

## WOEC Looks to Improve System With New Projects

In an effort to upgrade their overall system, West Oregon Electric Cooperative (WOEC) has recently embarked on two major projects. The first project is the under-grounding of sixteen miles of transmission line from Timber to Elsie that was destroyed in December, 2006, by a major windstorm. That project was begun in May of 2009 and is expected to be completed by November of 2009. The second project, construction of a new Vernonia Substation, is currently in the design phase. Construction on the substation is expected to begin next summer. Two additional projects are still on the drawing board: construction of a new headquarters building is currently on hold and a plan to develop a Smart Grid that would incorporate innovative technologies is awaiting a funding source.

The projects are all part of the overall goal to rebuild the WOEC system. "When I started here four years ago, I took over a system that was an aging and declining asset," said General Manager Marc Farmer. "And our ability to borrow dollars for repairs is affected with a declining asset. It affects the overall value of the system and, ultimately, our ability to operate effectively."

WOEC members currently pay the highest electrical utility rates in the state at eleven cents per kilowatt hour, while the state average is seven cents. A cost of service analysis shows monthly costs per meter to maintain the system are \$61, while the state average is \$34. Farmer says there's a number of good reasons why WOEC rates are so high.

"Prior to my two predecessors, David Suess and Russell Green, the system had really been let go in order to keep rates low," says Farmer. "When you're not putting money into maintaining the system, then it falls on us to be the bad guys and raise rates sufficient enough to pay for the things that could have been done twenty or thirty years ago for less money." A lack of large commercial and industrial accounts, the rural nature of the service area and the 1224 square miles that area encompasses, and three years in a row of major weather disaster events have also contributed to those high rates.

Starting four years ago, WOEC embarked on complete upgrade of the system. "Every pole is being inspected," said Farmer. "The substations are all being inspected. Things are being replaced that are aging."

By embarking on the current system upgrades, Farmer hopes to accomplish a series of goals: system reliability; system longevity and increased value-- making the system worth enough that it can continue to operate into the foreseeable future-- and reduced over-all costs. "We're going to incur some costs upfront to do these projects," says Farmer. "But in the long run, maintenance and outages will be reduced and the costs associated with them will also be reduced."

The cost of the Timber-Elsie Underground project is \$6.1 million, with \$2.4 million of that funding being provided through FEMA funds, and an additional \$500,000 coming from an Oregon Emergency Management Hazard Mitigation

Grant. The balance of the \$3.1 million needed to complete the project is being paid by WOEC rate payers through a Rural Utility Services (RUS) loan, which was part of the 5% rate increase established in October of 2008. A request for Federal Stimulus funds to help pay for the balance was rejected.

The 2006 storm that destroyed the line was the third time this overhead line was seriously damaged by wind and trees. A previous storm in January of 1993 did more than \$2 million in damages. WOEC rate-payers are still paying on a thirty-year note for those repairs which were completed in 1995.

The overhead line continues to meet serious problems. 100-foot-tall trees on both sides of the transmission line, with only a forty foot right-of-way, creates the need for dozens of repairs each year. The rugged and remote nature of the terrain where the line runs makes repairs especially costly.

Permanently under-grounding the line is expected to eliminate annual repair costs, increase reliability of service, and eliminate the need for very costly rebuilds after major weather events. "This line goes down every year," says Farmer. "It is extremely expensive to repair. So, by under-grounding it, we should not have to touch that line for the next thirty or forty years. And we don't have to trim trees on that line, either." The project is expected to impact over 117 jobs in the region.

According to Farmer, the project was originally projected to

cost \$3.9 million, but due to environmental measures, the cost has risen to the current estimate of \$6.1 million.

WOEC has also begun planning the second project, to move the Vernonia Substation out of the floodplain. The substation, located next to the WOEC office, was under seven feet of water during the flood of 2007, and WOEC was unable to provide power to the community for almost seventeen hours.

The main transformer in the substation is thirty-eight years old and is due to be replaced in two years at a cost of \$425,000. According to Farmer, it doesn't make sense to buy a new transformer and place it back in the floodplain. The cost to build the new substation is \$1.9 million dollars; WOEC received a Federal Earmark Grant in the amount of \$475,000 to help with the costs. The plan is to eliminate the Eastside substation, which is the backup and also sits in the floodplain, and make the current substation next to the office the backup when the new substation is built.

The new substation will be built on property owned by WOEC that is almost eighty feet above the high water mark from the last flood and is adjacent to main transmission lines. WOEC members are also paying for this project as part of that 5% rate increase they incurred in October 2008. The project is expected to impact over seventy-two jobs.

## Another Great Year for Vernonia Youth Baseball

Vernonia's Junior Baseball Teams finished another season with both the Midgets and the Seniors advancing to post-season play.

In addition to the success of its teams, Vernonia also hosted a successful County Tournament for the Midget age group on July 9-12. Games were played at Spencer Field and at the school fields, and the hosts did an excellent job of hosting the event.

Vernonia's Midgets, who finished their regular season undefeated at 20-0, received an automatic berth in the State tournament and therefore didn't play in the tournament they hosted. At the States in Eugene, Coach Jim Morrison's Midgets went 2-2, and

took fourth place. Congratulations to the Midgets on a tremendous accomplishment-- an undefeated season and a trip to the States!

The Seniors had to take the long route through the post season, qualifying for the county tournament by virtue of their second-place finish in league play. Coach Ron Maldonado's team won the first two county tournament games and then lost in the championship game. Because it's a double elimination tournament, the team got one more chance, and had to play another game immediately after. The boys were never ahead, but fought back twice to tie the game before falling behind by two runs in the bottom of the seventh inning,



The Vernonia Midgets went 20-0 in the regular season earning an automatic berth in the state tournament where they took 4th place.

which was the last inning of the game. Every kid's dream is to have the bases loaded, two outs, in the last inning,

down a couple of runs, and to have the game-winning hit. And that's what happened! John Dass stepped up to the plate and knocked in the winning runs, sending the Senior on to the States.

So, it was onto another playoff game the next day for the Seniors, who unfortunately lost 14-9. The guys fought really hard," said Coach Maldonado.

The Seniors all got pins for appearing in the state tournament-- the first time this group of boys made it that far in six years of playing together, bringing to an end a very exciting season of Junior Baseball for Vernonia.



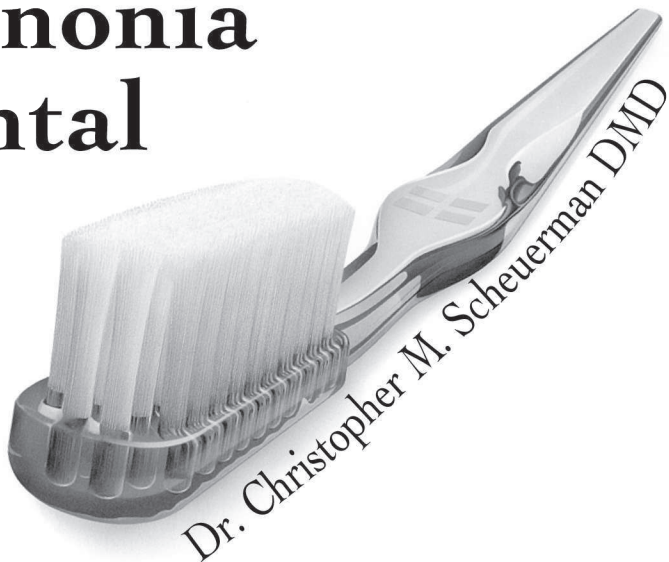
**US Bank Coloring Contest**  
Meghan Lemay was the proud winner of a US Bank Coloring Contest. Congratulations, Meghan!

## Congratulations Gordon Smith!--From US Bank

US Bank would like to congratulate Gordon Smith, owner of Vernonia Sentry, on being this year's Grand Marshall for the Vernonia Friendship Jamboree. Gordon has served the community of Vernonia since 1973, and will soon be passing the torch to Randy Parrow. We here at US Bank want to thank Gordon for his years of service to our community, and for being a partner with US Bank for those same 36 years. We look forward to many more years with Randy and Sharon Parrow, and are confident that they will continue to support our community with the same great care and service they have always provided.



## Vernonia Dental



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