

*KIT CARSON ELECTRIC COOPERATIVE, INC.*

*MEETING OF THE BOARD OF TRUSTEES*

*December 31, 2024*

*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, December 31, 2024, at 9:11 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>Cristobal Duran</i>	
<i>Martin Dimas</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, Richard Martinez, Chief Operations Officer, John Shafto, Chief Financial Officer, Michael Santistevan, Public Relations Coordinator, and Carmella Suazo, Assistant Manager 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.* *Prayer*

*The agenda was presented. It was moved by Mr. B. Torres, seconded by Mr. Coyle, and unanimously approved that the agenda be approved as presented.* *Agenda*

*The minutes for the Board of Trustees regular Meeting, held November 26, 2024, and Special Meeting, held December 20, 2024, were presented. It was moved by Mr. Jassmann, seconded by Mr. Duran, and unanimously approved that the minutes for November 26, 2024, and December 20, 2024, be approved as presented.* *Minutes for November 26, 2024 & December 20, 2024*

*Mr. Reyes presented the CEO report for November 2024. He reported \$1,059,760 in margins for November. He reported that insurance coverage premiums had increased and that KCEC would focus on fire mitigation. Mr. Reyes reported that Broadband continues to do well. He reported that the weather was warmer this year compared to last* *CEO Report*

year with very little or no moisture. Mr. Reyes explained that Tri-state Generation and Transmission Association (Tri-state) and Public Service Company of NM (PNM) had formulary rates and that both had increased transmission rates. He reported that KCEC would continue to complete maintenance. Mr. Shafto reported that ski areas have had to make snow which increased load. Mr. Rodarte asked about KCEC's Four-Year Work Plan, Mr. Martinez explained that KCEC still had projects to draw down funds; once the current Work Plan was completed, he would finalize projects for a new Work Plan. Mr. Coyle asked if KCEC had received competitive bids for insurance coverage. Mr. Reyes reported that KCEC had received limited bids, natural disasters impacted coverage; KCEC was considering looking into a self-insuring option, fire coverage from our current provider was proposed at only \$100,000.00 this year, there was a significant increase on premiums. Mr. Reyes reported that vandalism had occurred at KCEC Electronic Vehicle (EV) charging stations in two different locations. He reported that 15 NM Cooperatives did not have an EV charging rate. Discussion was held regarding rate design. Mr. Reyes stated that comments from Renewable Taos were taken seriously; however, energy rates would continue to increase. Mr. Medina asked the percentage of EV owners in New Mexico. Mr. Reyes reported that less than 1% of New Mexicans owned an EV, not including hybrid models, and that the Tesla 3 was the dominant make and model in New Mexico. Mr. Medina asked which EV charging station was most used in KCEC territory. Mr. Reyes reported that the EV charging station on Cantu Hill was used most. He reported that Sol Luna Solar was contracted by KCEC to maintain EV charging stations and could troubleshoot and monitor charging stations remotely; Luis explained that we would need to work internally on a process for reporting issues at the charging stations, Level 3 EV charging stations cost about \$50,000.00. Mr. Ortega asked about KCEC's risk management efforts should a fire impact KCEC's territory. Mr. Reyes explained that KCEC's Maintenance Program, which included AiDash, assisted with risk management and would help identify potential threats and control potential risks. Mr. Reyes stated documenting maintenance that had been completed was important. It costs five times more to bury electric lines. Discussion was held on the fires that impacted Jemez Mountain Cooperative and Mora Cooperative. Mr. Ortega recommended reviewing insurance policies during a ByLaw/Policy Committee meeting. Discussion was held on whether KCEC was flying drones. Mr. Martinez explained that KCEC's Vegetation Plan approved by the U.S. Forest Service would have to include use of drones; at this time KCEC doesn't fly drones. Mr. D. Torres reported that the Safety Committee met on December 10, 2024. There was one vehicle accident reported that involved a Meter Reader backing into a small

tree; there was one lost time accident when a Kit Carson Internet (KCI) employee slipped on ice. The Company was at 29 days without a lost time accident for the month of November. A Kit Carson Propane (KCP) truck caught fire, and a KCP vehicle sank into a culvert and ruptured the fuel tank, a Rio Arriba County resident threatened two KCP employees and pulled out a gun. Mr. Torres reported KCI hadn't had a representative at a Safety Committee Meeting for the last three months. Mr. D. Torres reported that the National Rural Electric Cooperative Association's (NRECA) Rural Electric Safety Achievement Program (RESAP) inspection debrief was held after the Board Work Session. KCEC received high marks, and it was commended for solid work practices and vehicles were organized. There were some things KCEC could improve on. He recommended that Management share with staff the high marks and the findings. Mr. Shafto reported KCEC would receive a 5% discount on insurance costs, since KCEC participated in the RESAP inspection. The next inspection would be in three years. Mr. Martinez reported a copy of the RESAP Report was distributed to the Board. Mr. D. Torres reported the Safety Incentive Program was reviewed. The Program included \$18,000.00 in incentives a year; however, he felt that employees were not aware of the Program or that specifics of the Program were not communicated to employees. It was moved by Mr. Rodarte, seconded by Mr. Duran, and unanimously approved that the CEO Report for November 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 \$10,655.51. It was moved by Mr. Medina, seconded by Mr. Dimas, and unanimously approved that those payments be made to Estates. Capital Credits  
to Estates

Mr. Reyes reported that negotiations between KCEC and the International Brotherhood of Electrical Workers (IBEW) were held and the Agreement was finalized. As a result of the negotiations, a plan change was required for the NRECA 401 (K) Pension Plan for KCEC union employees and KCEC staff. A cost analysis outlining KCEC's increase was distributed. The analysis reflected the increase if only current KCEC Staff and KCEC Union continued to contribute and increased contribution to receive 19% max, analysis also included if all KCEC Staff and KCEC Union contributed to receive 19% from KCEC even though they currently don't contribute. The 19% is based on an employee's base salary and doesn't include overtime. Mr. Reyes explained that KCEC currently matched up to 14% of base salary; the match would increase up to 19% of base salary. Mr. Ortega stated that was a generous benefit. Mrs. Suazo stated that employees Resolution No.  
6-12-24

were informed by NRECA at a presentation regarding the importance of contribution to a 401 (K) and that KCEC's match was very generous. Mr. Reyes reported KCEC employees would be notified about the change and potential for KCEC employees to receive up to 19% match from KCEC. Resolution No. 6-12-24 authorizing the amendment of the NRECA 401 (K) Pension Plan for 32011-001 & 32011-002 was presented. A copy of Resolution No. 6-12-24 was included in the Transfer of Documents and was hereby made a part of the minutes of this meeting. It was moved by Mr. Rodarte, seconded by Mrs. Valerio-Mylet, and unanimously approved that Resolution No. 6-12-24 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. Duran – Yes  
Mr. Ortega – Yes  
Mr. Medina – Yes  
Mr. Dimas – Yes  
Mr. B. Torres – Yes  
Ms. Vigil – Yes  
Mr. Coyle – Yes

The President reported the Appointment of Voting Delegate & Alternate for the NRTC Annual Meeting scheduled to be held March 2025 in Atlanta, GA was in order. The President appointed Mr. Russ Coyle as Voting Delegate and Mr. Martin Dimas as Voting Alternate.

Appt. of Voting Delegate & Alternate to NRTC Annual Meeting

The President reported the Appointment of Voting Delegate & Alternate for the NRECA Annual Meeting scheduled to be held March 2025 in Atlanta, GA was in order. The President appointed Mr. David Torres as Voting Delegate and Mr. Bruce Jassmann as Voting Alternate.

Appt. of Voting Delegate & Alternate to NRECA Annual Meeting

Mr. Jassmann reported the Payables Committee met on December 10, 2024. Mr. Jassmann recommended approval. It was moved by Mr. Rodarte, seconded by Mr. Dimas, and unanimously approved that Payables for November 2024 be approved as presented.

Payables Committee

The President reported that a Special Board Meeting was held on December 20, 2024. Mr. Reyes stated KCEC was still waiting on a decision from the U.S. Department of Agriculture Rural Utilities Service (RUS) for the Empowering Rural America (New ERA) program.

Green Hydrogen Committee

*Mr. Reyes reported that the Broadband Committee met on December 20, 2024. KCI continues to do well and has about 14,300 subscribers. KCI is still waiting on environmental clearance for the Abiquiu Project. Mr. Reyes stated that in 2025 he would focus on broadband, safety and the leadership team. He reported he is working with the State of NM since Picuris Pueblo and KCEC were competing for broadband. The Broadband report was emailed to all Trustees.*

Broadband  
Committee

*Mr. Rodarte reported the Taos County Planning and Zoning Public Hearing for the Amalia II Solar Project was held on December 6, 2024. The Planning & Zoning Commission voted to approve the Amalia II Solar Project. He reported the public still had 30 days to protest the decision. Mr. Rodarte asked when the draft EV rate would be presented to the Board. Mr. Reyes stated the rate would be presented by Springtime.*

Solar  
Committee

*Mr. D. Torres reported that the Bylaw & Policy Committee met on December 9, 2024. The Committee reviewed Policy No. 1.16, Trustees Code of Conduct, and recommended grammatical changes and an addition of V. Responsibility, E. "This policy must be reviewed on January 1<sup>st</sup> of each year. In the event a new Trustee is seated, the new Trustee will be required to review the policy, execute the attached Acknowledgement and execute the Conflicts of Interest Form to disclose whether they have conflicts of interest". It was moved by Mr. Rodarte, seconded by Mr. Duran, and unanimously approved that Policy No. 1.16, Trustees Code of Conduct, be approved with the recommended changes. It was recommended that the Policy be signed by each Trustee following the adjournment of the meeting.*

Bylaw & Policy  
Committee

*Mrs. Valerio-Mylet reported that the Public Relations Committee met on December 4, 2024. In December KCEC assisted Taos County and Town of Taos with tree decorating, donated 310 gifts for the Annual Toy Drive, assisted the Shared Table and announced the Christmas Lighting Contest for businesses and residential members; 560 votes had been submitted so far through The Taos News website. She reported True Kids 1 put together a video of the events. KCEC also assisted Taos Feeds Taos with their annual food drive; 1,300 vouchers were awarded. KCEC participated in the Taos Milagro Rotary scholarship fundraiser and decorated and donated a Christmas Tree. Mrs. Valerio-Mylet reported that Daniel Trujillo participated in two panels at a Cybersecurity Presentation in Austin, TX. Also, Michael Santistevan was working on the KCEC sponsored dinner for Legislators to be held on January 30, 2025, in Santa Fe, NM.*

Public  
Relations  
Committee

*Mr. Duran reported that the Bid Committee met on December 16, 2024. KCEC sent out a Request For*

Bid Committee

*Proposal (RFP) for a full turnkey Engineering, Procurement and Construction (EPC) proposal. KCEC received four full bids and two partial bids. The RFP was to install three microgrids which included Battery Energy Storage Solutions (BESS) and all equipment and material necessary to connect to the electric grid. The microgrids would be placed in El Rito West at Northern New Mexico College (NNMC), Taos Ski Valley and the Penasco substation. The Committee narrowed the bids to two proposals: one from STEM and the second from PowerSecure/NRTC. Mr. Reyes stated in evaluating the two bids STEM had a lot of exclusions and did not provide estimated costs for the exclusions; therefore, the bid was incomplete. He stated PowerSecure/NRTC was the lowest bidder; however, he recommended Option #2 which was for 5.4-hour duration. NRTC also included a fire suppression system for each project site. Mr. Duran reported the Committee recommended the PowerSecure/NRTC Option #2 proposal in the amount of \$22,040,637. It was moved by Mr. Jassmann, seconded by Mr. Medina, and unanimously approved, that the PowerSecure/NRTC bid in the amount of \$22,00,637 be approved. 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. Duran – Yes  
Mr. Ortega – Yes  
Mr. Medina – Yes  
Mr. Dimas – Yes  
Mr. B. Torres – Yes  
Ms. Vigil – Yes  
Mr. Coyle – Yes*

*Mr. Reyes reported that Mr. Robert Romero, Lobbyist, had reported that the Legislative Committee Chairs had not been assigned and that the Governor was working with the Legislature regarding crime. Mr. Romero also recommended that KCEC meet with NM Senator Pat Woods, who was introducing wildfire regulations that would require NM Public Regulation Commission (PRC) approval for Wildfire Plans.*

*Legislative Information*

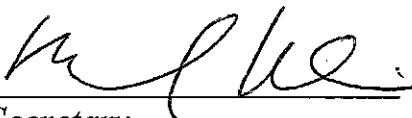
*The President thanked Sylvia for organizing the potluck to be held after the Board Meeting and recommended a Company Picnic be planned in summer 2025 for employees.*

*Other Business*

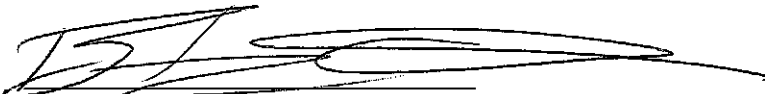
*Mr. Rodarte stated he was proud of all the projects KCEC was pursuing and was looking forward to 2025.*

*There being no further business to come before the Board, Meeting  
it was moved by Mr. Duran, seconded by Mr. Medina, and Adjourned  
unanimously approved, that the Board of Trustees of Kit  
Carson Electric Cooperative, Inc. be adjourned until  
January 28, 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 10:54 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,  
David Torres, Bernie Torres, Luisa Valerio-Mylet and  
Sylvia Vigil*

  
Secretary

*Approved this 28<sup>TH</sup> day of JAN. 2025.*

  
President