

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

September 30, 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, September 30, 2025, at 9:10 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, Cletus Stoflet, 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. Dimas led the Board in reciting the Pledge of Allegiance. *Pledge of Allegiance*

Mrs. Valerio-Mylet led the Board in a word of Prayer. The President led the Board in a moment of silence for the passing of Pamela Vigil-Wong, Sylvia Vigil's sister. *Prayer*

The agenda was presented. It was moved by Mr. Duran, 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 August 26, 2025, were presented. It was moved by Mr. Rodarte, seconded by Mr. Jassmann, and unanimously approved that the minutes for August 26, 2025, be approved as presented. *Minutes*

The President introduced Mr. David Fernandez, President, Northern Rio Grande National Heritage Area (NRGNHA), who presented a letter of appreciation to the Board and Mr. Reyes for KCEC's encouragement and support of NRGNHA. Mr. Reyes met with NRGNHA to help with inclusion of KCEC in an article published in the August 2025 issue of the Land *David Fernandez, President, NRGNHA*

Water People Time Magazine. KCEC also pledged to make a monetary contribution to the NRGNHA. Mr. Fernandez thanked Mr. Reyes for sharing his knowledge and experience to improve the quality of life for KCEC members. Mr. Ortega thanked Mr. Fernandez for his work with NRGNHA and the community, he asked Mr. Fernandez if he would consider giving the invocation at KCEC's next Annual Meeting.

Mr. Reyes presented the CEO report for August 2025. He reported \$1.9 million in margins this year, with a budget of \$2.3 million. He reported that transmission expense had increased to \$4 million this year compared to \$3.4 million last year, with a budget of \$3.8 million. Mr. Reyes reported that both Public Service Company of New Mexico (PNM) and Tri-State Generation and Transmission Association, Inc (Tri-State) had formulary transmission rates, Tri-State would join the Southwest Power Pool (SPP) but KCEC was not a participant of the SPP so transmission rates would continue to increase. Mr. Reyes reported that operations and maintenance expenses continue to increase as KCEC continues wildfire mitigation efforts, tree trimming and maintenance of the system. Discussion was held regarding nationwide fires, insurance coverage challenges, and KCEC's strategies to mitigate fire risk and educate members on fire safety. Mr. Reyes reported that supply chain issues due to COVID 19 are still affecting Cooperatives as well as trade tariffs on imported goods, including steel used to build transformers. He stated that Microgrids would help mitigate loss in the event of a fire or severe weather events. Mr. Reyes reported that a Cost-Of-Service Study was conducted and would be reviewed to finalize a proposed rate filing with the NM Public Regulation Commission (PRC). Mr. Reyes reviewed the balance sheet. He reported that KCEC had 31,000 services in place, and was the second largest Cooperative in NM, operating 2,875 miles of distribution line and 143 miles of transmission line. He reported that one third of KCEC's system was underground and that planned upgrades included replacement of underground lines that were over 40 years old. Discussion was held regarding installation and repair costs for underground electric lines. Mr. Reyes reported a total of \$174,089,000 in assets. Discussion was held regarding increase in costs of goods and services as well as the importance of informing members of the need to re-structure rates. Mr. Reyes reported that before KCEC'S exit, Tri-State was 75% of KCEC's cost of power, and now Guzman is 45% of KCEC's cost of power; savings were maintained for the last 10 years. Discussion was held regarding cancellation of Solar funding by the Trump Administration, the expiration of the \$7,500 federal tax credit for electric vehicles (EVs) effective January 1, 2026, and potential energy rate increases across the country. Mr. Reyes reported that the New ERA funding survived the cut and that some programs would face accelerated timelines to complete projects. He reported that 57% of KCEC's long-

CEO
Report

term debt was with CoBank and 43% was with U.S. Department of Agriculture's Rural Utilities Service (RUS) and that the blended interest rates were below the market cost. Mr. Reyes reported that he would meet with NM Office of Broadband Access and Expansion (OBAE) that week regarding Kit Carson Internet's (KCI) broadband expansion project in partnership with Jemez Mountain Electric Cooperative (JMEC). He reported that KCI continues to do well, had 15,100 subscribers at the end of August, and helped stabilize electric rates. Discussion was held regarding KCEC's line of credit with RUS, and the impact of another government shutdown. Mr. Martinez reported that Brian Smith was the new General Field Representative (GFR) for RUS as of the end of August 2025. Mr. Reyes reported that the Archaeology Study in Questa was approved and environmental clearance for the Hydrogen Project had been completed. Mr. Reyes reported that public meetings were scheduled in Taos and Questa that week to discuss project updates with members and that additional meetings would be scheduled in October for each District. Mr. Medina recommended that public meetings be scheduled after regular business hours to accommodate members who work during the day, Mr. Reyes stated that meetings would be scheduled at different times of the day to accommodate those who prefer daytime as well as those who prefer evening meetings. Mr. B. Torres recommended that KCEC work with the schools on a hydrogen contest or another challenge to engage students and their families. Mr. D. Torres reported the Safety Committee meeting was held on September 10, 2025. The Cooperative was 98 days without a lost time accident and there were no vehicle accidents. There was one accident; an internet employee was climbing down from a pole when the d-ring attachment on his fall protection harness made contact with a corroded 120-volt wire and caused a flash over. The employee was taken to the hospital for evaluation, was released and returned to work the next morning. Mr. Martinez reported that equipment that is no longer in use would be retired or placed in conduit to provide additional protection. Mr. D. Torres reported that the Committee also discussed safety glasses and compliance standards. It was moved by Mr. Duran, seconded by Mr. B. Torres, and unanimously approved that the CEO Report for August 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 \$20,052.37. It was moved by Mr. Credits to Rodarte, seconded by Ms. Vigil, and unanimously approved Estates that those payments be made to Estates.

The President presented Resolution No. 5-9-25 Assigned Review & Representative-Signature-Certifier for RUS. The Resolution Approve - proclaims that Mr. Reyes be assigned the Certifier role, Mr.

Martinez be assigned the Secondary Certifier and that Mr. Stoflet be assigned the Administrator role on behalf of the Corporation. It was moved by Mr. Medina, seconded by Mr. Dimas, and unanimously approved that Resolution No. 5-9-25 be approved as presented. A copy of Resolution No. 5-9-25 was included in the Transfer of Documents and is hereby made a part of the minutes of this meeting.

Resolution
No. 5-9-25

The President presented Resolution No. 6-9-25 Assigned Representative-Signature-Certifier for Online Application Intake System For Telecommunications Programs. The Resolution proclaims that Mr. Stoflet be assigned the Administrator(s) security role on behalf of the Corporation, who shall be responsible for assigning access to new users, and entering and updating applications in USDA's Online Application Intake System for Telecommunication's Programs. It was moved by Mr. Rodarte, seconded by Mr. Medina, and unanimously approved that Resolution No. 6-9-25 be approved as presented. A copy of Resolution No. 6-9-25 was included in the Transfer of Documents and is hereby made a part of the minutes of this meeting.

Review &
Approve -
Resolution
No. 6-9-25

The President reported that the 2025 National Rural Electric Cooperative Association (NRECA) Regional Business Meeting was scheduled for October 27 - 25, 2025, in Round Rock, Texas. Mr. Reyes stated that the Regional Meeting was scheduled at the time the KCEC monthly Board meeting was scheduled. The President reported that he had a conflict and requested that the monthly Board meeting be scheduled for Friday, October 24, 2025, and that the work session be scheduled for Thursday, October 25, 2025. Mr. Reyes reported that KCEC was focused on its Hydrogen Project, including Board and member education and tours of existing hydrogen facilities. The President stated items 9 d. Verify or Certify Voting Delegate & Alternate for the 2025 NRECA Regional Business Meeting and item 9 e. Verify or Certify Voting Delegate & Alternate for 2025 National Rural Utilities Cooperative Finance Corporation (CFC) Districts 8 & 10 Meeting would be tabled, since KCEC would not be attending the NRECA Regional Business Meeting. The President stated that the monthly Board Meeting would be scheduled for Friday, October 24, 2025, and the work session would be scheduled for Thursday, October 23, 2025.

NRECA
Regional
Business
Meeting &
October
Board
Meeting
Date Change

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

Payables
Committee

The President stated that Hydrogen updates were discussed during the CEO Report. Mr. Reyes reported that KCEC would focus on scheduling more public meetings to educate members and gather feedback regarding the Hydrogen

Hydrogen
Committee

Project. Mr. Reyes reported that he reached out to KCEC consultants and would schedule a meeting with Renewable Taos to address concerns that were expressed. The President stated that he was disappointed with the letter submitted by Renewable Taos.

Mr. Reyes reported that the Broadband Committee did not meet in September. He reported \$552,302 in margins for KCI in August and stated that KCI was the largest internet provider in Taos County. Mr. Reyes stated he was determined to work with members to resolve concerns surrounding hydrogen. Mr. Reyes added that he was also disappointed with the letter from Renewable Taos. He stated that KCEC had worked with Renewable Taos to resolve issues and that there were disagreements, but the letter was not the way to conduct business. He reported that KCEC would continue to find solutions that benefit all KCEC members, not just one group. Discussion was held regarding requests for Broadband in the Alcalde and Dixon areas.

Broadband
Committee

Mr. Rodarte reported that the Solar Committee met on September 5, 2025. He reported that construction of the Amalia II Solar Array was going well, Mr. B. Torres reported that batteries were installed. Mr. Rodarte reported that batteries were ordered for the Microgrid project; Mr. Martinez reported that the batteries should be delivered in May or June 2026. Mr. Reyes reported that KCEC was lobbying for \$30 - \$35 million in Legislative funding for a Solar project in Questa, NM, which would also support economic development in the area. KCEC was gaining support from Legislators on the Hydrogen Project. Discussion was held regarding projects that would be funded by the State.

Solar
Committee

Mr. D. Torres reported that the Bylaw and Policy Committee did not meet in September.

Bylaw &
Policy

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

Public
Relations

Mr. Duran reported that the Bid Committee did not meet in September. Mr. Reyes reported that KCEC was only able to purchase two of the four vehicles from the approved local dealer, the other two vehicles were purchased from the next lowest bidder, which cost KCEC \$300 more per vehicle. Mr. Reyes reported that bids for the fence at the recently acquired property would be reviewed and a bid would be selected at the next Bid Committee meeting. Discussion was held whether to proceed with a chain link or barbed wire fence.

Bid
Committee

Mrs. Valerio-Mylet reported that Public Relations Committee would work on the Holiday Light and Decoration Contest for members. A Committee of the Whole meeting was

scheduled on October 17, 2025, at 8:00 a.m. to discuss Hydrogen.

Mr. B. Torres asked if KCI had representatives appointed to the Broadband Committee and if the Propane and Internet managers could provide updates to the Board. Mr. Reyes reported that Mr. Jose Lovato, KCI Manager, attended the Broadband Committee meetings, and that managers could attend the next work session to provide updates to the Board. Mr. B. Torres reported that he had noticed new transmission or transmission upgrades in Southern Colorado. Mr. Reyes reported that Xcel Energy provides electric power to Southern Colorado and was investing in new transmission and upgrades, possibly to support clean energy initiatives and agriculture.

Other
Business

Mr. D. Torres asked about EV chargers in KCEC territory that are out of commission. Mr. Reyes reported that some EV chargers were vandalized in the Taos area. He reported that repair costs were between \$1,000 – \$2,500 and that KCEC would not replace cables until better lighting and security cameras were installed. Mr. Reyes also reported that KCEC was discussing options with the State regarding relocating certain EV chargers due to accessibility issues. He explained that KCEC helped businesses and municipalities obtain the funds and contractors to install EV chargers, but KCEC was not responsible for those chargers.

Board
Member
Concerns

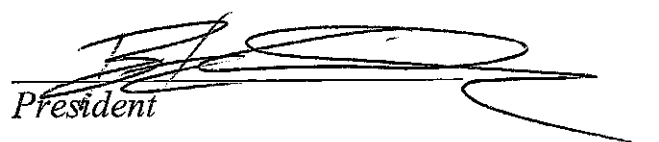
There being no further business to come before the Board, it was moved by Mr. B. Torres, seconded by Mr. Jassmann, and unanimously approved that the Meeting of the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until October 24, 2025, at 9:00 a.m., the date and time of the next Board meeting. Unless changed and, thereupon, the President declared the meeting adjourned at 10:45 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 24th day of Oct. 2025.


President