

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

October 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 Friday, September 30, 2025, at 9:06 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, Cletus Stoflet, Chief Financial Officer, and Brianna Trujillo, Executive Secretary, who recorded the day's proceedings. The President reported that Mr. Russ Coyle would not be attending.

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 September 30, 2025, were presented. It was moved by Mr. Rodarte, seconded by Mr. Jassmann, and unanimously approved that the minutes for September 30, 2025, be approved as presented.

Minutes

Mr. Reyes presented the CEO report for September 2025. He reported that a Cost-Of-Service Study was conducted and that he met with consultants to go over the Cooperative's expectations of re-structured rates as well as lessons learned in past cases. Mr. Reyes reported that transmission expense was driving the need to restructure rates and that KCEC had two contracts with Tri-State Generation and Transmission

CEO Report

Association, Inc (Tri-State), point to point, and network; both would increase by 15 to 18 percent, depending on the contract. Mr. Reyes reported that Public Service Company of New Mexico (PNM) would also increase transmission rates and that transmission expense would be continuously reviewed to finalize a proposed rate filing with the NM Public Regulation Commission (PRC). Mr. Reyes reminded the Board that this has been a topic of discussion for the past six years, KCEC hired GridLiance to work on the 115-kV Transmission Project and would continue discussions with GridLiance. He stated there were other increases such as insurances, wildfire mitigation, labor costs, and tariffs. Mr. Reyes reported that operations and maintenance expenses increased and were expected to increase since KCEC has been focused on maintenance of the system and tree trimming. Mr. Reyes reported that wildfire mitigation was important, there had not been any major fires this fire season that impacted KCEC and that Taos Ski Valley and Red River ski area started making snow that week. He reported \$2.2 million in margins this year with a budget of \$2.3 million, compared to \$3.5 million last year. Mr. Reyes explained that KCEC recognizes that members may be losing some of their benefits such as the Supplemental Nutrition Assistance Program (SNAP) and other assistance programs that could affect their ability to pay utility bills and that KCEC had an obligation to work with members. He recognized Mr. Steve Meyer, Owner, Energy Demand Solutions. Mr. Reyes explained that KCEC submitted an application for the State of New Mexico's Community Energy Efficiency Development (CEED) Program through Taos County and that Mr. Meyer would lead the program if the application was successful. The program provides grants to local governments for low-income housing upgrades such as weatherization and other energy efficient methods. Mr. Reyes reported that currently, the program was for Taos County only; however, additional monies could be requested for Colfax and Rio Arriba. Mr. Reyes reported that by statute, the Cooperative could add half a percent to every member's bill for energy efficient efforts. If approved by the PRC, that half a percent would go into an energy efficiency fund which would be regulated by the Board and would help members with energy efficient upgrades to their home. The President asked how much the decrease would be for the average residential consumer. Mr. Meyer explained that electric bills would be cut by 20% and then simple energy efficient measures would be implemented such as water heater insulation blankets, weather stripping around all exterior doors, and energy efficient lighting. A database would also be built to identify what other upgrades low-income homes may need. Discussion was held regarding the winter moratorium. Mr. Reyes explained that members that received a letter from Human Services would not be disconnected for nonpayment during the winter months, but they often struggle to pay the large balance in the Spring. Mr. Dimas asked what was considered low-income and if

there was a structure to ensure proper qualification. Mr. Meyer explained that Taos County cannot exceed 200% of the federal poverty level, so the low-income limit would be about \$31,500 a year for a single person and that the limit would increase by the number of people in the household. Mr. D. Torres asked if renters could apply for the energy efficiency program. Mr. Meyer explained that it was possible for renters to apply and that the homeowner would be required to complete a consent form. He reported that 350 people signed up at a local food pantry for pre-qualifications in one day, and his team would continue to visit food pantries throughout the County to inform members of the program. Ms. Vigil asked if there were other programs or a sliding scale for members who may exceed the low-income limit by \$5.00 - \$10.00. Mr. Meyer reported that there has been discussion about how member education was needed to encourage energy-efficient upgrades and methods for all homeowners. Discussion was held regarding the Board's ability to regulate disbursement of an energy efficiency fund, which could be beneficial to members who exceed the low-income limit by a certain amount or who are on fixed incomes. Discussion was held regarding nationwide workforce struggles and the abuse of assistance programs. Mr. Meyer stated that other energy and gas companies add an efficiency charge of 2.7% - 4% of the bill. Mr. Reyes reported that KCEC had 31,146 services in place and continues to grow, with 3,032 miles of line. The President asked if a Rate Committee should be formed. Mr. Reyes stated a Rate Committee would be beneficial to review all aspects of the proposed changes, gather feedback and educate members. He reported that KCEC was meeting TIER targets with Internet and Propane included, but Electric alone did not meet those targets. Mr. Reyes reported that Mr. Stoflet was working on the budget and should have it ready for Board approval in December. The President asked that the Board discuss bonuses for employees and that KCEC organize a site visit of Plug Power's Hydrogen facility in early December, for Board members who could not attend the prior visit. Mr. Reyes said he would reach out to Plug Power to request a site visit. Discussion was held regarding how it could be beneficial to invite other local leaders or consumer advisory members to attend a site visit of an established hydrogen facility. Mr. D. Torres reported the Safety Committee meeting was held on October 13, 2025. The Cooperative was 131 days without a lost time accident. There were two vehicle accidents, an electric vehicle was pulling a trailer when the driver made a sharp turn and jackknifed the truck and trailer, a propane truck was pulling a trailer and was rear-ended by another vehicle at a stoplight, there was no damage to the trailer and minimal damage to the other vehicle. Mr. D. Torres reported that the Committee discussed the idea of scheduling a Defensive Driving class with NM Mutual and/or Federated Rural Insurance. It was recommended that the training include

larger commercial vehicles. Mr. D. Torres reported that there was one near-miss accident when a propane employee was filling an underground tank and the tank began to leak, the employee evacuated the consumer's home and called 911. The Taos Fire Department responded, the propane employee burned off the remaining propane, and the consumer will need to purchase a new tank or get the existing tank repaired. It was moved by Mr. Duran, seconded by Mr. Dimas, and unanimously approved that the CEO Report for September 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 \$16,044.03. It was moved by Mr. Rodarte, seconded by Mr. Jassmann, and unanimously approved that those payments be made to Estates. The President asked if any members had submitted assignment of member Capital Credits. Mr. Reyes reported that some members have completed and submitted assignment of member Capital Credits.

Capital
Credits to
Estates

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

Payables
Committee

The President stated that Hydrogen updates were discussed during the CEO Report.

Hydrogen
Committee

KCEC Board Committee meetings were scheduled.

Mr. Reyes reported that Mr. Richard Martinez was not present since he was attending a technical seminar hosted by Guzman Energy in Denver. Mrs. Valerio-Mylet invited Board members to attend the Halloween event for employees to help judge the costume and office decorating contest. Mr. B. Torres stated that all employees were winners when it came to the contest, he enjoyed attending the event last year. The President asked if another Potluck Christmas Luncheon would be scheduled for the Board. Mrs. Valerio-Mylet reported that the Public Relations Committee would also discuss scheduling another legislative dinner. Mr. Reyes reported that it was a short session and that he would ask Mr. Robert Romero, Lobbyist, to get KCEC on schedule. Mr. Rodarte asked if Consumer Advisory meetings would be scheduled in November. Mr. Reyes recommended that a Joint Consumer Advisory meeting be scheduled in the evening, with dinner provided.

Mr. Rodarte reported that Solar Committee did not meet in October. Mr. Reyes reported that the Amalia II Solar project was on schedule and 75% complete, he recommended that

Solar
Committee

another celebration be scheduled upon substantial completion. He stated that it was important to celebrate the success of partnerships, economic growth, and renewable energy.

Mr. Reyes reported that the Broadband Committee would meet on Monday, October 27, 2025, at 9:00 a.m., a Zoom link was available to attend remotely if need be. Broadband Committee

Mr. D. Torres reported that the Bylaw and Policy Committee did not meet in October, a meeting was scheduled for November. Bylaw & Policy

Mrs. Valerio-Mylet reported that the Public Relations Committee did not meet in October, a meeting was scheduled for November. Public Relations

The President reported that the Bid Committee did not meet in October. Bid Committee

Mr. B. Torres asked if elementary students or the public could cast votes for the employees' Halloween decoration and costume contest. Mr. Reyes stated students would be in school and that the contest was an opportunity for employees to build morale. He stated KCEC participates in local "Trunk or Treat" events. Other Business

There being no further business to come before the Board, it was moved by Mr. Duran, seconded by Mrs. Valerio-Mylet, and unanimously approved that the Meeting of the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until November 25, 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 9:57 a.m. The following Trustees were present at the end of the meeting: Meeting Adjourned

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 NOV. 2025.



President