

KIT CARSON ELECTRIC COOPERATIVE, INC.

MEETING OF THE BOARD OF TRUSTEES

January 25, 2022

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, January 25, 2022, 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:

<i>Bob Bresnahan</i>	
<i>Russ Coyle (Virtual)</i>	<i>Present</i>
<i>Cristobal Duran</i>	
<i>Bruce Jassmann</i>	
<i>Manuel Medina</i>	
<i>Bobby Ortega</i>	
<i>Arthur Rodarte</i>	
<i>Michael Romero (Virtual)</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, Michael Santistevan, Public Relations Coordinator, and Joyce Archuleta, Executive Secretary 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.

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 President recognized Mr. Manuel Bustos, Vice Chairman, with Jemez Mountain Electric Cooperative.

The minutes for the Board of Trustees regular Board Meeting held December 29, 2021, were presented. It was moved by Mr. Jassmann, seconded by Mrs. Valerio-Mylet, and unanimously approved, that the minutes be approved as presented.

*Minutes
December 29,
2021, Regular
Meeting*

Mr. Reyes presented the CEO report. He reported on the FERC case, waiting for the FERC Commission to approve the settlement. Transmission expense continues to increase. Mr. Reyes reported work has started on the 115

CEO Report

kV from Taos to Ojo Caliente. Application has been filed to PNM to connect to PNM station and application to vacate Tri-State transmission line was also filed. KCEC has met with New Mexico Highway Department on road crossings. Mr. Reyes reported the next benchmark would be February 7, 2022, Annual Transmission Revenue Requirement (ATRR), will know transmission cost to build line. Tri-State showed no interest to sell to KCEC. Mr. Reyes reported that the December 15, 2021, windstorm impacted financials. He reported KCEC, Kit Carson Internet and Kit Carson Propane all posted positive margins for December. To date approximately \$787,000 attributed to storm of December 15, 2021. Working with Homeland Security and Taos County for financial assistance. Mr. Reyes reported year to date margins were \$5,919,047 compared to last year \$3,535,022. Mr. Reyes reported Taos County had declared a State of Emergency, and Disaster Proclamation. Down trees are a fire danger; therefore, the fire season would be extremely hazardous due to the trees that were damaged during the windstorm. He reported that Governor Lujan Grisham had approved \$750,000 for Colfax County and \$29,000 for Rio Arriba County to offset costs from the Windstorm. Mr. Reyes reported that the 2013 Vegetation Management Plan had been submitted to the Forest Service. KCEC would trim 2 ½ chains (66 feet for each chain) 130 feet to clear dangerous trees. KCEC would identify trees and implement an internal process to ensure KCEC would be abiding by the Forest Service Plan. Mr. Martinez reported on supply chain issues and the need to evaluate pending work orders. 64 work orders are ready for construction, 51 transformers are required for mostly residential services. There are 25 transformers in stock. Mr. Reyes stated a plan would be drafted and presented to the Board for approval. Customers that have pending work orders would be contacted and notified about supply chain issues. Mr. Martinez reported a 167 single phase transformer that was \$3,500.00 is now \$18,000.00 to \$28,000.00 for same transformer. At the time of the storm KCEC received 46 poles, currently there is a four-to-five-week lead time on poles. Pending work orders would require 24 poles. Additional discussion was held on supply chain issues. Mr. D. Torres reported the Safety Committee met January 14, 2022. He reported there were no lost time accidents for the month of December and two reported minor vehicle accidents. There were no near misses. He reported the committee had set goals for 2022. Following discussion, it was moved by Mr. Bresnahan, seconded by Mr. Duran, and unanimously approved, that the CEO report for December 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 \$8,271.00. It was moved by Mr. Duran, seconded by Mr. Medina, and unanimously approved, that payments be made to these Estates.

*Capital Credits
to Estates*

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 January 10, 2022. 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 January 20, 2022. He reported that Kit Carson Internet had 10,500 customers. KCI continues to apply for grants. Mr. Reyes reported the Grid Modernization Act passed last year at the Legislative Session. KCEC is in a position to implement grid modernization due to fiber in place. He reported cooperatives are reviewing regional services between cooperatives. KCI could offer other services since load growth was not increasing. He stated in 2000 KCEC membership voted to diversify in propane and broadband.

*Broadband
Committee*

Mr. Rodarte reported the Solar Committee met January 18, 2022. Mr. Reyes reported that eight rows of solar panels had been completed and battery foundations are being finalized at the Taos Mesa Solar. The panels completed are designed in seven blocks. He stated there were over 100 employees working on the Taos Mesa Solar project and reported array should be operational by March 1, 2022. Mr. Reyes reported the Angel Fire Solar array should be completed by June 2022. Mr. Bresnahan stated that KCEC needed to have a large celebration since this is a major milestone for KCEC. Discussion was held on EV charging stations, to include hot spots for internet services while waiting for vehicle to charge. The President suggested an event be scheduled once Taos Mesa & Angel Fire Solar Arrays are operational and the Tri-State exit fee has been paid. Mrs. Valerio-Mylet suggested the youth of the community be involved in the celebration.

*Solar
Committee*

Mr. Bustos inquired on KCEC's relationship with Guzman Energy. The President stated KCEC was pleased with the partnership with Guzman Energy, they are responsive and reliable, and support KCEC's solar initiatives. He stated that Guzman Energy had committed \$140,000 a year for scholarships and community projects.

Mr. D. Torres reported the Bylaw & Policy Committee met January 19, 2022. He reported the committee reviewed two

*Bylaw & Policy
Committee*

KCEC policies. (1). KCEC Policy No. 3.2 Employee Practices. Changes were recommended. (2). KCEC (New) Policy No. 3.30 Employee Vaccination Policy. Mr. D. Torres recommended KCEC Policy 3.2 Employee Practices be approved with changes and KCEC Policy No. 3.30 Employee Vaccination Policy be approved as presented. It was moved by Mr. Rodarte, seconded by Mr. Duran, and unanimously approved, to approve KCEC Policy 3.2 Employee Practices with changes and KCEC Policy No. 3.30 Employee Vaccination Policy as presented.

Mr. Reyes reported that he would keep the Board of Trustees updated with any Legislative Issues. He would have Robert Romero, Lobbyist send updates. Mr. Reyes reported KCEC was requesting funds for emergency tree trimming. He suggested KCEC Trustees reach out to Representatives to meet to discuss proposed bills.

*Legislative
Information*

Mr. D. Torres asked about the Town of Taos Mayoral Forum that was held the previous day. Mr. Reyes reported it was a diverse group of candidates, all echoed partnership with Taos County and KCEC. He stated another forum has been scheduled. The President suggested a meeting with KCEC Board be scheduled with candidates so they could share their positions. Mr. Rodarte suggested that an invitation be extended to Questa and Taos Ski Valley Mayoral Candidates as well.

Other Business

Mr. Reyes requested the Board enter into Executive Session. It was moved by Mr. Duran, seconded by Mr. Jassmann, and unanimously approved, that the Board go into Executive Session at 10:39 a.m.

*Executive
Session*

Meeting was reconvened by the order of the President at 10:55 a.m. no action was taken during Executive Session.

*Meeting
Reconvened*

There being no further business to come before the Board, it was moved by Mr. Duran, seconded by Mr. Jassmann, and unanimously approved, that the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until February 22, 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 10:56 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, , David Torres and Luisa Valerio-Mylet

January 25, 2022 Regular Board Meeting



Secretary

Approved this 22 day of February 2022



President