

KIT CARSON ELECTRIC COOPERATIVE, INC.

MEETING OF THE BOARD OF TRUSTEES

November 30, 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, November 30, 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:

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*Bob Bresnahan
Russ Coyle
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, Michael Santistevan, Public Relations Coordinator, and Joyce Archuleta, Executive Secretary who recorded the day's proceedings.

Mr. Bresnahan led the Board in reciting the Pledge of Allegiance.

Pledge of Allegiance

Mrs. Valerio-Mylet 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. B. Torres, and unanimously approved, that the agenda be approved as presented.

Agenda

The minutes for the Board of Trustees regular Board Meeting held October 26, 2021, were presented. It was moved by Mr. Duran, seconded by Mrs. Valerio-Mylet, and unanimously approved, that the minutes be approved as presented.

*Minutes
October 26,
2021, Regular
Meeting*

The President reported requests have been received from Estates in the amount of \$7,995.00. It was moved by Mr. Medina, seconded by Mr. Jassmann, and unanimously approved, that payments be made to these Estates.

*Capital Credits
to Estates*

Mr. Reyes suggested changing the date of the December Board Meeting to Wednesday, December 29, 2021. He reported there would not be a Board Work Session for the month of December and Budget presentations would take place at the Board Meeting. It was moved by Mr. B. Torres seconded by Mr. Jassmann and unanimously approved the December Board Meeting be held on Wednesday, December 29, 2021.

*December
Board Meeting
Date Change*

Mr. Reyes presented the CEO report. Distributed to the Board was Tri-State's, New Mexico Distribution Cooperatives Average per kWh chart and Tri-State's Distribution Cooperatives Average per kWh which includes fuel adjustment for residential members only. Once exit fee is paid the fuel adjustment decreases. Exit fee was KCEC's debt to Tri-State. Mr. D. Torres inquired on monthly demand. Mr. Reyes stated demand is capacity even if people do not use it. Non-firm rate is if power is not available, KCEC does not get power. KCEC has a firm rate. Mr. Reyes reported profits from Kit Carson Internet and Kit Carson Propane would stabilize electric rates and assist with transmission costs. Continued vegetation management also stabilizes rates. Mr. D. Torres read a letter of gratitude he received from Mr. Floyd Lopez on the exceptional response from KCEC crews during an outage. The President asked how KCEC would get the message out to the members that KCEC was the first cooperative to withdraw from G&T without a litigated case and paid exit fees. Mrs. Valerio-Mylet stated members expect their bills to decrease drastically once the exit fee is paid. Mr. B. Torres stated everything is increasing and KCEC is maintaining rates. Mr. Reyes stated the goal is to try to keep rates affordable and that crews continue to perform tree trimming and maintenance on the system. KCEC would continue to review fees that affect the cost of operation such as credit card fees from merchant services; KCEC would also continue to review operational efficiencies. Discussion was held on Kit Carson Propane's value. Mr. Reyes reported KCP had about 25% of the propane market. KCEC Operating Margins for the month of October were \$877,118 compared to (23,365) last year. Kit Carson Internet and Kit Carson Propane margins were discussed. Mr. D. Torres reported the Safety Committee met November 19, 2021. He reported there was one lost time accident for the month of October. There were no near misses reported. He reported that pending items were addressed and expectations were set. He also reported that discussion was held on the safety culture and the reasons employees are not reporting near misses and accidents. Following discussion, it was moved by Mr. Bresnahan, seconded by Mr. Rodarte, and unanimously approved, that the CEO report for October 2021 be approved as presented. A copy of the CEO report is included in the

CEO Report

Transfer of Documents and is hereby made a part of the minutes of this meeting.

Mr. Reyes reported Union Negotiations would be held December 14th, 17th, 20th and 22nd.

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

*Payables
Committee*

Mr. Reyes reported the Broadband Committee met November 18, 2021. He reported that Kit Carson Internet had met their goal of 10,000 customers, they currently have 10,500 customers. He reported there was concern because Taos Pueblo held up about 60 connections. He stated permission is needed from the Governor for the connections, Taos Pueblo does have high speed internet.

*Broadband
Committee*

Mr. Rodarte reported the Solar Committee met November 11, 2021. He reported that fencing at the Taos Mesa Solar project is 90% complete. He stated trenching was being completed in preparation for electric conduit. Mr. Rodarte reported there is no movement at the Angel Fire Solar project.

*Solar
Committee*

Mr. D. Torres reported the Bylaw & Policy Committee met November 17, 2021. He reported that the Committee had reviewed and discussed KCEC Policy No. 3.14 Safety Incentive Program. Changes were recommended. Also reviewed was KCEC Policy No. 2.30 Safety Committee/Safety Requirements. Discussion was held. Mr. D. Torres recommended approval of KCEC Policy No. 3.14 Safety Incentive Program with changes. Also, KCEC Policy No. 2.30 Safety Committee/Safety Requirements as presented. It was moved by Mr. Rodarte, seconded by Mr. Jassmann, and unanimously approved to approve KCEC Policy No. 3.14 Safety Incentive Program with changes and KCEC Policy No. 2.30 Safety Committee/Safety Requirements as presented.

*Bylaw & Policy
Committee*

Mr. Reyes stated KCEC had a good year and recommended employees receive a Christmas bonus. The President requested all employees receive a \$300.00 bonus. It was moved by Mr. Duran, seconded by Mr. D. Torres, and unanimously approved that all employees receive a \$300.00 Christmas bonus.

Other Business

Mr. Rodarte suggested a ham or turkey be sent to Consumer Advisory members for Christmas. The President suggested there be a Christmas Dinner for the Board of Trustees. The President asked Mr. Reyes to keep the Board posted on Union Negotiations.

Board Member
Concerns

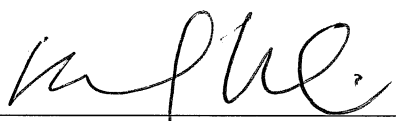
Executive team from Guzman Energy joined the meeting. Mr. Chris Miller, President, introduced to the Board Mr. Jeff Heit, Principal Marketing Director, Mr. Mark Vanderhelm, Chief Operating Officer and Mr. Kurt Haeger, Senior Executive Advisor. Mr. Miller stated the Gap amendment was completed. Mr. Eddie Padilla joined the meeting. Mr. Miller gave an update on capacity; he also stated KCEC's wholesale rate would be the lowest nationally and the goal was to have the contract extension completed by the end of 2021. The President requested Public Resources assist in conveying message to members on the impact of paying the exit fee. The President introduced Mr. Eddie Padilla, who has assisted since the Tri-State exit. Mr. Miller stated in the season of Thanksgiving, Guzman Energy is grateful for the relationship between Guzman and KCEC.

There being no further business to come before the Board, it was moved by Mr. Duran, seconded by Mr. Rodarte, and unanimously approved, that the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until December 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 10:45 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

Approved this 29th day of Dec. 2021


President