

P. O. Box 886  
Winthrop, WA 98862  
July 19, 2015

Ms. Sheilah Kennedy, Mr. Raymond Campbell, and Mr. James DeTro  
Okanogan County Board of Commissioners  
123 Fifth Avenue North, Room 150  
Okanogan, WA 98840

**Subject: Input to the Revision of the Okanogan County Zoning Code**

**References:**

1. Letter, H. C. Burkholder to Perry Huston, August 9, 2008
2. Letter, H. C. Burkholder to Okanogan County Board of Commissioners, January 20, 2009
3. Letter, H. C. Burkholder to Okanogan County Planning Commission, March 12, 2009
4. Letter, H. C. Burkholder to Okanogan County Planning Commission, April 22, 2009
5. Letter, H. C. Burkholder to Okanogan County Planning Commission, May 26, 2009
6. Letter, H. C. Burkholder to Okanogan County Planning Commission, July 19, 2009
7. Letter, H. C. Burkholder to Okanogan County Board of Commissioners, August 28, 2009
8. Letter, H. C. Burkholder to Okanogan County Planning Commission, September 8, 2009
9. Letter, H. C. Burkholder to Okanogan County Board of Commissioners, February 7, 2011
10. Letter, H. C. Burkholder to Okanogan County Board of Commissioners, March 6, 2011
11. Letter, H. C. Burkholder to Okanogan County Board of Commissioners, April 19, 2012
12. Letter, H. C. Burkholder to Okanogan County Planning Commission, June 20, 2013
13. Letter, H. C. Burkholder to Okanogan County Board of Commissioners, July 18, 2014

**Ladies and Gentlemen:**

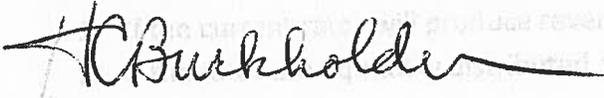
As the References document, I have made extensive comments concerning the Okanogan County Comprehensive Plan over the last seven years. Some of those comments were addressed and some were ignored during your revision of that Plan. During a subsequent meeting with Mr. Huston, I learned that some of my comments that you ignored were felt to be more relevant to the revision of the Zoning Code, an activity now underway. Thus, the purpose of this letter is provide additional input to your revision of the Zoning Code.

On July 13, 2015, I attended a meeting organized by the Okanogan County Electric Cooperative (OCEC) to discuss proposed changes to its rate structure. As part of my preparations for that meeting, I contacted a number of other members of the Washington Rural Electric Cooperative Association to obtain the details of their rate structures so I could compare them to OCEC's proposal. As it turns out, the Monthly Service Charge ("base rate") for Class G1 service (1,200 kwh or less per year) at OCEC is presently **three times** higher than some of the other electric cooperatives (the Benton REA, for example) and more than **two times** higher than the average of all of them. At that July 13th meeting, I asked the OCEC Board of Directors to explain the reason for such a dramatic difference. In response, the OCEC

drainage than presently exists, and the more densely my land is developed, the greater the cumulative amount of that additional water will be. Thus, when you restrict the development of my land to a 20-acre minimum lot size rather than a 5-acre minimum lot size, four times less additional water is added to the now-closed Thompson Creek drainage for other Methow Valley residents to use.

**In Summary, this letter demonstrates that the ultra-restrictive zoning (20-acre rather than 5-acre minimum lot sizes) in the Uplands of the Methow Review District has some very significant costs to Upper Methow Valley residents. Because I have trouble identifying any compensating benefits, I believe you need to give some serious consideration to the elimination of the 20-acre-minimum-lot-size zoning. If any of you think there are "benefits" that result from that zoning, I would appreciate receiving some communication that describes them.**

Sincerely yours,



H. C. Burkholder  
cc: Mr. Perry Huston

The 2015 Cost of Service Analysis (COSA) was performed by a consultant to determine the amount of revenue to cover expected costs and within the rate classes. That price change, however, won't be final until later this summer and could be higher than anticipated. Once we have that information the COSA will be finalized and we can move ahead on any adjustments to finalize new rates. The proposed rates do show a general rate increase for 2016 due to another anticipated wholesale rate increase in October 2015. OCEC rates for 2016 will be finalized in 2017. BPA reviews their wholesale rates every two years.

The COSA did find that an adjustment to rates for individual classes is warranted in order to bring the revenue for each class closer to the cost of providing power to that class.

The summary section of the draft COSA is available for review on the OCEC website. This will be finalized after we receive the final BPA decision in July on their rates for the next two years beginning in October 2015.

Below is a summary of proposed rate changes for each of the next three years. Rates would change on January 1<sup>st</sup> of each year. The Board is asking for member input of these proposed rates before they are finalized.

Year 2016

No general rate increase, but a shift of rates between General Service classes (G1, G2, G3 and G4) to more fairly allocate costs per class based on the 2015 COSA allocation study.

*1,200 kWh or less per year*  
**Class G1:** The Monthly Service Charge is reduced from \$36 to \$32.50. The tiered rate above 1200 kWh is removed. The kWh rate is reduced from \$0.083 to \$0.080. This results in a 6-10% decrease in rates.

*1,200 To 5,000 kWh*  
**Class G2:** The Monthly Service Charge is increased from \$48 to \$50. The kWh rate is increased from \$0.064 to \$0.066. The Tier 2 kWh rate is increased to \$0.072 for usage above 5000 kWh in a month. This results in a 3-4% increase in rates.

**Class G3:** There is no change to existing rates.

**Class G4:** The kWh rate is reduced from \$0.048 to \$0.047. No change in the Monthly Service Charge. This results in an approximate 2% decrease in rates.

**Irrigation Single Phase:** There is no change to existing rates.

**Irrigation Three Phase:** Monthly Service Charge is increased from \$56 to \$59. This results in a 1-5% increase.

**2<sup>nd</sup> Meter:** kWh rate is reduced from \$0.083 to \$0.080 following Class G1.

#### Year 2017

No changes

#### Year 2018

There is a small general rate increase ranging up to 3.5% for all classes except G1. These rates are contingent on the BPA's wholesale rate increase in October 2017.

**Class G1:** Monthly Service Charge is reduced from \$32.50 to \$32. This results in a 0.2-1.5% decrease in rates.

**Class G2:** Monthly Service Charge is increased from \$50 to \$52. The kWh rate increases from \$0.066 to \$0.067. The Tier 2 kWh rate is increased to \$0.073 for usage above 5000 kWh in a month. This results in a 2-3.5% increase in rates.

**Class G3:** Monthly Service Charge is increased from \$60 to \$62. The kWh rate increases from 0.048 to 0.050. This results in an approximate 3.5% increase in rates.

**Class G4:** Monthly Service Charge is increased from \$145 to \$150. The kWh rate increases from \$0.047 to \$0.048. This results in an approximate 2% increase in rates.

**Irrigation Single Phase:** Monthly Service Charge will stay at \$46. kWh rate increases from \$0.049 to \$0.050. This results in a 0-2% increase in rates.

**Irrigation Three Phase:** Monthly Service Charge will stay at \$59. KWh rate increases from \$0.049 to \$0.050. This results in an approximate 2% increase in rates.

### **Irrigation Subsidy**

In a survey of OCEC members in 2010 in which 63% of the membership expressed a desire to subsidize irrigation rates, these rates are subsidized at up to a 20% maximum level.

### **Calculate How Your Bill Will Change**

A rate calculator has been set up where you can see how your bill will change with the new rates. This is located at <http://www.mymethow.info/getmybill2015.php>. Enter your 9-digit Member Account number to see how your bill will change.

If you do not have Internet access, you can drop by the office and our staff will assist you.

### **Timeline for the Review**

Before July 31 <sup>st</sup>	Final BPA rate structure available. COSA will be finalized after BPA new rates are finalized.
July 13 <sup>th</sup>	(Monday) Conduct member meeting to present proposed rate changes subject to finalized BPA rates. 7pm at the Winthrop Barn.
July 27 <sup>th</sup>	Rate Discussion at Board workshop (open to members).
August 10 <sup>th</sup>	(Monday) Second member meeting if needed. Time & location TBD.
August 17 <sup>th</sup>	Finalize proposed rates - Include final proposed rate in September newsletter.
September 28 <sup>th</sup>	Board meeting – Board to vote on final rates.
January 1 <sup>st</sup> 2016	New rates go into effect.

Members are encouraged to be part of the process by attending the special member meeting on July 13<sup>th</sup> at 7pm in the Barn to discuss rates or by emailing GM David Gottula at [dgottula@ocec.coop](mailto:dgottula@ocec.coop). All emails received will be forwarded to the entire board. If you have any questions about this process, please contact David at the above email or call him at 996-2228.