

KIT CARSON ELECTRIC COOPERATIVE, INC.

SPECIAL MEETING OF THE BOARD OF TRUSTEES

December 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 Wednesday, December 28, 2022, at 8:30 a.m. in the Marcelino Martinez Room of the headquarters building of the Cooperative, Taos, New Mexico. The following Trustees were present:

<i>Russ Coyle</i>	<i>Present</i>
<i>Martin Dimas</i>	
<i>Bruce Jassmann</i>	
<i>Manuel Medina</i>	
<i>Bobby Ortega</i>	
<i>Arthur Rodarte</i>	
<i>Bernie Torres</i>	
<i>David Torres</i>	
<i>Sylvia Vigil</i>	

Also, present were Luis A. Reyes, Jr., Chief Executive Officer, Carmella Suazo, Assistant Manager, Richard Martinez, Chief Operating Officer, John Shafto, Chief Financial Officer, Michael Santistevan, Public Relations Officer, Heather Nichols, Human Resources Manager, Daniel Trujillo, Information Technologies Director, Jose Lovato, Kit Carson Internet Manager and Shannon Vigil, Kit Carson Propane General Manager. Also present were, Annette Rael, Billing Supervisor, Kathy Coca, Collections Supervisor, Cletus Stoflet, Accounting Manager, Jaime Mares, Safety Officer and Brianna Trujillo, Executive Secretary who recorded the day's proceedings.

The President reported the reason for the Special Board Meeting was to review and approve the 2023 Budget.

<i>Mr. Rodarte led the Board in reciting the Pledge of Allegiance.</i>	<i>Pledge of Allegiance</i>
--	-----------------------------

<i>Mr. B. Torres led the Board in a word of Prayer.</i>	<i>Prayer</i>
---	---------------

<i>It was declared a quorum was present.</i>	<i>Quorum</i>
--	---------------

<i>The agenda was presented. It was moved by Mr. Rodarte, seconded by Mr. Jassmann, and unanimously approved, that the agenda be approved as presented.</i>	<i>Agenda</i>
---	---------------


<i>Mr. Shafto began with the presentation of the Accrual Budget and Preliminary Financial and Statistical Ratios for 2023. Purchase power and revenue projected flat. Proposed budget does not include revenue for sale of</i>	<i>Review and Approve 2023 Budget</i>
--	---------------------------------------

excess power. Department Managers gave a presentation of each department's mission, annual comparison, and goals for the 2023 Budget. Discussion was held on the mission and budget goals for each department. Mr. Martinez reported tree trimming and maintenance will be completed for high fire risk areas. Mr. Shafto stated that would be a non-revenue expenditure. Discussion was held on whether to consider utilizing another auditing firm. Mr. Shafto stated KCEC is complex due to electric service, broadband service and propane service and is a specialized industry. Eide Bailly LLP is an auditing firm that was familiar with the specialized industry and would be rotating partners so different auditors would be completing the audit in 2023. The President recommended the approval of the 2023 Budget. Mr. Reyes stated Kit Carson Internet's request to charge a fee for credit cards may impact the 85/15 rule. He recommended that the rule be reviewed. Discussion was held regarding a new headquarters building. Mr. Reyes stated the building was remodeled to save money; however, need to consider a new office building. It was moved by Mr. D. Torres, seconded by Mr. Medina, and unanimously approved, that the 2023 Budget be approved as presented.

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 January 27, 2023, 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 10:40 a.m. Meeting Adjourned

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

Russ Coyle, Martin Dimas, Bruce Jassmann, Manuel Medina, Bobby Ortega, Arthur Rodarte, Bernie Torres, David Torres, and Sylvia Vigil


Secretary

Approved this 27 day of JAN 2023.


President