

KIT CARSON ELECTRIC COOPERATIVE, INC.

MEETING OF THE BOARD OF TRUSTEES

June 25, 2019

A meeting of the Board of Trustees of Kit Carson Electric Cooperative, Inc. (KCEC) was called to order by the President, Mr. Bobby Ortega, on Tuesday, June 25, 2019 at 9:05 a.m. in the Marcelino Martinez Room of the headquarters building of the Cooperative, Taos, New Mexico. The following Trustees were present:

<i>Bob Bresnahan</i>	<i>Cristobal Duran</i>	<i>Present</i>
<i>Bruce Jassmann</i>	<i>Bobby Ortega</i>	
<i>Arthur Rodarte</i>	<i>Michael Romero</i>	
<i>Bernie Torres</i>	<i>David Torres</i>	
<i>Luisa Valerio-Mylet</i>		

Also, present were Richard Martinez, Chief Operations Officer, Carmella Suazo, Assistant Manager; Johnny Valerio, Chief Financial Officer and Joyce Archuleta, Executive Secretary, who recorded the day's proceedings.

It was declared a quorum was present. *Quorum*

Mr. Rodarte led the Board in reciting the Pledge of Allegiance. *Pledge of Allegiance*

Mr. Romero led the Board in a word of prayer. *Prayer*

The agenda was presented. It was moved by Mr. Rodarte, seconded by Mr. Jassmann, and unanimously approved, that the agenda be approved as presented. *Agenda*

The minutes for the Board of Trustees regular Board Meeting held May 28, 2019 were presented. It was moved by Mr. Jassmann, seconded by Mr. Romero, and unanimously approved, that the minutes be approved as presented. *Minutes May 28, 2019, Regular Meeting*

The minutes for the Board of Trustees Re-Organization Meeting held June 8, 2019 were presented. It was moved by Mr. Duran, seconded by Mr. Romero and unanimously approved, that the minutes be approved as presented. *Minutes June 8, 2019 Re-Organization Meeting*

Mr. Reyes presented the CEO report. The Form 7 and Balance Sheet were reviewed. Mr. Reyes reported that the fuel adjustment continues to increase due to the decrease in kWh usage. Behind the meter applications continue to increase. Mr. Rodarte inquired about the *CEO Report*

Work Plan. Mr. Martinez reported a draft would be ready for review in a few weeks. Discussion was held on Chief Financial Officer position, outages, upcoming Legislative committee meeting schedule, and need for a state law change regarding tax from County and Pueblos for same property. Mr. D. Torres reported the Safety Committee met June 10, 2019. Following discussion, it was moved by Mr. Bresnahan, seconded by Mr. Jassmann, and unanimously approved, that the CEO report for May 2019 be approved as presented. A copy of the CEO report is included in the Transfer of Documents and is hereby made a part of the minutes of this meeting.

The President reported requests have been received from Estates. It was moved by Mr. Duran, seconded by Mr. Jassmann, and unanimously approved, that payments be made to these Estates. Discussion was held on the process of the Capital Credit allocations.

*Capital Credits
to Estates*

The President welcomed Mr. Andy Spillum, Eide Bailly. Mr. Spillum presented the 2018 Audit. Lengthy discussion was held. Mr. Reyes recommended the acceptance of the 2018 Audit. Following discussion, it was moved by Mr. Jassmann, seconded by Mr. Bresnahan and unanimously approved that, resolution No. 3-6-19 be approved as follows:

*Accept 2018
Audit –
Resolution No.
3-6-19*

BE IT RESOLVED, that the Audit Report for the year ending December 31, 2018 as prepared by Eide Bailly, Certified Public Accountants, be accepted in the form presented.

Discussion was held on proposed Rate No. 32 at the Work Session the previous day. It was moved by Mr. Jassmann, seconded by Mr. B. Torres, and unanimously approved that the Pilot Rate No. 32 Residential Service Non-Standard Meter Optional Schedule RS-NSM be approved as presented.

*Review &
Approve Pilot
Rate No. 32*

Discussion was held on the Request for Proposal (RFP) for Taos and Angel Fire solar projects at the Work Session the previous day. It was moved by Mr. Rodarte, seconded by Mr. Jassmann, and unanimously approved that the Solar RFP for Taos and Angel Fire Projects be approved as presented.

*Review &
Approve Solar
RFP for Taos &
Angel Fire
Projects*

The President reported donation totals and correspondence were in the packet and may be reviewed at leisure.

*Donations &
Correspondence*

The President call for a recess at 10:39 a.m.

Recess

Meeting was reconvened by the order of the President at 10:47 a.m. Meeting Reconvened

Mr. Jassmann reported the Payables Committee met on June 10, 2019. Mr. Jassmann recommended approval. It was moved by Mr. Rodarte, seconded by Mrs. Valerio-Mylet, and unanimously approved. Payables

Mr. Reyes reported the Broadband Committee met June 20, 2019. He reported that Broadband was discussed in the Work Session the previous day. Mr. Reyes reported that Kit Carson Internet currently has 7,200 customers with 9,000 connections. Broadband Committee

Mr. Rodarte reported the Solar Committee met June 21, 2019. He updated the Board on solar projects. Discussion was held. Solar Committee

Mr. D. Torres reported the Bylaw & Policy Committee met on June 14, 2019. He reported the Committee reviewed the following policies. (1) Policy No. 2.15 Sale or Donation of Vehicles, Equipment or Materials – No Changes Recommended. (2) Policy No. 3.3 Employee Relations – Under Review. He reported term limits and political endorsements were also discussed. Discussion was held. Bylaw & Policy Committee

The President reported that Committee appointments would remain the same. He also reported that dates would need to be set for a Strategic Planning Session that would be facilitated by CoBank. Other Business

It was moved by Mr. B. Torres, seconded by Mr. Romero, and unanimously approved that the Board go into Executive Session at 11:01 a.m. for discussion of CEO Evaluation. Executive Session

Meeting was reconvened by the order of the President at 12:10 p.m. It was moved by Mr. Jassmann, seconded by Mr. B. Torres and unanimously approved that Luis A. Reyes, Jr., CEO receive a six percent salary increase. Other discussion ensued on Board Member issues. Meeting Reconvened

There being no further business to come before the Board, it was moved and unanimously approved, that the Board of Trustees of Kit Carson Electric Cooperative, Inc. meeting be adjourned until July 30, 2019 at 9:00 a.m. the date and time of the next Board meeting. Unless changed and, thereupon, the President declared the meeting adjourned at 12:15 p.m. Meeting Adjourned

June 25, 2019 Board Meeting Minutes

The following Trustees were present at the end of the meeting:

Bob Bresnahan, Cristobal Duran, Bruce Jassmann, Bobby Ortega, Arthur Rodarte, Michael H. Romero, Bernie Torres, David Torres and Luisa Valerio-Mylet.



Secretary

Approved this 30 day of July 2019



President