



VERA SUSTAINS DAMAGE IN POWERFUL WIND STORM



Vera Linemen working on damage to overhead lines

The June 21st storm which brought record wind gusts to the Spokane Valley, put Vera's staff and crews into full emergency status. The ominous weather forecast alerted Vera's Operations staff to be on ready "just in case"! When Vera's emergency answering service switch board started lighting up like the 4th of July, our emergency response to widespread power outages in the District kicked into action.



Example of downed power lines along back lot lines in the District as a result of the storm

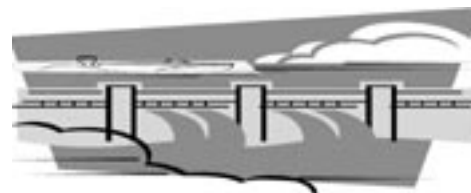
cont'd. on pg. 5 - Storm Damage

WILL DRY WINTER = SUMMER WATER SHORTAGE ?



Dams in the Columbia River Hydro System Shown With the fair amount of rain we experienced late in the Spring, dry conditions have improved slightly. Aquifer levels have come up closer to normal but there is still a concern for levels by late summer. This is a result of the reduced amounts of runoff from rainfall and snowmelt contributions to the rivers and streams in the Northwest.

Another difficulty that results from this winter's drought is the lack of water available in the Columbia River hydro system for energy production. River conditions across the Columbia Basin are highly dependent on snowmelt. The amount of snow accumulation and runoff each year directly affects electricity supply and prices in the Northwest, with the greatest impact in late summer when the river levels reach their lowest point. During this time, Bonneville has to purchase supplemental power from sources outside of the region. Approximately half of all electricity in this region comes from hydro-power.



As you can see, the region's winter weather precipitation levels greatly affect both our water AND power costs and supply. Therefore, it is important to use water wisely. Everyone doing just a little bit can make a big impact on preserving the region's water supply.

See page 6 for Using Water Wisely tips!

VALLEY CHRISTIAN SCHOOL STUDENTS TACKLE VERA TRUCK CLEANUP!



This Spring, the 8th grade class from Valley Christian School worked very hard cleaning up several of the Vera trucks on Saturday mornings. Armed with buckets, suds, brushes and sponges, the students cleaned Vera trucks inside and out getting rid of winter grime and making them sparkling clean.



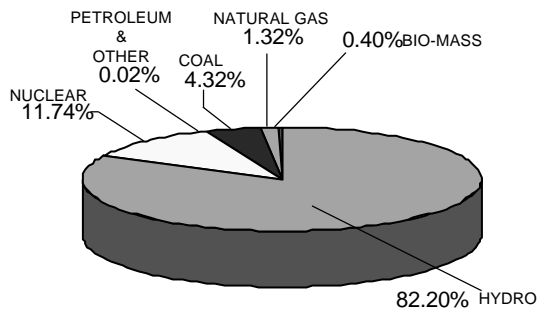
The reason for all this participation in "dirty work" was for these 8th grade students to raise funds for their May trip to Washington D.C.. The students had to raise all of the funds to cover the cost of the trip. Vera Water & Power was able to pay for the truck cleaning and allow this group to earn part of the funding for their trip. High schools, sports teams, scout troops, local PTO and other



organizations may request participating in the program as long as there are enough volunteers able to do a good job and the group provides adult supervision. It is definitely a win-win situation; groups can earn money and Vera has help getting the District's vehicles sparkling clean!



RESOURCE FUEL MIX BPA's Report for 2005



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 above 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, wind and a small amount of biomass fuels which are derived from plant and agricultural products.

How to reach us . . .

The offices are located at: N. 601 Evergreen Road
Spokane Valley, WA

The mailing address is: P.O. Box 630
Spokane Valley, 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.

Office Info: For questions on the following: Electric & Water Billing, Meter Readings, Credit Problems & Questions, Moving In or Out, Account Information;

Please Call our Office Team at 924-3800.

IF YOU ARE ON LIFE SUPPORT

If you are a Vera Customer on life support or are caring for someone who is, there are some important things that you need to do to be ready in the event of an emergency power outage. Be sure to have a back up supply to your life support equipment that works properly. Power outages due to extreme weather can last sometimes for hours or even days depending on the severity.

Contact us in advance so that we are aware of your medical situation. It is important to have your doctor write a note stating your life support needs and send that to Vera's office. We use this information to prioritize repair work during large outages and if a non-emergency outage is required, we will attempt to contact you in advance of the work.

CHAIRMAN'S LETTER



Douglas Kearsley

During the last year, the Spokane Valley sustained a strong growth level again and this translated to a busy and demanding year for Vera Water and Power. City and County sewer and road projects continued in the District. Much of this was in older sections of the District where locations and types of water mains were more challenging than normal. Water crews were kept busy with repairs to damaged pipes.

Last year, after the installation of new power conduits in the Belle Terre area, Vera electric crews installed new power lines to solve the frequent power outage problem in the area. Construction of apartment complexes, retail strip malls and other buildings such as the expansion of Broadway Court Estates facility in the District continued at a steady pace keeping both water and electric crews busy with installation and hookups. More residential construction continued with developments such as Windsor Ridge, Morningside, Ridgemont, Bella Vista Heights, Shelly Lake, Valleyway and Saltese Additions.

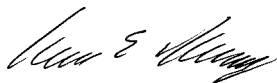
More activity was generated by the annexation of The Crest subdivision and installation of a water system to serve that area in the southernmost end of the District. The installation of the water main was performed by an outside contractor while Vera's water crews worked a great on the booster station and the subsequent hook-up of 15 existing residents in The Crest. These projects, although challenging, are very satisfying because the existing wells were not providing enough water to meet the needs of the homeowners. The homeowners petitioned Vera for water service and to be annexed to the District. The Boundary Review Board approved the petition and the property was annexed. The project was financed through the formation of a Local Improvement District (LID) which allows the property owners to pay for the cost of the project over a period of time.

A new overhead bucket truck replaced a twenty year old one as part of the ongoing effort to maintain efficient equipment needs for maintaining the overhead power systems. The annual tree trimming effort continues each Spring to limit the number of outages due to trees downing power lines during storms. The electrical equipment at No. 1 Well, located north of the office, was replaced to keep this well production far into the future. No. 1 Well, hand dug in 1908, is still actively supplying water to Vera's system.

Vera was able to double its grant amount through the Valley Center energy assistance program providing a once per year \$150.00 grant to qualified individuals. Our Controller, Jim Fields, worked closely with the Washington State Attorney General's office to obtain a portion of the funds that the State received from the settlement of lawsuits against some of the energy companies involved in the 2000 West Coast energy crisis. These funds were used to fund the assistance program. We also received settlement funds for commercial customers that were refunded directly to the customers.

Vera employees were also active in supporting our community. Last October, they participated in the Coats 4 Kids program collecting well over 100 coats with Vera's office serving as a drop-off station. It is with this shared spirit of participating in the community for the common good that I was honored and pleased to serve as your Chairman of the Board of Directors for 2004.

Sincerely,



Doug Kearsley
Chairman 2004

VERA WATER AND POWER

2004 Operating Statement

<u>Revenues</u>	<u>2004</u>	<u>2003</u>
Sales of Power	\$11,344,109	\$11,127,274
Sales of Water	1,266,594	1,261,717
Sewer Service	5,658	5,658
Other Income	<u>298,801</u>	<u>293,923</u>
Total Revenue	<u>12,915,162</u>	<u>12,688,572</u>
<u>Expenses</u>		
Cost of Power	7,315,018	7,484,013
Cost of Water	283,962	332,003
Operations/Maint.	2,364,079	2,286,922
Taxes	494,165	481,518
Depreciation	962,685	944,393
Interest	<u>184,583</u>	<u>220,449</u>
Total Expenses	<u>11,604,492</u>	<u>11,749,298</u>
Net Income	<u>\$1,310,670</u>	<u>\$939,274</u>

2004 ANNUAL REPORT

2004 Balance Sheet

<u>Assets</u>	<u>2004</u>	<u>2003</u>
Current Assets	\$5,221,749	\$4,891,478
Restricted Reserves	1,127,027	1,115,793
Net Capital Assets	30,308,262	28,750,548
Debt & Bond Discount	<u>1,333,835</u>	<u>1,050,832</u>
Total Assets	<u>\$37,990,873</u>	<u>\$35,808,651</u>
<u>Liabilities & Net Assets</u>		
Current Liabilities	\$1,560,190	1,594,892
Current Debt	415,812	455,812
Long Term Debt	<u>4,602,435</u>	<u>4,639,058</u>
Total Liabilities	<u>6,578,437</u>	<u>6,689,762</u>
Net Assets	<u>31,412,436</u>	<u>29,118,889</u>
Total Liabilities & Equities	<u>\$37,990,873</u>	<u>\$35,808,651</u>

CURRENT BOARD OF DIRECTORS

Floyd Schmedding
Chairman

Robert Oeflein
Director

David Peterson
Director

Douglas Kearsley
Director

Brian Fetz
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.

MORE "STORM DAMAGE" RECAP

Cont'd. from Page 1

Immediately following the storm, all outside crews were called in and the Office was opened with our staff answering the phones. Two crews were formed to repair the damage, one heavy crew to address the main power feeder lines damage and one smaller crew to address the smaller, single line outages.

The Operations staff divided with one group providing support in the field and the other group investigating the damage to the system. Office staff relayed back to Operations, where the customers without power were, taking down addresses of every customer calling to report outages. By 12:30 AM, 1,500 customers of the original 2,000 without power, got their power back on when three main feeders were reconnected, then the work of reconstructing the feeder on Evergreen Road began.

The next stage was to begin addressing individual outages where primary lines were down and multiple houses were without power in one area. This totaled about 190 customers. We also identified 10 areas of a single service or two that were without power. Next, there were other areas of damage that did not result in power outages but represented work for the future. This included lines down but still connected, limbs on lines and trees that were about to fall down etc..

At 10:30 P.M. the following night, Vera's crews had worked 26 hours with only two breaks for meals. The emergency operation was shut down until Thursday morning at 5:00 A.M. so that they could get some sleep. Office and Operations staff rotated short breaks to go home for a few hours rest also. By Thursday 10:00 P.M., all of our customers were back in power.

We are always reminded in these emergency situation, how important it is for customers to advise us in advance if they are on a life support system and what backup arrangements they have to rely on. We also appreciate your contacting the office and encourage you to **call us at 924-3800** so that we may track where the areas are without power.

As you can see from the photos of the damage to our system, most of it was the result of healthy trees breaking off and falling onto Vera's power lines. We have a strong tree trimming program in the District which has helped to reduce the number of outages in the past. The extreme force of these winds, which reached as high as 70 m.p.h., took a heavy toll on many areas in our District. Thank you to all of you who called in and were extremely understanding and patient. The staff and crews worked tirelessly to restore your service.



Common Scene through out the District after June 21st wind storm.



Linemen worked overhead climbing poles on back lot lines



Removing fallen trees to access power lines was a priority





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SUMMER 2005 NEWSLETTER

2004 Annual Report Included



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USE WATER WISELY - SO THERE WILL BE PLENTY TO GO AROUND

There is a potential for the drought conditions our region is experiencing to affect the Aquifer levels late this summer. This could affect our pumping capabilities if the water level continues to drop in Vera's wells. If we enter a critical period, we will be contacting you and asking you to conserve water.

Here are a few tips for using "water wisely" this summer:

Indoor Ideas

- » Repair leaking faucets by replacing washers. With one drip per second, you could expect to waste 2,700 gallons per year.
- » install aerators with flow restrictors on all household faucets, especially low-flow showerheads.
- » Don't let water run when you are brushing your teeth or shaving.
- » Avoid unnecessary flushes by not using the toilet as a waste basket.



Outdoor Ideas

- » Don't overwater your lawn. Lawns generally only need watering every few days.
- » Don't let your sprinkler system run if it is raining out. Turn your automatic sprinklers off if the forecast is for rain for a few days.
- » If you do not have a sprinkler system and are using a hose and sprinkler to water your lawn, set a timer so you won't forget and leave the sprinkler going too long. Find and fix any leaks you may have in your sprinkler system.
- » Do not hose down your driveway or sidewalk. Use a broom to clean leaves and other debris from these areas.
- » When washing your car, use a hose with a shut-off nozzle to avoid leaving the water running while you apply suds to the car.

