

**MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.**  
**BOARD OF TRUSTEES MEETING MINUTES**  
**HELD ON**  
**AUGUST 25, 2022**

The meeting of August 25, 2022 was called to order by Board President Robert Baca at 10:45 a.m.

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

**Present:** Robert Baca, President  
James Ortiz, Vice President  
Virginia Mondragon, Secretary/Treasurer  
Samuel Ramirez, Trustee

**Absent:** Joe C de Baca, Trustee

**Others**

**Present:** Les Montoya, General Manager  
Debbie Alexander, Admin. Assistant

A motion to go into Executive Session was made by James Ortiz, seconded by Virginia Mondragon. Motion carried unanimously.

A motion to go back into Regular Session was made by Virginia Mondragon and seconded by James Ortiz. Motion carried unanimously.

- 2. INVOCATION** – Robert Baca, Board President, 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 amendments were made to the agenda: #14 – New Business; e. Union Contract; and f. NRECA Region 10 Meeting. **A motion to approve the agenda with two added amendments was made by Virginia Mondragon and seconded by Sam Ramirez. 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 met on August 16<sup>th</sup>, 2022. Those in attendance included Les Montoya, Francisco Caro, Jacob Jaramillo, Isaiah Romero and Sonya Vasquez. Some of the items covered are as follows:
- There were no accidents, no near misses and no on-the-job injuries to report in either Mora or Pecos.
  - An estimated 160 poles have been installed after the damage done by the Hermits Peak/Calf Canyon Fire .
  - A contractor has not yet been found to start the clearing of trees.
  - MSMEC continues to provide FEMA with documentation in hopes of getting reimbursement of the estimated cost of \$10 million to rebuild our distribution system as of today.
  - Four different contractors are working to rebuild our distribution system.
  - The importance of vehicle & equipment inspections was stressed.
  - Safety Trailing was scheduled for August 23, 2022. Topics to be covered were Driving Risk and Responsibilities; Head Protection in the Workplace; and Line of Fire.
- 7. ACTION OF REGULAR MEETING MINUTES HELD ON JULY 28, 2022** – A motion was made by Sam Ramirez, seconded by Virginia Mondragon, to approve the Minutes of July 28, 2022 as presented. Motion carried unanimously.
- 8. APPROVAL OF NEW MEMBERSHIPS (MORA 23 – PECOS 8)** – A motion to approve 31 new memberships was made by James Ortiz and seconded by Virginia Mondragon. Motion carried unanimously.
- 9. MANAGER’S REPORT**
- a. Delinquent Report** – The Delinquent Report for the month of July 2022 was presented. There were 1128 delinquent accounts totaling \$310,564.46. After collections, 841 accounts remained delinquent for a total of \$196,078.79.
  - b. RUS Form 7 – For Period Ending July 31, 2022** – RUS Form 7 was reviewed. Operating Revenue and Patronage Capital for the month was \$852,318; Cost of Purchased Power was \$514,554; and Total Operation & Maintenance Expense was \$866,370. Total Cost of Electric Service was \$1,023,400; Patronage Capital & Operating Margins was (\$171,083); and Patronage Capital or Margins was (\$170,610). TIER for the month was -5.34% and 2.62% YTD.
  - c. Outage Report** – The Outage Report for July 2022 was not available.
  - d. Member Sales Budget Report** – Tri-State’s Member Sales Budget Report for the month of July was as follows: Total energy monthly comparison was 6,311,368

Actual kWh and 6,341,388 Budgeted kWh. Revenues were \$480,893 Actual and \$463,854 Budgeted.

- e. **Fused Cut-Out Report** – There were no new or replaced cut-outs during the month of July 2022.

**10. FINANCE REPORT** – A motion to approve the Finance Report, together with the Manager’s Report, was made by Virginia Mondragon and seconded by Sam Ramirez. Motion carried unanimously.

**11. TRI-STATE TRUSTEE REPORT** – Robert Baca, Tri-State Trustee, reported on their August meeting. Some of the items covered included the following:

- Operations and Financial review
- Rate increase – Tilt (good for Large Co-ops) or Postage Stamp (same increase for every Co-op)
- Inflation Reduction Act
- Government relations report
- Closing of power plants
- Board acknowledges General Counsel, Ken Reif’s service who will retire on October 1st
- September board meeting to be held virtually

**12. NMRECA TRUSTEE REPORT** – James Ortiz, NMRECA Trustee, reported on their August Board Meeting. Items discussed included the following:

- RUS fiscal year is September 30, 2022
- RUS inter loan rates are 3.21% for the long-term loans and 2.64% for the short-term rates
- There will be no NMRECA September meetings – October meetings will be held in Las Cruces on October 6<sup>th</sup> & 7<sup>th</sup>
- CoBank’s Sharing Success program deadline to submit applications is September 30, 2022
- Discussion on the Inflation Reduction Act passed by the Senate
- NMRECA expenditures for July were Association \$54,524.07; Enchantment Magazine \$83,566.60; and NM Rural Electric Self-Insurer’s Fund \$15,024.31 for a total of \$113,114.98
- Youth Tour commitment forms are due by September 30, 2022
- NMRECA CEO job has been posted and applications are being received until August 22, 2022

**13. ON-GOING BUSINESS**

- a. **Board Policy 228 – Social Media Policy – Final Approval** – Board Policy 2228 – Social Media Policy, was again presented to the Board for final approval. After a short

discussion, a motion was made by James Ortiz, seconded by Sam Ramirez, to approve Board Policy 228 as presented. Motion carried unanimously.

- b. **Board Policy 229 - Incident/Accident Reporting and Investigating Policy – Final Approval** – After final review, a motion to approve Board Policy 229 was made by Virginia Mondragon and seconded by James Ortiz. Motion carried unanimously.
- c. **System Restoration Plan – Update as of August 22, 2022** – Manager Montoya updated the Board on the System Restoration Plan as of August 22, 2022. This update is to keep the Board informed of the progress being made to re-build our distribution system. Due to the Hermits Peak/Calf Canyon wildfires, the damage assessment for the MSMEC system documented 1,400 poles and other components needing to be replaced/rebuilt totaling an estimated 9 million dollars. Nine sections/projects were identified for rebuild include Mineral Hill; Mineral Hill–El Porvenir; Calf Canyon; Las Dispensas & San Ignacio; Tierra Monte & Hwy 94; Canoncito & Sapello; Rociada; Monte Aplanado & Hwy 518; and Mora North. Projects completed as of August 22, 2022 include the rebuild of Las Dispensas line leading to the Gallinas Canyon service area; an additional line in the Gallinas area was also rebuilt; as was the line leading to the communication towers on the Roybal Hill in Mora. Notice to proceed was issued to contractors for the rebuild in the Mineral Hill and Calf Canyon areas. Contractor will soon be issued notice to commence work in the San Ignacio area.
- d. **Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of July 2022 was \$480,893.17. MSM Solar bill was \$33,660.71 with a credit from Tri-State of \$28,202.83.

#### 14. NEW BUSINESS

- a. **Broadband interest to partner with Kit Carson Electric** – Manager Montoya presented the Board with an inquiry made by Kit Carson Electric as to possible MSMEC interest in participating in an application to extend broadband services in areas lacking or having insufficient broadband services. Kit Carson would take the lead in this application to obtain funds to expand these broadband services which Congress has made available. Manager Montoya requested the Board give him authority to include MSMEC as an applicant in the future funding request. The Board asked Mr. Montoya to look further into what is being proposed, if our area will be included and bring back more information.
- b. **Proposal to utilize a portion of Buena Vista property for temporary housing site for FEMA trailers to serve Mora residents displaced due to Hermits Peak/Calf Canyon Fires** – Mora County and FEMA are looking at setting up a temporary housing site for displaced residents after losing their homes to the Hermits Peak/Calf Canyon Fire. MSMEC’s Manager Montoya was approached with the idea of utilizing a portion of the Co-op’s property in Buena Vista to set up some FEMA trailers to serve Mora County residents who have been displaced. This idea is in the planning stages. **A motion giving General Manager Montoya authority to discuss this matter further with Mora County and FEMA was made**

by Virginia Mondragon and seconded by Sam Ramirez. Motion carried unanimously.

- c. **NMRECA 2023 NM Government-In-Action Youth Tour Delegate Commitment Form** – After discussion, the Board was in agreement that MSMEC would commit to send 6 students on the 2023 NM Government-In-Action Youth Tour to Washington, DC.
- d. **Writing-Off Delinquent Accounts Policy** – Manager Montoya presented the Board with a draft policy regarding delinquent member/consumer accounts and writing-off these delinquent accounts. Some delinquent accounts are carried in the books for an extended period of time with little to no attempt by the consumer to make payment. These accounts and balances show up on our delinquent reports monthly with no realistic opportunity to collect these funds. Instead of MSMEC continue to carry these amounts as delinquent, the Trustees were presented with an opportunity to write-off those accounts determined to be uncollectable as determined by staff. The Board recommended these delinquent accounts be looked at on an annual basis to determine if they are uncollectable. This Policy will be brought back to the Board at our next meeting for any amendments they may have and/or for final approval.
- e. **Union Contract** – Manager Montoya advised the Board the IBEW Local Union 611 contract had been ratified and is effective July 1, 2022 through June 30, 2024. **A motion to acknowledge the agreement between the IBEW Local Union 611 and MSMEC was made by James Ortiz and seconded by Sam Ramirez. Motion carried unanimously.**
- f. **NRECA – Region 10 Meeting** – Staff will provide information on the NRECA Region Meeting to be held in late October

#### **15. MSMEC EDUCATIONAL FOUNDATION**

- a. **Information regarding Contributions from the Educational Foundation** – Manager Montoya shared an email send by our auditors regarding the Educational Foundation and the amount that must be gifted each year to avoid an excise tax of 30%. The Education Foundation by-laws will need to be amended to allow MSMEC to make donations for other educational purposes.

#### **16. CORRESPONDENCE**

- a. **NMRECA Board Meeting Schedule – 2022 (updated)** – For information only.
- b. **Thank You Letter for Donation – El Valle Community Center Library** – For information only.
- c. **Support Letter from Wayne Connell** – For information only.

#### **17. INFORMATION**

- a. **Calendar of Events** – Statewide will not hold a meeting during the month of September. Tri-State will hold virtual meetings on September 7<sup>th</sup>, 8<sup>th</sup>, & 9<sup>th</sup>. MSMEC

Board scheduled their next Finance and Regular Board Meetings on Thursday, September 29<sup>th</sup>, 2022.

**18. EXECUTIVE SESSION**

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


**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 Virginia Mondragon, seconded by Sam Ramirez. Motion carried unanimously. Meeting adjourned at approximately 1:20 p.m.**

**ATTEST:**

  
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Virginia Mondragon, Secretary/Treasurer

  
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Robert Baca, President