

*KIT CARSON ELECTRIC COOPERATIVE, INC.*

*SPECIAL MEETING OF THE BOARD OF TRUSTEES*

*January 19, 2024*

*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 Friday, January 19, 2024, at 9:04 a.m. in the Marcelino Martinez Room of the headquarters building of the Cooperative, Taos, New Mexico. The following Trustees were present:*

<i>Martin Dimas</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>	

*Also, present were Luis A. Reyes, Jr., Chief Executive Officer, Carmella Suazo, Assistant Manager, Richard Martinez, Chief Operating Officer, John Shafto, Chief Financial Officer, Michael Santistevan, Public Relations Officer, Heather Nichols, Human Resources Manager, Jaime Mares, Safety Coordinator, Daniel Trujillo, Chief Information Security Officer, Jose Lovato, Internet Manager, Shannon Vigil, Propane Manager and Brianna Trujillo, Executive Secretary who recorded the day's proceedings. Russ Coyle and Sylvia Vigil were unable to attend, Manuel Medina and Bernie Torres were expected to arrive shortly.*

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

*Mr. Reyes reported that the 2024 Budget was presented at the December 28, 2023, Regular Meeting for tentative approval. The purpose of the Special Meeting was to review and approve the 2024 Final Budget.* *Review and Approve 2024 Final Budget*

*Mr. Reyes reported that the Billing Department Budget decreased by \$53 thousand, the new Ford Lightning (EV)*

*assigned to the Collector would be leased; therefore, lease amortization expense was adjusted. The vehicle has been operational since December 2023.*

*Mr. Manuel Medina arrived at approximately 9:09 a.m.*

*Mrs. Suazo reported that the cost to print each paper bill was \$2.31 per bill, KCEC Billing Department would continue to encourage members to enroll in E-billing.*

*Mr. Bernie Torres arrived at approximately 9:10 a.m.*

*Mr. Reyes reported that 45% - 50% of KCEC members are currently enrolled in E-billing. Discussion was held regarding the need to have an email address to enroll in E-billing and possibly technical assistance for members who are unfamiliar with email. Mrs. Suazo reported that Annette Rael, CSR Supervisor, was creating a plan with assistance from CSRs to meet the 5% increase per quarter. Kit Carson Propane (KCP) and Kit Carson Internet (KCI) customers pay an additional fee for paper bills. Mr. Rodarte stated that postage costs would increase in a few days. Mr. D. Torres recommended that KCEC enhance E-bill accessibility, members are required to click a link on the email and then sign in on the KCEC website in order to view their bill; the ability to view the bill amount within the body of the email would be more convenient and efficient. The link to sign in should only be required to make a payment. Mr. D. Torres also recommended that the email encourage autopay within the body of the email and incentivize enrollment with savings. Mr. Reyes reported that KCEC has already requested and received a quote for Arista, a third-party printing service for paper bills.*

*Mr. Reyes reported that Richard would be considering work to be assigned to Dispatchers during their down time.*

*Mr. Reyes reported that the Meter Department Budget decreased by \$75 thousand, the new Ford Lightning (EV) assigned to the Meter Department would be leased, and lease amortization expense was adjusted. The vehicle has been operational since December 2023.*

*Mr. Reyes reported that the Warehouse Department's organizational chart was changed to include the vacant position of Warehouse Helper.*

*Mr. Reyes stated that new Departments may be established to serve Broadband and Solar expansion. Mr. Rodarte recommended that KCEC consider installing a control button at the front reception desk so the Receptionist could allow access for authorized individuals from the lobby into KCEC offices.*

*Mr. Reyes reported that the KCI Budget was modified to reflect the financial needs for the Division's growth and for KCI goals.*

*Mr. Reyes reported that the KCP Budget changed to incorporate the goal to introduce smart meters for tanks. The Propane budget was also amended to address competition.*

*Mr. Reyes stated that every Department had carefully considered their Budget and included new endeavors, the Managers understand their fiscal responsibility to the company. Mr. Reyes reported that the Electric Budget was \$43,613,482.00 with the cost of power being the big driver since the transmission expense will continue to increase. He reported that the Broadband/KCI Budget was \$13,382,897.00 and KCP Budget was \$2,699,372.00; overall company Budget was \$59,695,751.00. Mr. Reyes explained that each Budget was right above the minimum target. Mr. Shafto stated that the Budget requires an incredible amount of work and attention to detail, each Department set specific needs and did a great job to create the Budget. The President thanked the Department Managers and staff for their efforts in preparing the Budget. Mr. D. Torres asked about the increase in Transmission expenses, which increased by \$1 million. Mr. Reyes explained that Tri-State Generation and Transmission Association transmission increased by 15% as of January 2024 and would continue to increase. Discussion was held regarding transmission expense increases. Mr. Reyes stated that listing the transmission cost on member bills could help raise awareness. Mr. D. Torres stated that members should be informed of KCEC's efforts to lower rates but there are costs that KCEC cannot control. Mr. Reyes reported that the Budget would rank the Company at 1.38 TIER, The United States Rural Utilities Service (RUS) requires a 1.25 or higher. It was moved by Mr. Jassmann, seconded by Mr. D. Torres, and unanimously approved that the 2024 Final Budget be approved as presented. The President called for a roll call vote. The results of the vote were as follows:*

*Mr. D. Torres – Yes*

*Mr. Rodarte – Yes*

*Mr. Jassmann – Yes*

*Mrs. Valerio-Mylet – Yes*

*Mr. Duran – Yes*

*Mr. Ortega – Yes*

*Mr. Medina – Yes*

*Mr. Dimas – Yes*

*Mr. B. Torres – Yes*

Mr. Reyes reported that Broadband Day was scheduled for January 24, 2024, from 9:00 a.m. – 2:00 p.m. at the NM State Legislature; and Taos County Day was scheduled for January 31, 2024, KCEC personnel would attend. He announced KCEC would be sponsoring a Dinner on Taos County Day.


There being no further business to come before the Board, Meeting  
it was moved by Mrs. Valerio-Mylet, seconded by Mr. Medina, and unanimously approved, that the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until January 30, 2024, 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 9:39 a.m. Adjourned

The following Trustees were present at the end of the meeting:

Martin Dimas, Cristobal Duran, Bruce Jassmann, Manuel Medina, Bobby Ortega, Arthur Rodarte, Bernie Torres, David Torres, and Luisa Valerio-Mylet

  
Secretary

Approved this 30<sup>TH</sup> day of JAN. 2024.

  
President