

KIT CARSON ELECTRIC COOPERATIVE, INC.

MEETING OF THE BOARD OF TRUSTEES

February 24, 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 Tuesday, February 24, 2026, 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:

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| <i>Russ Coyle</i> | <i>Present</i> |
| <i>Martin Dimas</i> | |
| <i>Matilda Duran-Gonzalez</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, 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.

It was declared a quorum was present. *Quorum*

Mr. Medina 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. Rodarte, seconded by Mr. Dimas, and unanimously approved that the agenda be approved as presented. *Agenda*

The minutes for the Board of Trustees regular Meeting, held January 26, 2026, and Special Meeting, held February 17, 2026, were presented. It was moved by Mr. Jassmann, seconded by Mr. B. Torres, and unanimously approved that the minutes for January 26, 2026, be approved as presented. It was moved by Mr. Rodarte, seconded by Mr. Coyle, and unanimously approved that the minutes for February 17, 2026, be approved as presented. *Minutes*

Mr. Reyes presented the CEO report for January 2025. He reported that budget variances attributed primarily to warm weather, reducing tourism-driven demand and purchased- *CEO Report*

power needs. He reported that local ski areas were making snow for the holiday weekends and spring break. Mr. Reyes briefed the Board on Blackstone's Capital Improvement Plan and how large transmission investments would be recovered through regulated returns, potentially increasing transmission costs allocated to all transmission users and increasing the cooperative's fuel adjustment. He reported the introduction of data-center demand on transmission load could create future rate pressure for members and stated he would monitor this closely. Mr. Rodarte asked if KCEC could build a local transmission line to Hernandez, NM. Discussion was held regarding permitting feasibility, rising steel and material costs, alternative structures (e.g., wood poles), and potential cost-sharing with other entities to lower member burden. Mr. Reyes reported that he continues to meet with partners regarding KCEC's 115-kV Transmission Line Project. The group reviewed Tri-State's loss of load, amortization of assets, and the long-term rate implications for local co-ops. Mr. Reyes reported that utility costs would increase due to lack of population growth and lack of commercial growth. Mr. Reyes reported that KCEC filed a docket-less intervention in Tri-State rate matters and would review materials before deciding on further participation. Discussion was held regarding tree trimming and wildfire mitigation, including challenges identifying which trees may fail and prioritizing removals that threaten poles. Mr. Ortega requested that an updated tree trimming map be provided at the next Board meeting. Mr. Medina stated that Chinese elm trees and cottonwood trees were a big concern due to fast growth and size. Mr. Reyes reported that KCEC was sending text messages to members alerting them about wildfire risk and severe weather. Discussion was held regarding recent outages caused by high winds. Mr. Reyes reported that KCEC had 31,066 services in place, a modest growth in service accounts. Mr. D. Torres reported the Safety Committee meeting was held on February 10, 2026. There was one lost-time accident in January when an employee slipped on ice and hit their back on a tree stump while setting a pole. There was one vehicle accident when a Propane driver was turning into a driveway and struck a rock, causing damage to the side-step of the truck. Mr. D. Torres reported that the Safety Committee identified a correlation between new employees and accidents and proposed extended ride-along safety orientation for new hires. Mr. Medina recommended that safety orientation take place during the first two weeks of employment. Mrs. Vigil recommended that a follow-up from management regarding implementation of the proposed safety orientation for new hires be provided at the next safety meeting. It was moved by Ms. Vigil, seconded by Mr. Medina, and unanimously approved that the CEO Report for January 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 \$15,995.12. 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 Broadband Committee recommended consolidating packages, lowering prices, and meeting grant-mandated speed definitions (now 100 Mbps) to remain compliant. He reported that all 16,500 customers would be auto-migrated to the new pricing without contracts effective April 1–2, 2026. Mr. Rodarte reported on marketing activities by Ethos Broadband, a competitor in the Ohkay Owingeh and Hernandez areas. Ms. Vigil asked if a new contract would be required for current customers and what KCI was doing to inform customers of the changes. Mr. Lovato explained that current customers would be automatically transitioned to the appropriate upgraded speed at the lower pricing and there was a marketing plan in place for customer and public awareness. Mr. B. Torres asked if the same broadband packages were available to businesses and if new service connects were caught up. Mr. Lovato reported that business customers would also be automatically transitioned and that hookup work remains roughly 3–4 days behind. It was moved by Mr. Coyle, seconded by Mr. Dimas, and unanimously approved that the Broadband Price Adjustment be approved as presented.

Review & Approve Broadband Price Adjustment

The President appointed Ms. Duran-Gonzalez to the Bylaw and Policy and Broadband Committees. He also requested a committee-assignment tally to review and adjust committee appointments accordingly.

Committee Appointments

The President reported that Saturday, June 13, 2026, was the proposed date for the 2026 Annual Meeting as well as the 10-year Anniversary Celebration with partner Guzman Energy. It was moved by Mr. Jassmann, seconded by Ms. Duran-Gonzalez, and unanimously approved that the 2026 Annual Meeting date be approved for Saturday, June 13, 2026, as presented.

Select Date for 2026 Annual Meeting & Guzman Anniversary Celebration

KCEC Resolution No. 3-2-26 was presented. Mr. Reyes reported that the resolution would authorize himself, Mr. Stoflet and Mrs. Suazo, to sign RUS Form 675, Certificate of Authority, and RUS Form 595, Financial Requirement & Expenditure Statement in connection with the requisition and accounting for Loan Funds. It was moved by Mrs. Valerio-Mylet, seconded by Mr. Dimas, and unanimously approved that KCEC Resolution No. 3-2-26 be approved as presented.

Review & Approve Resolution No. 3-2-26

Mr. Rodarte reported the Payables Committee met on February 10, 2026. Mr. Rodarte recommended approval. It was moved by Ms. Vigil, seconded by Mr. Jassmann, and unanimously approved, that Payables for January 2026 be approved as presented.

Payables Committee

Mr. Reyes reported that Hydrogen and Solar updates were discussed as a Committee of the Whole, on February 13, 2026. There were no updates. KCEC received a favorable water and land deal from Chevron.

*Hydrogen
Committee*

Committee meetings were scheduled for March 2026.

Mr. Reyes reported that the Broadband Committee met on February 18, 2026. Kit Carson Internet (KCI) had 15,515 customers. He reported that the Committee discussed the pricing adjustment, Jemez' pilot program and ReConnect permit coordination with RUS. Mr. Reyes reported that the Broadband Marketing contractor would resume in March, discussion was held on other internet service providers in the Jemez area. Mr. Lovato reported that KCI was fully staffed and that two apprentices would start the state-funded Pre-Apprenticeship Program on Monday, March 2, 2026. Mr. Reyes explained that funding was structured roughly as \$100,000 per year over three years and would give locals the opportunity to advance their career in Broadband. Mr. Lovato reported that KCI was working with UNM and NM Workforce Solutions on the program, the state-funding would also pay for Personal Protective Equipment such as clothing and footwear. Mr. Reyes noted that NM State Representative Kristina Ortez assisted with the state-funded program.

*Broadband
Committee*

Mr. D. Torres reported that the Bylaw & Policy Committee met on February 11, 2026. The Committee reviewed KCEC Policies: 1.8, Nominating Petitions for Trustee Elections, 1.9, Qualifications for Eligibility to be Elected to the Board of Trustees, and 1.16, Trustees Code of Conduct; there were no recommended changes. The Committee also reviewed KCEC Policy 1.13, Access to Membership List; the Committee recommended changes to this policy to specify that membership lists be provided in printed form only. Discussion was held regarding increasing the deposit amount required to ensure return of the printed membership list. Mr. Reyes noted that the membership list was only accessible to verified candidates. Mrs. Suazo added that the fee for printing the membership list differed depending on the number of members within each District. It was moved by Mr. Rodarte, seconded by Mr. Coyle, and unanimously approved, that the recommended changes to KCEC Policy 1.13, Access to Membership List be approved as presented.

*Bylaw &
Policy
Committee*

Mrs. Valerio-Mylet reported that the Public Relations Committee did not meet in February 2026.

*Public
Relations*

Mr. Rodarte recognized Mrs. Carmela Suazo for her nomination among seven other local women for The Taos News' 2026 Taoseña Awards. The Board congratulated Mrs. Suazo and thanked her for her dedicated commitment to KCEC, KCI and KCP. Mr. Rodarte also reported that

*Board
Member
Concerns*

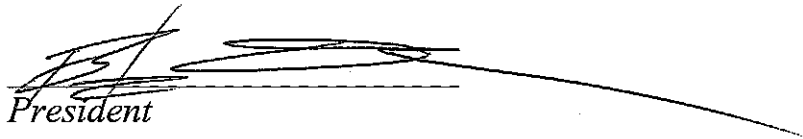
members had expressed their gratitude for the free hot dogs at the High School basketball games.

There being no further business to come before the Board, it was moved by Mr. B. Torres, seconded by Ms. Vigil, and unanimously approved that the Meeting of the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until March 31, 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 10:12 a.m. The following Trustees were present at the end of the meeting: Meeting Adjourned

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


Secretary

Approved this 3rd day of MAR. 2026.


President