

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

*August 26, 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, August 26, 2025, 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:*

*Index*

*Russ Coyle  
Martin Dimas  
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, Cletus Stoflet, Chief Financial Officer, Michael Santistevan, Public Relations Coordinator, and Brianna Trujillo, Executive Secretary who recorded the day's proceedings. The President reported that Mr. Bernie Torres was running late but was expected to attend.*

*It was declared a quorum was present.*

*Quorum*

*Ms. Vigil 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. Dimas, seconded by Ms. Vigil, and unanimously approved that the agenda be approved as presented.*

*Agenda*

*The minutes for the Board of Trustees regular Meeting, held July 29, 2025, were presented. It was moved by Mr. Rodarte, seconded by Ms. Vigil, and unanimously approved that the minutes for July 29, 2025, be approved as presented.*

*Minutes*

*The President introduced representatives from Community Projects selected as recipients of the 2025 Kit Carson Electric Education Foundation (KCEEF) Community Project awards. Mr. Martin Jagers, President, Kit Carson House and Museum, distributed a portfolio of their project to the Board. He reported that the project was awarded \$750,000 in federal funding through the Save America's Treasures Grant Program, and that the \$4,000 awarded by*

*Kit Carson  
Electric  
Education  
Foundation  
– Community  
Projects*

*KCEEF would be used to remedy unsafe electrical wiring in the Kit Carson House courtyard. He reported that the Kit Carson House and Museum was a national historic landmark which exhibits the history of the settlement of the American West and that an exhibit to show the restoration process would be installed. Ms. Linda Rael, Chairwoman, New Life Pregnancy Center, reported that the \$6,000 award would be used to purchase a computer system that would help New Life Pregnancy Center continue to provide an online parenting program for free. She reported that the Center had a life skills program and provided other services to local families. Mr. Carlos Abeyta, Board Secretary, Penasco Mutual Domestic Water Consumers Association (MDWCA) reported that the \$10,000 award would help Penasco MDWCA with expenses related to the tap and connection infrastructure for merging with Rodarte MDWCA. He reported that the project required the formation of a new entity as well as upgrades to the system, he stated that water lines were hard to maintain and that grants were a huge help.*

*Mr. B. Torres arrived at approximately 9:24 a.m.*

*Ms. Louise Gallegos, Commissioner, Treasurer, Questa Citizens Ditch Association, thanked KCEEF for the award of \$10,000 to assist with the restoration of an old wooden aqueduct that would support farming and livestock needs. She reported that the Association contacted Chevron for donations and that the project was awarded \$20,000 from LOR Foundation. Mr. Jassmann reported that the \$10,000 awarded to the Village of Angel Fire would help with ADA doors for the main building.*

*Mr. Reyes presented the CEO report for July 2025. He reported that financials justify a rate increase and that KCEC was working on a Cost-of-Service study. He explained that rate classes would reflect the cost of providing service to specific groups based on service needs and that KCEC would communicate the need for these rate increases with members. The Cost-of-Service study would be reviewed at a work session. Mr. Reyes reported that transmission expense was almost 4 cents for July, Tri-State Generation & Transmission Association (Tri-State) was now part of the Southwest Power Pool (SPP), but KCEC was not a SPP member; therefore, transmission costs would continue to increase. He reported that he met with NextEra Energy last week regarding the Green Chile 115-kV Transmission Project, the project was slowly moving forward. Discussion was held regarding the fuel adjustment. Mr. Reyes reported that some Cooperatives do not have a fuel adjustment, instead rates increase every year, or every 6 months based on transmission rate scheduling. Discussion was held on whether the fuel adjustment should be separated to reflect electric costs and transmission costs. Mr. D. Torres asked if*

CEO  
Report

*the cost of transmission varied based on usage; Mr. Reyes explained that cost of transmission varied based on kilowatt-hours (kWh) delivered and peak demand during that billing cycle. Mr. Stoflet distributed a printed transmission bill to the Board for review, Mr. Reyes added that Guzman Energy, KCEC's wholesale provider, pays for part of the transmission expense also. Mr. Reyes reported that operations and maintenance expense had increased by \$700,000 compared to last year, KCEC would continue wildfire mitigation efforts, tree trimming and maintenance of the system. He added that the price of transformers had increased by 40% due to tariffs and supply chain issues, KCEC would determine if used transformers removed from the system could be repaired and reused. Depreciation increased; however, depreciation is a non-cash expense. The Balance Sheet was reviewed. Mr. Reyes reported that the Taos Ski Valley Gondola project was moving forward, and the St. Bernard reconstruction project was on hold. He reported that Taos County, the Village of Questa and the Village of Angel Fire were working on housing development projects. Mr. Reyes reported that high fire risk areas would continue to be on one-shot or non-reclose settings through mid-September, and that substation maintenance would be scheduled in September. Mr. Reyes introduced new employee, Mr. Dominic Verderaime, Project Liaison, who was working on Propane and Internet projects. Mr. Verderaime previously worked for Chevron for the last 13 years and was a Math teacher for Questa Schools. Mr. Reyes stated Dominic assisted with obtaining bids for a portapak which would be reviewed by the Kit Carson Propane (KCP) Board. Mr. D. Torres reported the Safety Committee meeting was held on August 11, 2025. The Cooperative was 67 days without a lost time accident. There were three near misses reported; a single phase pole snapped at the fiber optic line as a KCEC line crew was getting ready to change out the pole, a Kit Carson Internet (KCI) driver was being tailgated by two cars, both cars passed the KCI driver and almost had a collision with oncoming traffic, and a KCEC vehicle had tires changed at a local tire shop, when the driver returned to the Cooperative he noticed all lug nuts on one of the tires were never put back on the tire. Mr. D. Torres reported that the Committee reviewed loss run report for workers' compensation claims, which helped raise awareness of the impact that these accidents had on the Cooperative. It was moved by Mr. Medina, seconded by Mr. Jassmann, and unanimously approved that the CEO Report for July 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 that Mr. Daniel Pritchard had requested to provide the Board with an update from Renewable Taos. Mr. Pritchard thanked KCEC for its support of Renewable Taos. He reported that there would not*

*be an electric vehicle (EV) expo this year, and that Renewable Taos planned to organize an EV show and booth at the Oktoberfest event at Taos Ski Valley in September. He invited KCEC to enter the Ford Lightning into the EV show and share project updates at the available booths. Mr. Pritchard reported that another community event “SUN Day” was scheduled for September 20, 2025, at the Taos Public Library for children to learn about solar energy. Mr. D. Torres asked how many EVs were registered in the state. Mr. Pritchard explained that the number of EVs registered was not publicly available, however sales of EVs were increasing.*

*The President reported requests had been received from Estates in the amount of \$23,218.71. It was moved by Mr. Rodarte, seconded by Mr. Medina, and unanimously approved that those payments be made to Estates.*

*Capital  
Credits to  
Estates*

*Mr. Reyes reported that the Kit Carson Propane (KCP) Annual Meeting would be held this morning and that the appointment or re-appointment of KCP Directors would be discussed during Executive Session.*

*Kit Carson  
Propane  
Board of  
Directors*

*Mr. Jassmann reported the Payables Committee met on August 11, 2025. Mr. Jassmann recommended approval. It was moved by Mr. Rodarte, seconded by Mr. Medina, and unanimously approved that Payables for July 2025 be approved as presented.*

*Payables  
Committee*

*Mr. Reyes reported that the environmental assessment for the Hydrogen Project was 30% complete, access through the Chevron property was lacking soil samples, and Chevron was trying to liquidate all assets in Questa. Mr. Ortega suggested that KCEC make a presentation to Chevron at the Corporation Headquarters in Houston, TX, Chevron recently announced plans to reduce 20% of its workforce. Mr. Reyes reported that KCEC and the Village of Questa met with the NM Governor’s office to assist with the Chevron process and the Village of Questa qualifies for \$25 million in tax credits. Mr. Reyes made a presentation to the Town of Taos regarding water and land requirements for the Hydrogen Project. He reported that the former State Engineer, Mr. John D’Antonio, was assisting KCEC regarding water for the project.*

*Hydrogen  
Committee*

*Mr. Reyes reported that the Broadband Committee met on August 20, 2025. The Committee discussed system upgrades and redundancy, Kit Carson internet (KCI) would also focus on low fiber lines. Mr. Reyes reported a \$200,000 increase in Internet Margins, compared to last year. He reported that Jemez Mountains Electric Cooperative (JMEC) had 3 new Directors, Mr. Ortega recommended that another dinner be scheduled with JMEC. Discussion was held regarding microchip manufacturing.*

*Broadband  
Committee*

*Mr. Rodarte reported that KCEC attended the Shallow Solar Basket ribbon-cutting ceremony held August 14, 2025. The 140 MW Solar and 50 MW Battery Storage Project was now operational and would provide power to KCEC and other Guzman Energy customers.*

*Solar  
Committee*

*Mr. D. Torres reported that the Bylaw and Policy Committee did not meet in August, he reported that a Committee meeting would be scheduled in September if there were policies in need of review.*

*Bylaw &  
Policy  
Committee*

*Mrs. Valerio-Mylet reported that the Public Relations Committee did not meet in August.*

*Public  
Relations*

*Mr. Reyes reported that the Bid Committee met after the work session on August 25, 2025. The Committee reviewed bids for pickup trucks from Town And Country Chevrolet of Taos, Rich Ford of Albuquerque, and Toyota of Santa Fe, they recommended the local dealer, Town and Country, for a price of \$37,000 plus tax and title. It was moved by Mrs. Valerio-Mylet, seconded by Mr. Jassmann, and unanimously approved that pickup trucks be purchased from Town And Country Chevrolet of Taos for \$37,000 plus tax and title. The Committee reviewed one bid for the installation of a barbed wire fence at a recently acquired property in Taos and determined that it would be best to request bids for both chain link and barbed wire fencing and table the bid selection until more bids were received. Mr. Reyes asked the Board to consider allowing the Bid Committee to evaluate and proceed with bid selection so that the fence could be built as soon as possible. Mr. Reyes added that a 6-foot fence would not require a permit. It was moved by Ms. Vigil, seconded by Mr. Dimas, and unanimously approved that the Bid Committee be allowed to evaluate and proceed with bid selection for fencing at the recently acquired property in Taos.*

*Bid  
Committee*

*Mr. Reyes reported that the Legislative Water and Natural Resources Committee would be in Taos in September.*

*Legislative  
Information*

*Mr. D. Torres reported that he may attend the NRECA Regional Meetings in October. Discussion was held on whether the October Board meeting date would be changed if more Board members decided to attend the NRECA Regional Meetings.*

*Board  
Member  
Concerns*

*The President called for an Executive Session to discuss the appointment or re-appointment of KCP Directors, Ms. Jeannie Masters, Mrs. Betty Haagenstad, Mr. Nelson Lopez, and Mr. Dennis Jacquez. It was moved by Mr. B. Torres, seconded by Mr. Medina, and unanimously approved that the Board enter Executive Session at 10:42 a.m.*

*Executive  
Session*

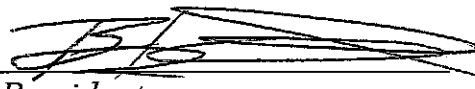
*The meeting was reconvened by order of the President at 11:02 a.m. No action was taken during Executive Session.*

*There being no further business to come before the Board, it was moved and duly seconded that the Meeting of the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until September 30, 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 11:04 a.m. The following Trustees were present at the end of the meeting:*

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

  
Secretary

*Approved this 30<sup>th</sup> day of Sept 2025.*

  
President