

Creature Comforts ~ Time to Travel

By Michal Smith

June begins the travel season for many of us and we often want to include Fido or Fluffy in our trips.

There are many great products designed to keep our furry friends, and owners, safe when traveling together in the car/plane etc. For the car, there are pet seat belts (also called safety harnesses), booster seats, barriers, and crates. Pet seatbelts are made to simply attach to the car's own seatbelt. These assure your pet stays put if the vehicle's brakes come on fast and that they don't fly into the front seat or worse yet, through a windshield in the event of an accident. Pet Booster seats are also available for the smaller dogs that would "swim" in just the belt. An added feature to the safety harness is that you can use it as a walking harness when making a pit stop. It just unclicks from the car and then

the pet's lead can easily attach right to it. Creatures offer a variety of safety harnesses and seats and can order any specific size barrier for your vehicle.

Once to your destination, if swimming is on the agenda, consider a pet lifejacket. Dogs usually love to swim but they, like us, should have a lesson or two to feel comfortable. Although swimming usually comes easily to most dogs, a lifejacket can give us peace of mind about our pet's safety. Come in to the store and get your pooch properly fitted anytime.

When traveling with pets, it's always a good idea to pack a bag for him/her that includes water, food and dishes, an extra collar and leash, extra poop bags, paper towels or wipes in the case your pet gets car sick and any medications your pet takes regularly. For the ultra-prepared pet owner, Pet first aid kits are a great addition to the vehicle's console or glove compartment

for any emergency.

For airline travel with cats or dogs it's a good idea to know the airline's requirements for pet travel and the exact size of any pet carrier you wish to take on the plane with you. And, a pet carrier that you take on the plane will be counted as a personal carry-on so you'll want to plan around that fact.

For any long distance traveling, consider checking with your vet beforehand for any calming or other medication that might assist your pet arrive in one piece. This is always a good time to update your pet(s) ID tags and /or chip registration info, and vaccines.

Creatures offers grooming services when you need your friend to look and smell their very best, by appointment at 503-429-PETS (7387). Open 7 days a week! (Mon-Fri 10-6; Sat 10-5; Sun 12-4). 998 Bridge Street.

City Council Discusses Sewer Rates

The Vernonia City Council held a Public Hearing on a recent sewer rate study that was conducted by FCS. During the hearing the Council heard a presentation from Doug Gabbard of FCS who explained how the rate study was conducted. Gabbard also presented two financing options for the upcoming wastewater upgrade project as well as two rate design alternatives for Council to consider.

The City of Vernonia began an upgrade of its wastewater facility before the 2007 flood. The City must now complete that upgrade at an additional cost of \$5-6 million dollars. Last fiscal year the wastewater service operated at a deficit. According to City staff, the City must act to stabilize this fund and position itself to pay for the remaining upgrade project.

Gabbard of FCS presented the new sewer rate study to the Council and explained the three main considerations he used to develop new rates: 1) consider possible policy objectives the City may have; 2) forecast all costs, including operations, capital and debt service to deduce revenue requirements needed to operate the fund; 3) decide how to charge customers to meet that revenue requirement. Gabbard explained that it is important to charge customers in way that reflects their burden on the utility system.

Gabbard explained that the new rate study includes a three year phase-in of a ninety day minimum fund balance that would bring the City up to industry standards.

Gabbard told council that FCS used three assumptions while creating the rate study: 1) a zero growth rate in population-if population grows rates will decrease, if it shrinks rates will increase; 2) the \$31 sewer loan repayment charge on current monthly bills is considered non rate revenue, is a fixed number, is not included in the rate figures he presents, and \$31 needs to be added in to calculate the final monthly charge to customers. 3) The \$5-6 million needed to complete the upgrade project

will be financed.

The City currently charges each customer a flat rate of \$53 for sewer.

Gabbard presented two scenarios for financing the rest of the upgrade project: 1) a 20 year DEQ loan at 2.9% interest 2) a 40 year USDA loan at 2.75% and also includes the possibility of grant funds. If any grant funds are received it would lower the amounts he presented under the USDA financing.

Gabbard provided two possible rate design alternatives to meet revenue requirements: 1) A flat rate which would require an increase to \$67.95 if the City uses DEQ financing or \$59.94 with USDA financing. 2) A Public Works Committee recommended rate which is a combination of a fixed charge based on meter size and variable charge based on winter water consumption. Under the DEQ financing option the fixed charge would be \$40.27 plus \$4.54 per 1,000 gallons used; under the USDA option the fixed charge would be \$35.52 plus \$4.01 per 1,000 gallons used. Gabbard explained that those rates are for most residential customers. Other customers with larger meters will pay higher rates.

Vernonia School District Superintendent Dr. Ken Cox was the only citizen to testify at the hearing and expressed support for spreading the cost among all customers based on usage. He expressed concern about the huge increase that the school will pay on the fixed charge because of their large meter size. City Administrator Bill Hack responded that the City has discovered, through a recent water rate study and this sewer rate study, that rates have not matched costs and also that the previous rate design for certain customers was inaccurate and that those customers have been undercharged.

Council will meet again in a workshop on June 10th to discuss the financing options. They did not make any final decision at the May 20th City Council meeting.

WOEC Current: Rate Design

By Marc Farmer
WOEC General Manager

To provide reliable electric service to its members, an electric cooperative must receive sufficient revenues to recover its costs, including operation and maintenance costs, and administrative costs. We are a not for profit cooperative, but we must be able to cover our costs to provide service. Cost of service studies are among the basic tools of ratemaking. The primary objective of a Cost of Service Analysis (COSA) is to identify the cost of providing service to each rate class as a function of load and service characteristics. A cost of service study analysis can provide a useful guideline for assigning cost responsibility to each customer classification in a way that avoids unjustifiable price discrimination. A COSA also provides information useful for designing individual rate schedules during the rate design phase. Adequate cost recovery is a necessary condition for maintaining a financially viable electric cooperative.

WOEC is working on a new rate design and revenue requirement study. Along with the COSA information, we will look at existing rates, classifications, costs, and demand charges to determine whether they fit the current makeup of our system and membership. The revenue requirement gives the design point for rates, or how much

revenue should be produced. After revenue requirements are set and cost analysis performed, we can design the rate structure.

The COSA was completed last fall by Staff using a model from and the assistance of Cooperative Finance Corporation. The results determined that it currently costs the Co-op approximately \$67 per meter per month to maintain our system. We have conducted three COSAs since 2005. The first set our monthly cost per meter for residential at \$69.69. The second was done after the three FEMA events of 2006, 2007, and 2008/09 which significantly skewed the monthly cost per meter per month to \$108. The current COSA has the monthly residential rate at \$66.49. We will have to consider whether or not the storm events are now the new normal and which COSA cost is reasonable. If you average the three COSA numbers for the last 7 years, we would need a monthly cost of \$81.67 to cover the normal costs plus a reserve sufficient to cover the costs of storm events.


The new rate design will need to cover all of our costs, make sure we have the right classifications and that the new rates distribute them equitably and fairly. The new rate structure will be implemented on October 1, 2013. Please watch the next few issues of Ruralite and our website for more information as we work through the process of the new rate design.



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