

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
NOVEMBER 23, 2021

The meeting of November 23, 2021 was called to order by Board President, Robert Baca, at approximately 10:46 a.m.

1. ROLL CALL AND DETERMINATION OF QUORUM

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

Others Present : Les Montoya, General Montoya
Debbie Alexander, Admin. Assistant

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. After review, the following was added to today's Agenda: 5. Recognition of Guests – b. General Public Comment – Mr. Adan Encinias, MSMEC Consumer. **A motion to approve the agenda with one amendment 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)** – Mr. Adan Encinias, Mineral Hill area consumer, introduced himself to the Board and General Manager. He presented a letter regarding his and his wife's concerns and asking for help to find a solution to their problem. The issue involves easement, poles and power lines that were recently installed next to their property. The Encinias' requested removal of these electric wires and poles. The Board and Manager advised Mr. Encinias a site visit will be scheduled to view his concerns in the field.
- c. **Introduction of Employees – Sandra Garcia – Bookkeeper** – Ms. Sandra Garcia was introduced to the Board as our new Bookkeeper in the Finance Department. Sandra

has lived in Guadalupita for many years and is originally from Albuquerque.
Welcome to MSMEC Sandra.

- 6. SAFETY REPORT/MINUTES** – The Safety Committee met on November 17, 2021. Those attending included the following: Lazaro Barela, Francisco Caro, Sara Cordova, Pamela Gallegos, Les Montoya, Isaiah Romero, Lawrence M. Salas and Albert Salazar. The meeting was held via teleconference. Some of the items covered included:
- There were no accidents, no near misses, no on-the-job injuries or incidents to report in either Mora or Pecos.
 - Employees have concerns with materials and the number of new services that are coming in. Materials ordered are not being delivered and materials have doubled in price. Manager Montoya mentioned this is a nationwide trend. Materials will need to be ordered in advance to anticipate what will be needed in the future.
 - Some linemen and meter techs are not turning in their fire-resistant (FR) shirts to be laundered but rather laundering the shirts themselves. This is a service paid by the Coop. Some linemen mentioned that they choose to launder their own because they like their shirts and pants to be pressed and look neat. A disclosure statement will be prepared for those who want to continue to launder their own FR clothing.
 - Employees in the Pecos Office continue to have issues with the phone system not working properly at times. A new landline will be installed.
 - The Ojitos Frios underground replacement project was completed on November 16, 2021. The Pecos Monument underground line replacement project will start next.
 - Manager Montoya advised the Committee there will be no increases to the employee's medical and dental plans for 2022.
 - Quotes are being obtained for the heating and cooling system for the Pecos Office.
 - Safety training was held on October 27, 2021 at the Mora Office for the linemen and meter technicians. The training included: 1) Bucket Truck Rescue, 2) Fall Restraint Inspection, and 3) Review Mayday Procedures. Also conducted was pole top rescue for one employee that needed to become certified.
- 7. ACTION OF REGULAR MEETING MINUTES HELD ON OCTOBER 23, 2021** – The Board Meeting Minutes of the meeting held on October 23, 2021 were presented for review and approval. After review, a **motion to approve the Minutes of October 23, 2021 as presented was made by Virginia Mondragon and seconded by James Ortiz. Motion carried unanimously.**
- 8. APPROVAL OF NEW MEMBERSHIPS (MORA 22 – PECOS 27)** – Forty-nine new memberships were presented for review and approval. **A motion to approve all new**

memberships was made by James Ortiz and seconded by Sam Ramirez. Motion carried unanimously.

9. MANAGER'S REPORT

- a. **Delinquent Report** – There were 802 delinquent accounts totaling \$181,925.54. After collections were completed, 548 accounts remained unpaid for a total of \$118,354.30.
- b. **RUS Form 7** – The RUS Form 7 was reviewed for the period ending October 31, 2021. Operating Revenue and Patronage Capital was \$952,435, Cost of Purchased Power was \$479,994 with Total Operation & Maintenance Expense at \$731,624. Total cost of Electric Service was \$866,199, Patronage Capital & Operating Margins was \$86,236 with Patronage Capital or Margins at \$86,915. TIER for the month was 4.15% and 2.55% YTD.
- c. **Outage Report** – There were 29 outages reported during the month of October. A total of 189 consumers were affected by these outages for a combined 27.5 hours. Some of the outages were due to blown fuses, trees fallen on power lines and a dead bird on transformer.
- d. **Member Sales Budget Report** – The Tri-State Member Sales Budget Report is as follows for the month of October: Total Energy (kWh) monthly comparison was 6,284,868 Actual kWh and 5,715,765 Budgeted kWh. The Revenues were \$479,994 Actual and \$454,979 Budgeted.
- e. **Fused Cut-Out Report** – There were no new cut-outs installed or replaced on the MSMEC system.

10. FINANCE REPORT – A motion to approve the Finance Report, together with the Manager's Report, was made by James Ortiz and seconded by Virginia Mondragon. Motion carried unanimously.

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

- November meeting was held virtually – short meeting.
- Tri-State to cut more costs.
- Rate Committee will meet in February.
- New wind energy center.
- Federal legislation and closing of coal plants.
- Update on pandemic.
- Probability of their being a rate increase in 2024.

12. NMRECA TRUSTEE REPORT – James Ortiz, NMRECA Trustee, reported on the November 5th meeting. Some of the items covered included the following:

- Special Meeting – Resolution No. 2021-007 to allow Jemez Mountain Electric Cooperative, Inc. back into NMRECA – the Membership voted eleven to five in favor .
- RUS long-term interest rates are at 1.84% and short-term rates are 0.04%.
- NMPRC – in the matter of a commission inquiry into impacts of Global Supply Chain Disruptions on Utilities & provision of services to rate payers.
- NRECA Education Courses – December 15th & 16th .
- Discussion of the Federal 30 x 30 program – a plan advanced to permanently protect 30% of America’s land and oceans by 2030.
- 2022 Youth Tour has been cancelled for all NM Coops.
- ACRE Certificate was issued to the Board for MSMEC’s 100% participation.

13. ON-GOING BUSINESS

- Certificate of Incorporation of Mora-San Miguel Electric Education Foundation, Inc. and Articles of incorporation of the Foundation** – Articles of Incorporation for the non-profit MSMEC Education Foundation, Inc. were filed with the NM Secretary of State. The Certificate of Incorporation was issued by the Secretary of State on October 5, 2021. The Board was asked to acknowledge the Certificate of Incorporation and direct the General Manager to include business of the Corporation to be conducted during the monthly meetings of the Cooperative. **A motion was made by Virginia Mondragon, seconded by James Ortiz, to direct the General Manager to include any future monthly business of the MSMEC Education Foundation as an agenda separate from the board meeting during the regular scheduled monthly meetings. Motion carried unanimously.**
- Real Estate Purchase Agreement/Valdez Property** – The Real Estate Purchase Agreement to purchase the 3.9 acres of property West and immediately adjacent to the MSMEC Office Building was presented to the Board. A purchase price was agreed upon by the property owner and MSMEC. The Real Estate Purchase Agreement was prepared by the Coop’s Attorney. The Board was asked to review the Agreement presented to them and provide authorization to the General Manager to execute the Purchase Agreement once it is acknowledged by the property seller. After review, **a motion was made by Virginia Mondragon, seconded by James Ortiz, to authorize General Manager Montoya to proceed with executing the Real Estate Purchase Agreement to purchase the Valdez property adjacent to the MSMEC Headquarters in Mora. Motion carried unanimously.**
- Request for Proposals – 2021 MSMEC Audit** – Mr. Montoya advised the Board that MSMEC had recently advertised a Request for Proposal to perform Auditing Services. Two proposals were received prior to the deadline. One firm showed no experience in auditing electric cooperatives in New Mexico and the other illustrated experience with only one New Mexico cooperative. For these reasons, the staff is recommending that these proposals be rejected and MSMEC be authorized to re-advertise the Request for Proposals for 2021 auditing services. After discussion, **a motion was made by James Ortiz, seconded by Sam Ramirez, to allow staff to**

reject the 2 proposals submitted and authorize the Request for Proposals to be re-advertised for 2021 auditing services. Motion carried unanimously.

- d. **Final copy of Form 990 – Return of Organization Exempt from Income Tax and 990-T Exempt Organization Business Income Tax Return for 2020** – The final copy of Form 990 – Return of Organization Exempt from Income Tax and 990-T Exempt Organization Business Income Tax Return for 2020 was presented to the Board for their review and approval. Mr. Bill Miller with Bolinger, Segars, Gilbert and Moss LLP reviewed the forms over Zoom. After review and discussion, **a motion was made by James Ortiz, seconded by Virginia Mondragon, to approve the final Form 990 as presented to be filed with IRS. Motion carried unanimously.**
- e. **Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of October 2021 totaled \$479,994.10. MSM Solar bill was \$33,439.91 with a credit from Tri-State of \$19,221.59.

14. NEW BUSINESS

- a. **Right-of-Way Access Agreement – Electrical Vehicle Charging Station** – The Right-of-Way access agreement to approach property owned by Mr. & Mrs. Michael Montoya in Mora, NM for the purpose of constructing, operating and maintaining an Electric Vehicle Charging Station Unit was presented to the Board. This property owned by the Montoya's is where Los de Mora is presently located. This location has been identified as an ideal place to set up an EV charging station in Mora. The Agreement is acceptable to the property owners and Manager Montoya is now requesting the MSMEC Board of Trustees to approve the Agreement also. After reviewing the proposed right-of-way agreement, **a motion was made by Sam Ramirez, seconded by Virginia Mondragon, to approve the 25-year mutual Right-of-Way Agreement so that MSMEC may begin the process of establishing an EV Charging Station in Mora. Motion carried unanimously.**
- b. **Retirement of Deceased Capital Credits** – As per Board Policy No. 406, Retirement of Deceased Capital Credits, requires MSMEC to pay \$12,000.00 per year to the estate of deceased patrons. Deceased Capital Credit payments have been made through 2018. After review and discussion, **a motion was made by Virginia Mondragon, seconded by Joe C de Baca, to approve the payment on deceased capital credits as per Board Policy No. 406. Motion carried unanimously.**
- c. **Resolution Authorizing the Closure of the Pay Check Protection Program Account** – Manager Montoya presented the Board with Resolution No. 11-23-2021-003, authorizing the closure of the Pay Check Protection Program Account. Our Auditor requested that the 2020 MSMEC Pay Check Protection Program Fund be closed out by action of the Board. All loan funds were used in accordance with the program, the loan repayment was waived and now by resolution, the fund will now be closed out. After review, **a motion was made by Virginia Mondragon, seconded by James Ortiz, to close out the Pay Check Protection Program Account by approving Board Resolution 11-23-2021-003. Motion carried unanimously.**

15. CORRESPONDENCE

- a. Letter to David F. Cargo Public Library in Mora of Donation of Kids Books by MSMEC in partnership with Touchstone Energy Cooperatives – For information only.
- b. Thank You Letter for Donation – Saint Vrain Mill Preservation & Historical Foundation – For information only.

16. INFORMATION

- a. **Calendar of Events** – NMRECA will hold their meetings on December 2nd and 3rd. Tri-State will meet on December 7th and 8th. MSMEC Board of Trustee meetings will be held on Wednesday, December 22, 2021 starting at 10:00 a.m. MSMEC Offices will be closed on Friday, December 24th and Monday, December 27th 2021 in observance of the Christmas Holiday. Offices will also be closed on Friday, December 31st in observance of the New Year’s Holiday.

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 Virginia Mondragon and seconded by Sam Ramirez. 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 Virginia Mondragon. Motion carried unanimously. Meeting adjourned at 2:52 p.m.

ATTEST:


Virginia Mondragon, Secretary/Treasurer


Robert Baca, Board President