

KIT CARSON ELECTRIC COOPERATIVE, INC.

MEETING OF THE BOARD OF TRUSTEES

May 25, 2021

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, May 25, 2021, 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:

Index

*Bob Bresnahan
Russ Coyle (Virtual)
Cristobal Duran
Bruce Jassmann
Manuel Medina
Bobby Ortega
Arthur Rodarte
Michael Romero
Bernie Torres
David Torres
Luisa Valerio-Mylet*

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 who recorded the day's proceedings.

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

Pledge of Allegiance

Mr. B. Torres led the Board in a word of Prayer.

Prayer

It was declared a quorum was present.

Quorum

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 April 27, 2021, were presented. It was moved by Mr. Medina, seconded, by Mr. Duran, and unanimously approved, that the minutes be approved as presented.

Minutes April 27, 2021, Regular Meeting

The President introduced Dale Cisneros. Mr. Cisneros had requested to address the Board with his concerns in getting new electrical service to RV Park in Questa, NM. Mr. Cisneros addressed each individual Board member requesting their views on the situation. Most of the Trustees were not familiar with the issues until the day

*Dale Cisneros
RV Park*

before when discussed at the monthly work session; however, stated they support economic development for the Village of Questa, but all policies and procedures must be followed. Mr. Reyes stated for the record that he did assess the staff interactions relative to the request and stated staff followed the process. Mr. Cisneros stated that he wished he would have known the policies and procedures and punch list in January 2021 and not five months later. Discussion was held. Mr. Reyes stated approved plans from State of New Mexico Construction Industry Division are still lacking for the project and line extension fee in the amount of \$4,800 was owed to KCEC.

Mr. Reyes welcomed everyone back to in-person meeting. Mr. Reyes presented the CEO report. He reported if a person is fully vaccinated masks or 6' distancing were not required if individual is not vaccinated masks would be required. He reported all Trustees have been vaccinated. The Financials were reviewed. He reported the cost of purchase power was higher this year compared to last year. Mr. Reyes reported that the last Tri-State exit payment would be made in June of 2022. The Balance sheet was reviewed. Mr. Reyes reported there had been 98 connects this year compared to 67 connects last year. TIER was 1.87, DSC was 1.58, OTIER was 1.71. Last year RUS waived TIER requirements. Mr. Reyes reported total assets were at \$141,142,184. Mr. Martinez reported the Safety Committee met May 19, 2021. He reported there were no accidents reported and we were at 307 days with no lost time accidents. Following discussion, it was moved by Mr. Medina, seconded, by Mr. Romero and unanimously approved, that the CEO report for April 2021 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 \$9,994.10. It was moved by Mr. Rodarte, seconded by Mr. Jassmann, and unanimously approved, that payments be made to these Estates.

Capital Credits
to Estates

Mr. John Shafto stated the changes recommended would improve efficiencies relating to the present banking access. The changes requested would be for the following reasons. 1). Increase ACH approvers to meet Hillcrest's new dual approver requirement. 2). Support Shannon Roberts taking over Payroll functions in absence of Payroll Clerk. 3). Re-allocating less value-added task to staff personnel from CFO. 4). Create a redundancy and efficiencies, UPN initiated ACH's. Although view access would be added for the entire staff only Shannon Roberts would have the ability to complete ACH payments or bank transfers, other staff would only have ACH "Request"

Centinel Bank
Access
Resolution
&
Hillcrest Bank
Access &
Revised Cash
Management
Agreement
Resolution

ability. He stated there would be updated ACH limits to avoid over limits. Mr. Shafto reported that Shannon Roberts is being cross trained on Accounts Payable and Payroll. Discussion was held. It was moved by Mr. B. Torres, seconded, by Mr. Rodarte and unanimously approved that Centinel Bank Access Resolution and Hillcrest Bank Access & Revised Cash Management Agreement Resolution be approved as presented.

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 May 10, 2021. Mr. Jassmann recommended approval. It was moved by Mr. Rodarte, seconded by Mr. Medina, and unanimously approved that Payables be approved as presented. Payables Committee

Mr. Reyes reported the Broadband Committee met May 20, 2021. Discussion was held on RDOF Funding, Plan, Fixed Fee Drop Plan. The Working Plan for RDOF funding was distributed and reviewed, \$1.8 million is available for connections. Discussion was held on contract lengths. The Working Plan would go into effect June 1, 2021. It was moved by Mr. Jassmann, seconded by Mr. Romero, and unanimously approved to adopt the Working Plan Flat Rate. Broadband Committee
RDOF Funding Plan, Fixed Fee Drop Plan

Mr. Rodarte reported the Solar Committee met May 5, 2021. He reported the Taos Solar project was at 80% complete and Angel Fire project was at 50% complete. A temporary fence has been installed at the landfill and most of the equipment is being housed in Albuquerque. Two bids were received for Electric Vehicle Charging Stations that were part of the Volkswagen Settlement. Sol Luna Solar was the low bid. It was moved by Mr. Duran seconded by Mr. Medina, and unanimously approved, to approve the low bid from Sol Luna Solar for the installation of three (3) Level 2 Electric Vehicle Charging Stations and two (2) Level 3 DC Fast Charging Stations with optional pricing for two additional charging stations with our proposal. Solar Committee
Electric Vehicle Bids

Mr. D. Torres reported the Bylaw & Policy Committee met May 11, 2021. Mr. Reyes reported that the Committee reviewed the new Education Foundation Structure. He stated there was one outstanding issue, the percentage that would be allocated for scholarships and the percentage that would be granted for non-education donations. He reported that Guzman Energy would be making a \$100,000 donation to Kit Carson Electric Education Foundation (KCEEF) and GridLiance would Bylaw & Policy Committee
New Education Foundation Structure

be making a \$5,000 donation to the KCEEF. Discussion was held. After discussion, the Board agreed that 40% would be granted for Scholarships and 60% would be allocated for community donations. Discussion was held on also accepting applications for Trade Schools and from college students who are struggling financially. Discussion was also held on adding an Alternate if Senior Trustee is unable to attend a meeting. It was moved by Mr. B. Torres, seconded by Mr. Medina, and unanimously approved that the proposed bylaw changes be approved and that 40% be allocated for scholarships and 60% be used for community donations.

The President reported that the Employee Relations Committee met May 13 and May 18, 2021. He reported that discussion on the on the Approval of Employment Agreement for CEO would be held in Executive Session.

Review &
Approve
Employment
Agreement for
CEO

The President requested the Board enter Executive Session to discuss Employment Agreement for CEO. It was moved by Mr. Duran, seconded by Mr. Medina, and unanimously approved that the Board go into Executive Session at 10:54 a.m.

Executive
Session

Meeting was reconvened by the order of the President at 12:12 p.m. Discussion was held on the Approval of Employment Agreement for CEO. No action taken in Executive Session.

Meeting
Reconvened

It was moved by Mr. Jassmann, seconded by Mr. B. Torres, and approved, that the CEO base salary increase to \$285,000 retroactive to May 8, 2021, and that a portion of the increase be from Kit Carson Electric, Kit Carson Internet, and Kit Carson Propane.

Roll call vote was taken:

David Torres – Yes	Arthur Rodarte – Yes
Bobby Ortega – Yes	Luisa Valerio-Mylet – Yes
Cristobal Duran – Yes	Bob Bresnahan – abstained
Bernie Torres - Yes	Manuel Medina – yes
Russ Coyle – Yes	Bruce Jassmann – yes
Michael Romero – Yes	

Mr. Rodarte requested that Michael Santistevan, Public Relations Coordinator attend Board Meetings.

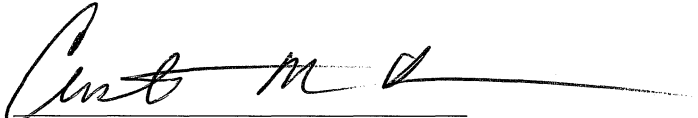
There being no further business to come before the Board, it was moved by Mr. B. Torres, seconded by Mr. Jassmann, and unanimously approved, that the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until June 29, 2021, at 9:00 a.m. the date and time of the next Board meeting. Unless changed and, thereupon, the President declared the meeting adjourned at 12:17 p.m.

Meeting
Adjourned

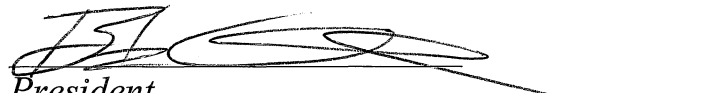
May 25, 2021, Regular Board Meeting

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, David Torres and Luisa Valerio-Mylet


~~Secretary~~ Vice President

Approved this 29 day of June 2021


President