

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

June 24, 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, June 24, 2025, at 8:07 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>Martin Dimas</i>	
<i>Cristobal Duran</i>	
<i>Bruce Jassmann</i>	
<i>Manuel Medina</i>	
<i>Bobby Ortega</i>	
<i>Arthur Rodarte</i>	
<i>Luisa Valerio-Mylet</i>	
<i>Sylvia Vigil</i>	

Also present were Luis A. Reyes, Jr., Chief Executive Officer, Carmella Suazo, Assistant Manager, Cletus Stoflet, Chief Financial Officer, 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

Mrs. Valerio-Mylet 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. Medina, and unanimously approved that the agenda be approved as presented. The President recognized Ms. Robin Lunt, Chief Commercial Officer for Guzman Energy. Ms. Lunt was in Taos to attend the Legislative Finance Committee. Ms. Lunt stated it was great to see innovation and investments in communities and to be involved with renewable energy projects.

Agenda

The minutes for the Board of Trustees regular Meeting, held May 27, 2025, and the minutes for the June 14, 2025, Re-organization Meeting were presented. It was moved by Mr. Rodarte, seconded by Mr. Jassmann, and unanimously approved that the minutes for May 27, 2025, be approved as presented. It was moved by Mr. Medina, seconded by Ms. Vigil, and unanimously approved that the minutes for June 14, 2025, be approved as presented.

Minutes

Mr. Reyes presented the CEO report for May 2025. He reported \$2.2 million in margins, year to date, versus \$2.9 million last year. He distributed a printed analysis of Line 4 (Transmission Expense) year-to-date versus last year to the Board and reported that Mr. Stoflet was reviewing Line 11 (Administrative and General Expense). Mr. Reyes reported that both Public Service Company of New Mexico (PNM) and Tri-State Generation and Transmission Association, Inc (Tri-State) had formulaic transmission rates, he discussed that KCEC was balancing load with solar generation. Mr. Stoflet reported the increase for Line 11 was consultant fees for the U.S. Department of Energy Grid Resilience and Innovation Partnerships (GRIP) grant and U.S. Department of Agriculture Empowering Rural America (New ERA) grant. Mr. Reyes explained that \$60,000 in pre-paid expenses would be capitalized when transferred to a work order. Mr. Martinez reported PNM would be conducting a test that week; Mr. Reyes stated once the test was successfully complete, excess power could be sold to the market. Mr. Medina requested that the distributed breakdown of the transmission expense be modified to reflect the total amount paid to PNM and the total amount paid to Tri-State. Discussion was held on the Shallow Basket Energy transaction and KCEC's last rate case filed with the New Mexico Public Regulation Commission (NMPRC). Mrs. Valerio-Mylet asked if PNM and Tri-State's transmission rates were the same. Mr. Reyes explained that the rates are not the same since rates are based on plant and each has a different recovery rate. He stated that if PNM or Tri-State were part of an organized market, it could lower the overall cost of transmission. The Federal Energy Regulatory Commission (FERC) regulates transmission expenses. Mr. Reyes reported that the \$90,000 reimbursement from the State of New Mexico for tree trimming would be reflected in the June 2025 financials, this was the last reimbursement from the \$125,000 grant. Mr. Reyes reported that the Cost of Power for May was 43.6%; it was about 75% when Tri-State was KCEC's wholesale provider. Mr. Reyes reported that utilities were having power shut offs due to extreme weather and potential wildfires. He reported that KCEC had over 5,000 homes that utilized medical devices and that batteries were required to support resiliency. Discussion was held regarding KCEC completing a Cost of Service Study. Mr. Reyes reported that some areas would be on non-reclose through the summer months due to lack of rain and moisture. He reported that Financials were reviewed in detail during the work session. Mr. Reyes reported that Mr. D. Torres attended the Safety Committee meeting, John Ortega was promoted to the Safety Coordinator position, and that employees were reporting near misses. Mr. Reyes reported that dogs were the biggest issue for field employees, KCEC had a meeting with law enforcement to discuss the issue. Mr. Reyes reported there was one lost time accident; a tree trimmer cut his hand and required stitches. It was moved by

Mr. Rodarte, seconded by Mr. Duran, and unanimously approved that the CEO Report for May 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 \$28,413.06. It was moved by Mr. Medina, seconded by Mr. Jassmann, and unanimously approved that those payments be made to Estates.

The President stated item 9 b. Verify or Certify Voting Delegate & Alternate for the 2025 NRECA Regional Business Meeting would be discussed in July or August since the 2025 NRECA Regional Business Meeting was not until October 27-25, 2025, in Round Rock, Texas.

Mr. Jassmann reported the Payables Committee met on June 10, 2025. Mr. Jassmann recommended approval. It was moved by Ms. Vigil, seconded by Mr. Rodarte, and unanimously approved that Payables for May 2025 be approved as presented.

Mr. Reyes reported that the Hydrogen Project was discussed at the work session. Mr. Reyes was scheduled to speak on a panel to the full Legislative Finance Committee later that day, he reported the Project was moving forward and the emphasis was on obtaining additional monies for the Village of Questa and to request that Legislature preserve tax credits. The goal was to start construction for the project by December 1, 2025, work on the Environmental and Safety sections had begun. The President stated the Legislative Finance Committee Tour was valuable since the Legislators could visit the site of the project and had a lot of questions.

Mr. Reyes reported that the Broadband Committee met June 20, 2025. He reported that Kit Carson Internet (KCI) had margins of \$2.6 million year-to-date and 14,700 subscribers, KCI should have 15,000 subscribers by August.

Mr. Robert Romero, Lobbyist for KCEC, arrived at the meeting at approximately 8:40 a.m.

Mr. Reyes stated the Abiquiu Project was delayed due to the new Administration and was pending environmental clearance. He reported that Mr. Jeff Lopez has been hired as the new Director of the Office of Broadband Access and Expansion (OBAE), KCEC would work with Mr. Lopez on the Alcalde Project.

Mr. Rodarte reported that the Solar Committee met on June 6, 2025. He recommended that KCEC visit the Shallow Basket Solar facility near Dulce, NM. The President recommended a visit in mid-August. Mr. Reyes stated he

would check with Guzman about a visit and perhaps Mr. Edwin Reyes and Mr. Edward Padilla could attend as well to answer technical questions.

Mr. Reyes reported that the Bylaw and Policy Committee met on June 11, 2025. Mr. Reyes reported the Member Code of Conduct Policy was reviewed by the Committee. The policy outlines expectations of Member behavior. He discussed the importance of both employees and members being polite and professional. Mr. Reyes reported that the Committee also reviewed KCEC Policy No. 3.7, Vacations. It was recommended, for recruitment purposes, that employees receive vacation hours after completion of probationary period and not have to wait to complete one year of employment. The following was recommended "Employees will receive 40 hours of vacation hours after successful completion of their probationary period. The remaining 40 hours will be credited after the employee completes one year of employment". It was moved by Mr. Duran, seconded by Mr. Dimas, and unanimously approved, to approve the Member Code of Conduct Policy and the recommended changes to Policy No. 3.7, Vacations.

Bylaw &
Policy
Committee

Mrs. Valerio-Mylet reported the Public Relations Committee did not meet in June. She reported the Annual Meeting went well. Mr. Reyes reported that Members wanted T-shirts once they saw the ones that were being distributed to children, the other issue was the school breaker kept tripping. There were a lot of prizes that vendors donated. Mr. Reyes and Mr. Jassmann also received an email from Mrs. Agnes Gibson with ideas to get members engaged, it was a positive email that commended the Board for allowing members to participate in the Annual Meeting. The President stated there was positive feedback from Members at the luncheon held following the meeting. The only complaint was the drawing for prizes; it was recommended that only one ticket for prizes be drawn at a time. Mr. Medina recommended that someone from the crowd be selected to draw the cards. Mrs. Valerio-Mylet thanked the sponsors and the employees for a successful Annual Meeting.

Public
Relations
Committee

Mr. Duran reported the Bid Committee met on June 12th and 23rd. The following recommendations were made by staff and the Bid Committee:

Bid
Committee

Bucket truck to be leased from Altec in the amount of \$202,393.

Pressure Digger to be leased from Altec in the amount of \$488,389.

Digger Derrick on tracks be leased from UTV International in the amount of \$370,000.

Mr. Duran stated items are in the budget, two pickups would be deferred. It was moved by Mr. Dimas, seconded by Mr. Rodarte, and unanimously approved, to lease the bucket truck, pressure digger and digger derrick with track as recommended by the Bid Committee.

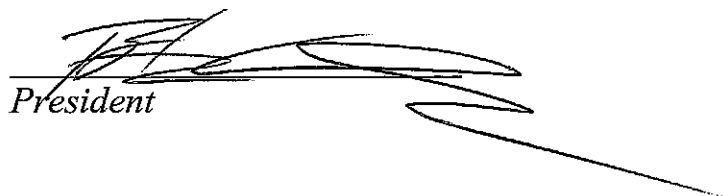
The President recognized Mr. Robert Romero, KCEC's Board lobbyist. Mr. Jassmann confirmed that the Kit Carson Member Electric Education Foundation Board would meet on July 23, 2025, to review and approve Community Projects.

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 Meeting of the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until July 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 8:57 a.m. The following Trustees were present at the end of the meeting:

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


Secretary

Approved this 29th day of JULY 2025.


President