

*KIT CARSON ELECTRIC COOPERATIVE, INC.*

*MEETING OF THE BOARD OF TRUSTEES*

*January 26, 2026*

*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 Monday, January 26, 2026, 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:*

*Index*

*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, Richard Martinez, Chief Operations Officer, Michael Santistevan, Public Relations Coordinator, Jose Lovato, Internet Manager, and Brianna Trujillo, Executive Secretary, who recorded the day's proceedings. The President reported that Mr. Russ Coyle would not be attending, due to weather in TX and Mr. Martin Dimas would not be attending, he was ill.*

*It was declared a quorum was present.*

*Quorum*

*Mr. D. Torres 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 Mr. Cristobal Duran, Vice-President, who passed away. The President provided the Board with Mr. Duran's service schedule.*

*Prayer*

*The agenda was presented. The President requested that Executive Committee Reorganization be added to the agenda as item A. under New Business. It was moved by Mr. Rodarte, seconded by Ms. Vigil, and unanimously approved that the agenda be approved as amended.*

*Agenda*

*The minutes for the Board of Trustees regular Meeting, held December 30, 2025, and special Meeting, held January 16, 2026, were presented. It was moved by Mr. Rodarte, seconded by Mr. Jassmann, and unanimously approved that the minutes for December 30, 2025, and January 16, 2026, be approved as presented.*

*Minutes*

Mr. Reyes presented the CEO report for December 2025. He reported that the 2026 Budget was discussed during the work session the day before. He reported that year-end financials showed revenue slightly down due to warm winter, but the co-op remains ahead of budget. He reported that transmission and power costs increased and were driven by storage/resilience investments and extreme weather impacts on the grid. He added that these costs would be recovered in the fuel adjustment. Mr. Reyes reported that the system experienced only two minor outages during recent extreme weather, attributed to ongoing maintenance investments. He also reported that the co-op's growth was primarily for residential classification, total meters was 31,125 meters, making KCEC the second largest Cooperative in NM. Mr. Reyes reported that Taos County, in partnership with the State of NM, was awarded a Community Energy Efficiency Development (CEED) Grant in the amount of \$2 million for an energy efficiency program targeting over 900 homes in Taos County, focusing on weatherization and appliance upgrades. The program would prioritize need-based applicants, leveraging existing Low Income Home Energy Assistance Program (LIHEAP) lists. KCEC was selected to receive the funding through the CEED grant. KCEC will contract with Mr. Steve Meyers of Energy Demand Solutions to manage program execution and compliance and will ensure the grant is fulfilled in accordance with program guidelines. Concerns were raised about the proposed PNM merger or buyout that was currently pending regulatory approval from the New Mexico Public Regulation Commission (NMPRC), and the potential impact on local transmission investment and reliability. Mr. Reyes reported that the Kit Carson Propane (KCP) plant in Eagle Nest was nearing completion, pending final equipment delivery and inspection. Discussion was held regarding a ribbon-cutting for the new KCP site. There was discussion of the need for continued investment in maintenance and wildfire mitigation, as well as adapting to changing weather patterns and grid resilience challenges. Mr. Reyes reported that Kit Carson Internet's (KCI) Broadband Expansion Project continues successfully, plans are in place for further marketing and a Pre-Apprenticeship Program to train local workers, supported by state funding. Mr. Reyes reported that the Hydrogen Project was moving forward, a public process for environmental assessment was not required since the project didn't require an environmental impact statement. He reported that there was some public relation challenges expressed at a meeting at the Village of Questa on January 21, 2026; but there was also member support for the Project. The Board discussed the need to proactively share information to counteract misinformation and local opposition. Mr. Reyes reported that the Questa Solar project was moving forward under a new LLC structure to maximize tax credits and streamline construction, with plans to eventually transfer ownership to the Village of Questa. Mr.

*Reyes and the Board shared tributes to Mr. Cristobal Duran, highlighting his dedication, military service, and positive impact on the organization. Mr. Reyes reported Senator Pat Wood at the Legislature Session was recommending a Certificate to extend condolences to the family and friends of Chris. Mr. D. Torres reported the Safety Committee meeting was held on January 12, 2026. There were no near-misses or lost-time accidents, the Cooperative was now at 63 days without a lost-time accident. There was one accident when a Propane employee sustained minor burns on her hands due to a bleeder valve malfunction. The Committee also reviewed the Accidents/Near Miss report for 2025 and discussed goals for 2026. It was moved by Mr. Medina, seconded by Mr. B. Torres, and unanimously approved, that the CEO Report for December 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 the Vice President position was vacant due to Mr. Duran's passing; therefore, the Executive Committee would be reorganized. The President appointed Mr. Bruce Jassmann as Vice President, Mr. Manuel Medina would remain as Secretary, and Mr. Arthur Rodarte was appointed as Treasurer, until the June 2026 Board Reorganization Meeting following the Annual Meeting. It was moved by Ms. Vigil, seconded by Mrs. Valerio-Mylet, and unanimously approved, that the reorganization of the Executive Committee be approved as presented. The process for filling the vacant position for District Four Trustee was outlined, with plans for the Executive Committee and Ms. Vigil to meet and propose a recommendation to the Board.*

*Executive  
Committee  
Reorganization*

*The President reported requests had been received from Estates in the amount of \$16,825.78. It was moved by Mr. Rodarte, seconded by Ms. Vigil, and unanimously approved that those payments be made to Estates.*

*Capital  
Credits to  
Estates*

*KCEC Resolution No. 1-1-26 was presented. Mrs. Suazo reported that the resolution would authorize the amendment of the National Rural Electric Cooperative Association (NRECA) 401(k) Pension Plan Adoption Agreement "B" (RUS 32011-004) for Kit Carson Internet. The amendment to the 401(k) Plan for 32011-004 would allow internet-division employees to contribute up to 5% to a 401(k) with a co-op match. It was moved by Mr. Rodarte, seconded by Mr. Medina, and unanimously approved, by Trustees present, that KCEC Resolution No. 1-1-26 be approved as presented.*

*Review &  
Approve  
Resolution  
No. 1-1-26*

*KCEC Resolution No. 2-1-26 was presented. Mr. Reyes explained that the resolution would authorize him to create a Limited Liability Company for the 50 MW solar facility in Questa, called Questa Solar 1, LLC. The resolution would also authorize Mr. Reyes to act as the President/Manager*

*Review &  
Approve  
Resolution  
No. 1-1-26*

*and Mr. Richard Martinez to act as the Vice President of the Questa Solar 1 LLC and execute all related documents and agreements on behalf of the LLC. Mr. Reyes presented the rationale for creating an LLC and explained the intended LLC governance and tax-credit preservation. It was moved by Mr. Rodarte, seconded by Mr. B. Torres, and unanimously approved, by Trustees present, that KCEC Resolution No. 2-1-26 be approved as presented. The President requested that a roll call vote be taken. A Roll Call vote taken by Carmella Suazo, Assistant Manager (yes in favor, no against) was taken as follows:*

*Mr. D. Torres – Yes*

*Mr. Rodarte – Yes*

*Mr. Jassmann – Yes*

*Mrs. Valerio-Mylet – Yes*

*Mr. Ortega – Yes*

*Mr. Medina – Yes*

*Mr. B. Torres – Yes*

*Ms. Vigil – Yes*

*Mr. Jassmann reported the Payables Committee met on January 12, 2026. Mr. Jassmann recommended approval. It was moved by Mr. Rodarte, seconded by Mr. Medina, and unanimously approved, by Trustees present, that Payables for December 2025 be approved as presented.*

*Payables  
Committee*

*Mr. Reyes reported that the Hydrogen Committee updates would be covered during the Executive Session.*

*Hydrogen  
Committee*

*Mr. Reyes reported that the Broadband Committee met on January 22, 2026. Kit Carson Internet (KCI) had 15,438 customers and would present adjusted pricing at the next Board meeting. Mr. Reyes reported that a market-run contract for marketing was prepared to promote broadband and related benefits. This marketing effort would ensure customers understand they are receiving competitive value from a local provider. He reported that a written Marketing Plan was created and would be deployed when the Marketing lead resumes her contract; Mr. Jose Lovato and a colleague were actively reviewing the Marketing Plan. Mr. Lovato reported that a state-funded Pre-Apprenticeship Program would start in mid-February. The apprenticeship funding was structured roughly as \$100,000 per year over three years and would onboard six trainees per year for screening and potential hiring by local contractors. NM Workforce Solutions would perform candidate testing; wage levels were discussed.*

*Broadband  
Committee*

*Mr. Rodarte reported that the Solar Committee met on January 16, 2026. The Committee discussed the 50 MW Solar project in Questa and pending legislative approval for \$25–\$29 million for the project. The Committee also discussed the recovery of microgrid awards that were*

*Solar  
Committee*

cancelled; about \$7 Million has been recovered from the \$15 million that was cancelled. Discussion was held regarding merging the KCEC Solar and Hydrogen Committees.

Mr. D. Torres reported that the Bylaw & Policy Committee met on January 6, 2026. The Committee discussed the importance of Board members lobbying legislators, to support bills KCEC supports. The Committee also discussed active engagement strategies for the upcoming legislative dinner, to push priority legislation and partner initiatives. Mr. Reyes reported that he was closely monitoring state legislation affecting microgrids, wildfire mitigation, and energy rates, emphasizing the importance of nonpartisan advocacy for rural needs.

Bylaw &  
Policy  
Committee

Mrs. Valerio-Mylet reported that the Public Relations Committee met on January 15, 2026. The Committee discussed the legislative dinner scheduled for January 29, 2026, in Santa Fe. Mrs. Valerio-Mylet reported that she and Mrs. Carmella Suazo presented an award at the NM Hispano Music Awards, on January 17, 2026, on behalf of KCEC. She stated that it was a well-attended event where she was able to mingle with State officials and met many consumers interested in Broadband. She reported that 57-65 attendees were confirmed for the legislative dinner, and that KCEC would host a blood drive on February 17, 2026, in the Boardroom. She reported that the Committee would also focus on a celebration of KCEC's 10-year anniversary with Guzman Energy, as well as highlighting KCEC's milestones and accomplishments at the 2026 Annual Meeting.

Public  
Relations

The President reported that Mr. Manuel Medina agreed to chair the Bid Committee for the remainder of the year.

Committee meetings were scheduled for the month of February 2026.

Mr. B. Torres revisited combining Solar and Hydrogen Committees and recommended that the meeting be open to interested Trustees due to the technical complexity of the projects. The President agreed and stated the Hydrogen Committee would be a meeting of the whole Board and suggested that Board members' participation in external meetings for added support and coordination would also be beneficial.

Other  
Business

The President called for an Executive Session. It was moved by Mr. Rodarte, seconded by Mr. Jassmann, and unanimously approved, by Trustees present, that the Board enter Executive Session at 10:40 a.m.

Executive  
Session

The meeting was reconvened by order of the President at 11:21 a.m. No action was taken during Executive Session.

There being no further business to come before the Board, it Meeting  
was moved by Mr. B. Torres, seconded by Mr. Medina, and Adjourned  
unanimously approved that the Meeting of the Board of  
Trustees of Kit Carson Electric Cooperative, Inc. be  
adjourned until February 24, 2026, 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  
11:21 a.m. The following Trustees were present at the end of  
the meeting:

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

  
Secretary

Approved this 24<sup>th</sup> day of FEB. 2026.

  
President