



MESSAGE FROM THE GENERAL MANAGER: WE'RE MOVING!

I trust you and your family had a happy new year and hope you have a happy and exceptional 2021. A new year brings new beginnings and that is certainly true for your cooperative. I thought I would take this opportunity to update you on our building plans.

You probably recall from past updates that KEC has outgrown its current headquarters facility in Hayden. While it has served our needs well for over 40 years, a recent study confirmed what we already suspected... we are outgrowing it. That study also confirmed that expanding our current headquarters to meet our future needs was not practical nor economical. Our current facility sits on 15 acres of land while our actual space needs over the next 40 years are 35 to 40 acres. Furthermore, our building would need to be expanded by about 40% to support and maintain our growing fleet used by our crews and to inventory the equipment used for construction and maintenance of our lines.

With this in mind, KEC began considering the sale of its current facility and the search for land on which to construct its future home. I'd like to update you on both. First, as you probably recently read, KEC has sold its headquarters to Kootenai County. This sale was the culmination of several months of negotiations. The County had need for future office and warehouse space. At the same time, KEC needed a home for the next few years while a new facility is constructed. So, KEC and the County came to an agreement. The County purchased our headquarters for \$4.72 million, a sale price that accounts for KEC continuing operations at the site rent-free for up to three years. The value of the transaction was fair for both parties, making it a good deal for our members and for the residents of Kootenai County.

While perhaps not obvious, KEC's headquarters campus on Dakota is actually two separate parcels. The main

campus, which is on the north side of Dakota, is the one we sold to the County. The second property, on the south side of Dakota, consists of five acres and a building and this property was also listed for sale. KEC has accepted an offer on it which also provides us the ability to use the property for the next three years. Closing on that property is scheduled for early January.

The sale of these two properties allows KEC to focus on the more important task of purchasing land for our new headquarters, designing and then constructing it. We have identified several parcels of land throughout the area and are exploring the potential for each. Once we have selected one and have purchased it, more information will be shared with you. We hope to have that land purchased by mid-2021 which would allow us to complete the construction by early to mid-2023.

What will the new headquarters cost and how will it be paid for? According to the study we just completed, the construction of a new headquarters will cost \$32 million to \$38 million, depending on the cost of land and site work necessary. Based on what we know today, we have good reason to believe the actual cost will be on the low side of that range. Since this is a capital investment, the cost of the headquarters will be depreciated over the life of the building. What does that mean for rates? All costs considered, our financial forecasting confirms that necessary rate increases over the next decade will remain below the historical rate of inflation. It's also important to know that the primary driver for anticipated rate increases over the next decade has mostly to do with the increasing cost of purchased power. In fact, on a per kWh sold basis, KEC's non-power supply related costs in 2019 were only 0.4% higher than they were in 2016. This is a reflection of our commitment to keep rates as low as possible without compromising our commitment to service excellence and safety.

We will share more information on this project as things progress. Contact us with questions at 208.765.1200.

Employee Spotlight:

Bob Jacobson

Bob Jacobson is KEC's General Foreman. He has worked for KEC for 28 years.

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

As a general foreman, I don't have a specific crew that I work with. I help oversee all the crews (we have six) and work closely with KEC's engineering staff, who design the power lines that distribute power throughout KEC's electrical system.

I also coordinate with the foremen as these design jobs are completed and need to begin the construction phase. In addition, I respond to power outages. I'm pretty much on call 24/7.

How many employees work on a crew?

Each crew has a foreman, at least 2-3 journeyman linemen, a lineman assistant/operator and sometimes an apprentice.

What is a crew foreman responsible for?

KEC is fortunate to have very experienced foremen, with a combined 120 years of experience. In addition to ensuring the job is completed, the foremen are responsible for the crew's safety, time, materials and equipment.

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

I had relatives who were lineworkers and I enjoy working outside. My family worked in the timber industry and I learned to climb while logging with them. At the time, Boise State University had the only line school around. After completing the program, I applied for and got a job at KEC as a groundman. From there I moved through the ranks as an apprentice lineman, which takes three years to complete and then to a journeyman lineman. You have to work as a journeyman for five years before you can apply to be a foreman.

What is the most memorable storm of your career?

The ice storm of 1996. The poles we climbed were covered in ice and the work seemed never ending.



We'd repair and replace poles, only to find them broken the next day. The conditions made roads difficult to navigate and it became so dangerous we had to stop working for about 12 hours, which rarely happens. I think it took about 3-4 weeks of work to restore power to all our members. We didn't have the equipment we have now such as a large snow machine to carry five guys, side-by-sides with tracks and 4x4 bucket trucks to help us get into areas more efficiently than snowshoes. The 2015 wind and snow storms were also pretty memorable.

What is the most important tool you use for your work?

Personal protective grounds. These are used whenever lineworkers perform tasks on electrical power systems that may become accidentally reenergized. We test all lines and then install grounds to ensure our safety.

What is the biggest challenge in your job?

Keeping up with the rapid growth KEC is experiencing. This includes the work we completed recently to convert more than 50 miles of overhead lines to underground with a FEMA grant. There is also significant growth in residential construction, transportation projects (like Highway 41) and the maintenance of our existing equipment.

What is the best part of your job?

Getting the chance to work with all the different departments at KEC. I enjoy working in the operations department and experiencing both the line work side and the engineering side of the cooperative.

Power Outage Reminders

Winter weather has arrived and that means the potential for weather-related power outages. Power outages are usually infrequent and brief, but there are times, due to the weather and acts of nature, when your electricity may be interrupted. KEC crews are on call 24 hours a day and ready to be dispatched throughout our service territory. Remember, stay away from power lines on the ground. Always assume downed lines are energized even if the lines are sagging or broken.



About the outage restoration process:

KEC utilizes a sophisticated outage management system (OMS) to process incoming member calls and alerts from SmartHub to create unique outages on the system where the power is out. Through communication with meters at each service location, OMS can group member outages and predict the location for KEC staff to dispatch line crews. Our crews are equipped with mobile devices that enable them to view outage information and system details on an interactive map. Once crews are on site, they assess the situation and make repairs. After repairs are made, OMS communicates with the meters involved in the outage to verify power has been restored.

What you should do when the power goes out:

Report the outage using the SmartHub app or by calling 1.877.744.1055. KEC's OMS will let you know if we are already aware of the outage and provide updates, such as estimated restoration time, if available. You may also follow us on Facebook at www.facebook.com/KootenaiElectric for updates or visit our outage map at www.kec.com.

Get outage alerts:

Text and email outage notifications are offered at no cost. To sign up, log in to your KEC account or download the SmartHub app. Visit www.kec.com to watch a video about how to sign up.

Take your account online with SmartHub:

To get started visit www.kec.com. To register as a new user you'll need the following: the last name on your account, your account number and an email address. To use SmartHub on mobile devices:

- Visit your device's app store. SmartHub is available at Apple's App Store or the Google Play Store.
- Search for "SmartHub" and download the free app. Search for "Kootenai Electric Cooperative" and confirm your selection.
- Log in to your account as you would on the web or register if you are a new user.
- That's it—you can now manage your KEC account on the go!

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



Operation Round Up® Grants Awarded

Operation Round Up® is supported by KEC members who voluntarily “round up” their monthly electric bills to the nearest dollar to help our neighbors in need. The extra pennies go into the Kootenai Electric Trust fund which distributes grants to worthy causes in KEC’s service territory. Through this program, nearly \$1.2 million has been invested in our community.

In November 2020, the Trust Board awarded Operation Round Up® grants to the following organizations:

- \$7,500 to the Community Action Partnership (CAP) for Project Share (see details to the right).
- \$2,500 to the Hayden Senior Center for their nutrition program.
- \$1,000 to Lake City High School for learning materials for their French program.
- \$1,675 to Prairie View Elementary to purchase drums for their music program.
- \$2,500 to Safe Passage to support the Children’s Advocacy Center.
- \$2,500 to Trinity Group Homes to paint murals in their apartments and to purchase chicken feed, seeds and plants for their community garden.

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 or contact KEC by phone, letter or email. For applications and deadlines visit www.kec.com.



KEC AND PARTNERS DONATE \$22,500

In late 2020, KEC, its lender CoBank and the Kootenai Electric Trust/Operation Round Up® program donated a combined \$22,500 to the CAP/Project Share program. These funds are available to KEC members who qualify for help paying their energy bills. Members who find themselves impacted by COVID-19 or any other hardship and unable to pay their bills should contact KEC at 208.765.1200 to discuss their account and possible resources available. Members may also contact the CAP 208.664.8757 for energy assistance resources.

Photo above (from left): Gery Hirsch, KEC Manager of Member Services; Kimberly Spencer, CAP Community Services Manager and Paige Bingham, KEC Lead Member Services Representative.

NEWS BRIEFS

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. 1829782, 1845791, 1471532, 1847039, 1847737, 1478124, 1841702, 1614971, 1845329, 1533048

KEC BOARD MEETINGS

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

SCHOLARSHIP APPLICATION DEADLINE

KEC is accepting applications for \$2,000 academic and professional technical program scholarships. KEC members or their children who are either seniors in high school or currently enrolled in an accredited college, trade or training institution for fall 2021 or spring 2022 may apply. Online applications are due February 19, 2021. For details, eligibility and applications visit www.kec.com. Winners will be selected by the Kootenai Electric Trust Board, who also disburses Operation Round Up® funds contributed by KEC members.