

KIT CARSON ELECTRIC COOPERATIVE, INC.

MEETING OF THE BOARD OF TRUSTEES

June 28, 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, June 28, 2022, at 9:00 a.m. in the Marcelino Martinez Room of the headquarters building of the Cooperative, Taos, New Mexico. The following Trustees were present:

Index

*Russ Coyle (Zoom)
Martin Dimas
Cristobal Duran
Bruce Jassmann
Manuel Medina
Bobby Ortega
Arthur Rodarte
Bernie Torres
David Torres
Luisa Valerio-Mylet
Sylvia Vigil*

Present

Also, present were Luis A. Reyes, Jr., Chief Executive Officer, Richard Martinez, Chief Operating Officer, Carmella Suazo, Assistant Manager, 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. She prayed for Robert Nightingale, Taos artist, who survived the Amtrak crash in Missouri.

Prayer

Mrs. Carmella Suazo, Notary Public administered an oath of office to Ms. Sylvia Vigil & Mr. Martin Dimas, newly elected Trustees and re-elected Trustees Mrs. Luisa Valerio-Mylet, Mr. Arthur Rodarte, Mr. Cristobal Duran, Mr. Russ Coyle and Mr. Bruce Jassmann.

Oath of Office

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 May 31, 2022, were presented. It was moved by Mr. Medina, seconded by Mrs. Valerio-Mylet, and

*Minutes May
31, 2022,
Regular*

unanimously approved, that the minutes be approved as presented. Meeting

The minutes for the Board of Trustees Re-Organization Meeting held June 11, 2022, were presented. It was moved by Mr. Duran, seconded by Mr. Medina, and unanimously approved, that the minutes be approved as presented Minutes June 11, 2022, Re-Organization Meeting

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

The President welcomed Talpa Community Center Director, Guadalupe (Lupita) Morgas and Costilla Neighborhood Association Secretary/Treasurer, John Lapin. Ms. Morgas gave a brief history on the Talpa Community Center and the many ways it serves the Community. She stated the Center was having septic issues that needed to be corrected and the playground also needed renovation. \$10,000 was awarded to the Talpa Community Center by the Kit Carson Electric Education Foundation (KCEEF). Mr. Lapin reported that the beaver population had grown below the diversion dam preventing water from flowing down stream causing property owners to be directly impacted since prevention of the water flow was causing flood hazards. Beavers are part of the environment but are causing many problems. Discussion was held. Mr. Lapin stated monies would be used for a worthy cause. Assistance has also been requested from Taos Soil & Water Conservation District. \$10,000 was awarded to Costilla Neighborhood Association by the KCEEF. The President stated Guzman Energy would provide funding for Community Projects approved by KCEEF. Kit Carson Electric Foundation Community Projects

Mr. Reyes presented the CEO report for May 2022. He reported revenues had increased this year compared to last year. Discussion was held on supply chain issues and how pending work orders were being handled. The Balance Sheet was reviewed. Mr. Martinez reported that there were 35 underground transformers and 40 overhead transformers in inventory. He stated that the lead time for transformers was two to three years, there about 100 workorder's pending and about 60 of those need transformers, he stated that KCEC must have transformers available for emergencies. Mr. Jassmann inquired on the cost of transformers. Mr. Martinez stated the cost for transformers had increased 30%-35% and the cost of three phase transformers had increased 7%-9%. Ms. Vigil asked if the consumer pays old or new cost for a transformer. Mr. Reyes stated that KCEC absorbs the cost to provide the member with service. High-cost electrical CEO Report

items are financed through loans by KCEC. He said KCEC would operate and maintain the transformer since KCEC would have to be insurable and equipment must meet RUS standards. Mr. Reyes reported once the Taos Mesa Solar Array was commissioned the \$32 million in solar construction that is not closed would be reflected in the financials. Discussion was held on capacity constrains over the next few years. KCEC has battery storage to assist with capacity constraints. Mr. Reyes reported the 115kV Transmission Project analysis would be submitted to the Forest Service this week. Discussion was held. Mr. Martinez distributed information on outages. Discussion was held. He stated Maintenance and tree trimming in the outer areas continues; therefore, there are not as many outages. Mr. Reyes reported that devices were disabled in certain areas due to high fire season; therefore, consumer would experience an outage rather than a blink. Mrs. Valerio-Mylet commended staff on the great job done the last six months, KCEC is doing well. Mr. Reyes reported that there were two transmission poles damaged during the winter storms. T & D Services is seeking a contractor to replace the transmission poles. Nathan Montoya, Kit Carson Internet Installer, was recognized for going above and beyond regular duties. On May 10, 2022, Nathan was traveling in the Valle Escondido area when he observed a fire. His quick actions were recognized for spotting the fire that had started on the side of the road and stopping to extinguish the fire. Nathan realized that fires were burning out of control in other areas and his quick actions may have prevented another forest fire. The Board of Trustees thanked Nathan for his heroic actions and continued dedication and hard work. Mr. D. Torres reported the Safety Committee met June 10, 2022. He reported the Cooperative was at 200 days of no lost time accidents. For May there were no lost time accidents, one near miss and one propane vehicle accident. The Committee reviewed the Committee's quarterly goals and determined the Committee is on track. Following discussion, it was moved by Mr. Medina, seconded by Ms. Vigil, and unanimously approved, that the CEO report for May 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.

Recognition of
Kit Carson
Internet
Employee –
Nathan
Montoya

The President reported requests have been received from Estates in the amount of \$10,415.10. It was moved by Mr. Duran, seconded by Mr. Rodarte, and unanimously approved, that payments be made to these Estates.

Capital Credits
to Estates

The President announced the Committee Appointments for 2022/2023 as follows:

Committee
Appointments

Bid Committee

*Cristobal Duran
Bruce Jassmann
Manuel Medina
Bernie Torres*

Employee Relations/Evaluation Committee

*Bobby Ortega, Chairperson
Cristobal Duran
Bruce Jassmann
Manuel Medina
Arthur Rodarte
Luisa Valerio-Mylet*

Finance/Audit

*Bruce Jassmann, Chairperson
Manuel Medina
Bernie Torres
David Torres*

Safety Committee

*David Torres
Luisa Valerio-Mylet – Alternate*

Payables

*Bruce Jassmann, Chairperson
Chris Duran
Manuel Medina
Bobby Ortega*

Solar Committee

*Bruce Jassmann
Arthur Rodarte, Chairperson
Bernie Torres
David Torres
Russ Coyle
Martin Dimas
Sylvia Vigil*

Broadband Committee

*Bobby Ortega, Chairperson
Cristobal Duran
Manuel Medina
Arthur Rodarte
David Torres
Bruce Jassmann*

By-Law And Policy Committee

*David Torres, Chairperson
Bruce Jassmann
Luisa Valerio-Mylet
Arthur Rodarte*

Russ Coyle
 Martin Dimas
 Sylvia Vigil

Mr. Reyes reported that every five years the Board has to re-attest the terms and conditions of the NRECA 401(K) Pension Plans. It was moved by Mr. Rodarte, seconded by Mr. Duran, and unanimously approved, to adopt NRECA 401(K) Pension Plan Resolution No. 3-6-22.

NRECA 401 (K)
 Pension Plan
 Amendment &
 Restatement
 Resolution
 No.3-6-22

**RESOLUTION OF THE BOARD OF TRUSTEES AUTHORIZING the
 AMENDMENT and RESTATEMENT of
 THE RETIREMENT SECURITY and/or 401(K) PENSION PLAN
 For Kit Carson Electric Cooperative, Inc.
 REA(s) 32011-001, 32011-002, 32011-003 & 32011-004**

WHEREAS Kit Carson Electric Cooperative, Inc. is a participating employer in the:

<input type="checkbox"/>	Retirement Security (RS) Plan
<input checked="" type="checkbox"/>	401(k) Pension (401(k)) Plan
Plan(s): elect one or both, as applicable	

WHEREAS the Board of Trustees of Kit Carson Electric Cooperative, Inc. is aware that the Plan(s) must periodically be amended to comply with new or changed regulations, rulings, legislation and plan operations, and that this restatement will be effective July 1, 2022.

THEREFORE BE IT RESOLVED that this Board authorizes the July 1, 2022 amendment, restatement and continuance of the Plan(s) to conform in its (their) entirety with all the provisions of the governing plan document(s) of the Plan(s), through the execution of the Adoption Agreement(s), which includes all of the provisions of the Cooperative's most recently executed Adoption Agreement(s) and any compliance clarifications needed to conform with plan operations; and

BE IT FURTHER RESOLVED, in the event that the timing of the restatement does not correspond with regularly scheduled meetings of the Board of Trustees, the Board does hereby authorize and direct Luis A. Reyes, Jr., Chief Executive Officer to execute all necessary documents and to take any and all further actions necessary to carry out the July 1, 2022 amendment and restatement of the Plan(s); and, NRECA is fully authorized to rely on this designation in processing the restatement of the Plan(s).

SIGNATURE OF THE SECRETARY: I, Manuel Medina certify that I am the Secretary of the Kit Carson Electric Cooperative, Inc. Board of Trustees. I further certify that the above is a true excerpt from the minutes of a board meeting of this Board of Trustees on the 28th day of June 2022, at which a quorum was present and that the above portion of the minutes has not been modified or rescinded.

Manuel Medina, Secretary	Date

SEAL

RESOLUTION NO. 3-6-22

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 June 13, 2022. Mr. Jassmann recommended approval. It was moved by Mr. Duran, seconded by Mr. Medina, and unanimously approved, that Payables be approved as presented.

Payables
 Committee

Mr. Reyes reported the Broadband Committee met on June 24, 2022. Financials were reviewed. He reported that Kit Carson Internet (KCI) was meeting financial targets. KCI should have 11,000 customers by the end of the month with a goal of 12,000 customers by the end of

Broadband
 Committee

the year.

Mr. Rodarte reported the Solar Committee met June 17, 2022. He reported testing of batteries was being completed and should be ready by 3rd week in July. Mr. Reyes reported that the low voltage side tested, high voltage side tested, and tracking system would be tested next week. He reported for the Angel Fire Project, piles should be completed by the end of the week. Batteries would be moved to Angel Fire in 2-3 weeks. Mr. Reyes reported on the existing 21-acre Amalia Solar Array and the repurposing of the existing panels. He reported that KCEC would need to meet Rio Costilla Cooperative Livestock Association (RCCLA) for approval of increasing the size of the solar array. The President asked how the trash cleanup at the Taos Mesa Solar site was coming along. Mr. Reyes reported the Town of Taos had monies to build the 10 ft. fence, but still needs to proceed with bid process.

Solar
Committee

Mr. D. Torres reported the Bylaw & Policy Committee met June 15, 2022. He reported the committee continues to review Kit Carson Electric Policy No. 3.25 – Policy on Firearms and other Deadly weapons, Kit Carson Electric Policy No. 3.26 – Safe Behavior in the Workplace and Kit Carson Electric Cooperative Lockdown Plan. He stated Active Shooter training would be scheduled for all employees.

Bylaw & Policy
Committee

Mr. Duran inquired about the repairs of the acequia in the Chamisal area. Mr. B. Torres asked about the roof leaks. Mr. Reyes reported the contractor that replaced the roof was not able to honor the warranty due to lack of help. He stated the contract would be voided and KCEC would proceed with the bid selection to repair/replace the roof.

Other Business

There being no further business to come before the Board, it was moved by Mr. Medina, seconded by Mr. Jassmann, and unanimously approved, that the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until July 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 10:50 a.m.

Meeting
Adjourned

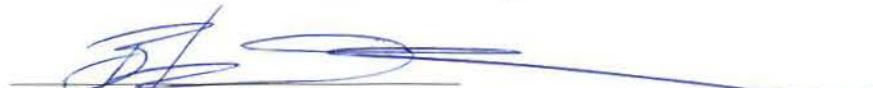
The following Trustees were present at the end of the meeting:

Russ Coyle, Martin Dimas, Cristobal Duran, Bruce Jassmann, Manuel Medina, Bobby Ortega, Arthur Rodarte, Bernie Torres, David Torres, Luisa Valerio-Mylet & Sylvia Vigil

June 28, 2022 Regular Board Meeting


Secretary

Approved this 26th day of July 2022


President