

*KIT CARSON ELECTRIC COOPERATIVE, INC.*

*MEETING OF THE BOARD OF TRUSTEES*

*DECEMBER 29, 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, December 29, 2020 at 9:07 a.m. in the Marcelino Martinez Room of the headquarters building of the Cooperative, Taos, New Mexico. The following Trustees were present:*

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

*Present*

*Also, present were Luis A. Reyes, Jr., Chief Executive Officer, Richard Martinez, Chief Operating Officer, Carmella Suazo, Assistant Manager, John Shafto, Chief Financial Officer and Joyce Archuleta, Executive Secretary (virtual) 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. The President asked for prayers for Mr. Candido Valerio who had been ill.*

*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 November 24, 2020 were presented. It was moved by Mr. Medina, seconded by Mr. Jassmann, and unanimously approved, that the minutes be approved as presented.*

*Minutes  
November 24,  
2020, Regular  
Meeting*

*Mr. Reyes presented the CEO report. The Form 7 was reviewed. Mr. Reyes reported financials for November were lower. The President recommended Larry McGraw, RUS Field Representative and Dean Church, CoBank,*

*CEO Report*

attend next KCEC Board Meeting virtually. Mr. Reyes reported that Tier targets are being met, Year to Date TIER was 1.11, DSC was 1.14 and OTIER was 1.10. He did report that financials do not reflect Propane or Internet. Mr. Reyes reported there was only one major outage in the Taos Ski Valley area. Fuses were installed to isolate and minimize the problem. In November KCEC sold less kWh compared to November 2019. If closings continue KCEC's financials will be impacted; KCEC is supporting that schools, hotels and ski resorts open. Mr. Torres recommended a performa by month in graph format to reflect income and loans. Mr. Reyes reported meetings have been held with Guzman Energy to discuss long term supply and source of power. Discussion was held on refinancing debt in 2021. Mr. Reyes reported that KCEC continues assisting with the COVID-19 community food distribution. He reported students have been connected thru Kit Carson Internet and KCI currently has 8,500 customers. Mr. Reyes reported surveillance testing continues for employees to keep a healthy workforce. Balance sheet was reviewed. Mr. D. Torres reported the Safety Committee met December 15, 2020. He recommended a year-to-year analysis be completed and distributed to the Board. Mr. Martinez reported Richard Garcia is gathering the information for the report and it will be presented to the Safety Committee at the next meeting for review, then it will be presented to the Board. Mr. Martinez reported Worker's Comp premium for 2021 had decreased and the modification ratio decreased from 1.7 to .88. KCEC's Worker's Comp premiums decreased when KCEC withdrew from New Mexico Rural Electric Cooperative (NMRECA). Mr. B. Torres thanked the leadership for safety efforts. Mr. Reyes reported there had been a \$14,000.00 decrease in premiums from last year. Discussion was held. Following discussion, it was moved by Mr. Duran, seconded, by Mr. B. Torres and unanimously approved, that the CEO report for November 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 Estates in the amount of \$7,854.14. It was moved by Mr. Jassmann, seconded by Mr. Medina, and unanimously approved, that payments be made to these Estates.

Capital Credits  
to Estates

Mr. Reyes reported that the NRTC (Virtual) Annual Meeting would be held February/March 2021. A Voting Delegate and Alternate would need to be appointed. Discussion was held on the NRTC Annual Meeting. It was the consensus of the Board that KCEC would not be participating in the NRTC Annual Meeting if there was a cost to register.

Appoint NRTC  
Voting Delegate  
& Alternate

*Mr. Reyes reported that the NRECA (Virtual) Annual Meeting would be held February/March 2021. A Voting Delegate and Alternate would need to be appointed. Discussion was held on the NRECA Annual Meeting. It was moved by Mr. Duran, seconded by Mr. Torres, and unanimously approved, that the NRTC Virtual Annual Meeting and NRECA Virtual Annual Meeting be tabled.*

*Appoint NRECA  
Voting Delegate  
& Alternate*

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

*Donations &  
Correspondence*

*Mr. Jassmann reported the Payables Committee met on December 10, 2020. Mr. Jassmann recommended approval. It was moved by Mr. Medina, seconded by Mr. Duran, and unanimously approved.*

*Payables  
Committee*

*Mr. Reyes reported the Broadband Committee met December 17, 2020. Mr. Reyes reported that Kit Carson Internet margins for November were \$950,000. The next Broadband Committee meeting was scheduled for January 21, 2021 at 3:00 p.m.*

*Broadband  
Committee*

*Mr. Rodarte reported the Solar Committee met December 11, 2020. Mr. Rodarte reported that the State requirements for Solar needed to be in place by 2024, he reported that KCEC would meet solar requirements by the end of 2021. Discussion was held. The next Solar Committee meeting was scheduled for January 8, 2021 at 9:00 a.m.*

*Solar  
Committee*

*Mr. D. Torres reported the Bylaw & Policy Committee met on December 16, 2020. He reported the Committee continues to review sections of the Bylaws. There were no recommended changes at this time. Mr. Reyes reported the Committee was reviewing the pros and cons of different voting methods in an effort to provide more options to the Members. The next Bylaw & Policy Committee meeting was scheduled for January 13, 2021 at 9:00 a.m.*

*Bylaw & Policy  
Committee*

*Mr. Reyes reported the Legislative Session was scheduled to start January 19, 2021. It was recommended that a meeting be scheduled with Robert Romero, KCEC's Lobbyist and also Mr. Jason Espinoza, Guzman Lobbyist for discussion prior to January 19, 2021. Legislative Information was discussed at the previous day's Board Work Session.*

*Legislative  
Information*

*Mr. Rodarte suggested that the process for the CEO evaluation start soon. He suggested that during the evaluation the following be considered: Power Supply*

*Board Member  
Concerns*

*Exit, Solar Deployment Plan and Broadband Initiative. Mr. Reyes reported in 2020 KCEC Staff and CEO did not receive salary increase; however, Union employees received wage increase per IBEW contract.*

*Mr. Medina asked if KCEC had leaks on the roof. Mr. Martinez reported the roofing contractor had been on site multiple times to repair leaks on the roof. Mr. Coyle asked if consideration had been taken on Merchant Services for Kit Carson Internet. Mr. Reyes indicated KCI was considering increasing the monthly charge instead of a credit card fee. He indicated he would provide an update at the next meeting.*

*Other Business*

*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 January 26, 2021 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 10:15 a.m.*

*Meeting  
Adjourned*

*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 Romero, Bernie Torres, D. Torres and Luisa Valerio-Mylet*

  
*Secretary*

*Approved this 26 day of Jan. 2021*

  
*President*