

KIT CARSON ELECTRIC COOPERATIVE, INC.
MEETING OF THE BOARD OF TRUSTEES

March 25, 2025

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 25, 2025, 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:

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

Present

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. B. 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 February 25, 2025, were presented. It was moved by Mr. Rodarte, seconded by Mr. Jassmann, and unanimously approved that the minutes for February 25, 2025, be approved as presented.

Minutes for February 25, 2025

Mr. Reyes presented the CEO report for February 2025. He reported that financials were incomplete and were not available for review. He explained that the accounting department was preparing for the 2024 Audit and had two vacant staff positions. Mr. Ortega recommended that the Audit Committee meet in April; the Audit Committee was scheduled to meet April 3, 2025, at 11:00 a.m. Mr. Reyes distributed the Kit Carson Propane (KCP) Business Plan

CEO Report

proposal for a new plant in Eagle Nest, NM. Mr. Reyes stated he would notify the Board of Bills at the legislature that would impact KCEC and asked that Trustees let him know if there were specific Bills that they feel KCEC should support. Mr. Reyes reported that KCEC had engaged National Rural Electric Cooperative Association (NRECA) Market Research to conduct a confidential survey for employees to complete in April 2025, to gain a better understanding of the culture at KCEC. NRECA would follow up with on-site employee discussions in May 2025, with the goal of gaining additional insights on what is working well, not working well, and ideas for improvements. Mr. Reyes reported that he had interviewed an individual for System Engineer position for KCEC, who had Cooperative experience. He stated Kit Carson Internet (KCI) also had a vacant Engineer position. Mr. Ortega recommended that CEO evaluation be completed in May. Mr. Reyes invited the Board to attend the upcoming Joint Consumer Advisory Committee meeting, scheduled for April 2, 2025, at 5:30 p.m., in the KCEC Boardroom; Consumer Advisory Members from all Districts would be in attendance. Mr. D. Torres and Mrs. Valerio-Mylet invited the Board to attend the upcoming Operations Safety Day training, scheduled for April 3, 2025, at the Ranchos Yard. Mr. Martinez explained that all outside Operation employees would be included in this safety training, there would be four or five stations where employees could practice climbing poles and installing hardware. He added that KCEC, KCI and KCP office employees would have safety training that day also, facilitated by Federated Insurance, regarding hazard recognition. Discussion was held regarding the possibility of purchasing property to expand KCEC's yard. Mr. Ortega recommended that a pro forma for Broadband be created. Mr. Reyes reported he would be traveling to Washington D.C. at the end of the month to attend Hispanics Enjoying Camping, Hunting and the Outdoors (HECHO) Spring Advocacy Trip, to advocate wildfire prevention and the conservation of public lands and resources; he would also represent KCEC and visit with legislators on the Green Hydrogen Project and other KCEC energy projects. Mr. Reyes reported that he would also participate in the New Mexico Public Regulations Commission (PRC) Wildfire Workshop in May, regarding Public Safety Power Shutoffs (PSPS). Mr. Reyes reported that current wildfire issues had the biggest operational impact on electric cooperatives and that Member education to encourage safe practice at their home or place of business was important with the continuing drought. Mr. Reyes stated that KCEC's Microgrid Project had the ability to address consumers' dependency on medical devices as well as fire mitigation and communications for first responders, in case of a PSPS. Mr. D. Torres reported that the Safety Committee met on March 13, 2025. There was one vehicle accident in February when a Propane employee hit a fence post with a Propane truck, there were no other accidents in February 2025, the

Cooperative was at 102 days without a lost time accident. Mr. D. Torres reported that truck inspections would be completed for all three companies through the SAFE app. Currently, all electric and internet employees were using the SAFE app. Crane Certification Training was completed in March, eight KCEC employees attended, five employees passed and are now certified to operate the new crane. The two employees who could not complete the certification training were excused due to a medical reason and standby overtime that required rest time. Operators would operate the crane during regular business hours, and lead linemen who recently completed the certification would be able to operate the crane after hours, crane certification would continue every 2 years. Discussion was held regarding certified employees training other employees and continuing education for linemen. The Committee discussed the importance of safety awareness. KCEC purchased safety signs to be mounted inside and outside of the headquarters building to promote safety and a hazard recognition training for office employees was scheduled for April 3, 2025. Safety Day for office employees was scheduled for April 23, 2025; all KCEC offices would be closed from 8:00 – 10:00 a.m. so that all inside employees could attend. It was moved by Mr. Duran, seconded by Mr. Rodarte, and unanimously approved that the CEO Report for February 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 Capital Estates in the amount of \$17,636.76. It was moved by Mr. Rodarte, seconded by Mr. Medina, and unanimously approved that those payments be made to Estates Credits to Estates

KCEC Resolution No. 1-3-25, Support for Participation in the Broadband Equity, Access, and Deployment (BEAD) Program, and Approval of Matching Funds, was presented. Mr. Reyes reported that KCEC was applying to the New Mexico BEAD Program for funds to support Broadband expansion in underserved areas; if awarded, matching funds not to exceed \$14,000,000 were required to support the project. It was moved by Mr. Dimas, seconded by Ms. Vigil, and unanimously approved that Resolution No. 1-3-25 be approved as presented. A copy of Resolution No. 1-3-25 was included in the Transfer of Documents and is hereby made a part of the minutes of this meeting. Review & Approve Resolution No. 1-3-25

KCEC Resolution No. 2-3-25, Requesting a one-year extension of the Advance Period on the “AW8” Loan, was presented. Mr. Reyes reported that KCEC had not completed all projects related to the 2020 - 2023 Construction Work Plan prior to the U.S. Department of Agriculture Rural Utility Service (RUS) termination of obligation to advance loan funds date. Resolution No. 2-3-25 requests that RUS Review & Approve Resolution No. 2-3-25

approve a one-year extension of the Automatic Termination Date; \$44 Million was advanced for KCEC projects, the remaining balance was \$30 Million. It was moved by Mr. Rodarte, seconded by Mr. Duran, and unanimously approved that Resolution No. 2-3-25 be approved as presented. A copy of Resolution No. 2-3-25 was included in the Transfer of Documents and is hereby made a part of the minutes of this meeting.

The President reported that the 2025 Annual Meeting was proposed to be scheduled for Saturday, June 14, 2025, at 9:00 a.m. It was moved by Mrs. Valerio-Mylet, seconded by Mr. Duran, and unanimously approved that the 2025 Annual Meeting be scheduled for Saturday, June 14, 2025.

*Set date for
2025 Annual
Meeting*

The President reported that since the 2025 Annual Meeting was scheduled for Saturday, June 14, 2025; the proposed Record Date was Thursday, May 15, 2025. Mr. Reyes 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. Mr. Reyes stated that proposed Bylaw changes which could not be acted upon at last year's Annual Meeting, due to lack of quorum, would be reviewed to determine whether they could be acted upon at this year's meeting. KCEC would provide advance notice of proposed Bylaw changes to members. Mr. Coyle asked if KCEC had considered electronic voting. Discussion was held. It was moved by Mr. Rodarte, seconded by Mr. Jassmann, and unanimously approved that the 2025 Annual Meeting Record Date be fixed for May 15, 2025.

*Set 2025
Annual
Meeting
Record Date*

Mr. Jassmann reported the Payables Committee met on March 13, 2025. Mr. Jassmann recommended approval. It was moved by Mr. Rodarte, seconded by Mr. Medina, and unanimously approved that Payables for February 2025 be approved as presented.

*Payables
Committee*

Mr. Ortega asked if it was beneficial for the Payables Committee to review payables prior to purchase or payment, rather than after; the Committee currently reviews payables completed the month prior. Mr. Reyes stated that late fees and interest were a concern if payables required approval by the Committee or Board prior to purchase or payment; he recommended that further discussion be held to determine how approval of payables prior to purchase or payment could benefit KCEC.

Mr. Reyes reported that the Green Hydrogen Committee met on March 17, 2025. Mr. Reyes reported that the Green Hydrogen project was moving forward. He reported that he met with Melanie Kenderdine, Cabinet Secretary of the New

*Green
Hydrogen
Committee*

Mexico Energy, Minerals and Natural Resources Department (EMNRD) in March. Mr. Ortega recommended that KCEC provide project updates to homeowners closest to the project site.

Mr. Reyes reported that the Broadband Committee met March 19, 2025. He reported a growth of at least 150 subscribers in the past 2 months; Broadband reports were sent to the Board. He reported KCI was interviewing 2 service technicians and would work on marketing in the Abiquiu and Alcalde areas. Mr. Reyes reported that the KCI credit card convenience fee would not be enforced; however, most subscribers had enrolled in auto draft payments from their bank account.

Broadband
Committee

Mr. Rodarte reported that the Solar Committee met on March 6, 2025. He reported that the Amalia II Solar Groundbreaking Ceremony was scheduled for April 22, 2025; project partners and staff from Representative Leger-Fernandez's office and Senator Heinrich's office would be in attendance. Mr. Reyes reported that the Amalia II Solar Array should be complete by the end of the year. Mr. Reyes reported that the Taos Pueblo Solar project was paused, but KCEC's Microgrid projects were on schedule.

Solar
Committee

Mr. D. Torres reported that the Bylaw & Policy Committee met on March 20, 2025. The Committee reviewed Policy 3.17, Underground Excavations; there were no recommendations at this time. The Committee discussed the possibility of increasing the penalty amount for contractors when they cut electric lines, more research would be conducted. Mr. Ortega recommended that KCEC provide notice to contractors or schedule a meeting before summer. Discussion was held regarding New Mexico 811, a legally mandated service that requires individuals to call 811 before any excavation work to locate underground utilities.

Bylaw &
Policy
Committee

Mrs. Valerio-Mylet reported that the Public Relations Committee met on March 18, 2025. The Committee discussed the Amalia II Groundbreaking Ceremony, which would take place next to the Amalia I Solar Array in Amalia, refreshments and food would be provided at the Rio Costilla Cooperative Livestock Association (RCCLA) main office in Costilla following the event. She reported that KCEC would continue to sponsor free hot dogs during the basketball season and that the Kit Carson Electric Education Foundation (KCEEF) 2025 Scholarship Recipient Breakfast was scheduled for May 15, 2025. Mrs. Valerio-Mylet reported that KCEC assisted members who were displaced as government employees; however, there were not many requests for assistance. Mr. Ortega recommended that the Board consider inviting non-profit organizations within their District to present programs or projects in need at monthly Board meetings.

Public
Relations
Committee

Mr. Duran reported that the Bid Committee met on March 4, 2025. The Committee reviewed two bids for the Warehouse Roof at the KCEC headquarters building: a bid for \$111,907.65 from The Good Guys and a bid for \$127,315.85 from Highway 64 Metal Roofing LLC. The Committee recommended the bid from Highway 64 Metal Roofing LLC for \$127,315.85, which was the higher bid, but included a 40-year Warranty vs. 5-year Warranty and was within the budget. It was moved by Ms. Vigil, seconded by Mr. B. Torres, and unanimously approved that KCEC accept the bid in the amount of \$127,315.85 from Highway 64 Metal Roofing LLC.

Bid
Committee

Mr. Ortega recognized Rose Santistevan, KCEC employee who was at the meeting and was currently on Medical Leave of Absence.

Other
Business

Mr. B. Torres asked if KCEC was aware of a large antenna or cell tower in La Lama, on U.S. Forest Service property, he expressed concern related to its size and purpose. Mr. Reyes stated he was not aware of the antenna or cell tower and that he would investigate it. Mr. B. Torres recommended that KCEC consider Hydrogen Water Bottles as a giveaway for this year's Annual Meeting, there was a positive response from those who received Hydrogen Water Bottles as a gift of appreciation at the KCEC Legislative Dinner. Mr. Medina asked that KCEC provide members at the Annual Meeting with a report on every grant that KCEC has been awarded and the amount of each award, as well as every solar array that KCEC has built. Mr. Ortega recommended that this information be included in the Annual Report also. Mr. Ortega stated the NRECA 2025 Annual Meeting was very informative, KCEC met with many partners and vendors. Mr. Jassmann reported that Colfax County had a fire ban in effect as of March 25, 2025.

Board
Member
Concerns


There being no further business to come before the Board, it was moved by Mr. Medina, seconded by Mrs. Valerio-Mylet, and unanimously approved, that the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until April 29, 2025, 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

Meeting
Adjourned


10:56 a.m. The following Trustees were present at the end of the meeting:

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

*Kit Carson Electric Cooperative, Inc. Meeting of the Board
of Trustees March 25, 2025, Continued*


Secretary

Approved this 28th day of April 2025.


President