

OPERATION ROUND UP® GRANTS AWARDED TO OUR COMMUNITY

In February 2024, the Kootenai Electric Trust Board awarded Operation Round Up® grants to the following organizations:

- \$2,500 to Camp Fire Inland Northwest to update and replace electrical equipment at Camp Sweyolakan on Lake Coeur d'Alene.
- \$2,500 to the Coeur d'Alene Police Department to provide bicycle helmets, safety equipment and education to local elementary schools.
- \$2,500 to the Coeur d'Alene School District for the Humane Connection dog program.
- \$2,500 to the Lakeland Booster Club to repair an existing concrete locker room floor at Lakeland High School.
- \$2,500 to North Idaho Christian School to purchase desks for secondary students.
- \$2,500 to the North Idaho Fair Foundation for the Farm to Table event for area fifth grade students to learn where their food comes from.
- \$2,500 to the Post Falls High School Track and Field program to purchase pole vault equipment (see photo above).
- \$1,000 to the Coeur d'Alene Chamber of Commerce for their college scholarship program.



Grant applications and deadlines are available at www.kec.com.

We Need Your Help!

Your participation matters and benefits the many non-profit organizations that support our members and community. Currently, less than 40% of KEC member accounts participate in Operation Round Up®. Members may “opt-in” to the program in one of the following ways:

- On your billing statement.
- By logging in to SmartHub.
- By contacting KEC by phone, letter or email.

Members who choose not to contribute to Operation Round Up®, or who would like to begin contributing, may simply “opt-out” or “opt-in” on their bill, in SmartHub or contact KEC by phone, letter or email.

NEWS BRIEFS

KEC BOARD MEETINGS

Members are welcome to attend monthly board meetings. Meeting dates vary—please call Constance Felten at 208.292.3211 for details.

WIN A \$50 ENERGY CREDIT

Below are 10 KEC account numbers. If you find yours contact us at 208.765.1200 to receive a \$50 bill credit.

**1862726, 1831357, 1828357, 1675052, 1844397,
1626791, 1292379, 1794012, 1840225, 1834562**

What is an Electric Cooperative & Why are They Unique?



Doug Elliott

At the risk of stating what likely appears obvious, Kootenai Electric Cooperative (KEC) is an “electric cooperative.” But what exactly is that and why does it matter? Providing answers to those questions is the focus of this month’s *PowerLines* article. It is also the second article in the series

I mentioned in last month’s newsletter.

Did you know that KEC is one of over 800 electric cooperatives in the United States? Each traces its humble beginnings to the mid 1930’s, a time during which nine out of ten homes in the United States lacked electricity. Simple tasks like cooking meals, washing clothes, or even taking a bath with hot water were highly laborious. Reading by candlelight hampered life and resulted in many home fires. All that could be improved with electricity. The problem was, the electric utilities of those days were reluctant to spend the money necessary to extend service to rural America where most of Americans lived. It simply wasn’t profitable.

Wanting to fix this, Congress passed the Rural Electrification Act (REA) of 1935 making low interest loans available to utilities willing to extend service to rural areas. There were few takers. Frustrated by this, farmer-based cooperatives stepped up to the challenge. To aid that effort, and to realize the goals of the REA, Congress passed the Electric Cooperative Corporation Act of 1937. That act enabled these farmer-based cooperatives to exist as electric utilities and borrow funds from the REA. In January of 1938, 250 farmers from North Idaho formed what is now known as Kootenai Electric Cooperative.

Electric cooperatives are unique utilities. We are guided by seven principles which underpin everything we do (see below). For instance, we are owned and governed by those we serve. This is why we call our customers “members.” Most co-ops, including KEC, operate on a not-for-profit basis. For this reason, we don’t pay income taxes. Because we are member-owned and operate at-cost, we have access to low interest loans through federal and cooperative banks. And, we have access to the output of the federal dams built on the Columbia River. That power is sold to us at cost and is among the least expensive in the nation, as well as being carbon free. It currently represents the majority of our power purchases.

7 COOPERATIVE PRINCIPLES



Voluntary & Open Membership

Membership in a cooperative is open to all persons who can reasonably use its services and stand willing to accept the responsibilities of membership, regardless of race, religion, gender or economic circumstances.



Democratic Member Control

Cooperatives are democratic organizations controlled by their members who actively participate in setting policies and making decisions. Elected representatives, or directors, are elected from among the membership and are accountable to the membership. Members have equal voting rights (one member, one vote).



Members’ Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital remains the common property of the cooperative. Members allocate surpluses for any or all of the following purposes: developing the cooperative; setting up reserves; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

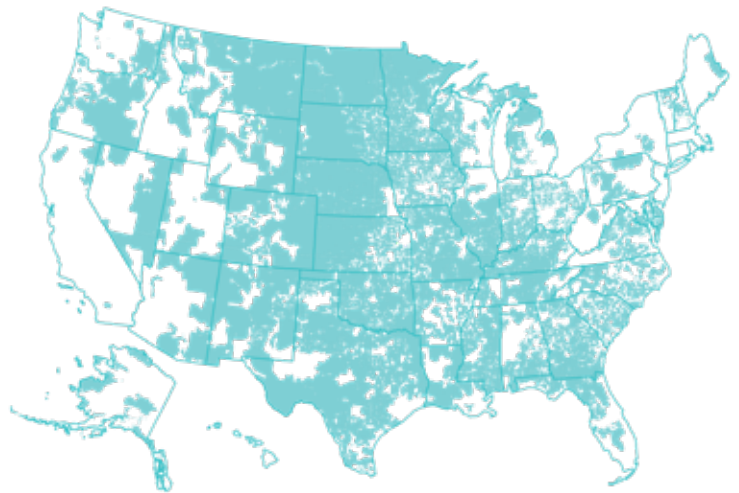
Given these advantages, why are our rates not considerably lower than those of investor-owned utilities (IOUs)? The average co-op in the nation serves 15,000 homes and businesses. KEC is more than twice that size. Even so, we are only one-tenth of the size of the largest electric co-op in the United States and one-twentieth the size of the average IOU. Because co-ops continue to serve primarily rural areas of the country, we don't benefit from the same economies of scale as IOUs. Consider this: It costs co-ops and IOUs about the same amount of money to install a mile long power line. But, due to our rural nature, the number of customers served by that line, and therefore whose rates pay for that line, is much lower for a co-op than for an IOU. KEC serves about 12 customers per mile of line. An IOU serves about three to four times that. So, the economic advantages that a co-op realizes by operating as a co-op help overcome the disadvantages it assumed when agreeing to serve the underserved and rural communities in which it operates.

In addition to co-ops and IOUs, there are other forms of electric utilities. For instance, some cities own and operate their own electrical utilities on behalf of their citizens. These are called municipal utilities. Regional examples include Seattle City Light, Tacoma Power and Idaho Falls Power. There are also quasi-governmental utility districts that own and operate electric utilities. These are called public utility districts (PUD). While these operate similarly to co-ops, they differ in their ownership and governance. A local example of a

public utility district is Pend Oreille PUD north of Spokane. With co-ops, local control and member-driven governance remains key.

The focus of my next article in this series will be the power grid and how it operates. It will set the stage for the following three where I explain power supply in the Pacific Northwest. These articles will dive more deeply into subjects like the federal dams, types of generation, transmission, and the pressures being placed on the grid by forces such as the electrification of everything from the transportation industry to home and commercial heating.

Cooperatives power 56% of the nation's landmass.



Autonomy & Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control as well as their unique identity.



Education, Training & Information

Education and training for members, directors, and employees help them effectively contribute to the development of their cooperatives. Communications about the nature and benefits of cooperatives, particularly with the general public and opinion leaders, helps boost cooperative understanding.



Cooperation Among Cooperatives

By working together through local, regional, national, and international structures, cooperatives improve services, bolster local economies and deal more effectively with social and community needs.



Concern for Community

Cooperatives work for the sustainable development of their communities through policies supported by the membership.

Employee Spotlight: Jeremy Hofer

Jeremy Hofer is a Project Engineering Technician and has worked for KEC for nine years.

How did you train for work in this field? What made you interested in working for KEC?

After receiving my associate's degree in drafting and design, I worked for several electrical transmission, distribution and surveying consulting firms. During this time, I also worked with KEC as a consultant which allowed me to get to know the staff and experience the variety of projects I would be involved with. These factors, along with KEC's location were the considerations that convinced me to apply for a job at KEC.

What does a day look like for you as a Project Engineering Technician?

In my current role, I am responsible for electric distribution line design, preparation of construction documents, field staking of electric line routes and equipment locations and mapping of these facilities. My typical day involves work on capital construction projects and road improvement projects. This requires long-term planning and continued coordination with local agencies such as the Idaho Transportation Department and their consultants. My work ensures a project meets deadlines, budgets, code and safety compliance, and provides continued system reliability for the membership.

What is the biggest challenge in your job?

The biggest challenge of my job currently is material procurement. Since the pandemic, material and equipment cost increases have created extended time lines and inflated costs which historically have not been an issue. Although there appears to be some light at the end of the tunnel, lead times on conductors, transformers and specialized equipment can be 12-24 months once an order is placed. Proper planning and coordination for major projects is critical.

What is the best part of your job?

The best part of my job is working on a variety of unique and complicated projects. These can range from



large commercial projects, substations, new residential services, high and low density residential subdivisions and road improvements.

Tell us about the plans for a new substation in Rathdrum.

KEC is currently in the design phase of a new substation in Rathdrum near Ramsey and Boekel Roads. This substation will improve reliability for KEC members in northern Kootenai County by providing connections between KEC's other existing substations in Rathdrum, Twin Lakes and Athol. To connect the new substation to our electric service area, KEC will also be constructing a new transmission line, installing new underground power lines and rebuilding and upgrading our existing overhead power lines.

What is your role in this project?

I'm responsible for the design and field staking of the power line routes and equipment locations and coordinate with members that may be impacted as part of the project's construction. Also, as a KEC member, I am cognizant of project costs. I strive to design a robust and cost-effective solution that improves reliability to all members.

What is your favorite thing about our community?

I enjoy hunting, fishing, snowmobiling and classic vehicles. A short drive to Mullan, Clark Fork, Bonners Ferry (where I grew up), Lewiston or Spokane allows me to enjoy these hobbies year-round.