

*KIT CARSON ELECTRIC COOPERATIVE, INC.*

*SPECIAL MEETING OF THE BOARD OF TRUSTEES*

*October 26, 2015*

*A special meeting of the Board of Trustees of Kit Carson Electric Cooperative, Inc. was called to order by the President, Mr. Bobby Ortega, on October 26, 2015 at 10:50 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>Chris Duran</i>	
<i>Virgil Martinez</i>	
<i>Bobby Ortega</i>	
<i>Arthur Rodarte</i>	
<i>Jerry Smith</i>	
<i>David Torres</i>	
<i>Luisa Valerio-Mylet</i>	

*Also, present was Luis Reyes, Chief Executive Officer; Carmella Suazo, Administrative Assistant and Joyce Archuleta, Executive Secretary, who recorded the day's proceedings.*

*Mr. Duran led the Board in reciting the Pledge of Allegiance.* *Pledge of Allegiance*

*Mr. Reyes updated the Board on Mr. Mascarenas and his medical procedure.*

*Ms. Valerio-Mylet led the Board in a word of prayer. The President asked that everyone keep Mr. Mascarenas in their prayers.*

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

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

*The President reported that a lengthy discussion was held earlier on the proposed 2015 Rate Adjustment. Mr. Reyes distributed a copy of the 2015 Proposed Rate Adjustment. He reported that a). The increase would be a 9.02% increase. The increase would be required for the bench mark of 1.5 TIER and DSC. The fuel adjustment as well as the debt cost adjustment would remain. b). he* *Action on 2015 Rate Adjustment*

reported the cost per kWh would increase to .08157 from .07025. Mr. Reyes reported that if the proposed 2015 Rate Adjustment was approved; KCEC would mail the notice of proposed rate adjustment. KCEC would file the proposed rate schedules under Advice Notice No. 60 on December 3, 2015, with the New Mexico Public Regulation Commission. December 3, 2015 would start the protest period. He reported the notice reflects by class the current rate and the proposed rate; it also includes the number of customers impacted per class. He reported that the demand charge for large power accounts would increase which is load factor driven, if you have a low load factor you would pay more than if you had a high load factor. Most of the current loads have a 45% load factor. Snowmaking and schools are poor load factors. Mr. Reyes reported the notice reflects a low income discount for Rate 1 customers only. He reported that if there was less than 25 protests the rate would go into effect by operation of law. If more than 25 valid protests are filed the NMPRC would conduct a rate hearing. KCEC would probably file for interim rate relief if there is a rate hearing. Mr. Rodarte asked if the New Mexico Public Regulation does not accept the low income assistance program do they fall back to the residential service. Mr. Reyes reported that the discount would either be a Rider or part of Rate 1. Mr. Reyes recommended that KCEC move forward with the proposed Rate Adjustment. It was moved by Mr. Smith, seconded by Mr. Rodarte, and approved, to move forward with the proposed Rate Adjustment as presented. The President called for a roll call vote. The results of the vote were as follows:

Mr. Torres – Yes  
Mr. Rodarte – Yes  
Mrs. Valerio-Mylet – Yes  
Mr. Duran – Yes  
Mr. Ortega – Yes  
Mr. Smith – Yes  
Mr. Martinez – No  
Mr. Adang – Yes

A copy of the notice of proposed rate adjustment is included in the transfer of documents and is hereby made a part of the minutes of this meeting. Mr. Adang requested that a vote to re-ratify the vote be taken at October 27, 2015 Board Meeting.

There being no further business to come before *Adjournment* the Board, it was moved by Mr. Duran, seconded by Mrs. Valerio-Mylet, and unanimously approved, that the Board of Trustees of Kit Carson Electric Cooperative, Inc. be adjourned until October 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 11:10 a.m.

October 26, 2015 Special Board Meeting

The following Trustees were present at the end of the meeting: Mr. Adang, Mr. Duran, Mr. Martinez, Mr. Ortega, Mr. Rodarte, and Mr. Smith, Mr. Torres and Mrs. Valerio-Mylet.

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Secretary

Approved this <sup>7<sup>th</sup></sup> 24 day of November, 2015

  
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President

