

KIT CARSON ELECTRIC COOPERATIVE, INC.

MEETING OF THE BOARD OF TRUSTEES

May 26, 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, May 26, 2020 at 9:10 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 – Virtual</i>	<i>Present</i>
<i>Russ Coyle - Virtual</i>	
<i>Cristobal Duran – In Person</i>	
<i>Bruce Jassmann – In Person</i>	
<i>Manuel Medina – In Person</i>	
<i>Bobby Ortega – In Person</i>	
<i>Arthur Rodarte – Virtual</i>	
<i>Michael Romero – In Person</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 (virtual), 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. *Prayer*

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

The minutes for the Board of Trustees regular Meeting held April 28, 2020 were presented. It was moved by Mr. Medina, seconded by Mr. Romero, and unanimously approved, that the minutes be approved as presented. *Minutes April 28, 2020, Regular Meeting*

Mr. Reyes presented the CEO report. The Form 7 and Balance Sheet were reviewed. He reported there was not a lot of new construction, very few requests for new services. Mr. Medina asked if KCEC was going to negotiate a lower rate with Guzman Energy once solar has increased. Mr. R. Coyle joined the meeting at 9:20 *CEO Report*

a.m. Mr. Reyes reported Jeff Heit was working on a contract extension and rate review. Discussion was held on amount owed for exit fee. Mr. Reyes reported the Fuel Adjustment Continuation was filed with the NMPRC; there were no protests so KCEC should receive the order soon. He reported crews were tree trimming, there is now Forest Service Stage 2 restrictions. KCEC would need special authorization to trim trees on forest service properties due to restrictions. KCEC submitted a loan application through NMPRC which is still pending. Interrogatories have been filed for FERC funding. Mediation started relative to Century Link 's request for reimbursement of drops installed in Angel Fire/Eagle Nest area. KCEC disputed since Century Link indicated the area was underserved; however, KCI serves the area. Mr. Reyes reported that he had met with the Taos News and there would be advertising on how KCEC is assisting Community during COVID-19 pandemic. He reported there were 110 students connected to Wi-Fi and KCI had 22 Wi-Fi Hot Spots throughout KCEC's service area. Discussion was held on Kit Carson Propane financials for April. April had a loss of \$15,000; however, year to date financials are positive. Accounts receivable increased by approximately \$400,000 due to moratorium in place per NMPRC not to disconnect residential customers due to COVID-19. Discussion was held on the Delinquent Report. It was recommended that CFO review collections and recommend which accounts should be written off by class. Discussion was held on the decrease of load if schools, ski valleys and businesses are not opened. Mr. Reyes reported the Safety Committee did not meet. He reported there were no near misses reported. Mr. D. Torres reported that 135 employees and Trustees had tested for COVID-19 and asked if results were coming in to KCEC. Mr. Reyes reported that results were sent to individuals and it was not mandatory for the individuals to report to KCEC due to Health Insurance Portability on Accountability Act (HIPAA). He reported it was the individual's responsibility if tested positive to self-quarantine for 14 days and follow directives provided by Department of Health. Following discussion, it was moved by Mr. Duran, seconded, by Mr. Medina and unanimously approved, that the CEO report for April 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.

The President reported requests have been received from *Capital Credits* Estates in the amount of \$12,836.20. It was moved by Mr. *to Estates* Rodarte, seconded by Mr. Jassmann, and unanimously approved, that payments be made to these Estates.

Mr. Reyes recommended approval of Resolution No. 5-5-20 Requesting Guaranteed Federal Financing Bank (FFB) Loan. Mr. Reyes stated the loan was for Construction of Four-year Work Plan which includes \$7.5 million for fiber drops and installations. Discussion was held. It was moved by Mr. Medina, seconded by Mr. Romero, and unanimously approved, to approve Resolution No. 5-5-20 Requesting Guaranteed Federal Financing Bank (FFB) Loan. 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
Bob Bresnahan – Yes
Russ Coyle – Yes
Luisa Valerio-Mylet - Yes*

Mr. Reyes recommended approval of Resolution No. 6-5-20 Increasing Debt Limit. Discussion was held. The current debit limit was \$175,000,000; recommending the debit limit amount would increase to \$200,000,000. It was moved by Mr. Jassmann seconded by Mr. Medina, and unanimously approved to approve Resolution No. 6-5-2020 Increasing Debt Limit. 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
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 May 11, 2020. Mr. Jassmann recommended approval. It was moved by Mr. Duran, seconded by Mr. Romero, and unanimously approved.

Mr. Reyes reported the Broadband Committee met May 20, 2020. He reported Kit Carson Internet had 22 Hot

Spots in its service area providing essential internet service to students and low-income families. He reported 110 Wi-Fi connects for students had been completed. . Mr. Reyes reported the next Broadband Committee meeting would be held Thursday, June 25, 2020 at 3:00 p.m.

Mr. Reyes reported the Solar Committee met May 15, 2020 at the Taos Solar site. An update on the current solar projects was provided. Taos County Planning and Zoning was considering a virtual meeting for the 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, June 19, 2020 at 9:00 a.m.

*Solar
Committee*

Mr. D. Torres reported the Bylaw & Policy Committee met on May 13, 2020. He reported discussion was held on KCEC Policy No. 1.13 Access to Membership List. He reviewed with the Board the recommended changes. He reported access to the membership list would be the actual cost for the list and a \$100.00 security deposit to be refunded when list was returned. Mr. Medina stated he had a concern with providing consumer's telephone number and address. Mr. Rodarte suggested the membership list process be left as is since KCEC has provided a membership list in the past. It was moved by Mr. Duran, seconded by Mr. Medina, to not approve the recommended changes and follow access to the membership process that was currently in place. Mr. D. Torres suggested changes of actual cost and security deposit of \$100.00 be approved, discussion was held. Mr. Duran amended his motion to include actual cost and security deposit and other changes but to not approve language to print labels. Mr. Medina seconded amendment. The amended motion was acted upon and approved. Mrs. Valerio-Mylet voted against. Mr. D. Torres reported that KCEC Policy No. 3.25 Policy on Firearms & other Deadly Weapons was discussed. Changes were recommended. Discussion was held. It was moved by Mr. Rodarte, seconded by Mr. Bresnahan, and unanimously approved to approve recommended changes to KCEC Policy No. 3.25 Policy on Firearms & Other Deadly Weapons. Next Bylaw & Policy Committee Meeting would be held Wednesday, June 24, 2020 at 9:00 a.m.

*Bylaw & Policy
Committee*

Mr. Reyes reported the Governor would hold a Special Session to begin June 18,2020 for Budget discussion.

*Legislative
Information*

There being no further business to come before the Board, it was moved by Mr. Medina, seconded by Mr. Jassmann and unanimously approved, that the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until

*Meeting
Adjourned*

June 30, 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 10:27 a.m.

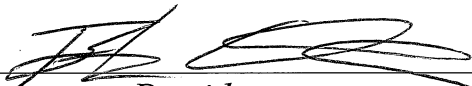
The following Trustees were present at the end of the meeting:

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 30th day of June 2020



President