

*KIT CARSON ELECTRIC COOPERATIVE, INC.*

*MEETING OF THE BOARD OF TRUSTEES*

*August 27, 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 Friday, August 27, 2021, at 9:06 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</i>	<i>Present</i>
<i>Russ Coyle (Virtual)</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>Bernie Torres</i>	
<i>David Torres</i>	
<i>Luisa Valerio-Mylet</i>	

*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. Rodarte led the Board in reciting the Pledge of Allegiance.*

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

*It was declared a quorum was present.*

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

*The minutes for the Board of Trustees regular Board Meeting held July 27, 2021, were presented. It was moved by Mr. Jassmann, seconded, by Mr. Rodarte, and unanimously approved, that the minutes be approved as presented.*

*Mr. Reyes presented the CEO report. The Financials were reviewed. Mr. Reyes reported that the Cost of Power was the biggest driver in the transmission expense. He reported Tri-State has a formulary rate which includes expenses; therefore, transmission expenses will continue to increase. Transmission cost was almost as much as the*

cost of power. Discussion was held on Regional Transmission Organization (RTO) which would replace pancaked rates and decrease transmission expense. Mr. Reyes reported on the long outage (13 hours) in the El Salto area. There was an underground fault and crew had to patrol the line. Manuel Medina joined the meeting at 9:16 a.m. Mr. Reyes reported the cost of postage continues to increase so Customer Service Representatives are encouraging members to enroll in e-billing. The financials reflect the Payroll Protection Plan (PPP) loan that was converted to a grant. KCEC didn't meet criteria for second PPP loan which required a 25% decrease in revenue. Mr. Reyes reported that the Town of Taos requires events within town to present a safety plan prior to the event. Discussion was held on the Renter & Utility Assistance Program through Department of Finance Administration (DFA) and the amount KCEC has received, to date 90 applicants have been approved for a total of \$72,571. KCEC has only increased rates twice in 30 years; therefore, the fuel adjustment fee had increased. KCEC needs to develop a Long-Term Plan to address challenges. Mr. Reyes reported that he met with Dean Church and Tamara Reynolds, CoBank Representatives the day before and they suggested that a meeting be scheduled this fall with CoBank Credit Committee. Mr. Reyes reported that crews continue to perform tree trimming and maintenance on the system. He reported that KCEC would be co-sponsoring the EV Expo on September 25, 2021. Mr. D. Torres reported the Safety Committee met August 10, 2021. He reported there were no lost time accidents. There were three minor accidents reported. Discussion was held. Mr. D. Torres reported that a new employee portal was being developed, safety announcements would be added on the portal for employees to review. He stated discussion was held on ways to encourage employees to utilize the portal such as including an employee's pay stub. Mr. Martinez reported that an Outside Employee Safety Stand Down Day was held, outside crews completed vehicle inspections, cleaned vehicles, and discussed safety. Following discussion, it was moved by Mr. Duran, seconded, by Mr. Rodarte and unanimously approved, that the CEO report for July 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.

The President reported requests have been received from Estates in the amount of \$13,677.72. It was moved by Mr. Bresnahan, seconded by Mr. Jassmann, and unanimously approved, that payments be made to these Estates.

Capital Credits  
to Estates

<p><i>Discussion was held on CoBank Refinancing. Mr. Reyes reported that the interest rate for \$31 million of Rural Utility Services (RUS) Loans would go from 4.06% to 2.64%; a \$6.9 million saving throughout the term. Mr. Reyes recommended that KCEC move forward with CoBank Refinancing. It was moved by Mr. Duran, seconded by Mr. B. Torres, and unanimously approved that KCEC move forward with CoBank refinancing. Mr. Shafto reported Federal Financing Bank (FFB) loans interest rates were at 2.4% and 3.3%.</i></p>	<p><i>CoBank Refinancing</i></p>
<p><i>Mr. Reyes reported the NRECA Regional Meeting would be held October 19-21, 2021, in Dallas, Texas. Discussion was held. It was the consensus that Appointments would be made at a future Board meeting .</i></p>	<p><i>Appoint CFC Voting Delegate &amp; Alternate</i></p>
<p><i>The President reported donation totals and correspondence were in the packet to be reviewed at leisure.</i></p>	<p><i>Donations &amp; Correspondence</i></p>
<p><i>Mr. Jassmann reported the Payables Committee met on August 10, 2021. Mr. Jassmann recommended approval. It was moved by Mrs. Valerio-Mylet, seconded by Mr. B Torres, and unanimously approved that Payables be approved as presented.</i></p>	<p><i>Payables Committee</i></p>
<p><i>Mr. Reyes reported the Broadband Committee met August 16, 2021. He reported discussion was held at yesterday's Board Work Session. Mr. Reyes reported Kit Carson Internet currently has 9,442 subscribers. He reported that Springer is interested in KCEC offering fiber in Cimarron and there is also potential for growth in Espanola.</i></p>	<p><i>Broadband Committee</i></p>
<p><i>Mr. Rodarte reported the Solar Committee met August 12, 2021. A handout of the Taos Mesa Solar Array was distributed and reviewed. Discussion was held.</i></p>	<p><i>Solar Committee</i></p>
<p><i>Mr. D. Torres reported the Bylaw &amp; Policy Committee met August 11, 2021. He reported that the Committee had reviewed and discussed KCEC Policy No. 3.23, Use of Recreational Marijuana. Mr. D. Torres suggested that the policy continue to be reviewed as law changes and testing changes. He recommended approval of KCEC Policy No. 3.23 use of Recreational Marijuana. It was moved by Mr. Rodarte, seconded by Mr. Romero, and unanimously approved to approve KCEC Policy No. 3.23 Use of Recreational Marijuana.</i></p>	<p><i>Bylaw &amp; Policy Committee</i></p>
<p><i>The President suggested another Strategic Planning Session be scheduled. He requested that contact be made with CoBank to facilitate the Strategic Planning Session. Mr. Reyes reported that KCEC would be a Sponsor of the</i></p>	<p><i>Other Business</i></p>


*EV Expo scheduled for September 25, 2021, from 12:00 pm to 4:00 pm at the Taos Public Library/City Hall. He reported KCEC had ordered a TESLA and should be here by the event. Mr. B. Torres stated Carmella Suazo & staff are doing an awesome job, working with the public on assistance programs to help pay their utility bills. He publicly wanted to commend Carmella & staff. The President suggested that Management start thinking about bonuses for employees. Mr. Rodarte requested a list of employees that have been employed for 20 or more years. Mr. D. Torres reported that the Smart Meter opt out group continues to meet. Discussions are ongoing. Mr. Martinez reported that there are eight members that opted out.*

*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 September 28, 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 10:14 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, David Torres and Luisa Valerio-Mylet*

  
~~Secretary~~ V.P

Approved this 28 day of Sept. 2021

  
President