

Power of the People

By W. Marc Farmer, General Manager,
West Oregon Electric Cooperative



Not What We Needed

This is an article I seriously don't want to write, but I told the Board, Staff, Members, and *The Independent* newspaper that I would always be upfront, open, and honest with them. This is one of those times when I wish I had something else to say, but as we say here at WOEC, "It is what it is."

The snowstorm struck a huge financial blow to the Co-op. We came into the month of December doing good and able to meet the RUS (Rural Utilities Services that we obtain low interest loans from to fund capital construction on our system) Tier requirements for the fourth year in a row. We are required to make Tier no less than one of the previous three years. This storm so far has cost WOEC over \$1.8 million. We do not know yet if, or how much, of this event may be covered by FEMA. So far three of the four counties we worked in have declared to the State, who then must get federal declaration for us to be eligible for funding. This process will take a while before we will know the outcome. In the meantime, our reserves have been depleted and it has become necessary for us to use some of our Line of Credit with CFC, (Cooperative Finance Corporation). This will keep us cash flow positive until our RUS Loan is approved and funds will be available later this year. We are hoping to receive FEMA funds to pay back a large portion of this draw down on our Line of Credit.

Due to the storm and the financial ramifications of this event, we delayed the budget approval so we could incorporate the impacts of these costs, and the affects of the economic recession or depression we are all experiencing. In that light we, Management Staff and the Board Budget Committee, made serious cuts to the budget and made some changes in direction. To get the budget as lean as possible, the final version has us barely making Tier in 2009. If there are any hiccups in

expenses during the year, we will not be able to hold Tier. This puts us in a very precarious position with RUS if we are unable to make it in 2009 and we don't receive enough FEMA funds to hold Tier in 2008. With three major storms in the last three years, the odds of not having a hiccup are certainly against us.

One of the changes the Board made was to take funds from a couple of areas and put it into increasing our donation to "Care to Share" which provides energy assistance for those members who find themselves unable to pay their bills. With unemployment rising so rapidly in our present economy, we felt this was the best use of these funds to benefit our members.

The news, unfortunately, gets worse from here. I don't know how many of you saw the article on the front page of the Oregonian Business section on February 12, 2009. The article reveals that Bonneville Power Administration (BPA) will be raising our wholesale power rates by 9.4 percent. Remember what I said previously about any hiccups this year? Well, this is a major hiccup. There is no way that WOEC can absorb any of this increase in our current budget with existing rates. We have no choice but to pass the increase on through to our members. The increase is set to start October 1, 2009. We will be doing a rate analysis and design to spread it as evenly and fairly as possible through our rates to each rate class. We will hold member meetings for our members to discuss the options and rates with us before the Board takes formal action. I will keep you informed on our progress, and what the rate increase and structure may be. We know that this is a difficult time we are all in, but we have no control over when and how much BPA raises our rates. As I stated, we will do all we can to fairly distribute the increase and are committed to continue to keep our costs down. I wish there was better news to share. We are looking at the new Stimulus Bill to see if there are any funds we can access to help cover the costs of the Timber/Elsie Transmission Line, building the new Vernonia Substation out of the flood plain, help in undergrounding more of our system, and we are still in the decision process for relocating our facilities out of the flood plain. We will turn over every rock we can to access funding for these projects that are crucial to our system.

Here are five reasons to take a close look at your boat propeller

Selecting the right propeller for your boat's motor is sometimes as much art as it is science. That's because every boater uses their boat in different ways and under different conditions. The January 2009 issue of *Seaworthy* from BoatU.S. Marine Insurance recently looked at why you may want to take a closer look at your prop this winter and ask yourself these five questions:

1. Is your boat slow to come onto plane? Pitch is the theoretical distance a prop makes through the water in one revolution. If a prop has too much pitch, the boat will have a lousy

"hole shot" — meaning its ability to get on plane quickly will suffer, similar to trying to start a car from a stop in third gear.

Your tachometer can also indicate potential problems with pitch. Assuming you have a clean, well-maintained boat, your boat's engine should reach within 100-200 revolutions per minute of its rated wide open throttle (WOT). If not, a prop shop may need to adjust pitch.

2. Does your engine over-rev and boat seem slow? If there is too little pitch in the prop, the engine will over-rev and go past its redline at WOT.

A prop shop can also add more pitch or recommend a new prop. Both under and over-revving can seriously damage an engine.

3. Did you run over a log, hit a sandbar or stump? You may have forgotten about that little bump that happened last summer, but your prop hasn't and it could affect performance when you launch in the spring. One prop shop proprietor reported to *Seaworthy* that 80 percent of the damaged propellers that come in to his repair facility look healthy at first glance — until they are reviewed with computerized repair equip-

ment.

4. Do you want to go faster? The first place to look is the prop. Stainless-steel props, with thinner and stronger blades, allow slightly more speed. However, the trade-off is that they are also more costly to purchase and repair, and should you strike a submerged object a stainless prop has the potential to cause greater lower

unit damage than an aluminum prop.

5. Using too much fuel? It's a good idea to monitor fuel flow, either with a fuel flow meter or by doing the math. When fuel economy starts to suffer the first thing to check for is propeller damage, as a dinged prop can easily rob you up to 10 percent in fuel costs.

Storm debris can be a boating hazard

Severe weather this winter has tumbled trees into many rivers in western Oregon, creating hazards for unsuspecting boaters who are seeking challenging white water or winter steelhead fishing.

"Boaters need to be especially cautious, whether running a kayak, raft, canoe, drift boat or motorized craft," said Ashley Massey, Public Information Specialist for the Oregon State Marine Board. "The heavy snow and ice brought down en-

tire trees on many rivers, including the McKenzie, Rogue and North Santiam. It's likely that other rivers have similar hazards awaiting boaters."

Most trees will end up parallel to the river as a minor hazard. If the tree is blocking the river, or is an imminent safety hazard, marine patrol officers have authority to trim or remove the tree. "These trees also represent important fish habitat, so we work with the appropriate land manager or biol-

ogist to resolve the problem in a fish-friendly manner, if possible," said Massey.

Not all trees can be removed quickly or easily. "Some removals can be expensive and dangerous. In other cases, mother nature or the local landowner may resolve the problem," said Massey. In such cases, officers may post warning signs or coordinate with experienced volunteers to address the hazard.

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