

KIT CARSON ELECTRIC COOPERATIVE, INC.

SPECIAL MEETING OF THE BOARD OF TRUSTEES

April 17, 2020

A virtual Special meeting of the Board of Trustees of Kit Carson Electric Cooperative, Inc. (KCEC) was called to order by the President, Mr. Bobby Ortega, on Friday, April 17, 2020 at 10:09 a.m. The following Trustees were in attendance:

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

Also, present were Luis A. Reyes, Jr., CEO and Carmella Suazo, Assistant Manager, who recorded the day's proceedings.

It was declared a quorum was present. *Quorum*

Mr. D. Torres led the Board in reciting the Pledge of Allegiance. *Pledge of Allegiance*

Mrs. Valerio-Mylet led the Board in a word of Prayer. *Prayer*

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

The President reported due to the time requirements for approving the Payroll Protection Program loan the five (5) day notice requirement of scheduling a Special Board meeting was not met and requested waiving the five (5) day notice requirement of Special Board Meeting. It was moved by Mr. Duran, seconded by Mr. Medina, and approved, that the five (5) day notice requirement of Special Board Meeting be waived. A Roll Call vote was taken (yes in favor; no against) as follows: *Approve Waiving the Five (5) Days' Notice Requirement*

David Torres – yes
Luisa Valerio-Mylet – yes
Bob Bresnahan – yes
Bobby Ortega- yes
Arthur Rodarte – yes
Manuel Medina – yes
Cristobal Duran – yes
Bruce Jassmann – yes

Russ Coyle – yes

Michael Romero - yes

The President reported Resolution No. 4-4-20, Written Consent of Trustees Pursuant to Article V. Officers, Section 5. President of the Bylaws of Kit Carson Electric Cooperative, Inc. was required to proceed with authorizing borrowing funds under the federal Payroll Protection Program (PPP) in response to the COVID 19 pandemic. Mr. Reyes reported the loan was for the purpose of retaining employees and keeping them working for eight weeks during the pandemic. KCEC has no intention to lay off any employee. Currently about 70% of members are paying their electric bill; however, ski areas, hotels, schools, and non-essential businesses are closed; therefore, usage and revenue will decrease. He reported the PPP loan would only be used for payroll wages and benefits for KCEC and KCI employees. The only change in the Resolution was to add the words “up to” in front of \$1,290,950.00. The loan would be from Centinel Bank which is guaranteed by the Small Business Administration under the federal Payroll Protection Program in response to the COVID 19 pandemic. The loan would be considered a grant if certain requirements are met. It was moved by Mr. Rodarte and seconded by Mr. Bresnahan, to approve Resolution No. 4-4-20. Discussion. Mr. Coyle stated in addition to the PPP loan an Economic Injury Disaster Loan (EIDL) loan to pay for mortgages and utilities was available during the pandemic. Mr. Reyes stated KCEC intends to apply for a second grant. Mr. Coyle indicated it was his understanding that a business could only apply and receive one time only. Mr. Bresnahan stated he was concerned that the drop in load would cause the fuel adjustment cost to increase. Mr. Reyes stated it would increase since it is based on usage; therefore, the exit portion would be higher causing residential members to pay a larger bill. Mr. Bresnahan asked if the fuel adjustment could be adjusted during the pandemic. Mr. Reyes explained that the fuel adjustment clause was approved by the NMPRC and that monies collected from the fuel adjustment clause are for the cost of power and transmission cost. Mr. Coyle recommended that the newsletter explain why bills would be higher. The motion was acted upon and approved. A Roll Call vote was taken (yes in favor; no against) as follows:

David Torres – yes

Luisa Valerio-Mylet – yes

Bob Bresnahan – yes

Bobby Ortega- yes

Arthur Rodarte – yes

Manuel Medina – yes

*Cristobal Duran – yes
Bruce Jassmann – yes
Russ Coyle – yes
Michael Romero - yes*

Mr. Coyle report instead of a .5% loan it may be a 1% loan. The President stated if it is a grant it is at 0%. Mr. D. Torres asked if the loan was for KCI and KCP employees. Mr. Reyes reported the Kit Carson Propane Board was also meeting to consider approval of a resolution to proceed with a PPP loan. The KCEC loan includes KCI employees since it is a division of KCEC.

There being no further business to come before the Board, it was moved by Mrs. Valerio-Mylet, seconded by Mr. Medina, and unanimously approved, that the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until April 28, 2020 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 10:28 a.m.

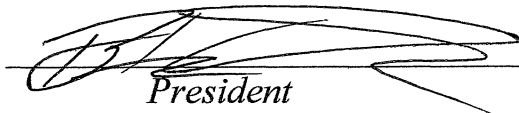
The following Trustees were present at the end of the meeting:

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



Secretary

Approved this 28th day of April 2020



President