

KIT CARSON ELECTRIC COOPERATIVE, INC.

MEETING OF THE BOARD OF TRUSTEES

December 30, 2014

A meeting of the Board of Trustees of Kit Carson Electric Cooperative, Inc. was called to order by the President, Mr. Bobby Ortega, on Tuesday, December 30, 2014 at 9:07 a.m. in the Marcelino Martinez Room of the headquarters building of the Cooperative, Taos, New Mexico. The following Trustees were present:

<i>Peter Adang</i>	<i>Present</i>
<i>Cristobal Duran</i>	
<i>Virgil Martinez</i>	
<i>Ambrose Mascarenas</i>	
<i>Manuel Medina</i>	
<i>Bobby Ortega</i>	
<i>Arthur Rodarte</i>	
<i>Jerry Smith</i>	
<i>Luisa Valerio-Mylet</i>	

Also, present were: Luis A. Reyes, Jr., Chief Executive Officer, Richard Martinez, Chief Operating Officer; Carmella Suazo, Administrative Assistant; Johnny Valerio, Financial Manager; and Joyce Archuleta, Executive Secretary who recorded the day's proceedings.

Mr. Rodarte led the Board in reciting the Pledge of Allegiance.

Mrs. Mary Mascarenas led the Board in a word of prayer.

The President announced a quorum was present and the Board was ready to proceed with the transaction of business.

The agenda was presented. It was moved by Mr. Martinez, seconded by Mr. Rodarte, and unanimously approved, that the agenda be approved, as presented.

The minutes for the Board of Trustees regular meeting held November 25, 2014 were presented. It was moved by Mr. Smith, seconded by Mr. Duran and unanimously approved, that the minutes for November 25, 2014 be approved as presented.

Mr. Reyes presented the CEO's report for November 2014. Mr. Smith wished Mr. Reyes a Happy Birthday. Financials for November 2014 were reviewed. Margins for the month of November 2014 were at

\$114,478. Year to Date margins were at \$277,573 compared to \$600,068 last year. Operating margins were at \$134,838 compared to \$783,529 last year. The Balance sheet was reviewed. Mr. Reyes stated KCEC has to build load by promoting electric heating and storage. Mr. Reyes reported total assets and liabilities were \$129,633,400. He reported that the Town of Taos notified KCEC that they would be terminating the rental lease at the Command Center effective December 31, 2014. KCEC would not complete the walk through until all equipment has been removed. Discussion was held on solar arrays and community solar projects. Mr. Reyes reported that community solar developers would invest monies and KCEC would promote community solar which would add to KCEC's portfolio. Mr. Medina joined the meeting at 9:22 a.m. Discussion was held on solar options with a new power supplier which is dependent on when supplier peaks. KPA's were discussed. Year to date TIER was 1.09. Year to date DSC was 1.09 and year to date OTIER was 1.17. Mr. Reyes reported that he would meet with Angel Fire Village Administrators in regards to the major outage that occurred last week. KCEC is working on an outage notification via email or text. Mr. Richard Martinez reported the Safety Committee met December 10, 2014. He reported KCEC was at 54 days with no lost time accidents and no near misses. He reported that Richard Garcia is researching the RESAP program. Committee is working on implementing procedures to report safety concerns. Mr. Martinez reported that the Safety Report was in the Board packet for review. Following discussion it was moved by Mr. Mascarenas, seconded by Mr. Duran and unanimously approved, that the CEO report for November 2014 be approved as presented. A copy of the CEO report is included in the Transfer of Documents and is hereby made a part of the minutes of this meeting.

The President reported requests have been received from Estates for retirement of capital credits. It was moved by Mr. Martinez, seconded by Mr. Medina and unanimously approved, that payments to these Estates in the amount of \$16,544.21 be approved as presented with the provision that such payment would not impair the financial condition of the Cooperative and that any balance owed would be paid in the future after approval of the Board.

Mr. Reyes presented Tri - State Resolution No. 5-12-14. Mr. Reyes reported after reviewing during the Board Work Session yesterday, KCEC did receive Tri-State's good faith proposal which was distributed to the Board along with other information. Three cooperatives must inform mediator they don't want to pursue Global

Capital Credits
To Estates

Review and
Approve
Tri-State
Resolution
No.5-12-14

Settlement in order for the case to go to hearing. Discussion was held. It was moved by Mr. Duran seconded by Mr. Mascarenas and unanimously approved, that Tri - State Resolution Approving Exit from Tri-State's Rural Electric Cooperative Association be approved as presented.

Mr. Reyes presented Taos Ski Valley Review and Resolution No. 6-12-14. Resolution supports economic and infrastructure development for Taos Ski Valley and the Village of Taos Ski Valley. It was moved by Mr. Smith seconded by by Mr. Medina and unanimously approved, that Taos Ski Valley Resolution No. 6-12-14 be approved as presented .

Discussion was held on appointment of NRECA Voting Delegate and Alternate for NRECA Annual Meeting to be held February 22 thru 25, 2015 in Orlando, FL. The President appointed Mr. Medina as Voting Delegate and Mrs. Mylet as Alternate Voting Delegate.

Discussion was held on appointment of NRTC Voting Delegate and Alternate for NRTC meeting to be held February 22, 2015 in Orlando, FL. The President appointed Mrs. Mylet as Voting Delegate and Mr. Medina as Alternate Voting Delegate.

Mr. Reyes reported KCEC would like to pursue Community Solar Array projects totaling 1.5 Megawatts. It was moved by Mr. Rodarte, seconded by Mr. Duran, and unanimously approved, that Community Solar Arrays project totaling 1.5 megawatts be approved as presented.

Mr. Ortega and the Board recognized and thanked Angela Chavez, who resigned her position with KCEC to care for her family.

Mr. Ortega reported donation totals and correspondence are in the packet and may be reviewed at leisure.

The President called for a recess at 9:55 a.m. Everyone sang Happy Birthday to Mr. Reyes and shared birthday cake.

Meeting was reconvened by the order of the President, Mr. Bobby Ortega, at 10:04 a.m.

The President recommended that KCEC activate Employee of the Quarter program for 2015. Mr. Reyes congratulated Mr. Ortega on his new job working

with New Mexico State Land Commissioner, Aubrey Dunn.

Mr. Ortega presented Payables for the Payables Electric and Internet Divisions. The Payables Committee Committee met on December 10, 2014. Mr. Ortega recommended approval. Mr. Medina stated he had questions regarding equipment and vehicle repairs. Richard Martinez, COO ensured that investigations are conducted and that employee discipline is enforced when vehicle is abused. It was moved by Mr. Rodarte, seconded by Mr. Medina, and unanimously approved, that the payables for November 2014 be accepted as presented.

Mr. Smith reported that the NMRECA meeting NMRECA was held December 4 & 5, 2014. Mr. Smith reported that Board Meeting the NMRECA Board meeting was discussed at yesterday's Board Work Session. Mr. Smith reported the next NMRECA Board meeting would be held January 8 & 9, 2015.

Mrs. Mary Mascarenas thanked Mr. Luis Reyes, staff, KCEC Board of Directors and employees for their support of Taos Feed Taos.

Mr. Rodarte reported he attended the Tri- Tri-State State Board Meeting held December 2 & 3, 2014. He Board Meeting reported that the Tri-State Board meeting was discussed at yesterday's Board Work Session. He reported a proposed Bylaw change regarding retirement of capital credits would be presented at the April 2015 Annual Meeting. Mr. Rodarte reported that Board strategic planning session is scheduled for January 12, 2015. Mr. Rodarte reported the next Tri-State Board Meeting would be held January 6 & 7, 2015.

Mr. Reyes reported the Broadband Committee Broadband did not meet in the month of December. He reported that Fujitsu would be here January 12, 2015 to test the rest of the system. He reported that Sipapu was connected yesterday and Taos Ski Valley is lit up. Angel Fire and Red River loop will be complete next week.

It was moved by Mr. Smith seconded by Mr. Executive Martinez and unanimously approved, that the Board go Session into Executive Session at 10:18 a.m.

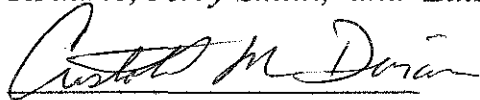
The meeting was reconvened at 10:40 a.m. No Meeting action taken during Executive Session. Reconvened

There being no further business to come Meeting before the Board, it was moved by Mr. Martinez, Adjourned seconded by Mr. Mascarenas, and unanimously

approved, that the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until January 27, 2015 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 10:40 a.m.

The following Trustees were present at the end of the meeting:

Peter Adang, Cristobal Duran, Virgil Martinez, Ambrose Mascarenas, Manuel Medina, Bobby Ortega, Arthur Rodarte, Jerry Smith, and Luisa Valerio-Mylet.



Secretary

Approved this 27 day of January, 2015



President