

*KIT CARSON ELECTRIC COOPERATIVE, INC.*

*MEETING OF THE BOARD OF TRUSTEES*

*February 22, 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, February 22, 2022, at 9:07 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</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, Michael Santistevan, Public Relations Coordinator, and Joyce Archuleta, Executive Secretary who recorded the day's proceedings.*

*It was declared a quorum was present.*

*Mr. Romero led the Board in reciting the Pledge of Allegiance.*

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

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

*The minutes for the Board of Trustees regular Board Meeting held January 25, 2022, were presented. It was moved by Mrs. Valerio-Mylet, seconded by Mr. Jassmann, and unanimously approved, that the minutes be approved as presented.*

*Mr. Reyes presented the CEO report. Manuel Medina joined the meeting at 9:13 a.m. He reported the exit and decrease in power cost had been finalized; however, KCEC continues to work on the cost of transmission. Guzman handles Energy & Balance tied to California. In July KCEC customers will see a decrease on cost of power*

which would be reflected on the monthly fuel adjustment. Mrs. Valerio-Mylet suggested that KCEC start notifying customers that they will receive a decrease once the exit fee is paid off and that customers will see decrease in August 2022 electric bill. Mr. Reyes reported the FERC settlement would reflect a credit toward transmission cost until credit amount is exhausted, the credit will be reflected on the monthly fuel adjustment. Mr. Reyes reported work has started on the 115 kV transmission line from Taos to Ojo Caliente. He distributed information on the project. He stated the transmission line would belong to Nextera, a Florida based utility company. KCEC would lease transmission line for 10 years with the option to renew lease after 10 years, KCEC has to schedule meetings to advocate for the 115kV Transmission Line. If KCEC doesn't cancel the project, KCEC doesn't pay upstart fees until the line is built and lease is executed. KCEC's 115kV line meets load and growth and doesn't require approval from New Mexico Public Relations Commission (NMPRC). The introduction of storage will decrease transmission cost. Mr. Reyes reported that Tri-State's cost for transmission is 25% (retail rate) more than the market rate. KCEC's cost of power would be 4.7 cents. Mr. Reyes reported KCEC's year to date margins were \$622,005 compared to last year \$280,744. Mr. Rodarte asked if the interest on long term debt had decreased. Mr. Reyes reported KCEC hasn't borrowed loans or refinanced CoBank loans, KCEC used internal funds to complete projects instead of borrowing loans. Mr. Shafto reported that cash flow is monitored closely on a monthly basis. Mr. Reyes reported that the initial application has been submitted to the State for the reimbursement of expenses relative to the windstorm that occurred in December. He stated the to date expense for KCEC and Kit Carson Internet was \$880,000. Mr. D. Torres reported the Safety Committee met February 10, 2022. He reported there were no lost time accidents or near misses for the month of January. An active shooter training was held at Agriculture Center and a trips, slips and falls training is scheduled for next month for all KCEC employees. Following discussion, it was moved by Mr. Rodarte, seconded by Mr. Bresnahan, and unanimously approved, that the CEO report for January 2022 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 \$12,469.97. It was moved by Mr. Duran, seconded by Mr. Jassmann, and unanimously approved, that payments be made to these Estates.

Capital Credits  
to Estates

*Discussion was held on applying for a grant under the ReConnect Program. ReConnect Loan and Grant Program Board Resolution No. 1-2-22 was presented.*

*Approve  
ReConnect  
Grant  
Resolution  
No.1-2-22*

- 1. "WHEREAS, Kit Carson Electric Cooperative Inc. (hereinafter called "Co-op") is agreeing to apply for Financial assistance with the United States Department of Agriculture, Rural Development to finance fiber buildout in rural northern New Mexico areas.*
- 2. "RESOLVED, that the Kit Carson Electric Board of Trustees authorizes Luis A. Reyes, Jr., Chief Executive Officer to have the assigned Representative-Signature-Certify security role on behalf of the Cooperative, who shall be responsible for entering/updating an application, providing signatures, authorizing certifications, submitting the application for consideration and assigning access to new users in USDA's ReConnect Program Online Application System.*
- 3. "RESOLVED, that Jose Lovato, Operations Manager, have the assigned Administrator security role on behalf of the Cooperative, who shall be responsible for entering/updating an application and assigning access to new users in USDA's ReConnect Program Online Application System.*
- 4. "RESOLVED, that the Kit Carson Electric Board of Trustees authorizes Luis A. Reyes, Jr., Chief Executive Officer to sign all documents relating to the USDA Rural Development loan and/or grant.*
- 5. NOW THEREFORE BE IT RESOLVED, that the Representative-Signature-Certifier and Administrator for the Cooperative shall comply fully with all security procedures and policies of the ReConnect Program Online Application System and Luis A. Reyes, Jr., Chief Executive Officer, has authority to execute all documents relating to the USDA Rural Development loan and/or grant.*

*It was moved by Mr. Rodarte, seconded by Mr. Jassmann, and unanimously approved, that Resolution No. 1-2-22 ReConnect Grant Resolution be approved as presented.*

*The President reported that a date would need to be set to review the 2022 Budget. A hard copy of the 2022 Budget was distributed to the Trustees. Mr. Reyes stated that a date would be set to review the Budgets. No action taken at today's meeting.*

*Review &  
Approve 2022  
Budget*

*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 February 10, 2022. Mr. Jassmann recommended approval. It was moved by Mr. Rodarte, seconded by Mrs. Valerio-Mylet, and unanimously approved, that Payables be approved as presented.*

*Payables  
Committee*

*Mr. Reyes reported the Broadband Committee met February 17, 2022. He reported that Kit Carson Internet had 10,600 customers. Mr. Reyes reported KCI had over \$3000,000 in margins, KCI awarded \$2 million from NMPRC and Rural Digital Opportunity Fund (RDOF) to offer fiber. The average cost per drop is \$1,200.00. Mr. Rodarte asked if KCI would be expanding broadband to Espanola and Abiqui. Mr. Reyes reported service would be offered with member and nonmember rates. He reported that the Jemez Electric Board of Trustees requested a meeting with KCEC Board of Trustees to review KCI's Broadband operations.*

*Broadband  
Committee*

*Mr. Rodarte reported the Solar Committee met February 9, 2022. Mr. Reyes reported on the Taos Mesa Solar project, 4.5 megawatts of panels have been installed. This may impact income tax credit due to size of 15 MW solar array project, this array would be the largest Cooperative project in the state of New Mexico.*

*Solar  
Committee*

*Mr. D. Torres reported the Bylaw & Policy Committee met February 16, 2022. He reported the committee was reviewing KCEC Policy No. 1.1 Board of Trustees Duties, Responsibilities and Professional Development. He stated the Committee would continue to review the Policy and report to the Board any recommendations at the next Board Meeting.*

*Bylaw & Policy  
Committee*

*Mr. B. Torres reported that he had met with Rio Costilla Cooperative Livestock Association (RCCLA) on February 18, 2022. He reported that at the meeting discussion was held on the current solar array in Amalia at RCCLA property. There are nine years remaining on the contract,*

*Other Business*

*and the group would be open to a wind generating system, but research would have to be done.*


*Discussion was held on the substations that had been vandalized.*

*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 March 29, 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 10:35 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*

  
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*Secretary*

*Approved this 29<sup>th</sup> day of March 2022*

  
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*President*