

KIT CARSON ELECTRIC COOPERATIVE, INC.

MEETING OF THE BOARD OF TRUSTEES

May 30, 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, May 30, 2023, at 9:09 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>Cristobal Duran</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>Luisa Valerio-Mylet</i>	

*Ms. Sylvia Vigil had notified the President that she was not able to attend. 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, PR Coordinator and Brianna Trujillo, Executive Secretary who recorded the day's proceedings.*

*It was declared a quorum was present.* *Quorum*

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

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

*The agenda was presented. It was moved by Mr. Rodarte, seconded by Mr. B. Torres, and unanimously approved that the agenda be approved as presented.* *Agenda*

*The minutes for the Board of Trustees regular Meeting, held April 25, 2023, were presented. Mrs. Valerio-Mylet reported that she would have to abstain since she was not present at the last two meetings. It was moved by Mr. Duran, seconded by Mr. Jassmann, and unanimously approved that the minutes for April 25, 2023, be approved as presented.* *Minutes April 25, 2023, Regular Meeting*

*The President introduced Mr. Joe Ortega, retired Class A Operator for KCEC. Mr. Ortega was awarded a certificate of appreciation for 25 years of service to the* *Employee recognition*

Cooperative. Mr. Ortega thanked the Board and KCEC management for the recognition.

The President introduced KCEC Information Technology Department employees, Mr. Daniel Trujillo, Chief Information Security Officer, Mr. Miguel Aguilar, Network/Systems Analyst, and Mr. Fredrick Garcia, Help Desk Support Specialist. Each employee was awarded a Certificate of Excellence for their service and contributions to KCEC's cybersecurity efforts. Mr. Reyes reported that KCEC was awarded for cybersecurity skills development, preparedness, and advancement at the National Rural Electric Cooperative Association (NRECA) 2023 Co-op Cyber-Tech conference two weeks ago, Mr. Trujillo and Mr. Aguilar attended the conference and accepted the award on behalf of KCEC.

The President introduced Mr. Alfredo Romero, President of Penasco Valley Historical Preservation Society (PVHPS). PVHPS had applied with Kit Carson Electric Education Foundation for community project funding and was awarded \$10,000 to assist with the preservation of a historical building that served as a school in Penasco. The building had been determined to be a National Historic Landmark, significant in American history and culture. Mr. Romero explained that PVHPS plans to restore the building so that it may continue to serve as the hub for community events such as a local farmer's market, museum, and commercial kitchen. Mr. Ortega asked if PVHPS had an estimated budget for the project. Mr. Romero reported that they had an estimated budget of \$3.5 million to complete the project.

Kit Carson  
Electric  
Education  
Foundation

Mr. Reyes announced that Mr. Bernie Torres had received his Credited Cooperative Director Certificate from NRECA. The Board congratulated Mr. B. Torres and thanked him for his dedication.

Mr. Reyes presented the CEO report for April 2023. He reported a total of \$11 million in member savings from July 2022 through June 2023. He reported that Guzman Energy would help facilitate the sale of excess power generated by KCEC solar facilities. This would allow KCEC to provide electricity to western states in the case of an energy deficit commonly caused by heat waves. Mr. Rodarte asked if there was a limit on the amount of power that could be sold. Mr. Reyes reported that KCEC and Guzman Energy had a Networking Agreement that would allow a contract for "point to point" or direct sale of 2MW of power to Raton, NM. Mr. Coyle asked for an update on the 115 kV Transmission Line Project. Mr. Reyes reported KCEC was 30% complete with the design of the project but permitting through U.S. Department of the Interior, Bureau of Land Management (BLM) was

CEO Report

required to proceed. BLM had not been receptive of transmission line projects on BLM lands, Mr. Reyes reported that there were currently four transmission projects on BLM and US Forrest Service lands in NM and that project delays were due to the National Environmental Policy Act. Mr. Ortega suggested that support from NM Legislators and Congress may encourage BLM to grant permits and recommended the State Director be contacted for assistance to move the process. Mr. Reyes agreed that keeping the community informed about the environmental and economic benefits of transmitting renewal energy would be beneficial. Mr. Richard Martinez reported that there were 70 pending work orders and 65 of those require transformers, he added that KCEC had a handful of underground transformers in stock, and stated some consumers were purchasing their own transformers. Mr. Reyes explained that work orders for primary households would remain a priority over secondary homes or vacation properties. He added that the steel required to build transformers was a large factor in the supply chain issue that the industry was facing. Mr. Reyes reported that KCEC's Operations Department continues to maintain the system. Mr. Martinez reported that transition and installation of underground lines project in Red River would be complete by the end of the week. Mr. Reyes explained that this transition from overhead to underground was an effort to help fire mitigation in Red River. Mr. Ortega requested a mid-year budget review be scheduled. Mr. Shafto reported KCEC 's cost of power was currently 5.47 cents. Mr. D. Torres reported that he would be leaving the meeting soon and reported that the Safety Committee met May 10, 2023. He reported that the Cooperative was at 35 days of no lost time accidents. He reported that there was one vehicle accident where a Kit Carson Propane (KCP) driver hit a tree, bending the front bumper. He also reported that an employee safety standdown was held on May 26, 2023, to allow employees to inspect vehicles for safety. It was moved by Mr. Medina, seconded by Mr. Duran, and unanimously approved that the CEO report for April 2023 be approved as presented. A copy of the CEO report was included in the Transfer of Documents and is hereby made a part of the minutes of this meeting.

Mr. D. Torres reported that the Bylaw and Policy Committee met May 22, 2023, and recommended the cancellation of KCEC Employee Vaccination Policy No. 3.30. This recommendation was made following the Biden administration's decision to end the COVID-19 public health emergency. Discussion was held regarding the end of five days paid leave for employees, in result of a positive COVID test, and the requirements for vaccination. It was moved by Mr. Rodarte, seconded by Mr. Dimas, and unanimously approved that KCEC Employee

Bylaw & Policy  
Committee

*Vaccination Policy No. 3.30 be cancelled as recommended.*

*Mr. D. Torres left the meeting at approximately 10:00 a.m.*

*The President reported requests had been received from Estates in the amount of \$9,125.03. It was moved by Mr. Rodarte, seconded by Mr. Jassmann, and unanimously approved that those payments be made to Estates.*

*Capital Credits  
to Estates*

*Mr. Jassmann reported the Payables Committee met on May 10, 2023. Mr. Jassmann recommended approval. It was moved by Mr. Rodarte, seconded by Mr. Medina, and unanimously approved that Payables for April be approved as presented.*

*Payables  
Committee*

*Mr. Reyes reported that the Broadband Committee met on May 19, 2023. He reported that Kit Carson Internet (KCI) had interviewed a marketing candidate and that a low income or student rate would be considered for internet customers. A Financial and Executive Summary for KCI was provided to the full Board. Mrs. Valerio-Mylet asked if training was offered to all KCI employees. Mr. Reyes explained that UNM offered KCEC, KCI and Kit Carson Propane (KCP) employees CDL training. He stated that Santa Fe Community College had a Fiber Optic Training Program, however, UNM and Northern NM College in El Rito did not. Mr. Reyes reported that the KCI Operations Department had restructured. Mr. Rodarte reported that Northern NM College in El Rito was considering a Fiber Optics Training Certification Program. Mr. Duran asked whether KCI was considering a four-tens work schedule. Mr. Reyes reported that a four-tens work schedule was offered for all companies beginning June 1<sup>st</sup> through September 1<sup>st</sup> of this year, In the past KCEC's Operations Department employees had used this schedule for special projects.*

*Broadband  
Committee*

*Mr. Rodarte reported the Solar Committee met May 15, 2023. Mr. Rodarte reported that Taos Mesa Solar Facility was operating successfully, the sale of excess power was a topic of discussion. He reported that Angel Fire Solar Facility was substantially complete, a ribbon-cutting ceremony would be scheduled in June. Mr. Reyes reported that the cost of solar projects had increased due to increased prices in materials related to solar, the 115 kV Transmission Line project, Amalia Solar expansion and Village of Questa's Green Hydrogen Project would be the next focus. Mr. Reyes reported that public meetings regarding the Green Hydrogen project would be scheduled in August or September and that fliers would be sent out to inform members. Mr. Medina reported that he had received information about another Hydrogen Project near the Questa airport and suggested that KCEC look it*

*Solar  
Committee*

*this for possible collaboration.*

*Mrs. Valerio-Mylet reported that the Public Relations & Economic Development Committee met May 24, 2023. She explained that the Committee was preparing for KCEC's 2023 Annual Meeting. The Committee discussed the recognition of KCEC's supporters, Senator Roberto "Bobby" Gonzales, and Representative Kristina Ortez. The Committee discussed ways to inform Members of KCEC's accomplishments and future endeavors. Mr. Ortega asked if the Committee had an update on Legislative Interim meetings and if any had been scheduled within KCEC service territory. Mr. Reyes stated that KCEC would try to convince New Mexico Legislative Finance Committee to schedule their October meeting in Taos. Mr. B. Torres reported that he could not attend the Public Relations Committee meeting in May but suggested that informational slides be presented at the annual meeting to exhibit KCEC's accomplishments and community involvement. Mr. Medina reported that while campaigning for the District One Election he found that members were happy with KCEC's solar advancements and broadband expansion, he stated that delayed requests for new electric service were a concern. Mrs. Valerio-Mylet stated that lower electric bills had been a great accomplishment and something to share with members. The President acknowledged that Mr. Dennis Gonzales had raised his hand to address the Board. He explained that it was the call of the Chair to recognize somebody in the audience, the last time that Mr. Gonzales approached the Board his demeanor was inappropriate. The President recommended that Mr. Gonzales complete the formal request form to address the Board so that the request could be reviewed and determined whether the request would be approved and added to the agenda.*

*Mr. Coyle asked the President for guidance regarding the attendance of Committee Meetings. He asked if only appointed Trustees could attend Committee Meetings. Mr. Reyes recommended that Trustees inform the President of their interest in attending Committee Meetings that they are not appointed to, this matter could be discussed further at the upcoming Board Work Session. Mrs. Valerio-Mylet suggested that the Trustee request to attend the meeting with the President of the Board as well as the Chairman of the Committee. Mr. Rodarte recommended that new Trustees attend as many Committee Meetings as possible within their first four years, to better understand what was going on. Mr. B. Torres asked if wind energy could be an alternative for Amalia and if a study could be completed since the last study had reported class 2 winds. He stated that Rio Costilla Cooperative Livestock Association (RCCLA) was interested. Mr. Reyes reported that the National Renewable Energy Laboratory (NREL)*

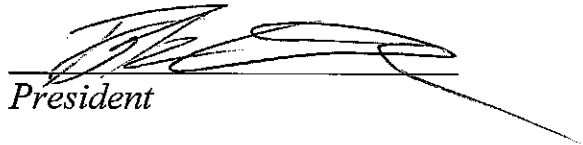
may be capable of facilitating the wind study. He explained that it could take a year to complete; however, wind energy was favorable in NM.

There being no further business to come before the Board, Meeting  
it was moved by Mr. Rodarte, seconded by Mr. Coyle, and Adjourned  
unanimously approved, that the Board of Trustees of Kit  
Carson Electric Cooperative, Inc. be adjourned until June  
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 10:45 a.m. 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, and Luisa Valerio-  
Mylet  
left during meeting

  
Secretary

Approved this 27<sup>th</sup> day of June 2023.

  
President