

KIT CARSON ELECTRIC COOPERATIVE, INC.

MEETING OF THE BOARD OF TRUSTEES

May 28, 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, May 28, 2024, at 9:05 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>	

Also present, were Luis A. Reyes, Jr., Chief Executive Officer, Carmella Suazo, Assistant Manager, Richard Martinez, Chief Operations Officer, John Shafto, Chief Financial 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. Mr. Reyes called for a short Executive Session at the end of the meeting. It was moved by Mr. Rodarte, seconded by Mr. D. Torres, and unanimously approved that the agenda be approved as amended. *Agenda*

The minutes for the Board of Trustees regular Meeting, held April 30, 2024, were presented. It was moved by Mr. Jassmann, seconded by Mr. Medina, and unanimously approved that the minutes for April 30, 2024, be approved as presented. *Minutes for April 30, 2024*

Mr. Reyes presented the CEO report for April 2024. He reported that revenue increased, and the cost of power decreased, compared to last year. He reported \$21 Million in savings for Members since July 2022. Mr. Reyes reported *CEO Report*

Transmission expense increased, Public Utilities Service of New Mexico (PNM) increased transmission rates and Tri-State Generation & Transmission could increase rates due to decrease in load, if formulary rate approved by Federal Energy Regulatory Commission (FERC). Mr. Reyes stated new transmission was needed in New Mexico to benefit fully from renewable resources and that KCEC would challenge the formulary rate increase as well as transmission projects that do not directly benefit Cooperative Members. He stated that PNM was at about 20% renewable and would need to build solar and battery storage to reach 50% renewable by 2030; Tri-State G&T was at about 45% renewable. Mr. Reyes reported that KCEC was still working with Western Area Power Administration (WAPA) to collect power allocation owed to KCEC since the exit from Tri-State. Mr. Reyes reported that Maintenance and Operations expense had increased due to fire mitigation efforts. He reported that he met with the Village of Taos Ski Valley residents regarding KCEC's Microgrid project and transferring services from overhead to underground. Mr. Reyes also reported that KCEC was working with UNM-Taos on an Apprentice Program for Microgrids and fiber optic installation. Mr. Ortega asked whether Upper Red River, Taos Canyon and Tres Ritos were areas of concern for fire mitigation. Mr. Martinez confirmed that crews were working from pole to pole in those areas to complete tree trimming and maintenance for fire mitigation. Mr. Reyes reported that KCEC billing would begin outsourcing the printing and sending of Member bills with a third-party company in July 2024; savings of approximately \$20,000 a month. Mr. B. Torres recommended that KCEC have a separate booth at the Annual Meeting to encourage E-Billing. Mr. D. Torres asked if Member bills could be sent via text message as well as email. Mr. Reyes reported that the average residential usage was 476 kWh a month. Mr. Martinez reported that overhead single-phase service cost \$4.50 per foot and underground cost \$7.50 per foot; not including trenching which was \$15.00 per foot. He reported that there were 65 residential and a handful of commercial work orders pending; KCEC received about 70 transformers, which should be sufficient for pending work orders. Mr. Reyes added that affordable housing developments would begin this year. Discussion was held regarding the emergency shut-off of power in Ruidoso NM and Boulder CO due to fires. Mr. Reyes reported that KCEC had text and voice notifications in place to communicate with members in the event of an outage or emergency shut-off; KCEC was considering individual batteries for Members that have medical devices. Mr. Coyle asked how KCEC would identify specific areas where emergency shut-off would be needed. Mr. Reyes explained that KCEC would consider whether the area had one or more transmission lines and monitor weather conditions, each system was unique; he added that Penasco, Ojo

Caliente and Angel Fire areas had one transmission line. Mr. Martinez reported that KCEC had three full time tree trimming crews with three to four men per crew. Mr. Rodarte asked if before and after photos were taken at each location where tree trimming is done. Mr. Martinez explained that new satellite and artificial intelligence software could upload photos directly into the system and determine what areas were at high risk. Mr. Reyes reported that an industrial woodchipper was ordered last year but could not be delivered due to road construction. Discussion was held regarding removal of large piles of slash already removed by Village of Angel Fire and Taos County, and shared cost of these fire mitigation efforts. Mr. Reyes reported KCEC cost of power for residential service was 12.1 cents, the lowest in Tri-State's network and the third lowest in the state; seasonal service was 13.8 cents. KCEC customer charge was \$20.50 for residential service and \$30.00 for businesses. Mr. D. Torres added that a cost-of-living article listed New Mexico within the top 10 for most affordable electricity. Mr. Shafto reported that 2023 Audit would be presented at the June Board Meeting. Mr. D. Torres reported that the Safety Committee met May 10, 2024, There were no lost time accidents for the month of April; the Cooperative had 100 days without a lost time accident. There were two vehicle accidents involving employees who backed up into an object, the Committee discussed whether placing cones in front and behind every parked vehicle or installing back up cameras in vehicles could prevent accidents like these. Mr. Reyes explained that drivers were required to walk around the vehicle and consider conditions before operating the vehicle, Mr. Martinez added that passengers were required to get off the vehicle and help guide the driver for larger vehicles and bucket trucks as needed. It was moved by Mr. Duran, seconded by Mr. Medina, and unanimously approved that the CEO report for April 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 \$6,371.51. It was moved by Mr. Rodarte, seconded by Mr. Duran, and unanimously approved that those payments be made to Estates.

Mr. Reyes reported that approval of Form 217 Post Loan Engineering Services Contract was for the Broadband expansion project in Abiquiu NM. He reported that NRTC was the engineering company for the project and had helped KCEC with projects before, it was an RUS contract; the estimated total for project management was \$275 thousand and construction management would be \$1.4 million. He reported that once design was complete, a pole analysis would follow to determine how many poles need to

*Capital Credits
to Estates*

*Review and
Approve Form
217: Post Loan
Engineering
Services
Contract*

be changed out. KCEC would contribute up to \$6 million of internal funds or CoBank line of credit for about 4,000 customers. Mr. Reyes stated project revenue would help stabilize KCEC and KCI rates and help broadband expansion into other rural communities. Mr. Coyle added that he noticed KCI was awarded best Internet provider for 2024, by the readers of the Taos News; he added that this award could help KCI growth in membership. It was moved by Mr. Medina, seconded by Mrs. Valerio-Mylet and unanimously approved that Form 217 Post Loan Engineering Services Contract be approved as presented. The President asked for a roll call vote, a roll call vote for approval of Form 217 Post Loan Engineering Services Contract was as follows:

David Torres - Yes

Arthur Rodarte - Yes

Bruce Jassmann - Yes

Luisa Valerio-Mylet - Yes

Cristobal Duran - Yes

Bobby Ortega - Yes

Manuel Medina - Yes

Martin Dimas - Yes

Bernie Torres - Yes

Sylvia Vigil - Yes

Russ Coyle - Yes

Mr. Jassmann reported the Payables Committee met on May 10, 2024. Mr. Jassmann recommended approval. It was moved by Mr. Rodarte, seconded by Mr. Duran, and unanimously approved that Payables for April 2024 be approved as presented. Payables Committee

The President reported that the Green Hydrogen Committee met on May 23, 2024. Mr. Reyes reported that KCEC continues to move forward with hydrogen production and storage study sessions and safety assessments. The U.S. Department of Agriculture had not provided grant award notification, KCEC had \$500,000 congressional direct spending supported by Governor Lujan-Grisham and Senator Heinrich. Mr. Reyes reported that New Mexico State University's Arrowhead Center performed an economic development analysis for the Green Hydrogen project, estimating 1,400 jobs during construction, an approximate 3–4-year period, and at least 30 jobs to operate. He added that the analysis presented potential tax benefits, and that he would share the analysis with the Board. Mr. Reyes reported that Mainspring Energy gave a presentation at the Committee meeting to help KCEC determine whether their generator, which uses multiple fuels including propane and hydrogen, could be implemented to support resiliency. Mr. D. Torres stated Mainspring Energy's concept was exciting and they seemed to be engrossed in partnering with KCEC, because of KCEC's forward thinking. Green Hydrogen Committee

Mr. Reyes reported that the Broadband Committee met on May 22, 2024. He reported that Kit Carson Internet (KCI) was awarded best internet service for 2024 by the readers Broadband Committee

of the Taos News and had 13,700 subscribers. Mr. Reyes reported that the federal government's ACP program, which assists students and tribal members was recently cut; KCI was working internally to bridge the assistance for students in need. He reported that KCI continue to do well financially and helps offset expenses. Discussion was held regarding a recent fiber optic line snagged by a logging truck in Questa, damaging fiber and electric lines and breaking two poles, an estimated cost of \$100,000 for KCI and \$20,000 for KCEC. Mr. Reyes reported that KCEC was working with UNM-Taos and NM Workforce Solutions to support tuition paid Apprentice and Pre-apprentice programs, for locals interested in basics to electricity, fiber optic splicing and technician training. He reported that KCEC had 15 employees graduate from UNM-Taos' Commercial Driver's License (CDL) program. KCEC utilizes the UNM curriculum and has two employees certified in training employees for the CDL Program.

Mr. Rodarte reported the Solar Committee met May 24, 2024. Mr. Reyes reported that KCEC had installed 48 EV chargers in the service territory; KCEC was seeking additional grant money to install additional fast-charging stations. Mr. Rodarte reported that the Taos Pueblo Solar project was pending full Tribal approval, the Committee also discussed emergency shut offs and batteries for members with medical devices. Mr. Reyes reported that the Amalia II Solar project groundbreaking would be in August or September 2024, KCEC would submit the application for rural addressing of the site.

The President left the meeting at approximately 10:48 a.m., the Vice-President took over the meeting.

Mr. D. Torres reported that the Bylaw & Policy Committee met May 20, 2024. The Committee discussed KCEC Policy 3.21 Drug and Alcohol Policy and KCEC Policy 3.27 Drug and Alcohol Use by Commercial Drivers. He reported that the Committee would continue to review and discuss these policies; there were no recommendations at this time.

Mrs. Valerio-Mylet reported that the Public Relations Committee met on May 8, 2024. She reported that the Committee was preparing for the 2024 Annual Meeting scheduled for Saturday, June 15, 2024. The Kit Carson Electric Education Foundation (KCEEF) awarded 28 scholarships in the amount of \$1,500.00 to high school graduates; she reported that she, Mr. D. Torres, Mr. Ortega, and Mr. Dimas attended class night events to present scholarship certificates to recipients. She also reported that the scholarship recipient breakfast, held Tuesday, May 21, 2024, was well attended. Mrs. Valerio-Mylet reported that KCEC was a sponsor for the 2024 Bike Rodeo, scheduled for Sunday, June 2, 2024. Mr. Rodarte

reported that he heard advertisements for the Annual Meeting on local radio stations, Mrs. Valerio-Mylet commended Mr. Santistevan for his work on advertising. Mr. Santistevan reported that he was using local radio stations, newspapers and online platforms to advertise the Annual Meeting and encourage attendance.

Mr. B. Torres expressed his concern for an RV that was awkwardly parked beneath the solar panels in the front parking lot of the headquarters building. Mr. Santistevan explained that the driver had reported that he was experiencing mechanical and health issues and that he would move the vehicle within the next few hours. Mr. Coyle asked Mr. Reyes and Mr. Martinez if a meeting with the Village of Angel Fire was required to discuss St. Lights in need of repair and the difference between LED and Cobra lights. Mr. Reyes agreed that a meeting would be best to discuss St. Light requirements and options available to the Village of Angel Fire.

Board Member
Concerns

The President called for an Executive Session. It was moved by Mr. Duran, seconded by Mr. Jassmann, and unanimously approved that the Board enter Executive Session at 11:02 a.m.


Executive
Session

The meeting was reconvened by the order of the President at 11:30 a.m. No action was taken during Executive Session.

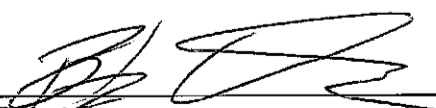
There being no further business to come before the Board, it was moved by Mr. B. Torres, seconded by Ms. Vigil, and unanimously approved, that the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until June 25, 2024, at 9:00 a.m. the date and time of the next Board meeting. Unless changed and, thereupon, the President declared the meeting adjourned at 11:31 a.m. The following Trustees were present at the end of the meeting:

Meeting
Adjourned

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


Secretary

Approved this 25TH day of JUNE 2024.


President