

KIT CARSON ELECTRIC COOPERATIVE, INC.

MEETING OF THE BOARD OF TRUSTEES

March 26, 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 Tuesday, March 26, 2024, at 9:11 a.m. in the Marcelino Martinez Room of the headquarters building of the Cooperative, Taos, New Mexico. The following Trustees were present:

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<i>Russ Coyle</i>	<i>Present</i>
<i>Cristobal Duran</i>	
<i>Bruce Jassmann</i>	
<i>Bobby Ortega</i>	
<i>Arthur Rodarte</i>	
<i>Bernie Torres</i>	
<i>David Torres</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.

The President reported that Mrs. Luisa Valerio-Mylet, Mr. Manuel Medina, and Mr. Martin Dimas would not be attending the meeting.

It was declared a quorum was present.

Quorum

Mr. Jassmann led the Board in reciting the Pledge of Allegiance.

Pledge of Allegiance

Mr. B. Torres led the Board in a word of Prayer.

Prayer

The agenda was presented. It was moved by Mr. Jassmann, seconded by Mr. Rodarte, and unanimously approved that the agenda be approved as presented.

Agenda

The minutes for the Board of Trustees regular Meeting, held February 27, 2024, were presented. It was moved by Mr. Rodarte, seconded by Mr. Duran, and unanimously approved that the minutes for February 27, 2024, be approved as presented.

Minutes for February 27, 2024

Mr. Reyes presented the CEO report for February 2024. He reported \$1.7 million in margins year to date; and cost of power would decrease from 4.8 cents to 4.7 cents in July 2024, until year 2040. Mr. Reyes reported that La Plata Electric Association (LPEA) filed its Notice of Intent to Withdraw from the Membership of Tri-State Generation

CEO Report

and Transmission Association (Tri-State) effective April 1, 2026. The Federal Energy Regulatory Commission (FERC) calculated the withdrawal fee. Discussion was held regarding the calculated exit fee and Tri-State's decrease in load. Mr. Reyes reported that there were not many new service connections this year. Mr. Coyle asked if the number of delinquent accounts had increased. Mr. Reyes explained that delinquent accounts increased since the start of COVID-19, fluctuations would continue with seasonal businesses closing and would gradually decrease with improvement in the local workforce. Mr. Reyes summarized the balance sheet, he reported that CoBank was 56% of Total Long-Term Debt owed, with 6.86% blended interest rate. He reported KCEC's TIER was 3.98 in February versus 4.53 year to date. Mr. Rodarte recommended that KCEC invite Mr. Larry McGraw, RUS General Field Representative, to attend a KCEC Board Meeting. Mr. Reyes agreed and commended Mr. McGraw for his assistance with KCEC's Rural Development Projects. Mr. Reyes reported that five out of eight new Electric Vehicle (EV) Chargers were installed, EV chargers in Picuris Pueblo, Questa and Angel Fire would be installed by the end of April. Mr. Reyes reported that he was in contact with Mr. Tomas Barela, Broadband Manager, Jemez Mountain Electric Cooperative (JMEC) regarding the broadband expansion project in Abiquiu NM, a meeting would be scheduled in April regarding project engineering and materials status updates; JMEC had selected a new Manager and was negotiating salary. Mr. Reyes reported that an upcoming job fair in Costilla would help the Amalia II Solar subcontractors hire locally. He stated that KCEC would encourage electrification for consumers who were considering changing from propane to natural gas. Discussion was held on the difference in price between propane and natural gas prices. Mr. Reyes reported that Taos Pueblo's 5MW Solar and 5MW Storage project still requires full tribal approval. Mr. Reyes reported that KCEC Operations personnel responded to an outage in Taos yesterday, when a vehicle hit a pole; he explained that the same pole was hit by a vehicle in December also. Mr. D. Torres reported that the Safety Committee met March 11, 2024; Mrs. Valerio-Mylet attended the meeting, he did not. Mr. D. Torres reported that there were no lost time accidents for the month of February; the Cooperative had 41 days without a lost time accident. He reported that there was one near miss for the month of February; an irate customer who was refused service from another local Propane provider hit a Kit Carson Propane (KCP) employee's vehicle and was yelling and cursing angrily outside of the KCP office. KCP staff was warned by the other local Propane provider minutes before the incident occurred. The KCP office was placed on lock-down until authorities arrived to take a report of the incident. Mr. D. Torres asked if Company Policy and Procedures required

review or amendments to address incidents like this. Mr. Reyes explained that Company Managers met and discussed the incident, the option to file a restraining order which allowed consumers to pay online or by mail could help protect employees if future threats are detected. Mr. D. Torres asked if high resolution cameras had been placed in the parking lot. Mr. B. Torres stated that copper thieves caught on camera had been identified but had not been arrested to his knowledge: law enforcement had not provided an update. It was moved by Mr. Duran, seconded by Mr. Rodarte, and unanimously approved that the CEO report for February 2024 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 \$14,828.04. It was moved by Mr. Rodarte, seconded by Mr. Jassmann, and unanimously approved those payments be made to Estates.

Capital Credits
to Estates

The President reported that the 2024 Annual Meeting was scheduled for Saturday, June 15, 2024; the proposed Record Date was Tuesday, May 14, 2024. Mrs. Suazo explained that the Record date was the date for determining the total membership of the Cooperative and the Members who would be entitled to participate in the upcoming Annual Meeting. Per the bylaws the Board shall fix the Record Date, but the Record Date must not be less than thirty (30) days before the Member votes at a Member meeting. It was moved by Mr. Duran, seconded by Mr. Jassmann, and unanimously approved that the 2024 Annual Meeting Record Date be fixed for May 14, 2024.

Set 2024
Annual Meeting
Record Date

Mr. Jassmann reported the Payables Committee met on March 11, 2024. Mr. Jassmann recommended approval. It was moved by Mr. Rodarte, seconded by Mr. B. Torres, and unanimously approved that Payables for February 2024 be approved as presented.

Payables
Committee

The President reported that the Green Hydrogen Committee did not meet in March 2024. Mr. Reyes reported that a visit to Los Alamos National Laboratory (LANL) was scheduled on April 24, 2024, for KCEC and the Village of Questa to learn more about Green Hydrogen. Mr. Reyes reported that he was in contact with another hydrogen facility in California and planning a visit there in the future; he was also working with Sandia National Laboratory to facilitate a battery storage presentation for the Board.

Green
Hydrogen
Committee

Mr. Reyes reported that the Broadband Committee met on March 12, 2024. He reported that Kit Carson Internet (KCI) had 13,416 subscribers at the end of February 2024. Mr. Reyes reported that new overhead installations for KCI

Broadband
Committee

would be completed in-house and that KCI billing would revert to Visp, KCI's former software company. Mr. Coyle asked if comparing KCEC Memberships to KCI Subscriptions could help get more KCEC Members signed up for KCI services. Mr. Reyes explained that over 50% of KCEC residential members were KCI subscribers; KCI would focus on connecting local businesses with Broadband. Mr. Coyle reported that new KCI customers were concerned with the cost of installation. Mr. Reyes explained that the estimate includes entire installation cost for internal use, if the individual qualifies for grants and the contract is executed while grant monies are available, there would be no cost to the customer. Mr. B. Torres asked about the Broadband Expansion project with JMEC. Mr. Reyes reported that JMEC's interim Manager expressed that focus should be the electric grid; it is unknown whether Broadband expansion would be priority for JMEC's new Manager.

Mr. Rodarte reported the Solar Committee met March 11, 2024. The Committee reviewed a KCEC Solar and Battery Fleet handout, which provided generation and storage data for operational arrays as well as projects in progress. Mr. Reyes stated that these fact sheets would be sent to the full Board for review.

Solar
Committee

Mr. D Torres reported that the Bylaw & Policy Committee did not meet in March. Mr. Reyes reported that the Committee would review KCEC Bylaws regarding Eligibility, Terms and Requirements of Membership and Joint Membership for residential accounts and discuss whether domestic partners should be included for joint membership. Currently, only married couples are allowed to share a residential Member account. Mr. Reyes stated that KCEC attorney, Mr. Chuck Garcia, was assisting with the policy review and recommendations.

Bylaw & Policy
Committee

Mrs. Valerio-Mylet reported that the Public Relations Committee did not meet in March. She explained that the Committee was preparing for the 2024 KCEC Annual Meeting and upcoming Earth Day event with Renewable Taos.

Public
Relations
Committee

Mr. Reyes reported that Legislative Committee meetings would begin soon and that he would obtain a schedule for KCEC to host legislators or participate in scheduled events throughout the service territory.

Legislative
Information

Mr. Reyes reported that Consumer Advisory Committee meetings in March were well attended. District Four was interested in learning more about battery storage. Discussion was held regarding attendance and how KCEC could get more participation for Consumer Advisory meetings. Mr. Ortega recommended appointing more

Other Business

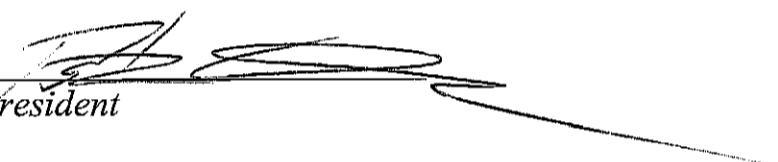
committee members to help attendance. Mr. Reyes reported that the deadline for Kit Carson Electric Education Foundation (KCEEF) 2024 Scholarship applications was Friday, April 12, 2024.

There being no further business to come before the Board, Meeting
it was moved by Mr. B. Torres, seconded by Mr. Coyle, and Adjourned
unanimously approved, that the Board of Trustees of Kit
Carson Electric Cooperative, Inc. be adjourned until April
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 10:24 a.m. The following
Trustees were present at the end of the meeting:

Russ Coyle, Cristobal Duran, Bruce Jassmann, Bobby
Ortega, Arthur Rodarte, Bernie Torres, David Torres, and
Sylvia Vigil


Secretary

Approved this 30th day of APRIL 2024.


President