

KIT CARSON ELECTRIC COOPERATIVE, INC.

MEETING OF THE BOARD OF TRUSTEES

October 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 Tuesday, October 31, 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>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 and Brianna Trujillo, Executive Secretary who recorded the day's proceedings. Mr. Reyes announced that Mr. Michael Santistevan was not able to attend the meeting, he was celebrating the recent birth of his second son, both Emma and the baby were doing well. The Board and all attendees congratulated Mr. Santistevan and his family.

It was declared a quorum was present. *Quorum*

Mr. Duran 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. Jassmann, seconded by Mr. Coyle, and unanimously approved that the agenda be approved as presented. *Agenda*

The minutes for the Board of Trustees regular Meeting, held September 26, 2023, were presented. It was moved by Mr. Rodarte, seconded by Mr. B. Torres, and unanimously approved that the minutes for September 26, 2023, be approved as presented. *Minutes for September 26, 2023*

The President welcomed Mr. Dan Romero, President, Upper Des Montes Mutual Domestic Water Consumers Association (MDWCA), Mr. Philip Linsalata, President, Lower Des Montes MDWCA and Dr. Kathryn Cordova, Co-Kit Carson Electric Education Foundation

President, El Prado Community Center; recipients of Kit Carson Electric Education Foundation Community Project funding in August 2023. Donations awarded by KCEEF were possible due to monies donated by Guzman Energy. (KCEEF) Community Project Awards

Mr. Romero reported that Upper Des Montes MDWCA was formed in 1964 and serves 82 members currently, they began upgrading the system in 2008. He thanked KCEEF and the Board for their support and commended Mr. Jose Rodriguez, Upper Des Montes MDWCA Board member, who submitted the application for KCEEF Community Project funding. Mr. Linsalata reported that Lower Des Montes MDWCA would work towards modernization and safety improvements of their water system. He thanked KCEEF and the Board for their support and Mr. Mike Martinez, former President, for more than a decade of service to Lower Des Montes MDWCA and for submitting the application for KCEEF Community Project funding. Dr. Cordova thanked KCEEF and the Board for their support, she reported that she had reached out to UNM in search of programs available to help with the restoration of El Prado Community Center, there were no programs available, but UNM would help with networking. Dr. Cordova reported that El Prado Community Center would continue to apply for grants and contact the legislature for funding. The Board presented donation checks on behalf of KCEEF: \$5,000.00 to Upper Des Montes MDWCA, \$5,000.00 to Lower Des Montes MDWCA, and \$10,000.00 to El Prado Community Center.

The President announced that KCEC would facilitate a Holiday Light and Decorating contest for each District, Members were encouraged to enter their home or business into the contest for a chance to win a gift certificate for electric, internet or propane services.

The President reported that Charles Cisneros VFW (Cerro), Costilla Neighborhood Association, Penasco Valley Historical Preservation Society, Talpa Community Center & Public Library, and the Village of Eagle Nest (Enchanted Eagle Park) had provided progress reports of their Community Projects, awarded by KCEEF in 2022 and early 2023. These progress reports were available to the Board in their Meeting Packet for review. KCEEF Community Project Progress Reports

Mr. Reyes presented the CEO report for September 2023. He reported \$5.6 million in margins, year to date, versus \$4.1 last year. Transmission expense was \$4.2 million versus \$4 million last year, Tri-State has a higher Transmission rate than Public Service Company of New Mexico (PNM), an increase in transmission expense would take effect in January 2024. Mr. Reyes reported that Operations expense was higher than last year, KCEC was CEO Report

awarded \$125,000 for Forest Fire Mitigation and Grid Maintenance from the State of New Mexico Energy, Minerals and Natural Resources Department (EMNRD). Discussion was held regarding KCEC's transmission agreements with Tri-State and PNM. Tri-State's transmission cost was 30% higher than other generation and transmission suppliers in New Mexico. Mr. Reyes explained the importance of new transmission in New Mexico to help renewable generation and the requirement for battery storage, since the Four Corners Coal Plant will be closed in 2031. Mr. B. Torres suggested that KCEC pursue a study of wind generation to help with the cost of batteries. Mr. Reyes stated that KCEC could apply for grants to fund the study and analysis with the help of NREL; however, batteries would still be required. Mrs. Valerio-Mylet explained that there had been wind generation studies before, she asked what the results were. Mr. Reyes reported that the last wind study was conducted for the Tres Piedras area, it was found that intermittent generation was possible but permitting was difficult to obtain; therefore, the project was never completed. The President requested that further discussion be held at the next Solar Committee meeting, recommendations would be made to the full Board. Mr. Reyes reported that Taos County Land Use Regulations had changed for solar projects, changes could be proposed for wind. Discussion was held regarding public concerns surrounding the size, sound, and sight of wind farms. Mr. Reyes explained that the study would include the pros and cons of the project. Mr. Jassmann asked what size of wind farm would be needed to help KCEC's demand for power. Mr. Reyes explained that during non-peak solar times, batteries would be discharged to carry demand, wind generation and storage would be added to the equation. Mr. Reyes reported at least \$1 million in savings for KCEC members each month since July 2022. Mr. Martinez reported that a shipment of underground transformers was expected within the next two weeks, pending work orders requiring these transformers would be scheduled once the shipment was received. Mr. Coyle asked if shipment delays were specific to the pandemic and whether we were prepared for another spike. Mr. Martinez explained that pricing for transformers had tripled, Mr. Reyes stated that supply chain issues were the primary cause. Mr. Martinez continues to monitor the market and search for manufacturers and suppliers. Mr. Reyes reported that U.S. Administration was investigating the issue and propositions to change the design of transformers for energy efficiency; however, it would be a challenging and expensive solution, requiring changes and upgrades to the entire infrastructure of the grid and delays in connecting service for Members. Mr. Martinez reported that the Safety Committee met October 10, 2023. The Cooperative was at 137 days of no lost time accidents. The Committee discussed a near miss when a Kit Carson

Propane (KCP) driver left the hose connected at the holding dock and drove off, employees are required to walk around and inspect the vehicle before driving. They also discussed the reported accident of a KCP employee who was hit in the face with a large pipe wrench when it slipped while fixing a valve. Mr. Reyes reported that the tour of the National Renewable Energy Laboratory (NREL) Hydrogen Facility near Golden, CO was confirmed for November 16, 2023, a meeting with Guzman Energy was also scheduled for November 15, 2023. Mr. Reyes requested that the Board notify Ms. Trujillo of any changes in attendance, advance notice is required. It was moved by Mr. Duran, seconded by Mr. Coyle, and unanimously approved that the CEO report for September 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 \$8,028.72. It was moved by Mr. Duran, seconded by Mr. Dimas, and unanimously approved that those payments be made to Estates.

*Capital Credits
to Estates*

The President reported that the Kit Carson Propane (KCP) Board had recommended the re-appointment of two Directors for a term of three years: Mr. Juan Valdez, and Mr. Nelson Lopez. Both Directors were recognized for their positive influence and service to the KCP Board of Directors. Discussion was held regarding the importance of continuity for the people appointed to serve on the Board. It was moved by Mr. Duran, seconded by Mrs. Valerio-Mylet, and unanimously approved that Mr. Juan Valdez and Mr. Nelson Lopez be re-appointed as Kit Carson Propane Directors for a term of three years.

*Re-appointment
of KCP
Directors*

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

*Payables
Committee*

The President reported that the Green Hydrogen Committee met on October 18, 2023. KCEC submitted a Letter of Intent (LOI) for the Green Hydrogen Project. Announcements of approvals will be made in mid-December. If LOI submitted by KCEC is approved KCEC would submit an application within 60 days. Mr. Reyes reported that KCEC was working with Chevron on a Land and Water Management Plan, the Village of Questa and New Mexico State University (NMSU) were working on an economic development impact study. KCEC was already preparing the final grant application with the help of Los Alamos National Laboratory (LANL), Sandia National Laboratory as well as other grant writers and educators. Approval of LOI would be announced in December 2023,

*Green
Hydrogen
Committee*

grant recipients would be announced in March 2024. If awarded, KCEC would have four years to complete the project.

Mr. Reyes recommended that the Board consider limiting the scheduling of Committee meetings in December 2023. He explained that the Committees had worked very hard towards the needs and goals of the Cooperative and staff would be busy preparing budgets for 2024. The President agreed and asked the Board to decide which Committees would be required to meet in December.

Mr. Reyes reported that the Broadband Committee met on October 17, 2023, and the Board discussed Broadband updates at the work session. Mr. Duran reported that he had received positive feedback from customers regarding Ms. Gretchen Geary's marketing strategies. Mr. B. Torres recommended that KCEC, KCP and KCI work on Spanish translation of required documentation during application for services as well as billing processes. He asked if a visit or meeting with Wind Generation Manufacturing Plant in Pueblo, Colorado could be scheduled to further investigate the possibility of Wind Generation in KCEC's service territory.

Mr. Rodarte reported the Solar Committee met October 6, 2023, for the Angel Fire Solar Facility ribbon-cutting ceremony, it was well attended and a great success. Mr. Michael Santistevan, Public Relations Coordinator, did a great job welcoming the community and putting everything together. A video of the event was created with the help of Guzman Energy and is available for viewing.

Mr. Reyes reported that the Bylaw and Policy Committee met October 12, 2023. The Committee discussed scheduling future meetings, with assigned policies in need of review, on a quarterly basis for each year. The Committee discussed the use of cannabis. Mr. Coyle reported that discussion was held regarding the use of cannabis at NRECA's 2023 regional meeting, proper documentation was required by medical users and safety sensitive policies must be upheld. Mr. Dimas added that federal grants could be compromised if KCEC policy allowed the use of cannabis. Mr. Reyes reported that KCEC would comply with the Health Insurance Portability and Accountability Act (HIPAA), but Safety must be a priority; he would continue reviewing job descriptions and safety sensitive tasks with KCEC's attorney. Mr. B. Torres recommended that KCEC also seek expert and medical advice to investigate side effects and impairment caused by use of cannabis.

Mrs. Valerio-Mylet reported that the Public Relations Committee met on October 25, 2023. The Committee

discussed the Angel Fire Solar Facility ribbon-cutting ceremony, held October 6, 2023; there were many community members as well as town, county and state officials present to celebrate the occasion. She reported that Amy Messenger, Guzman Energy, was helping with member testimonial videos. The President asked if KCEC had the necessary equipment to create these videos and recommended that KCEC consider budgeting for this purpose. Mrs. Valerio-Mylet reported KCEC partnered with Workforce Solution and participated at the Governor's Mansion on Saturday for the Halloween event; mariachis attended, and candy and light bulbs were distributed to attendees. She reported that the Committee was formed to publicize KCEC's success and involvement in the communities, there had been a lot of recognition and appreciation. She thanked Michael Santistevan for his continued efforts and support. KCEC would participate in the Town of Taos Trunk or Treat and Taos Feeds Taos fundraising events. The Committee also discussed the upcoming Holiday Light and Decoration contest for each KCEC District, Members could enter their home or business for a chance to win a gift certificate for electric, internet or propane service. Preparation for the 2024 Legislative session was discussed, it was recommended by Mr. Robert Romero, Lobbyist, that KCEC organize a reception for legislators rather than request to host an event in the Rotunda at the New Mexico State Capitol building in Santa Fe. The President recommended that KCEC attempt to schedule an event in the Rotunda at the beginning of the 2024 Legislative Session.

The President reported that the Employee Relations Committee met October 24, 2023. He reported that the Employment Agreement for Mr. Luis Reyes, Chief Executive Officer, was reviewed with legal counsel and finalized. The final agreement would be presented to the full Board during Executive Session.

Ms. Vigil requested an update on a KCEC member's request for internet service. Mr. Reyes explained that Gretchen Geary was assisting with the completion of existing requests for internet service as well as new applicants. Ms. Geary helped approximately 21 applicants with the Affordable Connectivity Program during her visit to a networking event in Penasco. The networking event was shared with Facebook users.

The President called for an Executive Session to discuss the final CEO Employment Agreement. It was moved by Mr. Jassmann, seconded by Mr. Medina, and unanimously approved that the Board enter Executive Session at 11:05 a.m.

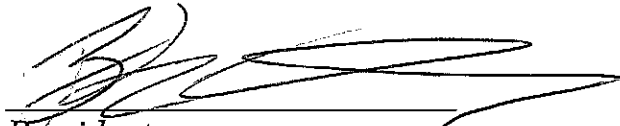
The meeting was reconvened by the order of the President at 11:31 a.m.

*There being no further business to come before the Board, Meeting
it was moved by Mr. B. Torres, seconded by Mr. Jassmann, Adjourned
and unanimously approved, that the Board of Trustees of
Kit Carson Electric Cooperative, Inc. be adjourned until
November 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 11:32 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, Luisa Valerio-Mylet, and Sylvia Vigil*


Secretary

Approved this 28th day of NOV. 2023.


President