

**MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.**  
**BOARD OF TRUSTEES MEETING MINUTES**  
**HELD ON**  
**OCTOBER 26, 2023**

The meeting of October 26, 2023 was called to order by Robert Baca, Board President, at approximately 10:51 a.m.

**1. ROLL CALL AND DETERMINATION OF QUORUM**

**Present:** Robert Baca, President  
James Ortiz, Vice President  
Virginia Mondragon, Secretary/Treasurer (via phone)  
Joe C de Baca, Trustee  
Samuel Ramirez, Trustee

**Others Present:** Les Montoya, General Manager  
Debbie Alexander, Administrative Assistant

- 2. INVOCATION** – Board President, Robert Baca, led us in prayer.
- 3. PLEDGE OF ALLEGIANCE** – The Pledge of Allegiance was recited.
- 4. APPROVAL OF AGENDA** – The Agenda for today's meeting was presented for review and approval. The following amendment was made to the agenda. Add – 14. New Business – d. List of Delinquent Accounts to be Written-Off. A motion was made by James Ortiz, seconded by Virginia Mondragon, to approve the agenda with one amendment made. Motion carried.
- 5. RECOGNITION OF GUESTS**
- a. **Invited Speakers – (15-minute time limit)** – Sarah Fahey – Line Rebuilding in Monte Aplanado – Ms. Sarah Fahey addressed the Board regarding her property in the Monte Aplanado/Pacheco Village area and the line rebuilding through her property after the HPCC fire. The Board and General Manager heard her concerns and advised her MSMEC will retain contact with her to advice prior to work occurring on her property.
  - b. **General Public Comment (5-minute time limit)** - None
  - c. **Introduction of Employees** – None
- 6. SAFETY REPORT/MINUTES** – There was no Safety Committee Meeting held during the month of October.

7. **ACTION OF REGULAR MEETING MINUTES HELD ON SEPTEMBER 27, 2023** – The Board Minutes of the meeting held on September 27, 2023 were presented for review. After review, a motion to approved the Board Meeting Minutes of September 27, 2023 was made by Virginia Mondragon and seconded by Sam Ramirez. Motion carried.
8. **APPROVAL OF NEW MEMBERSHIPS (MORA 20 – PECOS 13)** – A total of 33 new Memberships were presented to the Board for review and approval. After review, a motion to approve all 33 new Memberships was made by Sam Ramirez and seconded by Joe C de Baca. Motion carried.
9. **MANAGER'S REPORT**
- a. **Delinquent Report** – The Delinquent Report was presented by Manager Montoya. There were 890 delinquent accounts totaling \$224,756.69. After collections, 515 of those account remained unpaid leaving a delinquent amount of \$108,528.82.
  - b. **RUS Form 7** – Operating Revenue and Patronage Capital for the period ending September 30, 2023 was \$951,995. Cost of Purchased Power was \$452,933, Total Operation & Maintenance Expense was \$736,085, Total Cost of Electric Service was \$903,854, with Patronage Capital or Margins at \$133,750. TIER was at 6.29% for the month and 1.16% YTD. OTIER was at 2.90% for the month and 1.16% YTD.
  - c. **Outage Report** – There were 38 total outages reported during the month of September.
  - d. **Member Sales Budget Report** – No report this month.
  - e. **Fused Cut-Out Report** – There were two Cut-Outs replaced during the month of September. One in the Canoncito/Mora area and the other in La Joya.
10. **FINANCE REPORT** – A motion to approve the Finance Report of the meeting held earlier today, together with the Manager's Report, was made by James Ortiz and seconded by Joe C de Baca. Motion carried.
11. **TRI-STATE TRUSTEE REPORT** – Robert Baca, Tri-State Trustee, reported on their October Meeting. A few of the items covered included the following:
- Federal GRIP Funding
  - Escalante Solar Event and Town Hall Meeting – November 9<sup>th</sup> & 10<sup>th</sup>
  - Socorro Cooperative – Discussion with the City of Socorro
  - External Affairs Meeting
  - Tri-State Financial performance
12. **NMREC TRUSTEE REPORT** – James Ortiz, NMREC Trustee, reported on their October meeting held in Santa Fe, NM. Some items covered included:
- RUS loans interest rates are 5.61% short-term and 4.87% long-term
  - Price increase on Director Courses offered by Statewide

- Budget approval vote will take place on November 2<sup>nd</sup>
- Federated Resolutions – all passed
- Enchantment survey - - 71% of those who took the survey still want a printed copy
- NMREC political donations - \$1000.00 donation approved to those who have requested a political contribution
- Socorro Electric asked for Statewide's support with their continued discussions with the City of Socorro

### 13. ON-GOING BUSINESS

- a. **Bolinger, Segars, Gilbert & Moss L.L.P. – 990 Form Presentation** – A draft copy of Form 990, Return of Organization Exempt from Income Tax 2022, was presented to the Board. Form 990 was completed and presented by Mr. Pat Kanda and Mr. Bill Miller with Bolinger, Segars, Gilbert and Moss LLP. MSMEC financial data and other information was discussed with the Board, Finance Manager and General Manager. After review, a motion was made by James Ortiz, seconded by Sam Ramirez, to approve the draft copy of Form 990 presented to be filed with IRS. Motion carried.
- b. **Notice of Filing of Proposed Rate, Advice Notice 68 – MSMEC's EV Charging Station in Mora** – The Electric Vehicle Charging Station (EVCS) was installed on property adjacent to the grocery store in Mora during the fall of 2022, although it is not connected for the use at this time. The Electric Vehicle rate for the EVCS needs to be set in place prior to authorizing use of the station. The Advice Notice will need to be filed with the PRC for consideration. The rate, pending approval by the PRC, will go into effect so the EVCS can be energized by December 2023. MSMEC is the only cooperative who owns their EVCS and will have their own rate. Membership will be notified through a billing stuffer. A motion was made by James Ortiz, seconded by Sam Ramirez, to authorize the General Manager to proceed with the filing for the EV Rate with the PRC. Motion carried.
- c. **Purchase of New Bucket Trucks** – Manager Montoya presented a list of trucks that need to be replaced. There are three units that need to be replaced. The wear and tear on the bucket trucks due to the excessive use during the fire(s) and extensive work on recalls on the Ford chassis has caused the need to replace these units the sooner the better. Manager Montoya requested authorization from the Board to proceed with ordering three new bucket trucks to be delivered in 2024. After discussion, a motion was made by Sam Ramirez, seconded by Joe C de Baca, to authorize Manager Montoya to proceed with the purchase of three new bucket trucks. Motion carried.
- d. **Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of September 2023 was \$436,319.25; MSM Solar bill was \$16,613.70 with a credit from Tri-State of \$9,829.56.

### 14. NEW BUSINESS

- a. **Health Insurance (Cigna) 2024 Premiums** – It is anticipated there will be a 5% increase on insurance premiums for MSMEC employees. Employee health care costs for employees have not increased in 5 years. Surpluses have covered increased

premiums over these years. This year, surpluses cannot be guaranteed, so it will not be possible to offset the 5% increase. The surplus number will not be available until October of 2024. Manager Montoya informed the Board of options being proposed to minimize or maintain employer and employee contributions. Discussion directed the Manager to arrange for the Cooperative to cover the cost of the increase being proposed by the Health Care Provider. The Board determined based on what employees have had to deal with regarding the fires and its impact on the work load, the company should cover the increase.

**b. NRECA Public Policy Priorities during the Fall of 2023** – NRECA developed its Public Policy Priorities document that are important to prioritize reliability and would like to inform its members of their policies so that they can then lobby to support these policies when making decisions at the local, State, and federal levels. The Board was provided with the Public Policy Priorities document for their review. After review, a motion was made by James Ortiz, seconded by Sam Ramirez, to adopt the NRECA Policy as MSMEC's Public Policy Statement. Motion carried.

**c. Selection of Application for Grid Resilience and Innovation Partnership (GRIP) Grant Application** – MSMEC received written notice from the US Department of Energy of the selection of Application for Negotiation under Funding Opportunity Announcement – Grid Resilience and Innovation Partnership (GRIP). MSMEC's application was recommended by the Grid Deployment Office (GDO) for negotiation of a financial award. Notice now requires MSMEC to follow-up in providing requested information. The Grant award, should the negotiation process be successful, will fund a three-part Wildfire Damage Mitigation Project. Part I – remove burned trees that will fall on the powerline(s); Part II – develop operating system improvements; and Part III – modernize the Grid. The amount of the grant request was \$11,270,193.00 with a recipient cost share of \$3,356,731.00. The Board was informed of the potential award of a \$14,626,924.00 grant to MSMEC to compete the Three-Part Wildfire Damage Mitigation Project. A motion was made by James Ortiz, seconded by Sam Ramirez, to authorize the General Manager and Staff to proceed in completing the Negotiation Process and provide the information needed for the completion of the work identified in the GRIP Grant. Motion carried.

**d. List of Delinquent Accounts to be Written-Off** – As per MSMEC Board Policy No. 311, staff is required to review and present a list to the Board twice a year. A list of 23 delinquent accounts totaling \$4,255.54 was presented for approval to write-off these accounts. A motion to approve the write-off of 23 delinquent accounts totaling \$4,255.54 as per Board Policy No. 311 was made by Virginia Mondragon and seconded by Joe C de Baca. Motion carried.

A motion to move out of Regular Session and into the MSMEC Educational Foundation Meeting Session was made by Sam Ramirez and seconded by Joe C de Baca. Motion carried.

## **15. MSMEC EDUCATIONAL FOUNDATION**

- a. **Mora-San Miguel Electric Cooperative Education Foundation, Inc. (MSMECEF) Scholarship Program -- Board Policy 2-24-2022-001 Amendment** -- The Board of Directors has previously discussed the tax implications that could occur due to limited amount of funds being allocated within a years' time. The Board then directed the General Manager to revise the Scholarship Program Policy to allow for scholarships and donations to be allocated during the year. The MSMECEF Scholarship Program Policy 2-24-2002-001 was amended to allow for donations as suggested by our Auditors. The amended policy was first presented to the Board during their meeting of September 26, 2023 for their review. General Manager Montoya asked the Board to approve the final amendment to the policy as submitted. After review, a motion was made by Virginia Mondragon, seconded by James Ortiz, to approve the Mora-San Miguel Electric Cooperative Education Foundation, Inc. (MSMECEF) Scholarship Program -- Board Policy 2-24-2002-001 Amendment as presented. Motion carried.
- b. **El Valle Community Center/Library Educational Support** -- The Villanueva Library and El Valle Community Center requested support from MSMEC to help them continue their community/educational work. They offer both the Community Center and library services to the rural residents in the El Valle area. This included full public library resources, a food pantry, a low-cost thrift store, dining hall and facility rentals and a host of family-oriented events. After review and discussion, reference was made to MSMECEF Board Policy 2-24-2002-001 which reads, "Each Director may recommend a contribution/donation be granted to an eligible Organization or Government within their district in January of each year. The contribution/donation shall not exceed \$2000.00 annually." As per Board Policy 2-24-202-01, a motion was made by James Ortiz to award the El Valle Community Center/Library Educational Support a contribution/donation of \$2000.00 in January of 2024. Motion was seconded by Sam Ramirez. Motion carried.

A motion was made by Virginia Mondragon, seconded by James Ortiz, to move out of the MSMEC Educational Foundation Meeting Session and back into Regular Session. Motion carried.

#### **16. CORRESPONDENCE**

- a. **Thank you notes -- San Miguel/Mora Conty Fair Donation** -- For information only.
- b. **Thank you for Donation -- Mora County 4H Shooting Sports & Kazadorez, LLC** -- For information only.
- c. **America's Electric Cooperatives/PAC (formerly ACRE) Contribution** -- For information only.

#### **17. INFORMATION**

- a. **Calendar of Events** -- Tri-State Meetings are scheduled for October 30<sup>th</sup>, 31<sup>st</sup> and November 1<sup>st</sup>. Statewide Meetings will be held on November 1<sup>st</sup> and 2<sup>nd</sup>. MSMEC Offices will be closed on Thursday, November 9<sup>th</sup> in observance of the Veteran's Day

Holiday. MSMEC Offices will be closed on Thanksgiving Day, Thursday, November 23<sup>rd</sup> and Monday, November 27<sup>th</sup>. The Finance and regular Board Meetings will be held on Thursday, November 30<sup>th</sup>.

**Motion to move into Executive Session was made by Sam Ramirez and seconded by James Ortiz. Motion carried.**

**18. EXECUTIVE SESSION**

- a. Personnel Matters
- b. Update on Union Matters
- c. Litigation Matters

**Motion to move out of Executive Session and back into Regular Session was made by Virginia Mondragon and seconded by Sam Ramirez. Motion carried.**


**19. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION – None.**

**20. OTHER BUSINESS TO COME BEFORE THE BOARD – None.**

**21. ADJOURNMENT – A motion to adjourn today's meeting was made by James Ortiz and seconded by Sam Ramirez. Motion carried. Meeting adjourned at 3:02 p.m.**

**ATTEST:**

  
Virginia Mondragon, Secretary/Treasurer

  
Robert Baca, President