

KIT CARSON ELECTRIC COOPERATIVE, INC.

MEETING OF THE BOARD OF TRUSTEES

April 28, 2020

A virtual 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, April 28, 2020 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 – In Person</i>	<i>Present</i>
<i>Russ Coyle - Virtual</i>	
<i>Cristobal Duran – In Person</i>	
<i>Bruce Jassmann - Virtual</i>	
<i>Manuel Medina – In Person</i>	
<i>Bobby Ortega – In Person</i>	
<i>Arthur Rodarte – Virtual</i>	
<i>Michael Romero - Virtual</i>	
<i>Bernie Torres - Virtual</i>	
<i>David Torres - Virtual</i>	
<i>Luisa Valerio-Mylet - Virtual</i>	

Also, present were Luis A. Reyes, Jr., Chief Executive Officer, Richard Martinez, Chief Operating Officer, Carmella Suazo, Assistant Manager, and Joyce Archuleta, Executive Secretary who recorded the day's proceedings.

It was declared a quorum was present. *Quorum*

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

Mrs. Valerio-Mylet led the Board in a word of Prayer. She requested a moment of silence for Cooperative family members that had passed. Carmella Suazo's father-in-law, Pat Suazo, and Manuel Medina's sister Annabel Medina. The President asked that the family of Paul Quintana, Trustee, Farmer's Electric, also be kept in everyone's prayers at this time of his passing. *Prayer*

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

The minutes for the Board of Trustees regular Meeting held March 31, 2020 were presented. It was moved by Mr. Rodarte, seconded by Mr. Medina, and unanimously approved, that the minutes be approved as presented. *Minutes March 31, 2020, Regular Meeting*

The minutes for the Board of Trustees Special Meeting held April 17, 2020 were presented. It was moved by Mr. Medina, seconded by Mrs. Valerio-Mylet, and unanimously approved, that the minutes be approved as presented.

*Minutes April
17, 2020
Special Board
Meeting*

Mr. Reyes presented the CEO report. He reported for the commercial class financials reflect a 15% decrease when comparing March 2020 to April 2020 and a 6% decrease when comparing March 2019 to March 2020. Usage has decreased due to the 20% occupancy restriction for hotels and business closures. Discussion was held on cuts on expenses i.e. not filling vacant positions when possible. The cost of power increased in April due to the decrease of kWh sales. Mr. Reyes reported with the weather being extremely dry, KCEC is focusing on tree trimming and maintenance of the system. He reported Chris Riley, Chief Executive Officer, Guzman Energy is now working in Denver, and requested refinance of balance of exit fee. 75% of the cost of power is for power purchased from Guzman Energy, 12% from Tri-State, 7% from PNM and 5.6% for solar. The KCEC Form 7 and Balance Sheet were reviewed. Mr. B. Torres joined the meeting at 9:24 a.m. KCEC is considering refinancing RUS loans. Mr. Reyes reported that KCEC crews have assisted with food distribution to students and the elderly. He reported that John Shafto, Chief Financial Officer, and the Accounting Department worked on close out of work orders; therefore, construction work in progress is less due to draw on monies available. Mr. Reyes reported John Shafto, CFO and Lynn Gilley, HR Director facilitated the \$1.4 million Payroll Protection Loan application and other employees are reviewing and seeking funding sources available during the pandemic. Mr. B. Torres asked if there was relief for Cooperatives due to moratorium for residential customers who are not paying towards their electric bill. Mr. Reyes stated NRECA is reviewing and seeking relief for cooperatives. Mr. Martinez reported the Safety Committee did not meet in the month of April. Following discussion, it was moved by Mr. Duran, seconded, by Mr. Medina and unanimously approved, that the CEO report for March 2020 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.

CEO Report

The President reported requests have been received from Estates in the amount of \$7,707.01. It was moved by Mr. Rodarte, seconded by Mr. Bresnahan, and unanimously approved, that payments be made to these Estates.

*Capital Credits
to Estates*

Mr. Reyes recommended the suspension of the KCEC Annual Meeting scheduled for June 20, 2020 due to the Stay at Home Order issued by Governor Michelle Lujan Grisham and mass gathering limit of five people. The date of the Annual Meeting is dependent on when Stay at Home Order is lifted. The suspension would be advertised, and a press release would be developed. It was moved by Mr. Duran seconded by Mr. Medina, and unanimously approved, to approve Resolution No. 2-4-20 Annual Meeting Suspension. A Roll Call vote (yes in favor no against) was taken as follows:

*Bobby Ortega – Yes
Chris Duran – Yes
Manuel Medina – Yes
Bruce Jassmann – Yes
Michael Romero – Yes
Arthur Rodarte - Yes
David Torres – Yes
Bernie Torres – Yes
Bob Bresnahan – Yes
Russ Coye – Yes
Luisa Valerio-Mylet - Yes*

Mr. Reyes recommended the suspension of the KCEC 2020 District 1, 3, 4 & 5 District Meetings and Elections. The dates of the District Elections would depend on when Governor Michelle Lujan Grisham lifts the Stay at Home Order. Districts 3 and 5 are uncontested and Districts 1 and 4 are contested. It was moved by Mr. Bresnahan seconded by Mr. Medina, and unanimously approved to approve Resolution No. 3-4-2020 Suspension of District 1, 3, 4 & 5 District Meetings and Elections. A Roll Call vote (yes in favor no against) was taken as follows:

*Bobby Ortega – Yes
Chris Duran – Yes
Manuel Medina – Yes
Bruce Jassmann – Yes
Michael Romero – Yes
Arthur Rodarte – Yes
David Torres – Yes
Bernie Torres – Yes
Bob Bresnahan – Yes
Ross Coyle – Yes
Luisa Valerio-Mylet - Yes*

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

Mr. Jassmann reported the Payables Committee met on April 9, 2020. Mr. Jassmann recommended approval. It

*Approve
Resolution No.
2-4-2-20 Annual
Meeting
Suspension*

*Approve
Resolution No.
3-4-20
Suspension of
District 1,3,4 &
5 District
Meetings*

*Donations &
Correspondence*

*Payables
Committee*

was moved by Mr. Rodarte, seconded by Mrs. Valerio-Mylet, and unanimously approved.

Mr. Ortega reported the Broadband Committee met April 22, 2020 and discussed projects. KCI financials were reviewed. KCI had \$107,000 in margins year to date compared to \$130,000 loss for same period in 2019. Mr. Reyes reported KCI had 21 Wi-Fi Hot Spots in our service area providing essential internet service to our students, elderly and low-income families. KCI applied for a \$677,000 emergency loan through the New Mexico Public Regulation Commission to connect fiber drops to about 500 students, teachers and low to moderate income families. Mr. Reyes reported the next Broadband Committee meeting would be held Wednesday, May 20, 2020 at 3:00 p.m.

Broadband
Committee

Mr. Rodarte reported the Solar Committee met April 17, 2020. An update on the current solar projects was given. He reported the 3MW in Taos should be online sometime in June. Taos County Planning is considering a virtual meeting for 6 MW solar project in Taos. Discussion held on status of the 3 MW solar project in Angel Fire. Next Solar Committee Meeting would be held Friday, May 15, 2020 at 9:00 a.m.

Solar
Committee

The President called for a recess at 10:04 a.m. Meeting reconvened at 10:08 a.m.

Mr. D. Torres reported the Bylaw & Policy Committee met on April 16, 2020. He reported discussion was held on postponing Annual Meeting and District Meetings. Next Bylaw & Policy Committee Meeting would be held Wednesday, May 13, 2020 at 9:00 a.m.

Bylaw & Policy
Committee

The President stated KCEC's role is helping members. KCEC should team with Holy Cross Hospital and leaders in the community to start dialogue to open businesses responsibly. Discussion was held on the impact the pandemic would have on KCEC financials and the importance of reporting red flags to the Board. Mr. Reyes reported the fuel adjustment factor for May is \$.04.

Other Business

The president reported next Board Meeting would be held Tuesday, May 26, 2020 and Board Work Session would be held Friday, May 22, 2020.

There being no further business to come before the Board, it was moved by Mr. Bresnahan, seconded by Mr. Medina and unanimously approved, that the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until May 26, 2020 at 9:00 a.m. the date and time of the next Board meeting. Unless changed and, thereupon, the

Meeting
Adjourned

President declared the meeting adjourned at 10:20 a.m.

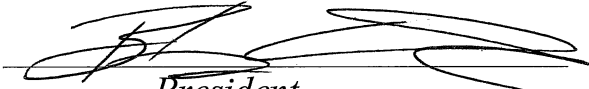
The following Trustees were present at the end of the meeting:

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



Secretary

Approved this 26th day of May 2020



President