



A MESSAGE FROM THE GENERAL MANAGER

2021 is off to a strong and busy start. While there are many activities I could update you on, I thought I would offer a brief update on the windstorm that swept through our area last month and our headquarters site selection process. I'll offer a more complete update on our 2020 accomplishments next month, as well as what is in store for 2021.

Headquarters Update

KEC has made an offer on a piece of property near Rathdrum for our future headquarters. The offer is contingent on the favorable outcome of additional due diligence that will take about 90 days to complete. Providing all goes well, KEC should close on the property by early April 2021. Architectural engineering will begin soon thereafter. That would allow construction to begin in the spring of 2022 with the building being completed in mid-2023.

This is an incredibly important project for the cooperative and one that will require considerable planning. We have and will take the time necessary to ensure our future headquarters meets our members' needs for the next several decades. We also look forward to sharing more information with you as it becomes available. Please stay tuned.

January Windstorm Update

On the morning of January 13, 2021, a severe windstorm swept through the Inland Northwest causing extensive damage and widespread power outages. The windstorm was on par with that of November 2015; having sustained winds of approximately 50 mph and gusts of approximately 70 mph. The storm caused widespread damage resulting in outages to more than 670,000 consumers in the Northwest. In response, KEC brought in several contract and mutual aid line crews to assist with the restoration efforts. The majority of KEC members had power restored by the afternoon of January 17, 2021. See box to the right for other damage details.

One of the greatest challenges from this storm was the number of roads and driveways blocked by lines that were down. Our initial restoration effort necessarily focused on eliminating those safety hazards. Additionally, the Avista Utilities transmission lines feeding KEC's substations, which in turn serve the Athol, Twin Lakes, Rathdrum, Spirit Lake, Worley and Harrison areas, were down for most of the day.



STORM BY THE NUMBERS

71,895: Facebook page views

68,173: visits to KEC's outage map

29,607: KEC meters

16,806: services affected by the storm

1,319: calls into the KEC office

234: separate power outages

43: poles replaced

16: crews worked

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Due to the severity of the storm, Kootenai County declared an emergency, which may allow KEC to initiate a claim under the FEMA Public Assistance Program in the future with state and federal support.

Thank you for your patience during the storm. Your kind words and messages were very heartening to our staff. I'd also like to thank:

- KEC employees and contract crews who worked tirelessly to restore power to members.
- Vera Water and Power, Public Utility District #1 of Okanogan County and Clearwater Power for sending line crews to help.
- Associated Arborists, our vegetation management contractor, who helped us clear downed trees.
- Local businesses including LaRiviere Construction, Comfort Inn & Suites, Super 1 Foods, Rancho Viejo, Dickey's BBQ Pit, Starbucks, Jitterz Espresso, CDA Car Wash, Taproot Espresso and Birdie's Pie Shop.

The following are a few of the common questions (and answers) we heard from members during the storm. More are available at www.kec.com.

Why couldn't you provide restoration estimates?

Generally, KEC includes estimated times of restoration on our outage map (www.kec.com/outage-map), when

they are available. During severe storms such as this one, it is very difficult to make accurate estimates, especially when so many trees and poles are broken.

How do you determine where to restore power first?

During a storm, crews work to restore power to the greatest number of members in the shortest time possible. In this case, crews worked to restore power to areas without broken poles first as it can take up to 10 hours to repair a broken pole.

Why doesn't KEC put all the power lines underground?

Currently more than half of our power lines have been built underground. Almost all new construction is also built underground. Underground lines can be three times the cost of overhead lines. KEC is in the process of applying for additional FEMA mitigation grant funds to place more lines underground.

Thank you again for your support during the storm and restoration process. We're proud to power our community when it matters most.

Doug Elliott

KEC General Manager/CEO

Board Authorizes Capital Credit Retirement

In December 2020, after reviewing the financial health of the cooperative, the board of directors authorized the general retirement of \$900,000 in capital credits related to electric purchases in 1992. These capital credits will be returned (paid back) to members based on their electric use during that period. Checks will be mailed to eligible members in March 2021.

About Capital Credits

When you signed up to receive electric service from KEC, you became a member of an electric cooperative. Being a member of an electric cooperative is very different from being a customer of an investor-owned utility. Electric cooperatives operate on a not-for-profit basis. As such, proceeds that exceed KEC's cost of doing business belong to you, our members, and are called margins. These margins are also called "capital

credits" and represent your share of KEC's equity. That share is based on how much your electric use contributed to margins.

Periodically, the KEC board of directors retires capital credits that are no longer needed to maintain the financial health of the cooperative. When this occurs, money is returned to our members based on the contributions they made to the cooperative's margins. **For more information or to watch our video on this topic please visit www.kec.com or call 208.765.1200.**

\$900
THOUSAND
IN 2020



Employee Spotlight:

Kevin Schneider

Kevin Schneider is a foreman. He has worked for KEC for nearly 24 years.

What made you interested in line work?

My father-in-law was a lineman for 40 years at Pacific Power and Light (a large electric utility in the Northwest) and I learned about the trade from him.

How did you train to prepare for work in this field?

To get started I did an apprenticeship through the Joint Apprenticeship Training Committee in Portland that took about three years. During this time, I worked with a line construction contractor in Washington, Oregon and Idaho. After finishing my apprenticeship, I went to work for KEC.

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

When I arrive at work in the morning, I pick up the jobs for the crew I oversee. Then the crew meets to discuss the job and collect all the necessary materials and equipment. Once we arrive at the job site, we conduct a safety briefing, which includes discussion about the hazards of the job, traffic, etc. Then we get to work.

How were you involved in the FEMA projects?

After the wind and snowstorms of 2015, KEC was awarded more than \$10 million in special grant funding from FEMA to convert approximately 50 miles of our most problematic overhead lines to underground. KEC hired contractors to complete much of this work and KEC staff served as inspectors for the jobs. There were more than 20 separate jobs, and I served as the inspector of the job on the south side of Mica near Lake Coeur d'Alene. This was an approximately 5.6-mile-long project that involved relocating and replacing overhead power lines with an underground power line and reconductoring the remaining overhead power lines.

What were you responsible for as a FEMA inspector?

In addition to answering contractor questions, the inspector is also present on-site for construction to



ensure the work is done to KEC specifications. During this time, I worked 50 hours a week for several months.

What is KEC doing to keep its employees safe at work?

KEC has a robust safety program and a safety director who is responsible for running the program. Prior to COVID-19 the crews had monthly safety meetings. For now, that has been replaced with online training. We also conduct pole top and bucket truck rescues annually. Right now, we are also keeping crews separated and staggering start times to reduce the risk of COVID-19.

Tell us about the culture on the crews.

Besides a strong safety culture, we pride ourselves on getting a lot of work done and providing exceptional service, especially during outages. A strong work ethic and a safety mindset are important characteristics when we consider new employees.

What is the biggest challenge in your job?

As crews we often have to switch gears quickly when an outage occurs during the day when we are working on another project. However, that's life at an electric utility.

What is the best part of your job?

I get to go to work with a group of like-minded coworkers every day.

NEWS BRIEFS

POWER OUTAGE REMINDERS

While we work hard to avoid outages, sometimes they are unavoidable. To help, KEC offers free text or email notifications for members when power outages affect their service. Please be aware power outage notifications are sent out 24/7 and some cell phone providers charge for text messages. To sign up, log in to your KEC account or download the SmartHub app. You may also visit www.kec.com to watch a video about how to sign up for outage notifications.

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.

**1835080, 1379148, 1247930, 1537622, 1837287,
1797975, 1839889, 1290702, 1840481, 1835848**

THE 2021 ANNUAL MEETING & ELECTION

The 2021 annual meeting is scheduled for the evening of Monday, May 17, at Lake City Church in Coeur d'Alene. In-person attendance may be limited depending on the state of COVID-19 along with government directives and CDC recommendations. KEC board of director districts 2, 5 and at-large are up for election this year. The election process is governed by the KEC bylaws. To review a copy please visit www.kec.com or call 208.765.1200.

Watch your mailbox and email in early April for your election packet and annual meeting details. The packet will include board candidate bios and your ballot.

KEC BOARD MEETINGS

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

Service Modification Reminders and Power Quality

Service Modifications

When your KEC service was installed, the equipment was sized to meet your power needs at that time. We understand member needs change over time and our equipment may need to be upgraded to ensure optimal power quality. Please notify KEC if you plan to make a significant upgrade, such as purchasing a new heat pump, adding an electric vehicle charger or computer server, or plan to install a water pump. This also includes updating your home's electrical service, converting a gas appliance to an electric appliance or adding solar panels or any net metering application. By notifying us we can ensure your new electric equipment and our electric service are compatible so your power quality is the best it can be. It will also help you plan for any unexpected costs to upgrade your electric service. **If you are experiencing power quality issues or plan to make any of the changes listed above please visit www.kec.com, click Contact Us and fill out the form to send an email to our team.**

Power Quality

Power quality is the quality of the flow of electrical energy to electrical devices. Poor power quality may cause electrical device malfunctioning, flickering lights, inconsistent operation or premature equipment failures. It can be caused by many things including loose wiring, poor grounding, failing breakers, undersized wiring or the addition of equipment or appliances such as on-demand water heaters or heat pumps to a location without the appropriate transformer upgrades. Power quality issues can happen on both KEC-owned equipment and member-owned equipment. **More information is available at www.kec.com about the safety and legal responsibilities of your electric service.**