

**Business Notes**

# WOEC members being asked best way to structure rate increase

West Oregon Electric Cooperative's board of directors has finished a 10-year financial forecast and have announced the need for a five percent rate increase starting in October, 2007, with an additional four percent increase in 2008 for a total increase of nine percent.

According to W. Marc Farmer, WOEC's general manager, the financial forecast, along with a cost-of-service analysis, took into account the cost of living, cost of services and supplies, equipment, construction needs, staffing, and fuel. The only unknown is the cost of the power from Bonneville Power Administration (BPA) when the current contract is redone in 2011. The results of the forecast show that the 2007 cost to maintain each account is \$89.00, compared to the 2001 cost of \$69.69 per account.

"WOEC is one of the only utilities that doesn't charge for up-front costs and then usage," Farmer explained, "Usually, in this situation, customers would

pay \$89.00 for a facility fee and the usage fee." Billing for electricity is made up of two factors; a facility charge and a kilowatt hour charge. The facility fee is currently at \$17.50. Kilowatt rates vary among the five different customer types – residential, industrial, commercial, irrigation and street lights. WOEC's customer base is 90 percent residential compared to most electric suppliers' residential base of 50-60 percent.

Increased costs, new costs, losses due to theft, and needed maintenance and replacements are fueling the need for the rate increase. Necessary projects include:

- The Timber/Elsie line (the primary backup) has been down since the storm of December 15, 2006. WOEC is working with FEMA, which will pay part of the cost for a new Timber/Elsie line, but the cost to WOEC is expected to be between \$1.2 and \$1.8 million. WOEC will have to put in roads to get to the line and will be put-

ting the lines underground to protect them from storms.

- A second tree-trimming crew has been needed to get caught up on clearing tree limbs from the 1,224 square miles of wire that make up WOEC's system.

- By public utility law, WOEC is required to be on a 10-year cycle of pole inspection and replacement. WOEC has been far behind on this and has now hired a company (OSMOSE) to inspect, treat and inventory the 10,000 poles that make up the system. When OSMOSE is done, WOEC will have a picture of each pole so, when a problem comes up, they will know exactly what is on the pole and can respond with the correct equipment to get the problem fixed. If it is determined a pole needs to be replaced (some of the poles were placed as long ago as 1947), WOEC has 18 months to do so. The objective of this program is to extend the life of the system, increase reliability, decrease

line loss (electricity lost before it gets to a billable meter), and to cut down on outages.

- A four-year work plan is set in place to meet the requirements of the system and Rural Utility Service, which loans low interest money for capital construction projects. The plan addresses the need to replace the 30 year-old substation on Adams Ave. and to build a substation that is out of the flood plain (all substations currently in use are in the flood plain).

The goal is to get the whole system to the point where it will last 30-40 more years, to have a regular maintenance schedule, and to comply with Oregon

Public Utility Commission requirements.

WOEC will hold a public hearing on September 18, at 6:30 p.m. at the Vernonia Fire Hall to take public input on rate increase alternatives. There will be three options offered, with variations on facility charge and kilowatt hour charge increases. After the hearing, the board of directors will meet at WOEC offices to make the final decisions on how to implement the rate increase.

It's your bill and your electric company, it's important to let WOEC know how you want your rate increase structured.

## Arizona commends VPD on arrest made

Three Vernonia Police officers were commended by the Arizona Department of Public Safety, in a letter to Chief Mathew Workman, which he read to the Vernonia City Council at their August 20 meeting.

The INDEPENDENT is printing the entire letter so our community knows that the commendation was well-deserved:

"On the morning of July 25th, 2007, Detective Steve Svestka, whom is assigned to the Arizona Department of Public Safety Fugitive Task Force, contacted the Vernonia, Oregon Police Department regarding a wanted fugitive out of Arizona. Heath Michael Jacobs (a.k.a. Mike Zimmerman) was wanted out of Arizona for numerous felony warrants involving sexual and violent offenses, to include sexual assault of a four year old girl.

"It was determined that Jacobs absconded from supervised probation, and also he violated sexual offender registration requirements two years ago. The investigation revealed Jacobs was living and working in Vernonia, Oregon under a fictitious name.

"Detective Jim Walters, Officer Jeff Dalrymple and Sergeant Michael Kay were quick to respond to the request to apprehend this vi-

olent sex offender. Pertinent information regarding the warrants, extradition and a photo of Jacobs were sent to your officers. A tactical plan was initiated to apprehend Jacobs due to his violent history. Within three hours of the initial conversation your officers were able to arrest Heath Michael Jacobs without incident.

"Your officers professionalism, dedication and swift response led to the arrest of a violent predator, making the community of Vernonia, Oregon that much safer. I commend

and applaud you and your agency for the cooperation in bringing this fugitive to justice. Jacobs is facing felony charges in Arizona to include federal charges under the Adam Walsh act.

"Once again, please express our gratitude to your officers for doing a great job in ending a two year run for Jacobs."

The letter was signed by Lieutenant Pete Borquez, of the Arizona Department of Public Safety's Special Operations Unit.

### Double Your Fun! Two Fundraisers for Dean Schaumburg

First Enjoy a Spaghetti Feed at the Buckhorn Restaurant 1 p.m. to 6 p.m. Sunday Sept. 9,

Then on September 21 at 5 p.m. in Hawkins Park, Treat Yourself to a Gourmet Bar-B-Q by Café 47 After Dinner get Dessert at the Bake Sale, as well as a Chance to Bid on Unique Items at an Auction with Famed Auctioneer Bill Yeo. If that isn't enough you can enjoy a concert by Jesse Cain. All for only a \$5 admission fee!!

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\* Members of WFCU and qualified borrowers only. Our usual criteria apply. Rates above are Annual Percentage Rate and may change at any time. Home equity rate may vary based on credit factors and loan to value. Closing costs are determined by the type of loan, the amount of loan and by third party charges for various services and are paid by the borrower. LTV is 80% of appraisal value.