

**MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.**  
**BOARD OF TRUSTEES MEETING MINUTES**  
**HELD ON**  
**JANUARY 30, 2020**

The meeting of January 30, 2020 was called to order by Robert M. Quintana, Board Chairman, at 11:21 a.m.

**CALL TO ORDER:**

**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** – We were led in prayer 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 Virginia Mondragon, 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 held their meeting on January 14, 2020. Some of the items covered included:

- There were no accidents, near misses, on-the-job injuries, or job incidents to report in Mora or Pecos.
- Working Foreman asked if a list of backhoe operators and contact information could be provided to them, especially for use if needed on the weekends.
- General Manager Montoya shared with the committee an article published in The Enchantment, January 2020 issue, regarding Commitment to Safety Every Day. The article talked about the use of high voltage testers. Mr. Montoya asked

about these testers and if they are used at MSMEC in situations similar to those identified in the article. A Working Foreman stated that he knows there is one of these testers which is fairly old and usually stays at the warehouse. The committee agreed there should be one high voltage tester in each unit. The General Manager directed the Operations Manager to get quotes on digital voltage testers.

- The Meter Department will look into getting a Safety Disconnect Device for Meters.
- A mandatory training with Toby Leser will be held on Friday, January 17, 2020.
- The Federal Motor Carrier Safety Administration announced that the minimum annual percentage rate for random drug testing will increase from 25% of the average number of CDL holders to 50%, effective January 1, 2020.

**7. ACTION OF REGULAR MEETING MINUTES HELD ON DECEMBER 30, 2019** – The Minutes of the Board Meeting held on December 30<sup>th</sup>, 2019 were presented for review and approval. After review, **a motion to approve those Minutes was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.**

**8. APPROVAL OF NEW MEMBERSHIPS (MORA 15 – PECOS 12)** – Twenty-seven new memberships were presented for review and approval. After review, **Virginia Mondragon motioned to approve all 27 new memberships. Motion was seconded by Joe C de Baca. Motion carried unanimously.**

**9. MANAGER'S REPORT**

- Delinquent Report** – The Delinquent Report for December 2019 was presented to the Board. There were a total of 860 delinquent accounts totaling \$194,210.64. After collections, 527 accounts remained delinquent for a total of \$71,067.39.
- RUS Form 7** – The preliminary December 31, 2019 RUS Form 7 was reviewed. Operating Revenue and Patronage Capital was \$1,192,240 for the month and \$12,635,323 for the year; Cost of Purchased Power was \$675,826 and \$6,661,191 for the year; and Total Operation & Maintenance Expense was \$1,013,842 for the month and \$10,230,032 for the year. Total Cost of Electric Service was \$1,219,159 and \$12,221,527 for 2019; Patronage Capital & Operating Margins was (\$26,919) for the month and \$413,795; Patronage Capital or Martins for the month was (\$25,208) and \$482,955 for the year. TIER for the month of December 0.74% and 1.72% for the year.
- Outage Report** – Manager Montoya reviewed the Outage Report for the month of December 2019. There was a total of 33 outages reported affecting 1773 consumers for a combined 63.25 consumer hours without power.
- Member Sales Budget Report** – The Tri-State Member Sales Budget Report for December 2019 was reviewed. The total Energy (kWh) Monthly Comparison was as

follows: Actual 8,479,875 and 8,348,307 Budgeted. The Revenues were \$652,754 Actual and \$651,490 Budgeted.

- e. **Fused Cut-Out Report** – Two fused cut-outs were replaced during the month of December 2019. One was replaced on Glorieta Highway and one in Canoncito in the Mora area.

**10. FINANCE REPORT** – After review of the Finance Meeting Minutes held earlier today, a motion was made by Virginia Mondragon, seconded by James Ortiz, to approve the Finance Minutes of January 30, 2020 together with the Manager’s Report. Motion carried unanimously.

**11. TRI-STATE TRUSTEE REPORT** – Robert Baca, Tri-State Trustee, reported on the January 2020 meeting. Some of the highlights from that meeting included the following:

- Strategic Planning
- Closure of the Escalante Coal Plant at the end of 2020 – 107 jobs will be lost. Other coal facilities in Colorado will be closed by 2030. Up to 750 workers will be affected when these coal plants are closed
- 90% reduction in Colorado emissions from plants owned or operated by 2030
- 100% Colorado clean energy goal by 2040
- Contract Committee Meeting will be held first week of February – further discussion on stranded assets, buy outs, partial requirement contracts, etc.
- Approved new EV charging stations across members’ service territories
- Tri-State letter to New Mexico Members on confirmation of accounting treatment for the revenue collected from Tri-State’s New Mexico members during January 1, 2013 through December 31, 2015. Tri-State has not recorded a liability from New Mexico Members on their financial records for rate difference charged between New Mexico Members and Tri-State’s non-New Mexico Members.

**12. NMRECA TRUSTEE REPORT** – Robert M. Quintana, NMRECA Trustee, reported on their January 10<sup>th</sup>, 2020 meeting. Some of the items covered included the following:

- Rhonda Mitchell, Sr. Governmental Relations Manager with Tri-State G&T, reported she will be retiring. Vince Martinez with Statewide was hired for that position
- RUS interest rates for long-term are 2.18% and 1.54% for short-term loans
- Larry McGraw, RUS, reported RUS will have a meeting regarding the Streamlining Project to propose to increase the minor project loan threshold from \$100K to \$500K
- A reminder that the 2020 Youth Tour deadline to submit student applications is Friday, February 14, 2020

- Mr. Adkins, Chairman of the Standing Committee, reported the Committee met to review and discuss the Community Solar draft legislation
- Mr. Thomas Rivas, Chairman of the Publications Committee, reported to the Board that the Committee Members met and reviewed the new Enchantment Magazine glossy format
- Mr. Groenewold, NMRECA CEO/General Manager, was authorized by the NMRECA Board of Directors to represent the interests and policy positions of NMRECA at the 2020 NM Legislature

### 13. ON-GOING BUSINESS

- Youth Tour Essay Review and Selection** – High school students (juniors & seniors) in MSMEC’s service area were given the opportunity to present the Board with an essay on “How Electric Cooperatives in New Mexico are to comply with the New Mexico Energy Transition Act” for a chance to be awarded an all-expense trip to Washington, D.C. in June 2020. After review, **a motion was made by Virginia Mondragon, seconded by Robert Baca, to award the 2020 Washington, D. C. Youth Tour to Shanay Casados, Mora High School, and Ava Martinez, West Las Vegas High School. Motion carried unanimously.**
- Tri-State Bill/MSM Solar Bill** - The power bill from Tri-State for the month of December 2019 was \$652,754.09. MSM Solar bill was \$23,072.06 with a Tri-State credit of \$14,724.72.

### 14. NEW BUSINESS

- IRS – Standard Mileage Rates for 2020** – The Internal Revenue Service issued the standard mileage rates for 2020. The rate per business use mile is down one-half cent from last year and is now 57.5 cents per mile. **A motion to pay the new standard mileage rate of 57.5 cents per business mile was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.**
- Board Policy No. 224 – Employee Corrective Action (Non-Union) and Action Form** – The Board was provided with Board Policy No. 224 – Employee Corrective Action (Non-Union) and Action Form for their review and comments. The proposed policy sets instructions to follow for Managers and Supervisors who supervise non-union employees, the required documentation of the issues that give rise to the required corrective action required with time limits to adhere. Corrective action may be required to insure professional and productive performance of non-union employees on behalf of the Cooperative. The Board was asked to comment and consider approving Policy No. 224 at their February 2020 Board Meeting.
- 2019 Federated Safety and Loss Prevention Assessment Report and Response Letter** – MSMEC’s insurance carrier, Federated Rural Electric Insurance Exchange, performed its Annual Safety and Loss Prevention Assessment on December 3, 2019. A report, dated December 16, 2019, with recommendations was provided requiring immediate attention and were addressed by the Operations Managers in Mora and Pecos. Other recommendations requiring additional time were addressed in the response letter to Federated dated January 15, 2020. The Board was informed of

this report and recommendations and MSMEC's response letter stating action taken to address these recommendations.

- d. **Year-end Inventory Over/Short Reports** – Staff conducted final physical inventory counts at the end of December 2019 for all three warehouses and line trucks. Reports were provided to the Board for their information and review.
- e. **NRECA Voting Delegate Certification** – The NRECA Annual Meeting Voting Delegate Certification was presented to the Board for approval and signatures. **A motion was made by Virginia Mondragon, seconded by James Ortiz, to nominate Robert Baca as Voting Delegate and Robert M. Quintana as Alternate Voting Delegate. Motion carried unanimously.**
- f. **CFC Delegate Registration Card – 2020 Annual Meeting & 2019 Minutes** – The CFC Delegate Registration Card for the 2020 Annual Meeting was presented to the Board for completion. **A motion was made by James Ortiz and seconded by Virginia Mondragon to have Robert Baca serve as Voting Delegate and Robert M. Quintana as Alternate Delegate. Motion was approved unanimously.**

#### **15. CORRESPONDENCE**

- a. **Techline – Customer Appreciation Event – Monday, March 2, 2020** – For information only.
- b. **Thank You for Donation – Leadership New Mexico** - For information only.
- c. **2020 CoBank Southwest Customer Meeting – April 2-3, 2020** – For information only.

#### **16. INFORMATION**

- a. **Calendar of Events** – Tri-State will meet on February 4<sup>th</sup> and 5<sup>th</sup>, 2020 in Westminster, CO. The NMRECA Meetings (Statewide) will be held on February 6<sup>th</sup> and 7<sup>th</sup> in Santa Fe. The February Finance and Regular Board Meetings are scheduled for Thursday, February 20<sup>th</sup> starting at 10:00 a.m.

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

#### **17. EXECUTIVE SESSION**

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

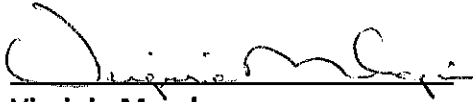
**A motion to move out of Executive Session and back into Regular Session was made by Virginia Mondragon and seconded by Joe C de Baca. Motion carried unanimously.**

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

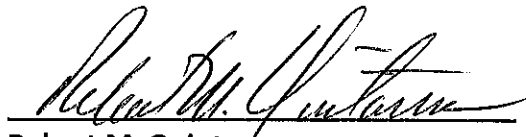
**19. OTHER BUSINESS TO COME BEFORE THE BOARD** – None.

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

**ATTEST:**



**Virginia Mondragon  
Secretary/Treasurer**



**Robert M. Quintana  
Board Chairman**