

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

The meeting of November 22, 2019 was called to order by Robert M. Quintana, Board Chairman, at 12:13 p.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** – Today’s prayer was led by Robert Baca, Vice-Chairman.

**3. PLEDGE OF ALLEGIANCE** – The Pledge of Allegiance was recited.

**4. APPROVAL OF AGENDA** – The Agenda was presented for review and approval. After review, a motion was made by Robert Baca, seconded by James Ortiz, to approve the Agenda as presented. 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. SAFETY REPORT/MINUTES** – The Safety Committee Meeting was held on November 7<sup>th</sup>, 2019. The following are some of the items covered:

- There were no accidents, near misses nor on-the-job injuries to report in either Mora or Pecos
- There was one on-the-job incident to report in Mora. An Apprentice Lineman reported the hydraulic hose from unit 62 was torn apart by the hook of the winch while unloading a pole.
- There was one on-the-job incident to report in Pecos. A Meter Technician opened the door to his unit and the GPS had fallen off from the window. He had

not noticed this and closed the door trapping the device between the door and truck frame. The screen on the GPS unit broke.

- Mora Working Foremen stated the Coop cell phones don't always work and asked if he would be held accountable if he didn't answer his personal cell phone when he is on call. He was told that yes because he has a responsibility to respond to outages as it is part of being a Working Foremen.
- The Pecos Operations Manager requested Go lights/Remote lights be installed in the new units. Manager Montoya approved these remote lights be mounted on the new units.
- There was also a request for lighting for the bins. Manager Montoya asked that they look into the cost of these lights.
- There were some concerns regarding a 2-way radio that is not working properly. Employee was advised to get it serviced.
- An employee from the Pecos office brought up a concern regarding face shields. The current face shield makes it difficult when they wear their hardhats while performing disconnects. This matter will be looked at further.
- The Linemen and Meter Technicians from both offices were trained in Aerial Device Operations, Inspections, Rescue and Hazard Recognition.
- The inside office staff from both offices were trained on Hazard Recognition and Public Liability.

**7. ACTION OF REGULAR MEETING MINUTES HELD ON OCTOBER 24, 2019** – The Minutes of the Board Meeting held on October 24, 2019 were presented for review and approval. After review, **Robert Baca motioned to approve the Minutes as presented. Virginia Mondragon seconded that motion. Motion carried unanimously.**

**8. APPROVAL OF NEW MEMBERSHIPS (MORA 23 – PECOS 15)** – Thirty-Eight new memberships were presented for review and approval. After review, **a motion to approve all 38 new memberships was made by James Ortiz and seconded by Joe C de Baca. Motion carried unanimously.**

**9. MANAGER'S REPORT**

**a. Delinquent Report** – There were 828 unpaid accounts totaling \$178,664.74. After collections, 533 of those accounts remained unpaid for a total of \$101,416.76.

**b. RUS Form 7** – The RUS Form 7 was reviewed by Manager Montoya. Operating Revenue and Patronage Capital ending October 31, 2019 was \$1,015,469; Cost of Purchased Power was \$547,451; and Total Operation & Maintenance Expense was at \$882,962. Total Cost of Electric Service was \$1,027,465; Patronage Capital & Operating Margins (\$11,996); and Patronage Capital or Martins was (\$4,109). TIER for the month was 0.88% and 1.75% YTD. OTIER was 0.64% for the month and 1.63% YTD.

- c. **Outage Report** – There were a total of 32 reported outages during the month of October in the Mora and Pecos service areas. Consumers affected due to these outages were a total of 4063 for 75.25 combined hours.
- d. **Member Sales Budget Report** – The Tri-State Member Sales Budget Report for October was reviewed. The total Energy (kWh) Monthly Comparison was as follows: Actual 5,237,593 and 5,230,446 Budgeted. The Revenues were \$417,615 Actual and \$412,050 Budgeted. Monthly comparisons continue to be very close to budgeted amounts.
- e. **Fused Cut-Out Report** – There were no new or replaced fused cut-outs installed during the month of October.

**10. FINANCE REPORT – The Manager’s Report, together with the Finance Minutes of the meeting held earlier today, were approved with a motion from Virginia Mondragon and second by Joe C de Baca. Motion carried unanimously.**

**11. TRI-STATE TRUSTEE REPORT** – Robert Baca, Tri-State Trustee, reported on their November 2019 Meeting. Some highlights from that meeting included:

- Long session on Tri-State’s fiduciary duties
- Board approval of community solar projects recommendation from Contract Committee
- Strategic goals update
- 2019 margin forecast update
- Third quarter 10-Q filed
- Board approved resolution recognizing employee safety accomplishments
- Operations and Financial results for September
- Reported an extended Executive Session took place
- As part of the Contract Committee, Robert M. Quintana, reported on the committee’s continued work to advance the partial requirements contract proposals

**12. NMRECA TRUSTEE REPORT** – Robert M. Quintana, NMRECA Trustee, reported on the October 2019 meeting. A few of the items covered included the following:

- RUS loan interest rates for long-term loans are at 2.08% and short-term loans at 1.62%
- David Spradlin reported to the Board that the Rural Act and Secure Act are receiving a lot of support but may still be difficult to get them past the finish line by the end of the year
- Chairman Frost reported the Budget and Finance Committee met and reviewed the October Profit and Loss and the 2020 proposed budget

- Keven Groenewold reported on the expenditures for the month of October 2019: Association \$59,942.54; Enchantment Magazine \$57,390.44; and New Mexico Rural Electric Self-Insurer's Fund \$12,401.65 for a total of \$129,734.63.
- There was a discussion and review of the possible re-entry of Jemez Mountain Electric Coop's (JMEC) membership to NMRECA. A motion was made to consider JMEC's membership request only if there is a written formal request from its Board. Motion was seconded and carried.

### 13. ON-GOING BUSINESS

- Interruption Reporting Policy No. 222 – Final Approval** – A draft of Board Policy No. 222 – Interruption Reporting Policy, was presented to the Board during our October 24, 2019 meeting for their review. This Policy was now presented for their comments, changes or final approval. After review and discussion, **a motion to approve Board Policy No. 222 – Interruption Reporting Policy as presented was made by Virginia Mondragon, seconded by James Ortiz. Motion carried unanimously.**
- Form 990 Return of Organization Exempt from Income Tax & 990-T Exempt Organization Business Income Tax Return for 2018 – Final Copy** – The final copy of Form 990 Return of Organization Exempt from Income Tax and 990T Exempt Organization Business Income Tax Return for 2019 was presented for review and approval. These forms were completed with MSMEC financial data and other information requested by our auditing firm. After review, **a motion for approval was made by James Ortiz and seconded by Joe C de Baca. Motion carried unanimously.**
- Rural Utility Service (RUS) Loan Closing Documents** – The Rural Utility Service (RUS) Loan closing documents were presented to the Board. These documents authorize the \$7.3 million dollar loan to MSMEC to complete system improvements throughout its service territory. RUS requires authorization of these closing documents by the Board of Directors upon review and concurrence by the Coop's attorney. As per our Attorney, documents are now recommended to be executed by the Board and the General Manager be authorized to return all loan closing documents to RUS. After discussion and review of these documents, **a motion was made by Joe C de Baca, seconded by James Ortiz, to authorize and finalize the filing of the loan documents with RUS. Motion carried unanimously.**
- Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of October 2019 was \$516,930.91. MSM Solar Bill was \$30,519.99 with a Tri-State credit of \$17,991.57.

### 14. NEW BUSINESS

- Gibson and Frank presentation on Medical Insurance Options for 2020** – Due to weather conditions, Gibson and Frank were unable to attend our meeting for their presentation on the medical insurance options for 2020. Cigna our current provider for medical coverage proposed a 15% increase in premiums for 2020. Gibson and Frank worked to obtain quotes from other carriers and different options from Cigna. Employees and management have been informed of the premiums/options available

to MSMEC. Another option with Cigna was to go with a 5.7% premium increase but that would significantly increase the deductible. After discussion, **Robert Baca made a motion, seconded by Virginia Mondragon, to allow employees the option to go with either Cigna options – 15% premium increase with lower deductible or 5.7% premium increase with higher deductible – for a one year trial with either option. Motion carried unanimously.**

- b. Draft Board Policy No. 223 – Hazard Recognition and Reporting Policy** – A draft copy of Board Policy No. 223 – Hazard Recognition and Reporting Policy was presented to the Board for their review. Such a policy does not currently exist at MSMEC. It is good practice and also required of regulatory agencies for the safety and training of employees to provide for a safer workplace. This policy will provide a means of reporting, tracking and documenting corrected system hazards and will require MSMEC employees to report hazards once identified while on or off duty. Policy No. 223 will be brought back to the Board during our December 2019 meeting for comment and/or direction for final approval.
- c. NRECA Annual Meeting – New Orleans - March 1-4, 2020** – For information only at this time.

**15. CORRESPONDENCE** – None.

**16. INFORMATION**

- a. Calendar of Events** – Tri-State Meetings will be held on December 2<sup>nd</sup> and 3<sup>rd</sup> in Westminster, CO. NMRECA Meetings will be held on December 5<sup>th</sup> and 6<sup>th</sup> in Santa Fe. MSMEC will be closed on Wednesday, December 25<sup>th</sup> and Thursday, December 26<sup>th</sup> in observance of the Christmas Holiday. MSMEC Finance and Board Meeting are scheduled for Monday, December 30<sup>th</sup>, 2019.

**A motion to move into Executive Session was made by Robert Baca and seconded by James Ortiz. Motion carried unanimously.**

**17. 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 Robert Baca and seconded by James Ortiz. Motion carried unanimously.**

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

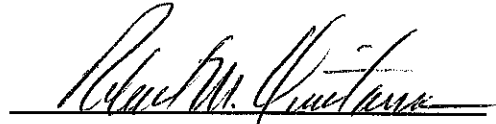
- 19. OTHER BUSINESS TO COME BEFORE THE BOARD** – There was a short discussion concerning a Christmas bonus for MSMEC employees. The full Board was in agreement to purchase each employee a \$100 gift card as a Christmas bonus.

**20. ADJOURNMENT – A motion to adjourn today’s meeting was made by Robert Baca.  
Motion carried unanimously. Meeting adjourned at 2:45 p.m.**

**ATTEST:**



**Virginia Mondragon  
Secretary/Treasurer**



**Robert M. Quintana  
Board Chairman**