

VOICE OF VERA



a newsletter of Vera Water and Power

Vol. 3 No 3

June 2003

FUTURE BPA RATES REMAIN A BIG QUESTION

We want to let you know that the final decision on Bonneville's October 1st surcharge is still up in the air! There are many issues that will affect the outcome including; BPA's recent settlement with Enron for a reduced payment on the long term contracts signed during the height of the power shortage saved BPA millions of dollars, the late snow pack and spring rainfall brought additional water for producing hydropower at the dams, and the final level of BPA's internal costs is still being debated. With these and other steps forward, there is a possibility that the Bonneville surcharge will have a smaller than anticipated adjustment this fall.

So, in this newsletter, after all the bad news on power rates this year, we would like to bring you some positive news about what's going on in the District and one of the ways you can participate in helping keeping BPA's rates in line. "People Power" which is a grassroots movement of non-profit utility consumers supports the goal of making sure power is affordable and available here in our Northwest region. "People Power" also helps provide



www.pplpwr.org

information on power issues and how to address these issues with your senators and congressmen. In other words, it is an opportunity for you to speak your mind about your power rates. If you wish to participate in "People Power," log on to www.pplpwr.org and sign up. You will be provided with up-to-the minute background and information on power issues that affect you.

CHECK FOR REBATES AVAILABLE BEFORE YOU BUY!

When buying new or replacement appliances, please consider purchasing ones that are **ENERGY STAR** qualified. Whether you are buying an appliance for the first time or replacing an older model, the savings on your electric bill will add up year after year as you use your appliance. It is estimated that an average household spends around \$1,300 per year on their energy costs. With new **ENERGY STAR** qualified appliances, you can expect savings up to \$80 on your utility bill.



Vera offers \$CASH\$ rebates when you purchase qualified energy-efficient clothes washers, refrigerators, dishwashers, hot water tanks, heat pumps and more. Log on to Vera's website at www.verawaterandpower.com, then click on the link to **ENERGY STAR**. You will find qualified models sold at local dealers. Give Michael DeVleming, Vera's Customer Service Director, a call to find out what amount rebate you can qualify for at 924-3800.



SAFETY FIRST

The very nature of their work puts electrical linemen at risk every working day. It is easy to take for granted how dangerous the work of installing and maintaining our power lines and systems is because they are so highly trained for the job they do. At Vera, we conduct regular safety training and procedure reviews for our crews to ensure their safety on the job.

Vera crews take part in mock pole top rescue

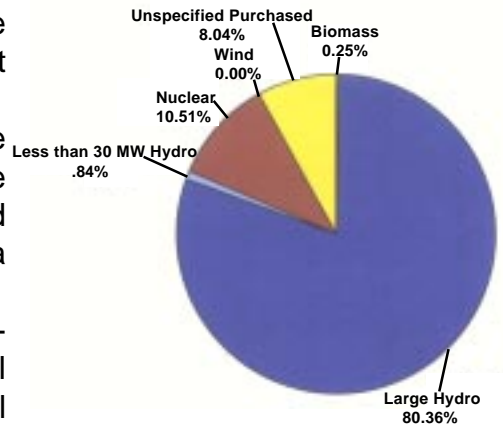
This Spring, our crews participated in a "pole top" rescue which simulated an electrocution incident while a lineman is working on a pole. An outside training organization assisted with the simulation and various scenarios were presented. Vera's crews had an opportunity to participate in a real life like situation. Even representatives of the local fire department took place. Being well trained enables Vera crews to react quickly in the event of an accident.

RESOURCE FUEL MIX -- BPA'S REPORT FOR 2002

STATE LAW requires that all electric utilities disclose the fuel mix of their resources to their customers annually. In Vera Water & Power's case, all of our energy is purchased from the Bonneville Power Administration who in turn, provides us with an annual report of their fuel mix for power generation.

The graph on the right illustrates the percentage of each type of fuel that is used to generate electricity and as you can see, large hydro power produced by the system of dams on the Columbia and Snake Rivers is the lion's share. The good news is that this is a completely renewable resource.

Other sources of power generation include small hydro systems, natural gas, petroleum & coal, nuclear energy and a small amount of biomass fuels which are derived from plant and agricultural products.



SIGNS ON POWER POLES

This time of year brings warmer weather and with it garage sales! Please do not hang your signs on Vera's power poles. It creates a dangerous hazard for linemen, especially in an emergency outage situation.



CALL BEFORE YOU DIG!

Its the law

Call **456-8000** two days before you dig, for the location of your underground utilities.



BE A BPA CRIME WITNESS

Theft and vandalism cost Bonneville Power Administration and ultimately all of our ratepayers. Replacing stolen or vandalized power transmission and generation equipment costs in the millions of dollars annually. Additionally, there are hidden costs to the regions commerce through power interruptions due to vandalism and theft of equipment. If you see anyone damaging BPA equipment, shooting insulators or transmission lines, or harming BPA personnel, report these crimes by calling toll-free at **1-800-437-2744**. There are cash rewards up to \$1,000 paid to **CRIME WITNESS** informants providing information leading to the arrest and conviction of people committing these crimes. Your identity remains anonymous and confidential.



Roger Fox
Chairman 2002

CHAIRMAN'S LETTER

When thinking back over the District activities during 2002, I found a year filled with extremes. While some of these were good, some were not as good. It seemed like all of our activities were the first, the biggest, the highest or the lowest!

On a positive note, our Water Department completed two significant projects. We installed a 20" and 24" water transmission main in Evergreen Road. This project was timed to be completed before the road widening project. This new main will allow us to more efficiently move water from the No. 6 well at 600 S. Evergreen throughout the District. It also allows for future wells at this site to be integrated into the water system. The 24" water pipe in this project was the biggest pipe the District has ever installed.

The Saltese Water Project brought water to the area South of 32nd and East of Sullivan for the first time. This project, proposed by that area's residents, and paid for by those residents through a Local Improvement District, brought our excellent quality water to their homes. This allowed homeowners to stop relying on wells that provided water of questionable quality and quantity for their domestic use. This type of project reminds us how critical a safe and reliable water supply is to public health and safety .

In keeping with our goals to keep our operating expenses as low as possible during these times of surcharged electric rates, we experienced our lowest amount of overtime in recent memory in the Electric Department last year. This was due to a couple of things; first, we implemented tight new controls on purchasing, overtime and hiring in response to the high electric rates. This was very successful in limiting discretionary overtime. We also experienced incredibly low numbers of outages on our electric system that require overtime to repair. This was somewhat due to a mild winter, but mostly due to our aggressive maintenance and upgrading of the electric system. Most of our underground outages have been eliminated with the installation of new underground cables and advanced lightning protection. Overhead outages have been minimized through the installation of wildlife protection insulators.

As a Board, one of our primary objectives has been to insure that the basic infrastructure of the water and electric systems maintains a high degree of reliability throughout this period of high rates and limited new investment. The outage records from this last year show that we are right on track in protecting the important investment we have made in our infrastructure.

Finally, due to the Bonneville surcharges, the electric rates we currently charge are the highest in the last 50 years. We have committed that we will do everything reasonable and prudent to keep these rates as low as possible. We have instituted significant cost cutting and controls in the operations of the District and have maintained an active and aggressive role with the public power organizations that we belong to specializing in Bonneville's power rates. These organizations, combined with our staff activities have had significant positive effects on our rates. We will continue to intensify these activities in the upcoming *Safety Net - Cost Recovery Adjustment Rate* (SN CRAC) rate case. If you have ever wondered what you can do to help, please read the article in this newsletter about **People Power**.

I have appreciated the opportunity to serve as your Chairman during this exciting and important time, and feel confident that although the work is not done, the course that we have charted and the actions that we have accomplished have preserved the value of this publicly-owned utility for our use and that of generations to come.

Sincerely,

A handwritten signature in cursive script that reads "Roger Fox".

Roger Fox
Chairman, 2002 Board of Directors

VERA WATER AND POWER

2002 Operating Statement

<u>Revenues</u>	<u>2002</u>	<u>2001</u>
Sales of Power	\$10,951,762	\$8,829,956
Sales of Water	1,174,029	1,085,466
Sewer Service	5,658	5,635
Other Income	<u>360,850</u>	<u>376,020</u>
Total Revenue	<u>\$12,492,299</u>	<u>\$10,297,077</u>

Expenses

Cost of Power	6,858,206	5,232,237
Cost of Water	281,106	209,233
Operations/Maint.	2,011,979	2,082,623
Taxes	473,605	395,422
Depreciation	893,929	825,200
Int. & Bond Disc	<u>248,237</u>	<u>272,883</u>
Total Expenses	<u>10,767,062</u>	<u>9,017,598</u>

Net Income **\$1,725,237** **\$1,279,479**

Total Liabilities & Equity **\$33,881,053** **\$30,562,085**

2002 ANNUAL REPORT

2002 Balance Sheet

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Current Assets	\$4,610,533	\$4,211,985
Restricted Reserves	1,201,160	1,080,308
Net Capital Assets	27,656,413	24,719,477
Debt Disc & Bond Disc	<u>409,947</u>	<u>550,315</u>
Total Assets	<u>\$33,881,053</u>	<u>\$30,562,085</u>

Liabilities & Net Assets

Current Liabilities	1,107,673	1,649,942
Current Debt	1,368,059	550,641
Long Term Debt	4,520,682	4,512,305
Other	<u>184,575</u>	<u>171,796</u>
Total Liabilities	<u>7,180,989</u>	<u>6,884,684</u>

Net Assets **26,700,064** **23,677,401**

CURRENT BOARD OF DIRECTORS

Rob Oeflein
Chairman



Douglas Kearsley
Director



Roger Fox
Director



David Peterson
Director



Floyd Schmedding
Director



Kevin Wells
General Manager



HOW THE DISTRICT IS GOVERNED

The Vera Irrigation District is organized, and operates, under Chapter 87 of the Revised Code of the State of Washington. The financial and other records are audited annually by the Washington State Auditor. The District is governed by a five-member Board of Directors. The Directors are elected to serve staggered, three-year terms, by position. The Board of Directors is the policy-making body. The Board of Directors hires a general manager who is responsible for the administration and day-to-day operation of the District. All employees of the District are responsible to, and report to the general manager.

The Board of Directors meets at 7:00 PM on the second Wednesday of each month at a public meeting in the District office. It would be advisable for a customer wishing to make a presentation to the Board to call the office in order to be placed on the agenda to insure time is available for your presentation. You are welcome to attend these meetings.

WE OFFER SEVERAL METHODS FOR EASY PAYMENT OF YOUR MONTHLY VERA BILL

OVER THE COUNTER

— We accept check or cash payments in Vera's office, Monday through Friday from 7:30 AM to 5:00 PM. Payments after 3:00 PM are credited the next business day.

PAYMENT DROPBOX

— There is a payment drop box by the Vera office's front door and:
— There is a drive-thru payment drop box located in the office parking lot.

AUTO PAY

— We do the work! On Auto Pay, your payment is automatically debited from your checking or savings account each month for free.

CREDIT CARD



Go to www.verawaterandpower.com, click on E-billing Services to pay by credit card. There is a fee for this service. You may also pay by debit to bank account. This service is free.

You may pay by phone with your credit card. Call 1-800-272-9829. A fee will be applied to your credit card for this payment.

REMEMBER! We still offer the **Average Payment Plan** which can be used under all of these payment options. Call Vera's office at 924-3800 to find out if you qualify for this plan or if you have any other questions regarding payment types.



Floyd is all smiles about retirement!

FLOYD RUPERT, VERA'S METER READER FOR 14 YEARS, RETIRES

For 14 years, Floyd Rupert has been a familiar sight around the District, reading your meters each month. Floyd hung up his Itron hand held meter reading device for the last time this month when he retired. He has really been looking forward to his retirement for the second time. Floyd had previously retired from an Air Force career then spent time working on his college degree. In 1989, Floyd came to work for Vera and has been doing an excellent job ever since.

Some of you might remember that Floyd garnered honors in 1999 when he was named "Meter Reader of the Year" by Itron, the manufacturer of hand held meter reading devices. Floyd, who was nominated by his fellow Vera employees, won out against 120 other meter readers internationally.

We all appreciate Floyd's hard work through the years at Vera and extend best wishes to him for a happy retirement. Floyd looks forward to camping with his wife Marie and taking it easy enjoying life. Vera's new fulltime meter reader who will be filling Floyd's shoes is John Graves. John trained with Floyd last month. Congratulations Floyd! We will miss you!

PLEASE HELP US OUT!

WE NEED YOUR STREET, ROAD, AVENUE, LANE OR COURT DESIGNATION

When you receive your next Vera bill, please look it over and add the correct designation to your street name. Most people drop the designation when referring to streets in the Valley, especially those we are familiar with. The USPS is requiring Vera to have the correct designation after the street name for sorting large mailings such a newsletters and water quality reports. Please help us by adding the designation after the street name on your bill stub that you mail back to us and we will update your account information. Thanks! It would help us out a great deal.



JUNE NEWSLETTER

2002 Annual Report Included



Printed on recycled paper

VERA WATER & POWER

Vera is a public utility company established in 1908 to provide water and electric service to the residents of the District. We are wholly owned by our customers.

The offices are located at

N. 601 Evergreen Road, Spokane, WA

The mailing address is:

P.O. Box 630
Veradale, WA 99037

Our Office Hours are:

7:30 AM to 5:00 PM

Monday ~ Friday except holidays

You can reach our office at **924-3800** which is also Vera's answering service after-hours emergency number.

Whom You Can Call . . .

Office Info: For questions on the following:

Electric & Water Billing, Meter Readings, Credit Problems and Questions, Moving In or Out, Account Information;

Please Call our Office Team at 924-3800.

For Energy Efficiency, Heating, Cooling, Street Lighting, Area Lighting, Tree Trimming & *Super Good Cents* Construction

Michael DeVleming, Customer Service Director

For Work Scheduling, New Services and Contractors

Steve Skipworth, Director of Operations

Todd Henry, Asst. Dir. of Operations & Materials Purchasing

Brian Dilts, District Engineer

Kim Poffenroth, Operations Assistant

Todd Harmon, Locator & Engineering Aide

Kevin Wells, General Manager

Questions or Problems concerning the District

Gail Gibson, Newsletter Editor