

KIT CARSON ELECTRIC COOPERATIVE, INC.

MEETING OF THE BOARD OF TRUSTEES

February 28, 2023

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 28, 2023, at 9:01 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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<i>David Torres</i>	<i>Present</i>
<i>Arthur Rodarte</i>	
<i>Bruce Jassmann</i>	
<i>Luisa Valerio-Mylet</i>	
<i>Cristobal Duran</i>	
<i>Bobby Ortega</i>	
<i>Manuel Medina</i>	
<i>Martin Dimas</i>	
<i>Sylvia Vigil</i>	

The President stated Mr. Coyle was unable to attend the meeting due to appointments out of state. Also, present were Luis A. Reyes, Jr., Chief Executive Officer, Carmella Suazo, Assistant Manager, Richard Martinez, Chief Operations Officer, John Shafto, Chief Financial Officer, Michael Santistevan, Public Relations Coordinator and Brianna Trujillo, Executive Secretary who recorded the day's proceedings.

It was declared a quorum was present. *Quorum*

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

Mrs. Valerio-Mylet led the Board in a word of Prayer. *Prayer*

The agenda was presented. The President recommended Korey and Adelita Mead, Cerro Veterans of Foreign Wars (VFW), be added to the agenda as Item 8 to discuss a request to Kit Carson Education Foundation for a Community Project. It was moved by Mr. Medina, seconded by Mr. Duran, and unanimously approved, that the agenda be approved as amended. *Agenda*

The minutes for the Board of Trustees regular Board Meeting, held January 27, 2023, and the minutes for the Board of Trustees special Board Meeting, held February 6, 2023, were presented. It was moved by Mr. Rodarte, seconded by Mr. Jassmann, and unanimously approved, that the minutes for January 27, 2023, and February 6, 2023, be approved as presented. *Minutes January 27, 2023, Regular Meeting & February 6, 2023, Special Meeting*

The President introduced Korey and Adelita Mead, retired Sergeant First Class for U.S. Army. Mr. Mead reported that he and Mrs. Mead were working with other VFW members to repair and restore the Cerro VFW building for member and public use. Mr. Mead stated that Taos County authorized upgrades to the historic building. The Cerro VFW has been a venue for funerals, meetings, and community events such as a non-alcoholic New Year celebration. Mr. Ortega stated that Cerro VFW would apply for funding provided by Kit Carson Electric Education Foundation for Community Projects. Funds would be used to restore the beautiful historic woodwork and repair floors, doors, and walls. Mr. Ortega stated that he had discussed the possibility of a leverage grant with Mrs. Sonya Struck, Taos Community Officer for the LOR Foundation. Mr. Ortega stated that he would invite Mrs. Struck to a future meeting to provide information on the LOR Foundation. The Board thanked the Meads for their service. Discussion was held on member requirements, and their goal to increase the number of members, Mr. Dimas stated the Cerro VFW building was a great service to the Cerro community but needed repairs. Mrs. Valerio-Mylet added that the Taos Community Foundation may also be able to assist with leverage grant. The President reported that Mr. Chris Duran, Mr. David Torres, and Ms. Sylvia Vigil were all retired military. Mr. and Mrs. Mead presented Mr. Ortega with a VFW appreciation citation and pin for his patriotic service to the community.

Mr. Reyes presented the CEO report for January 2023. He reported that KCEC's power rate was fixed, does not have any open cases with the New Mexico Public Regulation Commission (NMPRC), there were three member complaints submitted, two of those complaints were relative to supply chain issues and that there was nothing pending at the Federal Energy Regulatory Commission (FERC). Mr. Reyes stated that KCEC's next focus would be affordable housing in Taos County. Discussion was held on fixed rates versus variable rates. Mr. Reyes stated that fixed rates stabilize debt and that KCEC borrows funds from RUS for infrastructure. Mr. Reyes reported that the wind and snow from the last high wind advisory storm had caused minor problems, outages were closely monitored throughout the storm and updates were provided to members on various platforms. He mentioned that three of the reported outages had been on the consumer's side. Mrs. Valerio-Mylet stated that members had expressed gratitude for KCEC's effort to keep them informed and prepared for potential outages. She commended management and staff for their efforts on providing updates. Mr. Reyes reported that he had monitored wind activity using cameras at the substations. He explained that drone patrolling would begin this

summer to help assess tree trimming requirements. Discussion was held on pole testing. Mr. Reyes reported that he continues to monitor bills proposed to the NM Legislature, he explained renewables, storage and broadband were very popular in New Mexico. He stated there was no bill in motion to stop or amend the NM Energy Transition Act, local choice bills and water bills were being monitored, and that there had been a push to de-regulate telephone services since Broadband was not regulated. Ms. Vigil stated that KCEC's presence at the NM Legislature was very proactive. Additional discussion was held regarding outage notifications. Mr. Reyes explained that members need to add their cell phone numbers to get text notifications. Mr. Dimas asked about KCEC work orders and supply chain issues. Mr. Martinez explained that poles ordered in July 2022 had been delivered to KCEC last week. Mr. Reyes reported that underground work orders continue to face supply chain issues, he explained that pricing for underground transformers had tripled; orders were 52-70 weeks out for delivery. Mr. Martinez reported that KCEC had 58 pending underground work orders, and 41 pending overhead work orders. Mr. Medina asked how many poles had been delivered last week. Mr. Martinez reported that KCEC had received sixty-eight 35-ft poles, twenty-one 40-ft poles, and eight 45-ft poles. Mr. D. Torres reported the Safety Committee met February 10, 2023. Mr. D. Torres did not attend. He reported that the Cooperative was at 34 days of no lost time accidents and that the Safety Committee had recommended that lost time injuries be measured by mirroring how NM Mutual Insurance Policy measures lost time injuries. KCEC's Policy currently measures any missed time as lost time. Mr. Rodarte and Ms. Vigil agreed that the Cooperative's measure of lost time could be mirrored with that of the Insurance Company, since any lost time less than seven days would not impact worker's compensation modifier ratio. Mr. Reyes stated that KCEC must uphold a culture of safety first, and the number of near-misses and accidents should be documented no matter the amount of lost time, the Safety Incentive Program is a motivator; however, the real incentive is safety overall. He explained that a near miss such as a flashover might require a day or two out, but these near misses were extremely dangerous and must not be taken lightly. Mr. Reyes recommended the Committee have a thoughtful discussion regarding this recommendation. Mr. Dimas stated that reporting and documenting every accident and near-miss in detail was crucial to preventing future accidents. Additional discussion was held regarding lost time accidents and near-misses. The president stated that time would be allocated at the next Board Work Session to discuss the matter of lost time accidents further. It was moved by Mr.

Duran, seconded by Mr. Medina, and unanimously approved, that the CEO report for January 2023 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 \$11,497.73. It was moved by Mr. Rodarte, seconded by Ms. Vigil, and unanimously approved, that payments be made to these Estates. Capital Credits
to Estates

The President presented the Board with Kit Carson Internet (KCI) Accounts Receivable Write-off Analysis from 2017 to current. Mr. Shafto reported that the write-off amount of \$11,627.77 consisted of 153 closed accounts, with an outstanding balance less than \$150.00. Ms. Vigil asked if outstanding balance would need to be paid before re-connect or new service was requested. Mr. Reyes confirmed that payment of outstanding bill would be required. Mr. Shafto explained that KCI would continue collection efforts even though written off. It was moved by Mr. Dimas, seconded by Mrs. Valerio-Mylet, and unanimously approved, that write-off of \$11,627.77 for KCI Closed Accounts be approved. Approve Write-
off of Kit
Carson Internet
Closed
Accounts

Mr. Jassmann reported the Payables Committee met on February 10, 2023. Mr. Jassmann recommended approval. Mr. Ortega stated capital purchases exceeding a certain amount should be reviewed and approved by the Bid Committee. He recommended that capital expenditures be presented and reviewed at the time of the Payables Committee. It was moved by Mr. Rodarte, seconded by Mr. Medina, and unanimously approved, that Payables for January be approved as presented. Payables
Committee

Mr. Reyes reported that the Broadband Committee met on February 24, 2023. Mr. Reyes reported that Kit Carson Internet (KCI) had 11,842 subscribers and that Broadband was the fastest growing industry in the state. Five Cooperatives in NM were pursuing Broadband. Mr. Reyes reported that KCI would focus on WIFI projects to help tourism and "Real Time" monitoring for the broadband grid. Mr. Reyes reported that cost had increased for petroleum-based materials. Broadband
Committee

Mr. Rodarte reported the Solar Committee met February 8, 2023. Mr. Rodarte reported that the Angel Fire Energy Facility should be online by mid-March 2023. Mr. Reyes reported that KCEC would meet with CoBank in Nashville TN, to discuss the Inflation Reduction Act. Mr. Reyes stated that KCEC would purchase a new chipper to help with fire mitigation and would schedule chipping days. Mr. Martinez reported that an elbow had blown at the Solar
Committee

Taos Mesa Facility; therefore, the array was not operational for one day. The cause was unknown but could have been due to moisture. Mr. Reyes reported that Rio Costilla Cooperative Livestock Association (RCCLA) agreed on a price for land to expand the Amalia Solar Array, an interconnection agreement between KCEC and RCCLA would be required. Mr. Reyes reported that KCEC would be working with Taos Pueblo on a solar project as well. Mr. Rodarte reported that the Green Hydrogen Project was discussed at the Legislature. Mr. Reyes explained that KCEC's Green Hydrogen Project had been mistaken for Blue Hydrogen, which caused concern. Blue Hydrogen was hydrogen produced from natural gas, Green Hydrogen was hydrogen produced by renewable energy sources such as wind or solar.

Mr. D. Torres reported the Bylaw & Policy Committee did not meet in February. Bylaw & Policy Committee

Mrs. Valerio-Mylet reported that the Public Relations & Economic Development Committee had work meetings to prepare gift packages for the Kit Carson Energy Independence Day event that was held February 15, 2023, at La Fonda on The Plaza, in Santa Fe, NM. Mrs. Valerio-Mylet reported that the event was a great success. She thanked the Committee and KCEC staff for their hard work; she also thanked the Sponsors for their donations. Mrs. Valerio-Mylet reported that KCEC had sponsored free hot dogs and drinks for the first 130 fans at basketball games for Taos and the first 100 fans for Mesa Vista basketball games. Mrs. Valerio-Mylet thanked Michael Santistevan, Public Relations Coordinator for the idea and his hard work to get this promotional event in motion. Mr. Ortega suggested that the Committee discuss strategies to host receptions like the Energy Independence Day event within KCEC service territory when legislators are visiting. He also recommended that the Committee try to reserve the Rotunda at the NM State Legislature in Santa Fe, for speeches at the next Legislative event, instead of hosting a reception. Mr. Ortega recognized Robert Romero, Lobbyist for KCEC, and thanked him for assisting with proclamations to the House and Senate. Mr. Ortega explained that KCEC had received a standing ovation from the Senate, which was a great moment for KCEC. Public Relations & Economic Development

There being no further business to come before the Board, it was moved by Mr. Jassmann, seconded by Ms. Vigil, and unanimously approved, that the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until March 28, 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 10:33 a.m. Meeting Adjourned

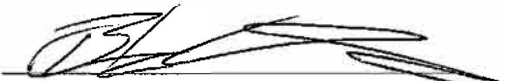
The following Trustees were present at the end of the meeting:

David Torres, Arthur Rodarte, Bruce Jassmann, Luisa Valerio-Mylet, Cristobal Duran, Bobby Ortega, Manuel Medina, Martin Dimas, and Sylvia Vigil.



Secretary

Approved this 28 day of MARCH 2023.



President