

*KIT CARSON ELECTRIC COOPERATIVE, INC.*

*MEETING OF THE BOARD OF TRUSTEES*

*September 26, 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, September 26, 2023, at 9:13 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>	

*The President reported that Mr. Bernie Torres would be late. Also present, were Luis A. Reyes, Jr., Chief Executive Officer, Carmella Suazo, Assistant Manager, Richard Martinez, Chief Operations 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 requested that Mr. Daniel Pritchard and Mr. David Munoz, Renewable Taos, be added to the agenda as item 8, before the CEO report. It was moved by Mr. Rodarte, seconded by Mr. Medina, and unanimously approved that the agenda be approved as amended. The President also reminded the Board that the Kit Carson Propane Annual Meeting was scheduled following the KCEC Board Meeting.* *Agenda*

*The minutes for the Board of Trustees regular Meeting, held August 25, 2023, were presented. It was moved by Mr. Jassmann, seconded by Mr. Dimas, and unanimously approved that the minutes for August 25, 2023, be approved as presented.* *Minutes for August 25, 2023*

*The President welcomed Mr. David Munoz and Mr. Renewable Daniel Pritchard, Executive Directors, Renewable Taos. Taos Mr. Daniel Pritchard thanked the Board and KCEC staff for their participation in the 2023 EV Expo held September 23, 2023. Mr. Reyes was a speaker at the event, it was a great success. Mr. Munoz reported that Renewable Taos and Chevron Mine in Questa, NM would be hosting a site visit and presentation of Closed-Loop Pumped Hydro with Dr. Hector Medina and Dr. Tom Eldrege of Liberty University, in October 2023. Mr. Munoz distributed a handout in reference to the presentation and invited KCEC to attend. Mr. Ortega asked if Closed-Loop Pumped Hydro would compete with Green Hydrogen, and whether Renewable Taos was supportive of the Village of Questa's Green Hydrogen project. Mr. Munoz stated that Closed-Loop Pumped Hydro could be more efficient since it only required water through two reservoirs. Mr. Pritchard stated that the Green Hydrogen project was a great project to investigate the technical focus of renewable projects in the north central region.*

*Mr. Bernie Torres arrived at the meeting at approximately 9:18 a.m.*

*Mr. Reyes presented the CEO report for August 2023. He reported \$5.2 million in margins, year to date, versus \$3.6 last year. KCEC financials were ahead of last year's budget and margins. Mr. Reyes reported that KCEC was consulting rate analysts to help restructure rates, to include the use and generation of renewable energy. He stated that energy efficiency in homes would eventually need to be considered within the rate design also. Mr. Reyes reported that snowmaking at Taos Ski Valley would begin soon and that new developments were in progress, such as the changes to Allsup's, new Starbucks and planning for a Hotel at Taos Pueblo had begun. Mr. Reyes reported over \$14 million in savings for KCEC members since July 2022, KCEC reached financial targets while keeping rates stabilized for members. He reported that Public Service Company of New Mexico (PNM) was increasing rates and that NM Gas Company rates would increase by 11%. KCEC would focus on maintenance in October. Other expenses were the same as last year. Mr. Medina asked if KCEC had received any new information regarding the damage to the new Starbucks location and when completion was expected. Mr. Reyes stated that Starbucks may be working with their insurance company regarding damages and that completion was expected sometime in December 2023. Mr. Reyes stated that 90% of KCEC's power supply was fixed until 2039, KCEC would be focusing on electrification and stabilizing rates. U.S. Department of the Interior Bureau of Land Management (BLM) began working on a Land Management Plan*

regarding the monument for transmission projects, Mr. Reyes explained that New Mexico needed transmission to continue growth in renewable energy and to export excess power. Mr. Reyes reported that a Memorandum of Understanding (MOU) between KCEC and Jemez Mountain Electric Cooperative (JMEC) was finalized and submitted to JMEC for execution. The five-year agreement would include zero cost for pole attachment and shared cost for clearance requirements, JMEC would incur make-ready costs; Another agreement would specify that KCEC supply fiber optic and manage operations, maintenance and billing until JMEC completed the head end. Mr. Reyes reported that check presentations would be scheduled with Upper Des Montes Mutual Domestic Water Consumers Association (MDWCA), Lower Des Montes MDWCA and El Prado Community Center. Requests for project updates and a detailed report of disbursements made were sent out to previously awarded Community Projects, Mr. Reyes reported that Kit Carson Electric Education Foundation (KCEEF) had received a few reports since and stated the information was available to the Board. Mr. D. Torres reported that the Safety Committee met September 19, 2023. The Cooperative was at 108 days of no lost time accidents. Kit Carson Propane (KCP) had an accident when a truck driver left the hose connected at the holding dock and drove off, nobody was hurt but there was damage to the dock and truck. Mr. Martinez reported that KCEC conducted a Pole Top Rescue Exercise on September 21, 2023. First responders and emergency services from Taos County participated in the exercise, video documentation of the exercise was available to the Board. A debriefing was scheduled for September 28<sup>th</sup> to discuss the exercise. Mr. Medina asked whether CDL certification practice and testing was done on automatic or standard vehicles. Mr. Martinez explained that testing was conducted on standard vehicles, as required. It was moved by Mrs. Valerio-Mylet, seconded by Mr. Medina, and unanimously approved that the CEO report for August 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 \$8,013.74. It was moved by Mr. Rodarte, seconded by Mr. Duran, and unanimously approved that those payments be made to Estates. Capital Credits to Estates

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

*Mr. Reyes reported that the Broadband Committee met on September 21, 2023. Mr. Reyes reported that a discussion was held regarding the Pole Attachment Agreement with JMEC. He reported that Ms. Gretchen Geary, Marketing Coordinator, provided effective Marketing strategies.*

Broadband  
Committee

*Mr. Rodarte reported the Solar Committee met September 22, 2023. He recommended that Trustees leave early for the Angel Fire Solar Facility ribbon-cutting ceremony, scheduled for October 6, 2023, at 10:30 a.m., due to road construction delays. He reported that the Amalia Solar Expansion Project was in progress, Mr. Reyes explained that the Purchase Power Agreement (PPA) was being negotiated, term sheet had been executed. Mr. Santistevan reported that NM Representative Joseph Sanchez, Mayor Jo Mixon, of Angel Fire and other distinguished guests would be speaking at the Angel Fire Solar Facility ribbon-cutting ceremony. Mr. Reyes reported that the cost of the Angel Fire Solar Array was 4.87 cents and fixed for a 25-year term, battery storage was 4.8 cents and fixed for a 20-year term. The Purchased Power Agreement would outline terms and conditions regarding how batteries would be dispatched and the buy-out schedule.*

Solar  
Committee

*Mr. D. Torres reported that the Bylaw and Policy Committee met September 13, 2023. He reported the Committee had reviewed KCEC Policy No. 1.1, Board of Trustees Duties, Responsibilities and Professional Development. The Committee recommended changes to include a personal self-evaluation completed by each Trustee at least annually. It was moved by Mr. B. Torres, seconded by Mr. Rodarte, and unanimously approved that the changes to KCEC Policy No. 1.1, Board of Trustees Duties, Responsibilities and Professional Development be approved with proposed changes.*

Bylaw & Policy  
Committee

*Mrs. Valerio-Mylet reported that the Public Relations Committee met September 19, 2023. The Committee discussed KCEC's participation in the Taos High Homecoming Parade, Paseo Project, EV Expo, and Fall Arts Festival. The Committee also discussed the upcoming Cybersecurity Council meeting scheduled Friday, October 6, 2023, after the Angel Fire Solar Facility ribbon-cutting ceremony, she encouraged Trustees to attend. Mrs. Valerio-Mylet commended Daniel Trujillo, CISO, and his team for their efforts to raise cybersecurity awareness within the community.*

Public  
Relations

*The President reported that the Employee Relations Committee met Wednesday, September 20, 2023. The Committee discussed the Chief Executive Officer (CEO) Evaluation, the feedback submitted by each Trustee was reviewed. The President reported that the CEO Evaluation would be discussed with the full Board during Executive*

Employee  
Relations  
Committee

*Session.*

*The President reported that the Green Hydrogen Project had immense potential for the Cooperative, he explained that KCEC had been nationally recognized for its leadership in renewables, and it was important that KCEC stay on track with the progress of the project. The President appointed a Green Hydrogen Committee to maintain KCEC's focus on the project, he appointed Mr. B. Torres, Mr. D. Torres, Mr. Duran, Mr. Medina, Mrs. Valerio-Mylet, and Mr. Jassmann to serve on the Committee, Mr. Ortega would be chair of the Committee.*

*Mr. Duran reported that Penasco Valley Historical Preservation Society (PVHPS) has recognized KCEC as a sponsor for the farmer's market every weekend, he reported that they are still trying to raise money and working on gathering information to provide KCEEF with a progress report.*


*The President called for an Executive Session to discuss the Employee Relations Committee's CEO Evaluation. It was moved by Mr. Duran, seconded by Mr. Medina, and unanimously approved, that the Board enter Executive Session at 10:17 a.m.*

*The meeting was reconvened by the order of the President at 11:50 a.m., it was moved by Mr. B. Torres, seconded by Ms. Vigil, and unanimously approved, that Mr. Luis Reyes, Chief Executive Officer, annual salary increase to \$350,000, retroactive to the anniversary date of his contract, May 8, 2023. It was moved by Mr. D. Torres, seconded by Mr. Jassmann, and unanimously approved that the CEO Employment Agreement be reviewed with legal counsel and updated based on legal counsel recommendation.*

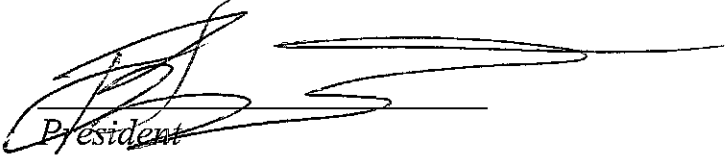
*There being no further business to come before the Board, it was moved by Mr. Medina, seconded by Mr. Duran, and unanimously approved, that the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until October 31, 2023, at 9:00 a.m. the date and time of the next Board meeting. Unless changed and, thereupon, the President declared the meeting adjourned at 11:51 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*

*KIT CARSON ELECTRIC COOPERATIVE, INC. MEETING  
OF THE BOARD OF TRUSTEES - September 26, 2023  
continued:*

  
Secretary

Approved this 31<sup>ST</sup> day of OCT. 2023.

  
President