

KIT CARSON ELECTRIC COOPERATIVE, INC.

MEETING OF THE BOARD OF TRUSTEES

May 31, 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, May 31, 2022, at 9:05 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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*Russ Coyle Present
Cristobal Duran
Bruce Jassmann
Manuel Medina
Bobby Ortega
Arthur Rodarte
Michael Romero
David Torres*

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. Quorum

Mr. D. Torres led the Board in reciting the Pledge of Allegiance. Pledge of Allegiance

Mr. Romero led the Board in a word of Prayer. The President asked for a moment of silence for the young children and leaders affected by the shooting in Uvalde, Texas. Prayer

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 April 26, 2022, were presented. It was moved by Mr. Jassmann, seconded by Mr. Medina, and unanimously approved, that the minutes be approved as presented. Minutes April 26, 2022, Regular Meeting

The minutes for the Special Board Meeting held May 17, 2022, were presented. It was moved by Mr. Duran, seconded by Mr. Rodarte, and unanimously approved, that the minutes be approved as presented. Minutes May 17, 2022, Special Board Meeting

Mr. Reyes presented the CEO report for April 2022. He reported revenues had increased this year compared to last year. Mr. Reyes reported that snow making was taking place to wet properties to keep the fires from those properties. Also, hotels were occupied with fire fighters, businesses had changed hours of operation and days open. Transmission expenses decreased due to the FERC case settlement, over \$1 million credit from Tri-State would be passed on to members thru the fuel adjustment. KCEC is capitalizing tree trimming expenses due to RUS and USDA making changes to allow cooperatives to capitalize tree trimming activities. Mr. Reyes reported at the New Mexico Public Regulation Commission (NMPRC) meeting in May, it was reported that Public Service Company of New Mexico (PNM) was being sued for causing the fire in the Ruidoso area. There would probably be review of what cooperatives and investor-owned utilities are doing in the forest. Mr. Reyes reported the Forest Service is working with KCEC to identify hazard trees and fire fighters are cutting containment lines. Mora San Miguel Cooperative has been impacted by the fire and will have to rebuild some of their lines. Mr. Shafto reported that a call was scheduled for the next day to discuss \$1 million amendment for fire mitigation. Mr. Reyes reported KCEC had purchased electric side by sides and electric power saws. He reported extreme drought has put pressure on all utilities. KCEC continues with fire mitigation. Mr. Shafto stated he would be finalizing \$800,000 to \$1,000,000 reimbursement through Homeland Security for expenses due to the winter squall. Mr. Reyes stated secondary poles in upper Red River still needed to be replaced by homeowners prior to KCEC reconnecting power. Mr. Shafto reported KCEC received the first monthly check from FCC for the RDOF project. Discussion was held on supply chain issues and how pending work orders were being handled. Mr. D. Torres reported the Safety Committee met May 11, 2022. He reported the Cooperative was at 170 days of no last time accidents. For April there were no lost time accidents, one near miss and one propane vehicle accident. Following discussion, it was moved by Mr. Duran, seconded by Mr. Jassmann, and unanimously approved, that the CEO report for April 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.

CEO Report

The President reported requests have been received from Estates in the amount of \$6,751.65. It was moved by Mr. Rodarte, seconded by Mr. Medina, and unanimously approved, that payments be made to these Estates.

Capital Credits
to Estates

The President asked if there was interest from the Board on attending the CFC Annual Meeting, June 20 -22, 2022 in Boston, MA. There were no appointments made as there was no interest in attending the CFC Annual Meeting.

*Appoint CFC
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 May 10, 2022. Mr. Jassmann recommended approval. It was moved by Mr. Rodarte, seconded by Mr. Duran, and unanimously approved, that Payables be approved as presented.

*Payables
Committee*

Mr. Reyes reported the Broadband Committee met on May 25, 2022. He reported that Kit Carson Internet (KCI) had \$1.8 million in margins and that KCI was replacing controllers in the outlying areas. He reported Jemez Mountain Electric headquarters building was connected and testing was taking place. Mr. Reyes reported Broadband had become critical, there are over 250 cooperatives offering Broadband. He stated fiber was critical for electric utilities in order to have real time data. The goal was to have 12,000 subscribers by the end of the year. He reported there were several grants and awards still available for broadband and that several cooperatives were considering providing broadband services.

*Broadband
Committee*

Mr. Rodarte reported the Solar Committee met May 17, 2022. He reported the Taos Mesa Solar Project was 90 to 95% complete, Tesla still had to test the batteries; therefore, the array would not be operational for the ribbon cutting scheduled to be held June 3, 2022. Mr. Reyes reported the Angel Fire Solar Project had been stopped due to the fire. Discussion was held on issues the Mayor of Angel Fire had relative to the Angel Fire Solar array.

*Solar
Committee*

Mr. D. Torres reported the Bylaw & Policy Committee did not meet in the month of May.

*Bylaw & Policy
Committee*

Mr. Reyes reported that the Legislative Interim Committees had started to meet and that KCEC would monitor grid reliability and modernization bills.

*Legislative
Information*

Mr. Rodarte recommended that a switch be installed near the Receptionist area so the Receptionist would have the ability to allow Trustees access to offices.

There being no further business to come before the Board, it was moved by Mr. Jassmann, seconded by Mr. Medina, and unanimously approved, that the Board of Trustees of

*Meeting
Adjourned*

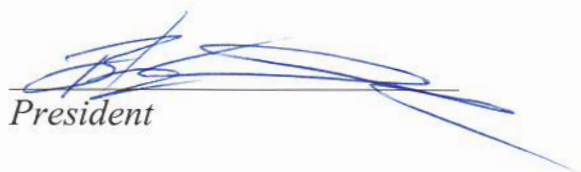
Kit Carson Electric Cooperative, Inc. be adjourned until June 28, 2022, at 9:00 a.m. the date and time of the next Board meeting. Unless changed and, thereupon, the President declared the meeting adjourned at 10:07 a.m.

The following Trustees were present at the end of the meeting:

Russ Coyle, Cristobal Duran, Bruce Jassmann, Manuel Medina, Bobby Ortega, Arthur Rodarte, Michael Romero, David Torres


Secretary

Approved this 28 day of June 2022


President