

A MESSAGE FROM THE GENERAL MANAGER

Rathdrum Headquarters Update

In 1945, Kootenai Electric Cooperative (KEC) purchased its first headquarters facility located in downtown Coeur d'Alene, Idaho. At that time, the cooperative served just under 1,000 members. By 1979, the cooperative had grown to 8,100 members and had outgrown that facility. Later that year, KEC purchased 10 acres of property in Hayden, Idaho, and constructed a new headquarters on it. That headquarters has been our home for the past 42 years. In that time, it has been expanded several times to include the purchase of five additional acres on the south side of Dakota Avenue. Today, your cooperative serves nearly 30,000 members from this headquarters. Approximately 100 employees and between 25 to 50 contractors, depending on the time of year, work from it. Crucially, we have run out of room and few options for growth remain at this site.



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TAKE OUR MEMBER SATISFACTION SURVEY

Your feedback on how well we are meeting your needs is crucial. You can help us with this by taking our annual member satisfaction survey. Take the online survey at the link below by September 30, 2021 and you will be entered into a drawing for a \$300 KEC bill credit. You may have also received an email about the survey with a link included. Please take only one survey per membership. The bill credit winner will be announced in the November 2021 newsletter.

www.surveymonkey.com/r/powerlines2021

Early Discounted Capital Credit Deadline Approaching

By now you've probably heard about KEC's Early Discounted Capital Credit program. In early September 2021, members will receive mailed information about this program which allows qualified members the choice to receive the current value of their 2020 capital credits this year OR receive a normal retirement at some point in the future (generally in 25-30 years).

Members who participate in the Early Discounted Capital Credit program will receive a credit on their billing statement mailed in November 2021. For program details, terms and conditions please visit www.kec.com. An election to participate or not in this program is made by the KEC member account holder on a voluntary basis. Members may change their selection at any time; however, the deadline to participate this year is October 15, 2021. To change your selection, contact us at 208.765.1200 or capitalcredits@kec.com.

AN UPDATE ON THE DESIGN AND CONSTRUCTION OF THE RATHDRUM HEADQUARTERS

In 2020, KEC hired a consultant to conduct a facility master plan. This plan assessed our current and future needs in terms of land and building space. It also evaluated a number of alternatives available to the cooperative. From this effort, it was clear that the most viable alternative was to purchase 40 to 45 acres of land for the construction of a new headquarters and to sell our current facility. All other alternatives failed to effectively meet the cooperative's needs and cost more in the long run.

KEC then began looking for suitable land on which to construct a new headquarters. After evaluating several potential properties, KEC selected a 45-acre site in Rathdrum just a few miles from our current location. That site is located on the south side of Lancaster Road between Highway 41 and Greensferry Road (see map below).

KEC was also able to sell its current headquarters building to Kootenai County at market value. That sale closed in December of 2020. Shortly thereafter, we closed on the sale of the other property on the south side of Dakota Avenue, also at market value. Importantly, both sales included lease back provisions enabling the cooperative to continue operating from our current facility while a new one is designed and built. Equally important, their sale ensured that the cooperative is not left stranded with property it does not need after the new facility is built.

The completion of these land purchases and sales allowed our focus to shift to the design of the new headquarters. To help with this, KEC engaged the services of Cooperative Building Solutions (CBS) under a design-build contract earlier this year. CBS provides facilities planning, architectural and engineering design, and construction management services exclusively to electric cooperatives that are renovating existing or constructing new facilities. To date, they have assisted more than 80 electric cooperatives in 27 states with their headquarters design and construction projects. This experience makes them uniquely qualified to help inform and lead such a crucial construction project as the building of our new headquarters, which will serve as our home for the next 40 years or more.

This investment in our future is not inexpensive. It represents an investment of between \$42 to \$46 million. To ensure our headquarters is not overbuilt, the initial construction is planned to



2022

Rathdrum HQ

30,000 Members
100 Employees
25-50 Contractors

1979

Hayden HQ Built

8,100 Members
33 Employees

1945

First HQ Building

1,000 Members
9 Employees

1938

385 Members
1 Employee



accommodate about ten years of new growth. The facility is laid out such that growth beyond that can be accommodated by expanding administrative office space, warehousing, fleet parking and our materials laydown yard as future growth occurs. On this page you will see some preliminary renderings of the new headquarters.

Some have asked whether we have considered working from home as an alternative to building a larger headquarters. We have. While some employees can work effectively from home, most cannot. Doing so requires access to high-speed internet and a dedicated place within their home where they can work uninterrupted. However, the greatest factor compelling our need for a new headquarters has to do with the trucks, materials, and equipment used by our linemen. Storing those trucks and warehousing the materials needed to provide our members exceptional service cannot be done elsewhere.

Others have asked how this investment will impact rates. This is a question that is on the cooperative's mind with every expenditure it makes. To answer that question, KEC maintains a 10-year financial forecast. This forecast estimates the additional revenue produced by growth and the additional costs incurred in serving it. While the investment in a new headquarters is considerable, there are others of similar scale to consider. Among them are the system improvements and maintenance needed to ensure our members have access to the power they desire to use. All factors considered, KEC forecasts that future rate increases will not exceed the historical rate of inflation. As an electric cooperative operating on a not-for-profit basis, ensuring our rates are as low as possible remains a core and central priority. That will never change.



For additional information, please visit www.kec.com. It will be continually updated to provide members information about our headquarters construction. Included there is a set of frequently asked questions you might find interesting.

If you have any questions, please contact us at 208.765.1200 or kec@kec.com.

Employee Spotlight: Ben Cook

Ben Cook is a foreman and has worked for KEC for 13 years.

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

My dad was a lineman, and I grew up watching him take pride in his work and learned so much about the trade from him. It was really cool to have a dad happy with his job and the comradery he had with his coworkers. This all really appealed to me.

To get started in the field I attended Avista's pre-apprentice line school. Then I worked for a utility contractor in southern Idaho and at Avista Utilities as a groundman.

I was hired at KEC as a groundman and then completed my apprenticeship and became a journeyman lineman. I'm the newest foreman at KEC and have been in the role for less than a year.

What does a day look like for you as a foreman at KEC?

My crew is responsible for the new services or connects on KEC's system. This work is separate from new subdivisions, and it takes my crew across our service territory as more people move to our area and purchase property. They want to have power brought to their property or construction site and we make it happen.

How does the new service process work for members and our crews?

The process starts with a new member applying for service through our office or online. Then they work with one of KEC's project engineering technicians to develop the plan and design to bring power to their property. When those details are finalized, KEC's team uses computer software to determine the equipment needed to complete the project and the cost. KEC's operations department then takes over the construction part of the project.

In my role, I work to be as efficient as possible when installing new services for members. In one day, we may need to install service in Harrison, Worley and Athol. Other times, it may take 2-3 days to complete one new service installation. Each day I work with my



crew to come up with a plan of attack. Sometimes the job entails changing out poles, upgrading equipment or installing 4,000 feet of underground line. In addition, some of the work is for existing members who need an upgrade, such as a larger electric panel.

What is the biggest challenge in your job?

The massive growth in our area. However, our members have been so understanding during this time. They know how busy things are right now and are so grateful when we complete their project. It's pretty neat to leave a construction project and have members so happy they have power.

What is the best part of your job?

My coworkers are the best part. We all have safety in mind and at the end of the day we know we've done quality work. This is important to ensure the next lineworker working on the equipment is safe.

KEC BOARD MEETINGS

Members are welcome to attend monthly board meetings. Meeting dates vary—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.

**1840021, 1824915, 1849283, 1318712, 1829359,
1454668, 1600668, 1487281, 1821645, 1663303**