

*KIT CARSON ELECTRIC COOPERATIVE, INC.*

*MEETING OF THE BOARD OF TRUSTEES*

*November 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, November 28, 2023, at 9:15 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>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, Michael Santistevan, Public Relations Coordinator, and Brianna Trujillo, Executive Secretary who recorded the day's proceedings. Mr. Martin Dimas was not present.*

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

*Mr. D. 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. Jassmann, 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 October 31, 2023, were presented. It was moved by Mr. Medina, seconded by Mrs. Valerio-Mylet, and unanimously approved that the minutes for October 31, 2023, be approved as presented.* *Minutes for October 31, 2023*

*Mr. Reyes presented the CEO report for October 2023. He reported \$6 million in margins, year to date, versus \$4.2 million last year. Mr. Reyes reported that there was not an increase in usage, the cost of power was lower than last year, and revenue was the same as last year. He reported that Tri-State would increase their transmission rate by 15% in December 2023, according to the Annual* *CEO Report*

*Transmission Revenue Requirement (ATRR) for network service; Tri-State's Point-to-Point (PTP) rate that serves Angel Fire would decrease slightly. Transmission costs were \$1 million less than last year; due to the combination of solar generation, the Federal Energy Regulatory Commission (FERC) settlement and reimbursement for the difference in rates that KCEC had previously paid. Mr. Duran asked about the possibility of joining a Regional Transmission Organization (RTO). Mr. Reyes reported that Tri-State was entering the Southwest Power Pool (SPP), RTO which would manage transmission to Colorado Cooperatives; Public Utilities Service of New Mexico (PNM) and El Paso Electric have been discussing the possibility of joining an RTO with New Mexico Public Regulation Commission (NMPRC), but they are not required to do so. Mr. Reyes reported that he was working with consultants to determine how an RTO could benefit KCEC, discussion was held on KCEC's solar generation abilities as well as the need for more transmission in New Mexico. Mr. Reyes reported an increase in capitol credits received from CoBank would be reflected in December's financial statement, 55% - 65% of KCEC's long-term debt was with CoBank. He also reported that KCEC had twice as many new service connections this year compared to last year, including commercial growth. The Hotel St. Bernard in Taos Ski Valley was demolished and under new construction, Taos Ski Valley is KCEC's biggest load during the winter months. KCEC and Taos County were working with BLM on the Land Management Plan for the 115-kV Transmission Project, using existing corridors for transmission distribution and fiber optic could help avoid a direct impact to the monument. Discussion was held regarding electrification of rural off-grid settlements and lack of code enforcement. Mr. Reyes reported that he was working with a local housing partnership to address issues with housing and permitting for new construction in Taos County. Mr. D. Torres reported that the Safety Committee met November 14, 2023. There were no near miss or lost time accidents for the month of October 2023. The Cooperative was at 168 days of no lost time accidents. The Committee discussed the issue of vehicle damage that was not reported and not fixed, as well as the condition of some fleet vehicles. Mr. D. Torres reported that a Safety Stand Down was scheduled for November 16, 2023, employees would clean vehicles, perform required maintenance on tools and equipment and clean the Ranchos yard and Taos yard. Mr. B. Torres asked if the condition as well as price was considered before the purchase of fleet vehicles. Mr. Shafto explained that every purchase was carefully decided upon and that KCEC recently purchased two electric trucks, financing should be finalized next week. It was moved by Mr. Duran, seconded by Mr. Medina, and unanimously approved that the CEO report for October 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 \$9,831.98. It was moved by Mr. Rodarte, seconded by Mr. Duran, and unanimously approved that those payments be made to Estates. Capital Credits  
to Estates

The President presented Resolution No. 04-11-23 Assigning of Administrator(s) for ReConnect Program and Community Connect Grant Program. The Resolution proclaims Mr. Reyes as the assigned representative, signer, and certifier and Mr. Shafto as the Assigned Administrator for the United States Department of Agriculture (USDA) ReConnect Program and Community Connect Grant Program. Mr. Reyes explained that this Resolution was required to proceed with the Broadband Expansion project in Abiquiu, NM. The President reported that a recent article in the Albuquerque Journal, regarding Broadband expansion in NM, mentioned KCEC's leadership role and quoted Mr. Reyes; a copy of the article was distributed to the full Board by Mr. Santistevan. It was moved by Mr. Rodarte, seconded by Mr. Jassmann, and unanimously approved that Resolution No. 04-11-23 be approved as presented. A copy of Resolution No. 04-11-23 was included in the Transfer of Documents and is hereby made a part of the minutes of this meeting. Approve  
Resolution No.  
04-11-23

The President requested that the December Board Meeting be changed to Thursday, December 28, 2023, due to the Christmas holiday. The 2024 Budget presentation was also scheduled for that day and would begin following the adjournment of the Board Meeting. A work session would not be scheduled in December, Payables Committee was scheduled for December 11, 2023, at 3:00 p.m., there would not be any other committee meetings scheduled in December 2023. It was moved by Mr. Medina, seconded by Mrs. Valerio-Mylet, and unanimously approved that the next Board Meeting be scheduled for Thursday, December 28, 2023. Mr. Reyes stated that he would be out of the office for a few days in December. December  
Board Meeting  
Date Change

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

The President reported that the Green Hydrogen Committee met on November 20, 2023, and the Board discussed Green Hydrogen updates at the work session. Mr. Reyes, Mr. Martinez and eight Trustees attended an Green  
Hydrogen  
Committee

onsite visit of the National Renewable Energy Laboratory (NREL) Green Hydrogen Facility in Colorado on November 16, 2023. Mr. Reyes reported that he reached out to Los Alamos National Laboratory (LANL) to schedule a meeting to discuss long-duration battery storage, and the possibility of Pumped Storage Hydropower (PSH), and Small Modular Reactors (SMR), as carbon-free alternatives. Mr. Coyle asked for the contact list and meeting material provided to KCEC from the NREL visit in Colorado.

Mr. Reyes reported that the Broadband Committee met on November 21, 2023. He reported that Kit Carson Internet (KCI) would reach 13,000 subscribers sometime that week, KCI was fully staffed and reaching financial targets. He reported that KCI subscribers in Angel Fire and Eagle Nest had experienced an internet outage on Thanksgiving Holiday, when KCI's engineering firm, National Rural Telecommunications Cooperative (NRTC) did not follow protocol and performed an unscheduled and unauthorized outage simulation. Mr. Reyes expressed this concern and dissatisfaction with the President of NRTC, who was unaware of the incident and very apologetic; bringing awareness could help prevent future errors. Mr. B. Torres stated that Ms. Gretchen Geary was pleased with her marketing interaction in Penasco. Mr. Reyes indicated that per Ms. Geary, KCI has gained 45 new customers. Mr. Reyes reported that KCI was the predominant broadband provider in the service territory. Ms. Vigil asked about the reliability of the telephone service in the event of a power or internet outage. Mr. Reyes reported that a battery backup system would be introduced in early 2024, to improve reliability in the event of an interruption of power.

Broadband  
Committee

Mr. Rodarte reported the Solar Committee met November 10, 2023. The Purchase Power Agreement (PPA) with Amalia, wind power study in Ventero, and Taos Pueblo solar were topics of discussion; Taos Mesa and Angel Fire solar facilities were doing well. Richard Martinez reported that Taos Mesa and Angel Fire solar facilities had produced 48 million kilowatt-hours (kWh) and batteries had discharged 6 million kWh, a total of 54 million kWh year to date. Mr. Reyes explained that solar generation would help the Cooperative save 20% on transmission costs. Mr. Coyle asked about the inactivity of the Eagle Nest solar array, and whether KCEC had a plan for future maintenance requirements. Mr. Martinez explained that the Eagle Nest array was inactive for about a month due to a main breaker that had to be repaired, the array was back online as of November 27, 2023. Mr. Reyes reported that Syncarpha Capital owns and manages the Eagle Nest solar array, he would review the Contract to address these concerns regarding the maintenance of

Solar  
Committee

*the Eagle Nest array. Mr. Martinez reported that KCEC maintains an inventory of critical parts and supplies required for the Taos Mesa and Angel Fire solar facilities since they are owned by KCEC. Mr. Rodarte asked Mr. Reyes about the plans to begin a solar management company. Mr. Reyes reported that he was working with UNM-Taos and their entrepreneur program on the training and education required to form a local company that could manage the operation and maintenance for solar facilities, electric vehicle (EV) charging and battery storage.*

*Mr. D. Torres reported that the Bylaw and Policy Committee met November 13, 2023, the Committee did not have any recommendations for the Board. Mr. Reyes reported that the Committee continued discussion regarding New Mexico's legalization of recreational use of cannabis in 2021. Since Commercial Driver's License (CDL) drivers are regulated by the U.S. Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA), the use of cannabis by CDL holders remains prohibited. Legalization across the Country and limited resources for employers continues to be an issue. Mr. Reyes reported that KCEC would continue to enforce the importance of Safety in the industry, by maintaining a zero-tolerance policy.*

*Bylaw & Policy  
Committee*

*Mrs. Valerio-Mylet reported that the Public Relations Committee met on November 14, 2023; she thanked Mr. Santistevan and Mr. Reyes for their support of KCEC's involvement with past and upcoming community events. She reported that KCEC was helping with Taos Feeds Taos' 2023 Food Distribution Program and the Trivia Extravaganza was successful in engaging at least 1,000 submissions by only using social media and The Taos News. KCEC would also facilitate the Holiday Light and Decoration contest for each District and participate in Holiday light parades in Taos, Questa, and Penasco. Mr. Ortega asked about the video in progress. Mr. Santistevan reported that Guzman Energy was helping and that the video would showcase KCEC's history, current events, and future endeavors. Mrs. Valerio-Mylet encouraged all Trustees to participate in interviews for a separate video to be placed on the KCEC website. She also reported that 3,500 light bulbs, supplied by the LOR Foundation, and \$3,000.00 worth of candy was distributed by KCEC and KCI at Halloween events throughout the service territory.*

*Public  
Relations*

*Mr. Rodarte and Mrs. Valerio-Mylet reported that they had concerns to be discussed with the full Board during the Executive Session.*

*Board member  
concerns*

*The President called for an Executive Session. It was moved by Mr. Duran, seconded by Mr. Medina, and*

*Executive  
Session*

unanimously approved that the Board enter Executive Session at 10:29 a.m.

The meeting was reconvened by the order of the President at 11:17 a.m. It was moved by Mrs. Valerio Mylet, seconded by Ms. Vigil, and unanimously approved that Christmas bonuses be awarded to all employees; the amount was at the discretion of the CEO.

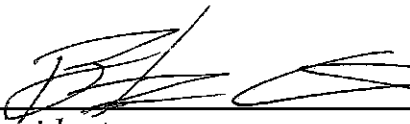
There being no further business to come before the Board, it was moved by Mr. Medina, seconded by Mr. Jassmann, and unanimously approved, that the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until December 28, 2023, at 9:00 a.m. the date and time of the next Board meeting. Unless changed and, thereupon, the President declared the meeting adjourned at 11:18 a.m. The following Trustees were present at the end of the meeting: Meeting Adjourned

Russ Coyle, Cristobal Duran, Bruce Jassmann, Manuel Medina, Bobby Ortega, Arthur Rodarte, Bernie Torres, David Torres, Luisa Valerio-Mylet, and Sylvia Vigil



Secretary

Approved this 28<sup>TH</sup> day of DEC. 2023.



President