

MORA-SAN MIGUEL ELECTRIC COOPERTIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
APRIL 28, 2022

The meeting of Wednesday, April 28, 2022 was called to order by President, Robert Baca, at 10:45 a.m. *Today's meeting was held at the Mora-San Miguel Electric Cooperative, Inc Pecos Office due to the ongoing Hermits Peak/Calf Canyon Wildfires*

1. ROLL CALL AND DETERMINATION OF QUOROM

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

Others: Les W.J. Montoya, CEO/General Manager
Sonya Vasquez, HR Administrative Assistant
Randy Robinson, Partner with Bolinger, Segars, Gilbert and Moss, L.L.P.

Absent: Samuel Ramirez, Trustee

2. **INVOCATION** – 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 was made by Virginia Mondragon, seconded by James Ortiz, to approve the agenda. Motion carried unanimously.**
5. **RECOGNITION OF GUESTS**
 - a. **Invited Speakers – (15-minute limit)** – Randy Robinson, Partner with Bolinger, Segars, Gilbert and Moss, L.L.P. presented findings from audit ending in 2020 and 2021, An Unmodified Opinion was issued along with recommendations.
 - b. **General Public Comment – (15-minute limit)** – None
 - c. **Introduction of Employees** – None
6. **SAFETY REPORT/MINUTES** – The Safety Committee Meeting was held on April 12, 2022. Those that attended included; Les Montoya, Lazaro Barela, Isaiah Romero, Gwen Mascarenas and Sonya Vasquez. Some of the items covered included the following;
 - a. There was one accident to report in Mora for the month of March; 03-16-22-001. There were no near misses to report in Mora for the month of March. There were two incidents reported in Mora for the month of March; 03-21-22-002 and 03-22-22-003.
 - b. There were no accidents to report in Pecos for the month of March. There were no near misses to report in Pecos for the month of March. There were no incidents to report in Pecos for the month of March.
 - c. Employees were alerted of the highly active Hermits Peak Fire and given the *Ready, Set, Go! Your Personal Wildland Fire Action Guide* that was sent out by the U.S. Forest Service.
 - d. Internet is an ongoing issue at the Pecos Office, Mr. Montoya will reach out to our internet provider in that area to see about faster speeds.

- e. MSMEC switched to a 4/10 work week on March 30, 2022. This was approved by MSMEC Board of Directors March 23, 2022 and by Local Union I.B.E.W. 611 via Ralph Pesche. Consumers were notified via social media, public postings and Enchantment Magazine.
 - f. M-Power Mapping Field Project start date has been set by AMI Supervisor
 - g. Monthly Safety Training with instructor Tanner Dunlap took place on March 29, 2022. The next Safety Training is scheduled for April 19, 2022.
 - h. EV Charger for Mora is underway, construction began on 4/11/2022.
 - i. CPR/First Aid/AED Training scheduled for May 19, 2022 at MSMEC Mora Headquarters.
 - j. Safety Committee Meeting adjourned early due to Hermits Peak Fire. Crews were called by the fire incident command center (USFS) to de-energize Las Dispensas, Gallinas, El Porvenir and Trout Springs. High winds were causing system outages; four MSMEC Linemen/Apprentices scheduled to attend a 4-day Climbing School at CNM were called back to headquarters immediately.
7. **ACTION OF REGULAR MEETING MINUTES HELD ON MARCH 23, 2022** – The Board Minutes of the meeting held on March 23, 2022 were presented for review and approval. After review, **a motion to approve the Minutes of March 23, 2022 was made by Virginia Mondragon, seconded by James Ortiz. Motion carried unanimously.**
8. **APPROVAL OF NEW MEMBERSHIPS (MORA 22 - PECOS 15)** – 37 new memberships were presented for review and approval. After review, **a motion to approve all new memberships was made by Virginia Mondragon and seconded by James Ortiz. Motion carried unanimously.**
9. **MANAGERS REPORT**
- a. **Delinquent Report** – Delinquent reports for March were presented for review. February started with 904 delinquent accounts totaling \$302,298.13 and after collections 657 of those accounts remained unpaid totaling \$192,836.46.
 - b. **RUS Form 7, Report ending March 31, 2022** – March’s Form 7 was reviewed as follows; Operating Revenue and Patronage Capital was \$1,214,100; Cost of Purchased Power was \$653,826; Total Operation & Maintenance Expense was \$975,867; Total Cost of Electric Service was \$1,163,522; and Patronage Capital or Margins was \$50,833. TIER for the month was 1.64% and 3.50% YTD.
 - c. **Outage Report** – Outage Report was not received
 - d. **Member Sales Budget Report** – The Tri-State Member Sales Budget Report for the month of March 2022 is as follows; Total Energy monthly comparison was 8,243,431 Actual kWh and 6,996,506 Budgeted kWh. The Revenues were \$620,189 Actual and \$519,380 Budgeted. That is 19.4% increase in revenues.
 - e. **Fused Cut-Out Report** – During the month of March, there was one cut-out replaced at the Valmora Tap.
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 Virginia Mondragon and seconded by Joe C de Baca. Motion carried out unanimously.**
11. **TRI-STATE TRUSTEE REPORT** – Robert Baca, Tri-State Trustee, reported on Tri-States Annual Meeting held on April 5th and 6th and some of the topics discussed;
- a. Coop accomplishments
 - b. Legislative Update
 - c. Renewable Energy discussion

- d. Coal Generation closure discussion
 - e. Election of new officers' discussion
 - f. Low carbon resources discussion
 - g. Financial Reports
 - h. A-40 Rate Discussion
 - i. Next meeting, mid-May
12. **NMRECA TRUSTEE REPORT** – James Ortiz, NMRECA Trustee, reported on April 8th meeting
- a. RUS long-term interest rates are at 2.76% and short-term rates are 0.69%
 - b. Cyber security financial discussion
 - c. Directors Conference will be held July 12th-14th in Chicago.
 - d. Co Banks charitable donation match discussion
 - e. Global supply shortages discussion, securing supplies for the Coop's.
 - f. \$978.20 check from Federated given to MSMEC, Member Equity Account.
 - g. Scholarship discussion
13. **ON-GOING BUSINESS** –
- a. **Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of March 2022 was \$620,189.09. The MSM Solar bill was \$33,363.60.
 - b. **New Mexico Rural Electric Self Insurer's Fund "The Carl M. Turner Safety Achievement Award" given to MSMEC for January 1, 2020-December 31, 2020** – Robert Baca recommended recognition to the team for their safety efforts.
 - c. **Term Sheet – prepared and presented by Lucky Corridor, LLC.** – Discussion on Lucky Corridor LLC's plan on designing to build 345kv/115kv Mora Transmission Project. Has been reviewed by Attorney Lorna Wiggins, explained that this signing this Term Sheet does not obligate MSMEC to any contract at this time, **James Ortiz motioned for approval; Virginia Mondragon seconded that motion. Motion carried unanimously.**
14. **NEW BUSINESS** –
- a. **2021 Annual Audit Report** – Randy Robinson, Partner with Bolinger, Segars, Gilbert and Moss, L.L.P. presented findings from audit ending in 2020 and 2021. Handed out hard copy of findings to all those present and presented the finding and recommendations. .
 - b. **Resolution No. 04-28-22-002 – Lineman Appreciation Recognition** – Resolution No. 04-28-22-002 was presented to the Board advising them of Lineman Appreciation Month being April, 2022. The Trustees authorized providing the linemen with a luncheon and cap in appreciation for their dedication and work. **Virginia Mondragon motioned for approval that MSMEC recognizes the month of April as Lineman Appreciation Month, Joe C De Baca seconded that motion. Motion carried unanimously.**
 - c. **Application for Grant/Loan Funds from the Infrastructure and Job Act** - Manager Montoya informed the Board an application to aid in funding design and construction of a new headquarters office building in Mora. The Board acknowledged the application and provided authorization to request grant funding for the purpose of building a new office building for the Cooperative in Mora.
 - d. **MSMEC Alcohol and Drug Policy – Board Policy No. 215** – Draft revision was presented to the Board for review. This comes with the legalization of Marijuana in New Mexico. MSMEC will stay at a "Zero Tolerance", Policy will be up for approval at next Board

meeting. The policy will also be presented to The Safety Committee. The Board had no amendments and requested the policy be placed on the next agenda for consideration.

- e. **2012-2021 Consumer Bad Debt, Policy/Procedures** – Mr. Montoya brought to the Board’s attention that Consumers Bad Debt will need to be addressed. Proposed writing a policy that would allow MSMEC to make significant effort to collect delinquent accounts or if determined uncollectable act to write off those as uncollectable. A recommendation to write off debt over 5 years was presented. **James Ortiz motioned for approval of moving forward with process, Virginia Mondragon seconded that motion. Motion carried unanimously.**
- f. **Recognition of Pecos Canyon Volunteer Fire and Rescue Department, in response to their effort and containment of the Dalton Canyon Fire caused by downed power lines** – Board review of Incident Report and consideration to recognize the Pecos Canyon Fire & Rescue Department for their action in responding to calls for fires in their jurisdiction. Illustrate support for these volunteer efforts by authorizing a monetary donation of \$500.00 to the department. **Virginia Mondragon motioned for approval of the recognition of the Pecos Canyon Volunteer Fire and Rescue Department. Joe C De Baca seconded that motion. Motion carried unanimously.**
- g. **College/Career Fair Packets, MSMEC’s participation in school fairs for our district schools** – For information purposes; educational packets describing benefits and employment opportunities with MSMEC to be distributed by MSMEC while participating in college or career fairs were presented to the board. Mr. Montoya explained that as changes occur, the packets may be revised. **The Board supported the packets and commended staff for producing the information.**
- h. **National Rural Utilities Cooperative Finance Corporation’s (CFC) Cooperative System Integrity Fund** – Board reviewed request to consider contributing to this initiative and determine the method of contributing should Board of Trustees decide to support this initiative. **Request denied unanimously.**
- i. **2022 CFC Annual Membership Meeting** – For informational purposes.
- j. **NMRECA Nominee for Member of Board of Directors 2022-2023 & Voting Representative Credential** – Board discussion of nominee’s for NMRECA 2022-2023 Voting Representative Credential. Board Member nominated is James Ortiz, Alternate Member is Samuel Ramirez. **Virginia Mondragon motioned for approval of nominees. Joe C De Baca seconded that motion. Motion carried unanimously.**
- k. **Disaster Declarations or Mora and San Miguel Counties** – Review and approval from the Board to acknowledge Resolutions from both Mora and San Miguel Counties declaring their respective counties, Disaster Areas and acknowledge Governor Michelle Lujan-Grisham’s state-wide disaster declaration of April 22, 2022 declaring the State of New Mexico a Disaster due to the numerous forest fires occurring in the State at this time.
- l. **Resolution No. 04-28-2022-003 – Declaring MSMEC Service Territory a Disaster Area caused by the Hermits Peak and Calf Canyon Wildfires** – Due to the high winds and horrific fire conditions associated with the Hermits Peak and Calf Canyon Wildfires igniting on April 6, 2022 and April 25, 2022 respectively. We are asking the board to approve Resolution declaring a Disaster within the MSMEC Service Territory and more specifically the 60,000+ acres that experienced extensive damages as a result of the

intense fires in these areas. **Joe C de Baca** motioned for approval of Resolution No. 04-28-2022-003 declaring MSMEC Service Territory a Disaster Area caused by the Hermits Peak and Calf Canyon Wildfires. **James Ortiz** seconded that motion. Motion carried unanimously.

15. **MSMEC EDUCATIONAL FOUNDATION** – Applications reviewed by Board, determination of awards and amounts will be announced to applicants by Debbie Alexander. Applicants chosen will need to be present at the Annual Meeting in June.

- a. Robert M. Quintana Memorial Scholarship – 5 participants chosen, awarded \$1,000 each.
- b. Frank R. Rodriguez Memorial Scholarship - 5 participants chosen, awarded \$1,000 each.
- c. Tri-State Generation and Transmission Scholarship - 2 participants chosen, awarded \$1,000 each.

Virginia Mondragon motioned to approve scholarship funding for all of the applicants who applied and qualify under the scholarship guidelines. **James Ortiz** seconded that motion. Motion carried unanimously.

16. **CORRESPONDENCE**

- a. 2022 NMRECA Annual Meeting & Vender Expo - Agenda

17. **INFORMATION**

- a. **Calendar of Events** –
 - i. Next Board Meeting – May 26, 2022
 - ii. Annual Meeting – June 25, 2022

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

18. **EXECUTIVE SESSION**

****A motion to move out of Executive Session and back into Regular Session was made by Virginia Mondragon, seconded by James Ortiz. Motion carried unanimously.****


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

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

21. **ADJOURMENT** – **Virginia Mondragon** motioned to adjourn today's meeting. **James Ortiz** seconded that motion. Motion carried unanimously. Meeting adjourned at approximately 3:15 p.m.

ATTEST:


Virginia Mondragon, Secretary/Treasurer


Robert Baca, President