

KIT CARSON ELECTRIC COOPERATIVE, INC.

MEETING OF THE BOARD OF TRUSTEES

December 29, 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, December 29, 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 (Virtual)
Cristobal Duran
Bruce Jassmann
Manuel Medina
Bobby Ortega
Arthur Rodarte
Michael Romero
Bernie Torres (Virtual)
David Torres (Virtual)
Luisa Valerio-Mylet (Virtual)*

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. Rodarte 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 President recognized Dennis Gonzales, former employee who was in attendance.

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

Agenda

The minutes for the Board of Trustees regular Board Meeting held November 30, 2021, were presented. It was moved by Mr. Jassmann, seconded by Mr. Romero, and unanimously approved, that the minutes be approved as presented.

*Minutes
November 30,
2021, Regular
Meeting*

Mr. Reyes presented the CEO report. He reported KCEC had 6 months left to pay the exit fee, with a balance of \$5.4 million. He reported on the FERC case, they are waiting for the FERC Commission to approve the settlement of \$750,000 and credit reflected on transmission bill and rate would be adjusted. Tri-State was charging too much for losses; KCEC should have been charged 2.3 cents not 3.2 cents. The settlement adjustment would be over a 12-month period which would be a monthly adjustment of about \$150,000 per month. There would not be an adjustment on wheeling costs. Mr. Reyes reported year to date margins were \$5,598,365 compared to last year \$1,377,866. Mr. Rodarte asked if an analysis of the cost of the Windstorm Outage would be available. Mr. Reyes reported Taos County had declared a State of Emergency, and Disaster Proclamation would need to be executed by the Governor. Costs would include support from crews and staff during the outages. Down trees is a fire danger; therefore, the fire season would be extremely hazardous due to the trees that were damaged during the windstorm. Discussion was held on supply chain issues. The President stated everyone in the organization did a great job during the outage. He reported that he had attended a meeting in Red River, and they applauded KCEC for their significant efforts during the windstorm. Mr. Reyes reported crews and staff worked long hours during the outage and on a positive note nobody got hurt. He stated KCEC would be pursuing state and FEMA funds for damage to KCEC equipment during the Windstorm. Mr. Rodarte recommended KCEC continue to pursue obtaining a wider easement to trim trees. Mr. Shafto stated the \$37,883,397 amount on Line 37 (Accounts Payable) on the financials should be reflected on Long Term Debt. Mr. Reyes reported Union negotiations went well. KCEC and IBEW met three days. There were positive results for Union and KCEC. Mr. Reyes reported insurance premiums increased due to an electric contact. Mr. Reyes provided an update on COVID 19 and KCEC. Mr. D. Torres reported the Safety Committee met December 10, 2021. He reported there was one lost time accident for the month of November and one reported accident. There were no near misses. Mr. Torres recognized employees for restoring power safely during adverse conditions, safety was taken to heart, and was commendable. Following discussion, it was moved by Mr. Rodarte, seconded by Mr. Duran, and unanimously approved, that the CEO report for November 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 \$7,305.60. It was moved by Mr.

Capital Credits
to Estates

Bresnahan, seconded by Mr. Jassmann, and unanimously approved, that payments be made to these Estates.

The President reported that a Voting Delegate and Alternate for the NRTC Meeting would be appointed at January Board meeting.

*Appoint NRTC
Voting Delegate
& Alternate*

The President appointed Mr. Rodarte as National Rural Electric Cooperative Association (NRECA) Voting Delegate and Mr. Ortega as Alternate for the 2022 NRECA PowerXchange to be held March 4-9, 2022, in Nashville, TN.

*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 13, 2021. Mr. Jassmann recommended approval. It was moved by Mr. Rodarte, seconded by Mr. Romero, and unanimously approved, that Payables be approved as presented.

*Payables
Committee*

Mr. Reyes reported the Broadband Committee met December 21, 2021. He reported that Kit Carson Internet had 10,500 customers. Mr. Reyes reported that in 2022, Kit Carson Internet would focus on a 24/7 Broadband team and focus on increasing the number of Commercial accounts. He reported he would be meeting with two other cooperatives on a Regional Broadband Program. KCI was also affected by the windstorm and suffered fiber damage that needs to be rebuilt. Mr. Reyes reported that Daniel Trujillo and his team continue to work on Cybersecurity and Ransomware to prevent a data breach.

*Broadband
Committee*

Mr. Rodarte reported the Solar Committee did not meet in December. Mr. Reyes distributed and reviewed information for the Affordable Solar Project. He reported that Taos County Commission approved a higher fence be built and \$35,000 to Kit Carson Electric for cleanup. Mr. Reyes suggested an onsite visit on January 18, 2022, the next scheduled Solar Committee meeting. Mr. Rodarte reported there was no movement at the Angel Fire Solar project.

*Solar
Committee*

Mr. D. Torres reported the Bylaw & Policy Committee did not meet in December.

*Bylaw & Policy
Committee*

Mr. Reyes reported the NM Legislature approved redistricting. Redistricting changes mostly impacted Albuquerque and Valencia Counties. The 2022 Legislative Session starts January 18, 2022. Mr. Reyes stated KCEC

*Legislative
Information*

and KCEC lobbyist would be following the Hydrogen Bill and a Bill regarding whether public power fits in NM.

Mr. Rodarte requested from Michael Santistevan, PR Coordinator, a technology update. Mr. Santistevan reported that new monitors were installed in the Boardroom and lobby, he stated that general information about Kit Carson Electric, Kit Carson Internet, and Kit Carson Propane would be displayed on the monitors. By next month the monitors would be integrated with Board monitors for audience viewing.


Board Member
Concerns

There being no further business to come before the Board, it was moved by Mr. Jassmann, seconded by Mr. Duran, and unanimously approved, that the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until January 25, 2022, 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 10:11 a.m.

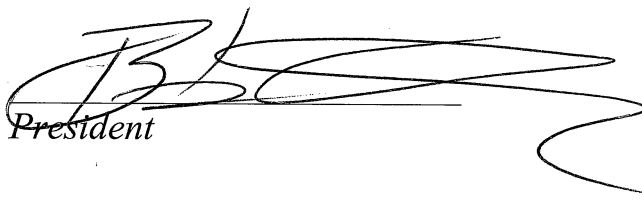
Meeting
Adjourned

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 25th day of Jan, 2022


President