557,011
	Distribution Operations	1,727,977
	Billing and Accounting	335,780
	Customer Service and Administration	918,591
	Maintenance	102,773
	Board of Public Affairs	35,002
	Electric Communications	352,049
	Hydroelectric Plant Operations	456,961
Total Operating Expenses		\$16,151,555
Other Expenses:		
	Kilowatt Hour Tax to State of Ohio	\$66,548
	Kilowatt Hour Tax to General Fund	623,081
Total Other Expenses		\$689,629
Total Expenses		\$16,841,184
Balance Available for Capital Improvements and Debt Service		\$2,084,214
Transfer to Generator Maintenance Fund		\$0
Transfer to Electric Capital Improvement Fund		1,300,000
Total Expenses		\$18,141,184



ELECTRIC CAPITAL RESERVE FUND INCOME AND EXPENSES

Beginning Balance 1/1/2020		\$6,337,152
Transfer Income:		\$1,300,000
Other Income:		
	Land Sale	\$0
	Other Miscellaneous Income	\$2,817
Total Other Income		\$2,817
Total Income		\$1,302,817
Capital Expenses:		
	Power Plant	\$4,573,176
	Electric Distribution	570,602
	Electric Utility Office	0
	Electric Clerks Office	0
	Auglaize Hydroelectric Plant	746
	Electric Communications	33,095
Total Capital Improvements		\$5,177,619
Ending Balance 12/31/2020		\$2,462,350





2020 PROJECT HIGHLIGHT

INDUSTRIAL DRIVE SUBSTATION



POWER PRODUCTION



The power plant employees were focused this year on completing a couple of major projects. The Industrial Drive Substation became a reality this year. This substation was brought to fruition after many years of planning and engineering for proper loading of the new substation. The premise of the Industrial Drive Substation was to provide some of Bryan's major industrial accounts with increased reliable power by feeding them from a substation that is located in a closer proximity to their site and away from trees that cause a high percentage of outages during high winds or storms. This substation will also be used to bring Titan Tire onto our 69kV transmission lines providing them with increased reliability and a more consistent power source.

In addition to the above project, the Westinghouse 191 controls were upgraded from the 1971 pneumatic controls to the latest Allen-Bradley programmable logic controls. This will increase our reliability in aiding the power plant to continue its success during the peak shaving events. The old pneumatic controls had components that were not produced after 2004, leaving the City of Bryan without spares if these components failed. The new controls now allow us to supply generation services when needed. The generator located on County Road C was completed in the fall of 2020 and the generator at the power plant will be done in the spring of 2021.

The older GE turbine generator's main starting gearbox lost a shaft during the early summer. The estimated repair cost was approximately \$32,000. The power plant employees

took on this task as a challenge and were able to repair it for just over \$1,000. Our power plant employees are dedicated and do a great job in working together for the benefit of our customers.

The power plant employees continued to be successful generating during the peak shaving opportunities that occurred in 2020. AEP's high transmission 1 CP (Coincident Peak) occurred on July 9, 2020 at 5 p.m. The Power Plant's projected savings for generating during the 1 CP will be \$2,543,631 in this year's annual cost. With the Auglaize Hydroelectric Plant's projected savings of \$182,019 and the Bryan Solar Field's contribution of \$143,442, we anticipate \$2,869,092 in total transmission savings.

Also, with the generators operating well this year, we not only hit the transmission 1 CP but caught all of PJM's, (Pennsylvania-New Jersey-Maryland) 5 CP capacity peaks resulting in a savings of \$1,523,973 from the Power Plant. The Auglaize facility capacity savings during these 5 peaks was \$103,052 and the Solar Field gave us an additional \$64,601 in capacity savings. The PJM projected capacity savings for this year totaled \$1,691,626. With 2020 transmission and capacity results from our local generation, we anticipate a total savings of \$4,560,718 off our power supply purchases in 2021.

Renewable energy credits were also sold during 2020 providing revenue of \$129,677 for the Auglaize Hydro generation and \$18,239 for the Bryan Solar generation, totaling \$147,916 in additional revenue.

During the fall of 2020, the concrete on the Auglaize facility was repaired from the effects of freezing within the concrete cracks. This caused a portion of concrete to break out. BMU is testing Advanced Rehabilitation Technology's structural lining on sections of the concrete dam to determine if this will minimize the leakage and seal the moisture out so as ice forms it will not result in deterioration of the concrete. This exterior coating is also very hard and we are hoping this will decrease the surface wear of the concrete and extend its life. In conclusion, with this repair the power plant employees also repaired the backhoe's front axle spindle and installed an infrared heater in the maintenance repair area. Doing more of these projects with our power plant employees has provided great cost savings for the utility and our customers.

POWER SUPPLY DATA

2020 POWER SUPPLY

Gross Kilowatt Hours Generated by Power Plant	3,368,765
Gross Kilowatt Hours Generated by Auglaize Hydro	9,744,566
Gross Kilowatt Hours Generated by Solar Field	2,524,990

Total Gross Kilowatt Hours Generated	15,638,321
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Kilowatt Hours Purchased:	
Belleville Hydroelectric Project (JV5)	8,342,058
New York Power Authority (NYPA)	7,757,435
AMP Fremont Energy Center (AFEC)	34,994,035
Prairie State Energy Campus	58,252,183
Blue Creek Wind Farm	5,116,759
Landfill Gas	8,784,000
BP Remaining Requirements	31,103,914
Meldahl Hydroelectric Project	6,304,418
Greenup Hydroelectric Project	3,063,075
AMP Hydroelectric Projects (CSW)	8,253,714
Morgan Stanley	20,203,200

Total of Gross Kilowatt Hours Purchased	192,174,791
Gross Generated and Purchased Kilowatt Hours	207,813,112

Kilowatt Hours Used:

Customer Metered Kilowatt Hours	169,509,680
OMEG Kilowatt Hours Sold	23,239,281
Auglaize Kilowatt Hours Sold	899,595
Power Plant Use	1,085,560
Kilowatt Hour Line Loss (6.29%)	13,078,996

Total Metered and Line Loss	207,813,112
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WATER **DEPARTMENT**

Public water systems are in need of constant maintenance and improvements to keep them in good working order and although 2020 was a challenging year, the Water Department remained dedicated to operating a safe and reliable water system and delivering a continuous supply of safe drinking water to our Bryan customers.

AERATOR REHABILITATION

Aeration is the first step in the water treatment process. Aeration brings water and air in close contact to remove dissolved gases and oxidizes metals such as iron. The 1400 cubic feet of media inside the aerator was replaced to maintain its effectiveness.

REACTION BASIN INSPECTION

This 1,000,000-gallon basin stores water that will be pumped to the distribution system. An interior inspection and cleaning of the basin was completed by certified divers. Several pipe hangers were replaced to ensure proper operation continues.

LABORATORY ANALYSTS

Water treatment plant employees are certified by the Ohio EPA as bacteriological analysts. The laboratory analyzed 425 samples for bacteria in 2020. Additionally, analysts sampled for disinfection-by-products, lead, copper, and nitrates. All testing met or exceeded Ohio Environmental Protection Agency regulations.

WATER MAIN REPLACEMENT

A new eight-inch PVC water main was constructed from the 200 to 600 blocks of South Williams Street, 300 Block of East Peirce Street and the 300 to 400 blocks of East Butler Street. This 3,620-foot project replaced an aging four-inch cast iron water main that had experienced several maintenance issues. Five new fire hydrants, eighteen valves and sixty-three service connections were installed to improve water service reliability and increase firefighting capabilities within the project area.

A new twelve-inch main was extended 1,233 feet in the North Industrial Park to complete the transmission loop from Bement Street to the existing 12" water main on Paige Street.

RED SAND FILTER CLEANING

Filter backwash water flows by gravity through the red sand filter to remove excess iron. Over time iron sludge accumulates and requires removal. Removing this sludge maintains performance of the filter to meet or exceed Ohio EPA discharge regulations.

SCADA UPGRADES

Maintaining communications across many different devices for the City of Bryan's Public Water System is essential to proper operations. This year upgrades were made to the programmable logic controller at Well #6. At the Water Treatment Plant, the computer that controls the functions of the Supervisory Control and Data Acquisition software was upgraded as well.

SINCE **1892**

Bryan's water system consists of more than seventy miles of underground pipeline, two water towers, seven wells, more than 2,000 valves, 575 fire hydrants, nearly 4,000 service connections and a water treatment plant.

Bryan has always been famous for its water. In fact, there were once so many flowing artesian wells in Bryan that it became known as "Fountain City" soon after its founding in 1840. The Water Department has provided water service to the citizens of Bryan since 1892.

Today we supply an average of 1.3 million gallons of safe drinking water every day. Nearly 70 miles of underground pipe deliver water to more than 3,800 homes and businesses. Each year our goal is to replace 3,700 feet of water main to keep the distribution system in good condition. Additionally, department personnel inspect and flow all fire hydrants annually and repair problems promptly.

WATER FINANCIALS

WATER OPERATING INCOME AND EXPENSES

2020

Operating Income:		
	Charges for Services	\$2,354,183
	Other Operating Income	5,875

Total Operating Income	\$2,360,058
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Other Income		
	Interest Income	\$17,962
	Other Miscellaneous Income	60,601

Total Other Income	\$78,563
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Total Income	\$2,438,621
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Operating Expenses		
	Supply and Distribution	\$1,318,375
	Billing and Accounting	121,368
	Customer Service and Administration	306,144
	Interest on S. Walnut/E South St Project	4,911
	Interest on Townline Rd Project	9,376

Total Operating Expenses	\$1,760,174
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Total Expenses	\$1,760,174
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Balance Available for Capital Improvements & Debt Service	\$678,447
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Debt Service - S. Walnut/E South St Project	
Balance - January 1, 2020	\$182,410
Principal Payment	50,261
Balance - December 31, 2020	\$132,149

Debt Service - Townline Rd. Project	
Balance - January 1, 2020	\$337,936
Principal Payment	31,461
Balance - December 31, 2020	\$306,475

Advance to 418 Industrial Park North	\$62,323
Transfer to 525 Water Capital Improvement Fund	\$37,682

Total Expenses	\$1,941,901
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WATER CAPITAL RESERVE FUND INCOME AND EXPENSES

Beginning Balance 1/1/2020	\$727,072
Transfer Income:	\$40,507
Other Income: Misc. Income	\$1,900
Total Income	\$42,407

Capital Expenses:		
	Supply and Distribution	\$229,409
	Water Utility Office	0
	Water Clerks Office	0

Total Capital Improvements	\$229,409
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Transfer to S. Williams St. Project	\$373,371
Transfer to Industrial Park North Project	\$28,931

Ending Balance 12/31/2020	\$137,768
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2020 WATER PRODUCTION DATA

	Meters	Gallons Used
Residential	3,246	141,783,400
Commercial & Industrial	608	159,395,808
City of Bryan (Unbilled Service)	22	22,106,867

Total Metered	3,876	323,286,075
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Bulk Water & Hydrant Water (Billed)	660,184
Filter Backwash/Production Water	1,693,600
Hydrant Flushing	5,500,000
Other	0

Total Other Water Use	7,853,784
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Line Losses (24.1%)	105,337,141
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Total Water Production	436,477,000
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COMMUNICATIONS DEPARTMENT

In 2020, the Communications Department continued to operate within the City of Bryan and Williams County to deliver excellent service to our customers. These include Cable Television, Internet, and Fiber Network services.

It would be an accurate statement that the year of 2020 was anything but normal for our operations, due to the national coronavirus crisis that came upon us in March.

Even through these many months, we have remained committed to providing the best service possible for our customers.

On our cable TV system, we maintained our existing channel lineup, which includes both Basic and Extended Basic service, as well as our Digital Basic and HD tiers of service. We continue to pass through many additional programs from our broadcast stations at no charge to our customers. With the ever increasing fees set by our programmers, it is a constant challenge to keep the programming rates as low as possible for our customers.

Many of our customers and students were required to work from home during the past year, and our internet service provided the necessary service for their connection to their businesses and schools. This was a test for an important project that was recently completed, which was the upgrade to our cable internet system. This upgrade increased the bandwidth available to our customers, which proved to be critical over the past year. We continue to offer our normal High Speed internet service, as well as our new, Enhanced internet service. We plan to continue the practice of constantly seeking ways to improve our service and to meet the customers' demand for the ever increasing need for more bandwidth.

The department completed several fiber and network projects in 2020. These included the new large fiber route that will provide service and communications to our electrical substations, as well as the fiber communications to the new Industrial Park Substation.

Our department also completed the installation of a new security system for our internal network for the company, which protects BMU users from any unwelcome threats that may come into our network.

In 2020, the Communications Department BMU TV video team continued to provide high quality programming to our customers, as well as the community. There were several productions completed, even with the COVID rules and restrictions that we experienced. We used BMU channels 3 and 4 to showcase these events, but also expanded our streaming of meetings and events online.

Our department is the only source to view the live broadcast of the BPA and Council meetings, and is provided as a public service to the residents of Bryan. Due to the inability to physically meet for these meetings, we live streamed the meetings on YouTube, so that our residents would continue to have access to the public meetings. Advertising from local businesses broadcast on several channels of BMU Cable is also a result of the production work of the video department.

In 2021, we are planning to complete the construction of the new fiber optic loop around the City of Bryan, as well as the construction of another new fiber route within the downtown section of Bryan. This new fiber loop will provide service to both City, County, and other business customers in the area. This will also provide available fiber for many uses for many years to come.

We also have several projects planned for the main network, in which we will upgrade several systems that ensure the reliable operations of our core network in the company, and the City of Bryan.

The Communications industry was tested in 2020, and our network and programming continued to deliver quality service to our customers at home and at work. The Communications Department has a dedicated and committed team that works each day to come up with new solutions toward meeting the ever-changing needs of our customers and to provide a secure network for our critical infrastructure for all of our departments within BMU and the City of Bryan.

We are constantly aware of the importance of our customers, and are truly fortunate to serve you. We strive to continue to deliver better products and services, as we are your local and home town provider of cable, internet, and fiber optic services. We deeply appreciate the support of our customers, and hope to have an even better year in 2021 together.

COMMUNICATIONS FINANCIALS

COMMUNICATIONS INCOME & EXPENSES		2020
Operating Income:		
	Charges for Services	\$2,321,282
	Other Operating Income	41,294
Total Operating Income		\$2,362,576
Other Income:		
	Interest Income	\$17,145
	Other Miscellaneous Income	20,666
Total Other Income		\$37,811
Total Income		\$2,400,387
Operating Expenses:		
	Supply and Distribution	\$2,230,584
	Billing and Accounting	98,848
Total Operating Expenses		\$2,329,432
Total Expenses		\$2,329,432
Balance Available for Capital Improvements & Debt Service		\$70,955
Transfer to Communications Capital Improvement Fund		\$53,250
Total Expenses		\$2,382,682

COMMUNICATIONS CAPITAL RESERVE FUND INCOME AND EXPENSES		
Beginning Balance 1/1/2020		\$80,170
Transfer Income:		\$53,250
Capital Expenses:		
	Communications	\$45,356
	Clerks Office	0
Total Capital Improvements		\$45,356
Ending Balance 12/31/2020		\$88,064



FIVE YEAR SUMMARY

ELECTRIC DEPARTMENT

Finances	2020	2019	2018	2017	2016
Income	\$18,925,398	\$20,388,803	\$21,298,889	\$24,272,615	\$21,599,614
Expenditures	16,841,184	16,971,859	18,370,299	21,934,861	19,055,666
Margin	\$2,084,214	\$3,416,944	\$2,928,590	\$2,337,754	\$2,543,948
Capital Improvements	0	0	620,339	880,125	434,064
Fund Transfers Out	1,300,000	4,573,779	26,066	4,515,170	22,010
Fund Balance Dec. 31	\$11,110,748	\$10,326,534	\$11,483,370	\$9,201,185	\$12,258,726

Meters					
Residential	5,066	5,049	5,062	5,054	5,069
Commercial	697	707	706	705	697
Industrial	56	58	57	58	58
Unbilled Services	238	235	234	234	233
*Total Meters	6,057	6,049	6,059	6,051	6,057

kWh Used					
Residential	46,499,234	46,209,590	48,568,070	43,691,480	46,665,280
Commercial	22,868,649	24,689,213	26,231,622	25,805,790	27,037,855
Industrial	93,933,805	105,540,919	110,366,910	107,964,046	108,107,254
Unbilled Services	6,207,992	7,127,859	6,458,487	6,463,859	6,514,652
Total kWh	169,509,680	183,567,581	191,625,089	183,925,175	188,325,04
Peak Demand (kilowatts)	37,758	37,533	39,783	39,210	41,020

WATER DEPARTMENT

Finances	2020	2019	2018	2017	2016
Income	\$2,438,621	\$2,353,208	\$2,186,977	\$2,046,686	\$1,967,302
Expenditures	1,760,174	1,692,051	1,575,959	1,480,161	1,501,585
Margin	\$678,447	\$661,157	\$611,018	\$566,525	\$465,717
Capital Improvements	0	15,736	159,454	294,722	242,561
Fund Transfers Out	100,005	996,905	352,893	0	0
Debt Service	81,722	64,241	23,899	0	0
Fund Balance Dec. 31	\$2,088,531	\$1,591,811	\$2,007,536	\$1,932,764	\$1,660,961

Meters					
Residential	3,246	3,239	3,238	3,230	3,237
Commercial & Industrial	608	601	609	609	608
Unbilled Services	22	27	31	31	30
*Total Meters	3,876	3,867	3,878	3,870	3,875

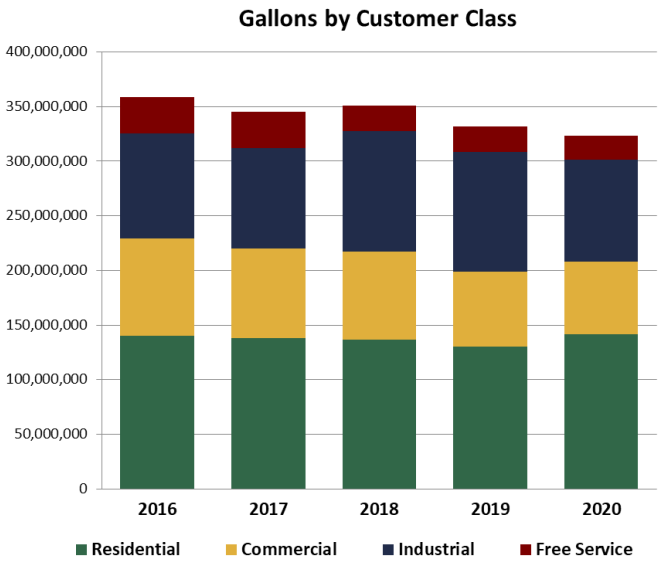
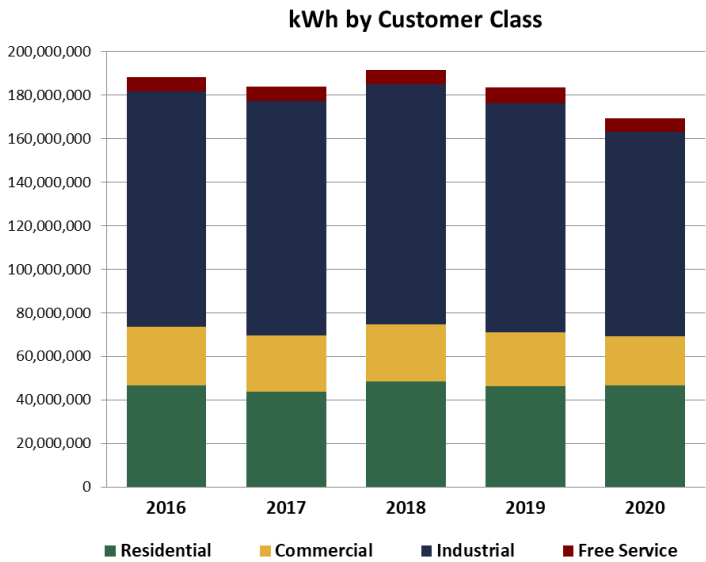
Gallons Used					
Residential	141,783,400	130,197,628	136,831,640	137,779,356	140,258,228
Commercial & Industrial	159,395,808	178,165,372	190,389,936	174,217,428	184,980,400
Unbilled Services	22,106,867	23,265,356	23,918,057	33,177,095	33,424,145
Total Gallons	323,286,075	331,628,356	351,139,633	345,173,879	358,662,773

COMMUNICATIONS DEPARTMENT

Finances	2020	2019	2018	2017	2016
Income	\$2,400,387	\$2,474,493	\$2,455,804	\$2,559,285	\$2,608,305
Expenditures	2,329,432	2,337,172	2,236,810	2,007,239	1,981,378
Margin	\$70,955	\$137,321	\$218,994	\$552,046	\$626,927
Capital Improvements	0	14,651	191,837	49,969	49,056
Fund Transfers Out	53,250	55,000	125,858	0	0
Debt Service	0	0	0	0	294,642
Fund Balance Dec. 31	\$2,303,151	\$2,285,446	\$2,217,776	\$2,316,477	\$1,814,400

Customers					
Cable TV Billed Services	1,196	1,308	1,446	1,490	1,568
Cable TV Unbilled Services	22	21	20	21	19
Total Cable TV Customers	1,218	1,329	1,466	1,511	1,587
Internet Residential	1,486	1,524	1,455	1,495	1,241
Internet Commercial/Industrial	84	89	99	97	109
Internet Unbilled Services	15	15	15	15	16
Total Internet Customers	1,585	1,628	1,569	1,607	1,366
Fiber Commercial/Industrial	25	25	25	24	23
Fiber Unbilled Services	14	13	14	16	16
Total Fiber Customers	39	38	39	40	39
*Total Customers	2,842	2,995	3,074	3,158	2,992

*End of Year Meter and Customer Counts



ENGINEERING DEPARTMENT

THE BMU ENGINEERING DEPARTMENT plays a key role in assisting all Departments at Bryan Municipal Utilities and provides administration of utility projects from conception to completion. The daily activities are undertaken with the perspective of providing quality services that are responsive to the needs of our customers and include:

- Designs plans, specifications, plan approval and estimates in accordance with each department's capital improvement plan.
- Manage the protection of underground and overhead utilities, from investigating utility damages to managing and updating records of locating services. In 2020, the Department completed 1,811 regular locates and 10 after-business hours utility emergency locates.
- Project competitive bidding and quotation.
- Contractor registration and permitting.
- Oversight for work completed in city right-of- way for BMU projects.
- Furnishing of plans and information as requested by contractors and engineers.
- Plan review for public and private projects involving our utilities.
- Updating records and drawings of water, sewer and communications utilities and final as-built utility plans to be maintained and used for future generations.
- Preparation of departmental reports, studies, maps, and other items of interest for the administration, BPA, and the public.

The BMU Engineering Department gathers accurate data and performs survey and stake out work using our highly accurate (GPS) Geographic Positioning Systems. Our department manages and maintains BMU's robust Geographic Information System (GIS) which contains very accurate records of all Bryan utilities. These records greatly improve customer service, project planning, along with asset management.

The improvements and daily tasks make the community safer and better equipped in providing essential communications, electric, and water utilities and make Bryan more attractive for development. BMU has a great team in Engineering who strives every day to become more efficient and achieve better results. The Department prides themselves on responsive and high-quality customer service. Managing Bryan's utility infrastructure is a very important responsibility with which the Department is honored to be entrusted. The Department is proud of the accomplishments in 2020 and look forward to continued improvements in 2021.

UNBILLED UTILITY SERVICES

2020 UNBILLED UTILITIES

	Electricity	Water	Communications
Street and Security Lights	\$83,303	\$0	\$0
Utility Departments, Building & Facilities	204,223	16,971	73,005
Parks, Pools & Other Recreational Areas	37,539	20,094	2,520
Bryan Community Center	5,715	525	1,644
Municipal Departments, Buildings & Facilities	196,188	60,870	108,629
County Miscellaneous Facilities	1,964	0	5,497
Traffic Signals	11,036	0	0
Bryan City Schools	1,970	0	22,363
Day in the Park, Jubilee, Christmas Lights	804	36	0
Bard Fountain	4,560	733	0
Other	0	0	11,845
Unbilled Utilities	\$547,302	\$99,229	\$225,503

ELECTRIC DEPARTMENT

Maintenance Services (Labor & Equip.) Provided

Street Light Installation and Maintenance	\$46,265
All Other City Services and Civic Organizations	18,761

Total Unbilled Maintenance (Labor) Provided including Equipment	\$65,026
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Materials Provided

New Street Lights and Replacements	\$44,976
All Other City Services & Civic Organizations	74

Total Unbilled Materials Provided	\$45,050
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TOTAL UNBILLED LABOR, MATERIALS and ELECTRICITY	\$657,378
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WATER DEPARTMENT

Maintenance Services (Labor) Provided

Installation and Services to City Facilities	\$8,089
Installation and Maintenance of Fire Hydrants	27,392
Equipment	4,966

Total Unbilled Maintenance (Labor) Provided including Equipment	\$40,447
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Materials Provided

Water Lines and Services to City Facilities	\$473
New Fire Hydrants and Replacements	18,600

Total Unbilled Materials Provided	\$19,073
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TOTAL UNBILLED LABOR, MATERIALS, and WATER	\$158,749
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COMMUNICATIONS DEPARTMENT

Maintenance Services (Labor) Provided

Installation and Services to City Facilities	\$1,366
Installation and Services to Bryan City Schools	0

Total Unbilled Maintenance (Labor) Provided including Equipment	\$1,366
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Materials Provided

Cable and Accessories for Services to City Facilities	\$110
Cable and Accessories for Services to Bryan City Schools	0

Total Unbilled Materials Provided	\$110
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TOTAL UNBILLED LABOR, MATERIALS, AND COMMUNICATIONS	\$226,979
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TOTAL UNBILLED UTILITY SERVICES	\$1,043,106
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