

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
JULY 29, 2021

Today's meeting was called to order at 11:05 a.m. by Robert Baca, Board President.

1. ROLL CALL AND DETERMINATION OF QUORUM

Present: **Robert Baca, President**
 James Ortiz, Vice President
 Virginia Mondragon, Secretary/Treasurer
 Joe C de Baca, Member
 Samuel Ramirez, Member

Others **Les Montoya, CEO/General Manager**
Present: **Debbie Alexander, Admin. 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. After review, a **motion to approve the agenda as presented was made by Virginia Mondragon and seconded by Joe C de Baca. 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 July 15, 2021 via teleconference. Those attending included the following: Lazaro Barela, Francisco Caro, Sara Cordova, Pamela Gallegos, Les Montoya, Isaiah Romero and Albert Salazar. Some of the items covered included:

- There were no accidents, no near misses and no on-the-job injuries to report in Mora or Pecos.
- There were three on-the-job incidents to report in Mora and one in Pecos.
- A fire was reported in June where an energized powerline fell onto a barbwire fence causing a barn and stable to catch fire and burn to the ground. An insurance claim has been filed.

- Manager Montoya let the Committee know there have been a couple of incidents of meter tampering since MSMEC has started to disconnect consumers for nonpayment.
 - MSMEC was tied with 3 other Cooperatives for the NM Rural Self Insurers Fund recognition of the Carl M. Turner Achievement Safety Award. MSMEC received a check for \$633.00.
 - The Safety Coordinator's Conference will be held in Albuquerque on September 7th & 8th. Two MSMEC employees will be attending.
 - Safety training was conducted on June 18th. The training consisted of wood pole inspection, climbing tool inspection, Mayday procedures and pole top rescue and proficiency. Both the Line and Meter Department participated in this training.
7. **ACTION OF REGULAR MEETING MINUTES HELD ON JUNE 24, 2021** – The Minutes of the Board Meeting held on June 24, 2021 were presented for review and approval. After review, a **motion to approve the Minutes as presented was made by James Ortiz and seconded by Joe C de Baca. Motion carried unanimously.**
8. **APPROVAL OF NEW MEMBERSHIPS (MORA 34 – PECOS 13)** – Forty-seven new memberships were presented to the Board for review and approval. After review and discussion, a **motion was made by Virginia Mondragon, seconded by Joe C de Baca, to approve all new memberships presented. Motion carried unanimously.**
9. **MANAGER'S REPORT**
- a. **Delinquent Report** – The Delinquent Report was reviewed. There were 1076 delinquent accounts for the month of June totaling \$357,436.20. After collections, 634 of those accounts remained unpaid for a total of \$150,474.26.
 - b. **RUS Form 7** – The RUS Form 7 for the period ending June 30, 2021 was reviewed. Operating Revenue and Patronage Capital was \$996,209; Cost of Purchased Power was \$506,163; and Total Operation & Maintenance Expenses was \$769,784. Total Cost of Electric Service was \$967,404; Patronage Capital & Operating Margins \$28,805; with Patronage Capital or Margins at \$29,783. TIER for the month was at 1.34% and 2.87% YTD. OTIER was 1.33% for the month and 2.79% YTD.
 - c. **Outage Report** – There were a total of 61 reported outages for the month of June 2021. Many of the outages were due to weather conditions such as wind and lightning, trees falling on power lines and blown fuses . A total of 4247 consumers were affected by these outages for a combined total of 123.25 hours of consumers without power.
 - d. **Member Sales Budget Report** – The Tri-State Member Sales Budget Report for June is as follows: Total Energy (kWh) monthly comparison was 6,041,563 kWh Actual and 5,600,573 kWh Budgeted. The month's Revenues were \$476,110 Actual and \$448,331 Budgeted.

e. **Fused Cut-Out Report** – There was one replaced Cut-Out in the Colonias area during the month of June 2021. President Baca stated that more cut-outs need to be installed in our system to minimize the number of consumers affected by the outages.

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 Sam Ramirez. Motion carried unanimously.

11. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on their July meeting held in Westminster, Colorado. Some of the items covered are as follows:

- FERC rejected methodology on Co-op buy-out from Tri-State – Tri-State must re-file
- Mini wind burst in Northern Colorado – 10 miles of damage – 71 structures damaged
- New Mexico is the biggest oil producing State
- A number of various House Bills were reviewed
- Tri-State is looking at getting some Federal funding
- Finances are good although sales and loads are dropping

12. NMRECA TRUSTEE REPORT – James Ortiz, NMRECA Trustee, reported on their July 2021 meeting. Some of the items covered include the following:

- RUS long-term loans are at 1.89% and short-term loans are at 0.05%.
- RUS has still not lifted travel restrictions for their staff due to the pandemic.
- NRECA increased the 2022 dues by 3%.
- The Manager’s Committee spoke in detail about a number of NMPRC cases.
- Discussion of solar advertising in print and social media outlets promoting installation of solar systems. Some of the advertising is designed to make it seem as though local utilities are part of the advertising.
- A draft copy for the 2021 NMRECA Annual Meeting was reviewed. The Annual Meeting will be held at the Santa Ana Star Casino Hotel in Bernalillo, NM for 2 half days and offered for in-person and online attendance.
- Jemez Mountain Electric Co-op has been contacted regarding membership re-entry with NMRECA.

13. ON-GOING BUSINESS

a. **Board Policy No. 100 – General Board Policy – Final Approval** – Board Policy No. 100 was brought back this month for final review by the Board. After discussion, a motion was made by Virginia Mondragon, seconded by Sam Ramirez, to approve the updated Board Policy No. 100 – General Board Policy as presented. Motion carried unanimously.

- b. **MSMEC Organizational Chart as of July 2021** – A copy of MSMEC’s organizational chart representing the present makeup of the organization, was presented to the Board during our June 2021 meeting. The Board asked to have the chart include the names of the employees at their respective job position. An updated chart was presented this month including the names of employees and their job positions. After review, **a motion to approve the updated Organizational Chart as presented was made by Virginia Mondragon and seconded by James Ortiz. Motion carried unanimously.**
- c. **Tri-State Bill/MSM Solar Bill** – The Tri-State power bill was \$476,109.91. The MSM Solar bill was \$30,053.34 with a credit from Tri-State of \$17,567.79.

14. NEW BUSINESS

- a. **Presentation of Scholarships** – Scholarship certificates were signed for the students awarded the 2021 scholarships. A couple of students, Cody Rivera and Steven Lovato both from Robertson High School, were present at today’s meeting to receive their certificate and scholarship money. Other students were unable to attend due to their work situations.
- b. **Board Policy No. 101 – MSMEC Board Member Qualifications and Eligibility and Board Policy No. 103 – Affirmation Certificate Form** – Revised Board Policies 101 and 103 were presented to the Board for their review. The Board has asked Manager Montoya to update/revise a couple of our current Board Policies each month, as most MSMEC Board Policies have been in place and not updated since 1993. The Board of Trustees was asked to comment on the revised policies. They will again be placed on the agenda in August for changes/addition and/or final approval.
- c. **Mora-San Miguel Electric Education Foundation, Inc. – Proposal** – Manager Montoya presented a proposal to the Board to form a MSMEC Education Foundation. Our Board presently administers the MSMEC Educational Fund and it has been recommended by our Auditors that the Education Fund be set up to be managed as a non-profit foundation. The corporation would be organized exclusively for the charitable and educational purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code. This matter was presented to the Board in 2019, but the Board decided to hold off on providing direction to the Manager at that time. After now considering changes to the Education Scholarship Board Policy 301, it is now reasonable to revisit the Auditors recommendation to form a foundation to manage these funds. After further discussion and review of the documents presented today, **a motion was made by Virginia Mondragon, seconded by James Ortiz, to give direction to Manager Montoya to move forward with setting up an Educational Foundation to manage the MSMEC education funds. Motion carried unanimously.**
- d. **Board Policy No. 301 – MSMEC Education Scholarship Program** – Board Policy No. 301 was tabled by the Board at this time.
- e. **Discussion – Planning to Design and Build a New Cooperative Business Office in Mora** – The Board of Trustees directed the General Manager to evaluate options available to build a new office building for the Cooperative in the Mora area.

Trustees prioritized this project as being desperately needed and believe a new office building would better accommodate the consumers, create safe and comfortable working conditions for employees and in turn would improve the conducting of business and accommodating visitors during meetings for the Trustees. After discussion, a **motion was made by Virginia Mondragon, seconded by James Ortiz, to authorize Manager Montoya to move forward on purchasing property and designing and building a new MSMEC cooperative office building in Mora. Motion carried unanimously.**

- f. **NMRECA Nominee for Member of Board of Directors 2021-2022 and Voting Representative Credential 2021** – Nominations and voting for these positions took place at an earlier meeting. Forms were now sent by NMRECA for completion. Forms will be filled out, signed and returned prior to the Annual Meeting.

15. CORRESPONDENCE

- a. **CoBank Energy and Water Executive Forum** – The CoBank Energy and Water Executive Forum will be held in Carlsbad, California from August 31-September 2, 2021. Arrangements will be made for Manager Montoya to attend.
- b. **Updated 2021 NMRECA Board Meeting Schedule** – For information only.
- c. **La Jicarita Rural Telephone Cooperative – Notice to Customers** – For information only.

16. INFORMATION

- a. **Calendar of Events** – Tri-State Annual Meeting will be held on August 4th and 5th. MSMEC's Finance and Regular Board Meetings will be held on Tuesday, August 24th, 2021 starting at 10:00 a.m. NMRECA's Annual Meeting will be held on Wednesday afternoon, August 25th and Thursday morning, August 26th, 2021.

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

17. EXECUTIVE SESSION

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

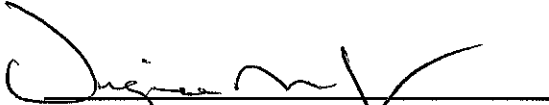
A motion to move out of Executive Session and back into Regular Session was made by James Ortiz and seconded by Joe C de Baca. Motion carried unanimously.

- 18. **ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION** – A motion was made by James Ortiz, seconded by Virginia Mondragon, to accept the lowest bidder for the purchase of gravel for the Pecos yard. Motion carried. Joe C de Baca abstained.


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

20. ADJOURNMENT - A motion to adjourn today's meeting was made by Virginia Mondragon and seconded by Sam Ramirez. Motion carried unanimously. Meeting adjourned at approximately 2:15 p.m.

ATTEST:



Virginia Mondragon, Secretary



Robert Baca, President