

*KIT CARSON ELECTRIC COOPERATIVE, INC.*

*MEETING OF THE BOARD OF TRUSTEES*

*July 31, 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 Monday, July 31, 2023, at 9:07 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>	
<i>Sylvia Vigil</i>	

*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, Jose Lovato, Kit Carson Internet Manager, Gretchen Geary, newly hired Marketing Coordinator and Brianna Trujillo, Executive Secretary who recorded the day's proceedings.*

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

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

*The minutes for the Board of Trustees reorganization Meeting, held June 17, 2023, and the minutes for the Board of Trustees regular Meeting, held June 27, 2023, were presented. It was moved by Mr. Duran, seconded by Mr. Jassmann, and unanimously approved that the minutes for June 17, 2023, and June 27, 2023, be approved as presented.* *Minutes - June 17, 2023 & June 27, 2023*

*The president welcomed Mr. Jose Lovato, Kit Carson Internet Manager and Ms. Gretchen Geary, newly hired* *Introduction - Ms. Gretchen*

Marketing Coordinator for Kit Carson Internet. Ms. Geary thanked the Board for the opportunity and provided a summary of her experience in the Broadband industry. Mr. D. Torres asked Ms. Geary what brought her to Taos. Ms. Geary explained that she moved to Taos two years ago and was drawn to the diverse culture and outdoor recreation.

Geary, newly hired Marketing Coordinator for Kit Carson Internet

Mr. Reyes presented the CEO report for June 2023. Mr. Reyes reported \$4.4 million in margins, year to date, versus \$3.3 last year, KCEC had a decrease in revenue due to less power sales. Mr. Reyes reported that the Village of Questa's Green Hydrogen Project had received \$500,000.00 in direct congressional spending for engineering, U.S. Senator Heinrich and NM Governor Lujan-Grisham's office had submitted the request for funding within the federal budget. Mr. Reyes also reported that KCEC was working with New Mexico State University (NMSU), Los Alamos National Laboratories (LANL) and a local grant writer to submit a Letter of Interest (LOI) to U.S. Department of Agriculture Rural Utilities Service (RUS) for funding of the Green Hydrogen project as well. He explained that the project is primarily based on carbon offsets, or the reduction of Co2. Mr. Rodarte asked about the public meetings scheduled in August 2023. Mr. Reyes reported that public meetings regarding the Green Hydrogen Project were scheduled for 6:00 p.m. on August 17, 2023, at the Veterans of Foreign Wars (VFW) center in Questa and 10:00 a.m. on August 19, 2023, at the Taos Community Auditorium (TCA) in Taos; a virtual meeting link would also be available. A survey was sent to KCEC members; approximately 900 responses were received. Mr. Reyes encouraged the Board to attend and explained that these public meetings are an essential part of the project's Feasibility Study. Mr. Reyes stated that hydrogen was a reliable source of long-duration energy storage, KCEC members would benefit from this alternative when solar facilities are unable to generate electricity at night. Mr. Coyle asked if the government had set standards for hydrogen production, i.e., the difference between blue and green hydrogen. Mr. Reyes explained that the U.S. Government had not set standards for hydrogen production, he provided the Board with an explanation of the differences between Blue, Pink, Grey, and Green Hydrogen. Ms. Vigil asked whether state funding could carry KCEC through the project if federal funding was unavailable in the future. Mr. Reyes stated that he was invited to attend upcoming conferences and meetings, to speak on panels and present the Green Hydrogen Project as a feasible fuel source for grants from the U.S. Economic Development Department. Mr. Reyes reported that subsidies and grant money would be the best way to fund the project, and that there would also be tax credits available for Green Hydrogen production. If funding was

CEO Report

provided, the completion of the proposed Hydrogen Project could be 2027-2028. Mr. Dimas asked how the Green Hydrogen Project would face the issue of hydrogen storage. Mr. Reyes reported that there was existing hydrogen production in the U.S. used as a fuel source for vehicles by Toyota and to produce fertilizer for agriculture purposes. Discussion was held on storage of hydrogen. Mr. Reyes reported that financials were in order according to the Budget. KCEC revenue was down due to \$12.3 Million in savings for members. He explained that restructured rates would need to reflect the amount of solar KCEC was generating and using. He reported that KCI continues to do well and that the new Marketing Coordinator could help promote KCP and KCEC as well. The success of the subsidies had helped with rate stabilization for members and funding of renewable projects. Mr. Reyes reported that a rate analyst would be consulted in the Fall to help restructure rates, he asked the Board to consider all aspects and provide input. Mr. Medina explained that KCP and KCI were established with the help of KCEC and now KCEC should be supported by subsidies. Mr. Medina asked if all electric homes should be recommended to contractors and developers. Mr. Reyes explained that heat pumps were alternatives for heating and cooling, electrification of homes would require support from the County and City to enforce ordinances that encourage environmentally beneficial alternatives. Mr. Reyes reported that he currently was a Member of a Housing Board, working towards affordable housing for locals as well as energy efficiency in homes. He reported that the cost of housing was difficult for many locals, low-income and high-income families. Mr. Ortega referred to a printout of aerial maps locating the advancing housing developments in the KCEC service territory, provided by Mr. Martinez. Mr. Rodarte asked if proposed rate increases could be billed on a staggered basis i.e., one dollar per year. Mr. Reyes explained that previous rate cases proposed incremental rate increases, KCEC would continue to advocate for low-income consumers and focus on informing the commission of rural Cooperatives' needs. Mrs. Valerio-Mylet asked if the County and City had ordinances in place for Airbnb and other vacation rentals. Mr. Reyes reported that the absence of concerned locals and the attendance of vacation home or Airbnb owners at the public meetings had a huge impact on the decisions made or actions taken. The Town of Taos was re-evaluating their current ordinance, concerned locals and neighbors to these properties need to report their concerns to the County and City. Discussion was held regarding tourism in the KCEC service territory. The president commended KCEC, KCI and KCP staff for the updates they had provided to the Board at the work session on Friday, July 28, 2023. Mr. Reyes reported that KCEC's cost of power had decreased

by 33% since the exit with Tri-State, savings for members and a fixed cost of power were a success. Upgrading and maintaining the system would be KCEC's next approach. Mr. D. Torres suggested that these successes be shared with members by the new Marketing Coordinator. Mr. D. Torres reported that the Safety Committee met July 11, 2023. There were no accidents for the month of June, he reported that the committee discussed establishing safety standdown monthly, to inspect vehicles for safety. The Cooperative was at 47 days of no lost time accidents. It was moved by Mr. Jassmann, seconded by Mr. Medina, and unanimously approved that the CEO report for June 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.

The President reported requests had been received from Estates in the amount of \$14,955.60. It was moved by Mr. Rodarte, seconded by Mrs. Valerio-Mylet, and unanimously approved that those payments be made to Estates.

Capital Credits  
to Estates

The President reported that the NRECA Regional meetings would be held October 18 – 20, 2023 in New Orleans, Louisiana and a Voting Delegate & Alternate would need to be appointed. He suggested that this be tabled as there had not been any interest from the Board in attending the NRECA Regional Meeting.

Verify or  
Appoint  
NRECA Voting  
Delegate &  
Alternate

The President reported that changing the date of the August Board Meeting would be required due to a scheduling conflict with CoBank's Energy and Water Executive Forum on August 29 – 31, 2023. He recommended that the August Board Meeting be scheduled for Friday, August 25, 2023. It was moved by Mr. Rodarte, seconded by Mr. B. Torres, and unanimously approved that the August Board Work Session be held Thursday, August 24, 2023, and the Board Meeting be held on Friday, August 25, 2023.

August Board  
Meeting

Mr. Jassmann reported the Payables Committee met on July 10, 2023. Mr. Jassmann recommended approval. It was moved by Mr. Rodarte, seconded by Mr. Medina, and unanimously approved that Payables for June be approved as presented. The President asked if there were any large item purchases in this month's payables report. Mr. Reyes reported that the purchase of underground transformers would be the next large purchase.

Payables  
Committee

Mr. Reyes reported that the Broadband Committee met on July 20, 2023. He reported that KCI continues to do well, and the new Marketing Coordinator would help with growth in membership. Mr. Reyes reported that KCEC would continue to work with Jemez Mountain Electric

Broadband  
Committee

*Cooperative (JMFC) on a Pole Attachment Agreement, as advised by the Administrator for RUS.*

*Mr. Rodarte reported the Solar Committee met July 7, 2023. Mr. Rodarte asked for an update on meetings with Guzman Energy LLC regarding the sale of excess solar. Mr. Reyes reported that Guzman had proposed amendments that would be reviewed, and that excess power would likely be sold at the market price. KCEC would negotiate the market price at nighttime to avoid negative pricing. Mr. Reyes reported that Guzman Energy would be present for September's Board Meeting to provide the Board with an Executive Report. Mr. Reyes reported a term sheet for the Amalia Solar Expansion Project was finalized and that KCEC would work on a contract that would benefit all parties involved. Mr. B. Torres asked whether the existing Amalia Solar Array would be retired. Mr. Reyes explained that the existing Array would be left standing, according to the contract. Mr. Reyes reported a grant application for the Taos Pueblo Solar project would be submitted along with a grant application for the Green Hydrogen project, since the solar power generated at Taos Pueblo would help the Hydrogen Project. A ribbon-cutting ceremony had not been scheduled for Angel Fire Solar Facility.*

Solar  
Committee

*Mr. D. Torres reported that the Bylaw and Policy Committee met July 19, 2023. He reported the Committee had reviewed and recommended changes to KCEC Policy No. 1.16 – Trustee Code of Conduct. Grammatical errors were corrected, and a signature page was added to the last section of the policy where Trustees are required to report, per paragraph E., Conflicts of Interest. Mr. Reyes explained that disclosure of any potential conflicts of interest would be required to help the Board decide how a conflict of interest may impact a topic of discussion; a Trustee's role or position on another elected Board could conflict with a proposed KCEC project. Mr. D. Torres reported that the Committee had recommended that the changes to this policy be approved as presented. It was moved by Mr. Duran, seconded by Mr. Coyle, and unanimously approved that KCEC Policy No. 1.16 – Trustee Code of Conduct be approved as amended.*

Bylaw & Policy  
Committee

*Mrs. Valerio-Mylet reported that the Public Relations Committee met July 13, 2023. Mrs. Mylet stated the Committee discussed ways to encourage younger generations to attend future district meetings, elections, and annual meetings. The committee discussed how apprenticeship programs, a KCEC youth ambassador and monthly member recognitions could be helpful. Mrs. Mylet reported that KCEC had sponsored a Kick-off event for Fiestas de Taos with the Taos County Chamber of Commerce and Taos Historic Museums: the event was a*

Public  
Relations

great success. Mr. Ortega requested that any recommendations for these monthly member recognitions be submitted to Mrs. Mylet to discuss them at the Public Relations Committee meeting. Mr. B. Torres agreed and suggested that the recognition of people as individuals helped uplift the community. The President reported that the Kit Carson Electric Education Foundation Board was scheduled to meet on August 15, 2023, to review community project applications.

Ms. Vigil asked for an update on the chipper needed to help with fire mitigation and that the Chamisal Transfer Station had a large pile that required chipping. Mr. Reyes reported that permitting for delivery of the chipper has been delayed due to road construction. Mr. Coyle asked if there were proposed dates for the Angel Fire Solar Facility ribbon-cutting ceremony. Mr. Reyes reported that he would get in touch with Trustees from District 5 to schedule the event sometime in September. Mr. Rodarte reported that he had attended the Rio Arriba County Fair and auction. He reported that the Grand Champion steer was sold for over \$14 thousand dollars and the Champion lamb was sold for over \$4 thousand dollars.

There being no further business to come before the Board, it was moved by Mr. Rodarte, seconded by Ms. Vigil, and unanimously approved, that the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until August 25, 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 10:39 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, Luisa Valerio-Mylet, and Sylvia Vigil



Secretary

Approved this 25<sup>th</sup> day of AUG. 2023.



President