

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
MAY 22, 2019

The meeting of May 22, 2019 was called to order by Robert M. Quintana, Board Chairman, at 10:52 a.m.

1. ROLL CALL AND DETERMINATION OF QUORUM

Present: Robert Baca, Vice-Chairman
Joseph C de Baca, Member
Virginia Mondragon, Secretary/Treasurer
James Ortiz, Member
Robert M. Quintana, Chairman

Others Present: Les Montoya, CEO/General Manager
Debbie H. Alexander, Administrative Assistant

- 2. INVOCATION** – Robert Baca, Vice Chairman, led us in prayer.
- 3. PLEDGE OF ALLEGIANCE** – The Pledge of Allegiance was recited.
- 4. APPROVAL OF AGENDA** – The Agenda was presented for review and approval. The following change and addition was made to the Agenda: Change #14. e. 2018 Audit Report – Bradley Willis – Bolinger, Segars, Gilbert & Moss L.L.P. to #6 on the Agenda; Add to #15. e. Scholarship Information. **A motion to approve the Agenda with the changes was made Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.**
- 5. RECOGNITION OF GUESTS**
- a. **Invited Speakers – (15 minute time limit) – None.**
 - b. **General Public Comment (5 minute time limit) – None.**
 - c. **Introduction of Employees – None.**
- 6. 2018 Audit Report – Bradley Willis – Bolinger, Segars, Gilbert & Moss L.L.P.** –Bolinger, Segars, Gilbert & Moss L. L.P. was contracted to perform the 2018 Audit on MSMEC financial statements and to report as to whether these statements were fairly stated in accordance with Accounting and RUS standards. Mr. Bradley Willis presented to the Board of Directors and General Manager of MSMEC the findings of the 2018 Audit Report. No difficulties were encountered in dealing with management in performing and completing their audit. Mr. Willis went over the Balance Sheets, Statements of Income and Patronage Capital and Statements of Cash Flows. After further presentation, review

and questions, Mr. Willis stated that it was their opinion the financial statements present fairly, in all material respects, the financial position of MSMEC and the results of its operations and its cash flows for the years ended in accordance with accounting principles generally accepted in the United States of America.

7. **SAFETY REPORT/MINUTES** – The Safety Committee met on May 6, 2019. The following items were part of the minutes of that meeting:
 - There were no accidents, no near misses, nor any on-the-job injuries to report in Mora or Pecos for the month of April
 - There were no on-the-job incidents to report in Mora
 - There were two on-the-job incidents to report in Pecos. A line crew was dispatched to an outage in Trujillo during the early morning hours (dark). While backing out of the consumer's driveway, the driver of the unit backed into the mailbox knocking it over. No damages were reported to the unit. The second incident happened when the line crew was installing a pad mount transformer in Glorieta. When unloading the transformer from the unit, the transformer spun around hitting and breaking the rear window.
 - The journeyman lineman from Mora asked the Operations Manager if anyone had applied for the open journeyman lineman position. He was told that no one has applied for that position. A lineman from Pecos then asked what they are going to do if no one applies and he was told they would continue to work the way they have been working.
 - The line crews are working in Gallinas. After the recent wind storms, 10 poles needed to be replaced. As of this time, 4 of those poles have been set. The meter technicians will also be helping with this work.
 - The linemen from both offices were trained on Insulated Protective Equipment, the use and care of Rubber Gloves and Sleeves, near miss reporting and OCR failure.

8. **ACTION OF REGULAR MEETING MINUTES HELD ON APRIL 25, 2019** – The Minutes of the meeting held on April 25th, 2019 were presented for review and approval. After review, **a motion to approve the Minutes as presented was made by James Ortiz, seconded by Virginia Mondragon. Motion carried. Joe C de Baca abstained as he was not in attendance during the meeting of April 25th, 2019.**

9. **APPROVAL OF NEW MEMBERSHIPS (MORA 24 – PECOS 14)** – A total of 38 new memberships were presented for review and approval. After review, **a motion to approve all new memberships was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.**

10. MANAGER'S REPORT

- a. **Delinquent Report** – There were 920 delinquent accounts totaling \$286,816.38. After collections, a total of 502 accounts remained unpaid for a total of \$151,166.26.
- b. **RUS Form 7** – Les Montoya, General Manager, reported on the RUS Form 7. Operating Revenue and Patronage Capital for the month of April was \$1,027,818, Cost of Purchased Power was \$514,190 and after other expenses, Total Operation & Maintenance Expense was \$817,583. Total Cost of Electric Service was at \$965,666, Patronage Capital & Operating Margins at \$62,152 and Patronage Capital or Margins was \$64,853 for the month. TIER for the month was 2.73% and 2.25% YTD.
- c. **Outage Report** – The Outage Report was reviewed for the month of April. There were a total of 45 different outages affecting 1309 consumers which totaled 70.50 consumer hours without power. The outage/surge occurrences along US 84, South of Romeroville, were discussed.
- d. **Member Sales Budget Report** – The Tri-State Member Sales Budget Report for the month of April was reviewed. The Total Energy (kWh) Monthly Comparison was 5,949,128 actual and 5,894,293 budgeted. The Revenues were \$484,947 actual and \$468,179 budgeted.
- e. **Fused Cut-Out Report** – There were no new cut-outs installed or replaced on the MSMEC system during the month of April 2019.

11. FINANCE REPORT – A motion to approve the Finance Report of the Finance Meeting held earlier today, together with the Manager's Report, was made by Robert Baca and seconded by James Ortiz. Motion carried unanimously.

12. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on their May meeting. A few of the items covered included:

- Colorado Legislature review – cutting carbons to reduce pollution and emissions by eliminating all coal plants
- Drought Bill passed in Colorado
- Robert Baca was voted Vice-Chair of the External Affairs Committee and will also serve as the NMRECA Alternate

13. NMRECA TRUSTEE REPORT – NMRECA's Annual Meeting will be held on May 28th-30th. No meeting was held earlier in the month; therefore, no report.

14. ON-GOING BUSINESS

- a. **Reminder – NMRECA Annual Meeting** – The NMRECA Annual Meeting will be held on May 28-30, 2019 at the Santa Ana Casino Hotel. For information only.
- b. **Franchise Agreement with Village of Pecos – 2019 – 2029** – An updated Franchise Agreement was proposed by MSMEC to the Pecos Village Council so as to authorize the delivery of electricity within the Village's corporate limits. The prior Franchise

Agreement had expired. Franchise Agreements are in place to secure the right-of-ways within the Village proper and establish an agreed amount of franchise fee to be paid to the Village for the right to use their ROW and the delivery of electricity in the Village proper. The Franchise Agreement presented was for a 10-year period as opposed to previous agreements of 25 years. The amount to be paid quarterly by MSMEC is 2% of gross sales for electricity sold in the Pecos Village limits during that period. **A motion to approve the Franchise Agreement with the Village of Pecos was made by James Ortiz and seconded by Joe C de Baca. Motion carried unanimously.**

- c. **Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of April was \$484,947.22. The MSM Solar bill was \$29,242.50 with a credit from Tri-State of \$17,511.59.

15. NEW BUSINESS

- a. **Articles of Incorporation Mora-San Miguel Electric Education Foundation, Inc.** – MSMEC possess funds in an Education Fund Account which are funds obtained from Capital Credits that have been obligated to this Education Fund. These funds are to be accounted for in accordance with the Cooperative's By-Laws, Article VII, Section 3, requiring an Education Foundation. A draft of Articles of Incorporation of the Mora-San Miguel Electric Education Foundation, Inc., which were prepared by our Attorney, was presented to the Board of Directors for consideration and approval. Upon approval and authorization, the General Manager will file with the New Mexico Secretary of State to form the Mora-San Miguel Electric Education Foundation, Inc. After review, **a motion was made by Robert Baca, seconded by Virginia Mondragon, to approve the Articles of Incorporation of the Mora-San Miguel Electric Education Foundation, Inc. and to authorize the General Manager to file these Articles of Incorporation with the NM Tax & Revenue thereby forming the Mora-San Miguel Electric Education Foundation, Inc. Motion carried unanimously.**
- b. **By-Laws of the Mora-San Miguel Electric Education Foundation, Inc.** – Through its Attorney, MSMEC puts in place a set of By-Laws setting out the business to be conducted by the Corporation and manner in which and by whom the business is to be conducted. General Manager Montoya requested the Board of Directors to consider approving the By-Laws presented to govern the business of the MSMEC Education Foundation, Inc.; thereby, authorizing the Manager to file these By-laws with the Articles of Incorporation with the Secretary of State Office. **A motion of approval of the By-Laws of the Mora-San Miguel Electric Foundation, Inc. and the filing of these By-laws was made by Robert Baca, seconded by Virginia Mondragon. Motion carried unanimously.**
- c. **ACRE - 2019 Membership Contribution** – For information only.
- d. **Annual Meeting Discussion** – There was a short discussion related to our Annual Meeting which will be held on Saturday, June 29th at the Mora High School Gym. The Board was advised the letters for the meal catering had gone out for bids. The meal

to our Members will be served at the school cafeteria. Also discussed were the giveaway gifts when members register, door prizes and the grand prize.

- e. **Scholarship Information** – Mr. James Ortiz stated that he has been approached by members in his District asking about the scholarships MSMEC offers students in our service area. Members indicated that they are not receiving the information about the scholarships from the schools. It was suggested if this information could also be provided to the membership through the Enchantment back page. The Board gave direction to do this starting with next year scholarship advertising.

16. CORRESPONDENCE – None.

17. INFORMATION

- a. **Calendar of Events** – The Tri-State Meetings will be held on June 4th and 5th, 2019. NRECA Educational Course, Legal Responsibilities & Liabilities for Supervisors, will be held in Albuquerque on Tuesday, June 18th. Our next Finance and Regular Board Meetings will be held on Wednesday, June 26th. Statewide Meetings are scheduled for June 27th and 28th in Santa Fe. MSMEC 78th Annual Meeting will be held on Saturday, June 29th starting with registration at 9:00 a.m.

A motion to move into Executive Session was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.

18. EXECUTIVE SESSION

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

A motion to move out of Executive Session and back into Regular Session was made by Joe C de Baca and seconded by James Ortiz. Motion carried unanimously.

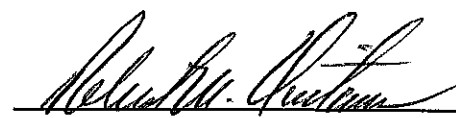
19. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION – None.

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

21. ADJOURNMENT – A motion to adjourn today's meeting was made by Robert Baca. Motion carried unanimously. Meeting adjourned at 3:36 p.m.

ATTEST:


Virginia Mondragon


Robert M. Quintana

Secretary/Treasurer

Chairman