

*KIT CARSON ELECTRIC COOPERATIVE, INC.*

*MEETING OF THE BOARD OF TRUSTEES*

*March 29, 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, March 29, 2022, at 9:08 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</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, and Joyce Archuleta, Executive Secretary who recorded the day's proceedings.*

*It was declared a quorum was present.*

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

*Mrs. Valerio-Mylet led the Board in a word of Prayer. She asked for a moment of silence for the family of David Torres.*

*The agenda was presented. The President requested that the Agenda be amended to include Dennis Gonzales who requested to address the Board of Trustees. Mr. Gonzales would address the Board after the approval of minutes. It was moved by Mr. Duran, seconded by Mr. Jassmann, and unanimously approved, that the agenda be approved as amended.*

*The minutes for the Board of Trustees regular Board Meeting held February 22, 2022, were presented. It was moved by Mr. Rodarte, seconded by Mr. Duran, and unanimously approved, that the minutes be approved as presented.*

*The President introduced Dennis Gonzales. Mr. Gonzales stated he was a former KCEC employee of 44 years, now retired for three years and three months. He stated he had the desire to run for the Board, per bylaws he would need to be out three years, he said it was in his heart to run. He stated the first thing was the outages after the December storm and the outage that affected Penasco and Ranchos later on. He stated there was a lack of maintenance and infrastructure upgrades. KCEC priorities were not the electric but broadband and propane. He stated there was a plan to upgrade infrastructure over 25 years ago. Transmission line belongs to KCEC, but KCEC does not have the equipment to tighten hardware or phases to maintain the transmission line. He stated he was concerned about employee turnover, KCEC was losing their best linemen. He stated safety was no longer a priority. He stated KCEC purchased small utility baskets; however, two-man bucket trucks were required for Los Cordovas and Eagle Nest. He also stated mechanics spent monies to upkeep fleet when fleet should have been replaced. Maintenance of fleet was over a million dollars. He stated the Board of Trustees focus had to be on the electric. Bad decisions had been made by neglecting electric infrastructure, the Board's focus should be on electric. He stated he was not opposed to solar or broadband. He was concerned about the time to receive the opinion from the KCEC lawyer. He met with Luis Reyes and was informed that he was not allowed to run for the Board, he did not understand why. He understood that the Board could decide if election was open or close. He stated the January 2022 minutes had no discussion on the election, February minutes reflected fixed record election voting, discussion was held. The President reported in 2020 COVID 19 commenced, KCEC had cycle for seven positions. In Penasco and Taos there was opposition other Districts no opposition. Elections were suspended when Governor shut down the state; therefore, no elections were held in 2020 or 2021. KCEC is required to ratify elections at KCEC's Annual Meeting to seat new Trustees. In August/September 2021 the Board contemplated having elections then opted to move forward to have election process in April & May of 2022. KCEC was advised by Attorneys to keepslate nominated in 2020 since elections were suspended and not cancelled. It is the Board's decision to accept Attorney's opinion. Mr. Gonzales stated it was the Board's decision to accept Attorney's opinion or open election. He asked where there was wrongdoing, did KCEC seek Attorney opinion. The President informed Mr. Gonzales know that he could run in 2023 and also had the option to seek a remedy in court. Mr. Gonzales stated the Board needed to be transparent and each Trustee represents their District and Membership, when there is illegal activity that goes on it your job is to be men and women of integrity. Integrity has*

*been gone for a long time and you need to be men and women of integrity. He cannot see political “movidas” at the cost of consumers. KCEC should have a reliable system and minimize outages. He stated when he was employed crews were ordered to trim branches at a particular location and tore up equipment and then had to return for another week to trim branches for neighbors. Mr. Gonzales stated he did not want to make trouble, just educate. He stated he sees articles in the Taos News and the KCEC newsletter that are nothing but lies, KCEC is unable to perform maintenance and day to day work with 14 employees, people are not asking questions, he stated that is why he wants to run now. The President thanked Mr. Gonzales and encouraged him to attend the monthly Board Meetings and Annual Meeting and get involved.*

*Mr. Reyes presented the CEO report. He reported there would be about a \$1 million settlement from Tri-State that would decrease transmission rates. Mr. Rodarte asked since there were 45 idle services and KCEC is short on supplies, would it be possible to bring in supplies from the idle services and use them. Mr. Reyes reported crews were bringing in supplies from idle services to utilize mainly for maintenance. in order to be prepared for outages. New Mexico Public Regulation Commission (NMPRC) was looking at ways to address supply chain issues. Mr. Reyes stated the San Juan Coal Plant was supposed to shut down by July 2022 and that PNM was requesting to be allowed to keep the plant open until January 2023. He stated the June payment to Guzman would be the final payment for the exit fee. Mr. Rodarte stated he was proud of KCEC Board for taking the position to exit Tri-State. Mr. Reyes stated currently the cost of power was 5.4 cents a kWh plus 2.6 cents a kWh for the exit fee. Once the exit fee is paid the cost of power would be 4.7 cents per kWh and the rate would be fixed for four years. The cost of power was 7.8 cents per kWh when KCEC withdrew from Tri-State. Discussion was held on the number of increases Tri-State had approved, the renewable energy cap, the members that were considering exiting from Tri-State, electric vehicle charging, embracing renewable energy and storage. Mr. Reyes reported that Richard Martinez, COO, manages operations department and maintenance in preparation for fire season and assists fire wise communities and communities in rural areas to mitigate fires, Taos Coalition, Tres Ritos, Valle Escondido and upper Red River are high danger areas. Discussion was held on weed control at solar arrays. Mr. Reyes reported Kit Carson Electric Education Foundation (KCEEF) had approved \$33,000 in scholarships, 20 scholarships in the amount of \$1,500 would be awarded. He reported a KCEEF Community Project application had been received from Shuter Library requesting a \$10,000 donation. Mr. Erich*

CEO Report

Balzer thanked the Board and KCEEF for the \$10,0000 donation for pre-planned product improvements. Mr. Reyes reported KCEC utilized internal funds to complete projects instead of borrowing loans. Mr. D. Torres reported he had not attended the Safety Committee meeting; however, the Committee met March 22, 2022. He reported there were no lost time accidents or near misses for the month of February. Mrs. Valerio-Mylet stated she attended the Safety Committee meeting, she reported the Committee is doing a great job, safety is a priority. Cameras have been installed at Ojo Caliente substation. The Emergency Action Plan was also reviewed. Following discussion, it was moved by Mr. Rodarte, seconded by Mr. Medina, and unanimously approved, that the CEO report for February 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 \$13,860.79. It was moved by Mr. Duran, seconded by Mr. Medina, and unanimously approved, that payments be made to these Estates.

*Capital Credits  
to Estates*

Mr. Reyes reported per Resolution No. 2-4-20 which was approved at KCEC Board Meeting held April 28, 2020 the Board approved suspension of Annual Meeting as follows: **BE IT FURTHER RESOLVED**, That the Board of Trustees of KCEC specifically suspends the annual member meeting until such time as the Governor's Executive order 2020-004 had been vacated or superseded, and the Secretary's 2<sup>nd</sup> Order has been vacated or superseded by further order from the Secretary that the emergency conditions and restrictions related to the public health and the prohibitions regarding Mass Gatherings have been lifted or reduced in a manner that would allow the annual member meeting to proceed. **BE IT FURTHER RESOLVED** that the Board of Trustees of KCEC will take action to reschedule the required annual member meeting after the Orders of the Governor and/or Secretary imposing the emergency conditions and restrictions related to the public health and the prohibitions regarding Mass Gatherings have been lifted or reduced in a manner that would allow the annual member meeting to proceed. Consistent with the requirements of the Bylaws, notice of the rescheduled annual member meeting will be provided no less than ten (10) days prior to and no more than twenty-five (25) days prior to the date of the annual member meeting. It was moved by Mr. Rodarte, seconded by Mr. Medina and unanimously approved the resumption of the 2020 Annual Meeting.

*Resumption of  
2020 Annual  
Meeting – Per  
Resolution No.  
2-4-20*

Mr. Reyes reported per Resolution No. 3-4-20 which was approved at KCEC Board Meeting held April 28, 2020 the

*Resumption of  
2020 District*

*Board approved suspension of District Meeting and election as follows: Per Resolution No. 3-4-20 **BE IT FURTHER RESOLVED**, the Board of Trustees of KCEC hereby specifically suspends the following member district meetings: the District 1 meeting originally scheduled for May 12, 2020; the District 3 meeting originally scheduled for May 18, 2020; the District 4 meeting originally scheduled for May 20, 2020; and the District 5 meeting originally scheduled for May 15, 2020. Each of these district meetings are suspended until such time as the Governor's Executive Order 2020-004 has been vacated or superseded, and the Secretary's 2<sup>nd</sup> Order has been vacated or superseded by further order from the Secretary that the emergency conditions and restrictions related to the public health and the prohibitions regarding Mass Gatherings have been lifted or reduced in a manner that would allow the district meetings to proceed. **BE IT FURTHER RESOLVED**, the Board of Trustees of KCEC will take action to reschedule the required district meetings consistent with Article II, Section 3 and Article III, Section 3 of the Bylaws, after the Order of the Governor and/or Secretary imposing the emergency conditions and restrictions related to the public health and prohibitions regarding Mass Gatherings have been lifted or reduced in a manner that would allow the district meetings to proceed. It was moved by Mr. Medina, seconded by Mrs. Valerio-Mylet, and unanimously approved the resumption of 2020 District Elections for District 1, 3, 4 and 5 .*

*Elections – Per Resolution No. 3-4-20*

*Mr. Reyes reported per bylaws the Board was required to fix the Record Date for District Meeting and Elections. The Record Date is the date for determining the total membership of the Cooperative and the Members entitled to; (1) sign a petition or similar document; (2) receive a notice of a Member meeting or similar document; or (3) vote at a Member meeting. If a member is suspended after the Record Date, then the Member may not sign a Petition, receive a notice or vote. The Board shall fix the Record Date, but the Record Date must not be less than thirty (30) days before the Member votes at a Member meeting. He proposed the Fixed Record Date for District 1 Election be fixed on April 8, 2022; the Fixed Record Date for District 3 Election be fixed on April 14, 2022; the Fixed Date for District 4 be fixed on April 14, 2022; the Fixed Date for District 5 Election be fixed on April 19, 2022. It was moved by Mr. Duran, seconded by Mr. Jassmann, and unanimously approved that the Fixed Record Dates for District Elections be approved as presented. Discussion was held, Mr. Reyes reported the fixed record date would be the last date a person can become a member to vote.*

*Set District Election Record Dates*

*Discussion was held on the date for the 2022 KCEC Annual Meeting. The President recommended approval of*

*Set 2022 Annual Meeting Date*

*Saturday, June 11, 2022, for the 2022 KCEC Annual Meeting. It was moved by Mr. Rodarte, seconded by Mr. Jassmann, and unanimously approved, that the 2022 KCEC Annual Meeting be held on Saturday, June 11, 2022.*

*Mr. Reyes recommended approval of the 2022 Budget that was presented at the previous day's Board Work Session. It was moved by Mr. Rodarte, seconded by Mr. Jassmann, and unanimously approved, to approve the 2022 Budget. Mr. Reyes stated the Board recommended that equipment and supplies that had lead times be ordered as soon as possible even though the price when delivered may not be the same price when ordered.*

*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 March 11, 2022. Mr. Jassmann recommended approval. It was moved by Mrs. Valerio-Mylet, seconded by Mr. Rodarte, and unanimously approved, that Payables be approved as presented.*

*Payables  
Committee*

*Mrs. Valerio-Mylet requested Executive Session.*

*Mr. Reyes reported the Broadband Committee met March 25, 2022. Kit Carson Internet had positive margins over \$10,000 and over 12,000 subscribers and was continuing to grow. He reported there were several grants and awards still available for broadband and that several cooperatives were considering providing broadband services. Mr. Rodarte reported the activation fee was decreased from \$249 and \$299 to \$99.00. Mr. Coyle stated industries continue to offer work from home. Mr. Reyes reported supplies were being ordered to have sufficient inventory for growth and for maintaining reliability service. Discussed the grants that have been awarded to KCI and a grant that would be submitted in the near future to Build Back Better. The State Forestry received a \$500,000 grant for enhance tree trimming throughout the State.*

*Broadband  
Committee*

*Mr. Rodarte reported the Solar Committee met March 17, 2022. He reported the Taos Mesa Solar project was 60% complete. The project is fenced, and Affordable Solar was driving piles. Mr. Reyes reported the double circuit should be completed by next week.*

*Solar  
Committee*

*Mr. D. Torres reported the Bylaw & Policy Committee did not meet in the month of March. He presented KCEC Policy No. 1.7 Cooperative Elections was reviewed, changes were recommended as follows; Paragraph B. Voting: Employees of the Cooperative shall register Members to vote and shall be available to answer questions. Voting for*

*Bylaw & Policy  
Committee*

*contested elections will begin at 7:00 a.m. and will continue until 6:00 p.m. on the same day, at which time the voting shall cease. Members who have registered and are in line to vote at 6:00 p.m. shall be allowed to vote. Voting for uncontested elections will begin at 9:00 a.m. and continue until 10:00 a.m. on the same day, at which time the voting shall cease. If an individual desiring to vote is not listed as a Member in the books of the Cooperative, then such individual shall present acceptable proof of Membership before being allowed to vote. The election results will be announced immediately after the last Member in line has voted. It was moved by Mr. Coyle, seconded by Mr. Bresnahan, and unanimously approved, that KCEC Policy No. 1.7 be approved with changes.*

*Mr. Reyes reported a Special Legislative Session would begin April 5, 2022, to discuss Bill that was vetoed relative to economic relief for consumers and to provide payments to residents of NM to offset increased prices for fuel and other consumer prices.*

*Legislative  
Information*

*Mr. Romero stated electric rates in England have recently increased 30% to 80%, depending on where you live.*

*Other Business*

*Mrs. Valerio-Mylet requested the Board enter into Executive Session. It was moved by Mr. Jassmann, seconded by Mr. Duran, and unanimously approved, that the Board go into Executive Session at 10:42 a.m.*

*Executive  
Session*

*Meeting was reconvened by the order of the President at 11:05 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. Jassmann, seconded by Mr. B. Torres, and unanimously approved, that the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until April 26, 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 11:07 a.m.*

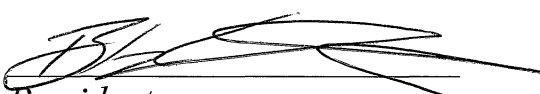
*Meeting  
Adjourned*

*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 26 day of April 2022

  
President