

aMORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
JULY 28, 2022

The meeting of July 28, 2022 was called to order by Board President Robert Baca at 10:56 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 **Les Montoya, General Manager**
Present : **Debbie Alexander, Admin. Assistant**

2. INVOCATION – Board President 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 Joe C de Baca, 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 met on July 19th, 2022. Those attending included Les Montoya, Gwen Mascarenas, Francisco Caro, Jacob Jaramillo, Larry Barela, Sonya Vasquez and Isaiah Romero. Some of the items covered included the following:

- There were no accidents, no near misses, and no on-the job injuries to report in either Mora or Pecos for the months of May and June
- There were 3 job incidents in the Mora area and 3 incidents in the Pecos area
- Update on the Hermits Peak/Calf Canyon Fire
- Distribution Damage Assessment Update

- Rebuilding of the line leading to the communications tower will began July 14th
- EV charger has been installed in Mora but not yet connected to the electric service until a user rate is established
- A meeting will be held on July 19th regarding the underground line replacement for the Pecos National Park
- One of the Colorado pickups has been delivered and waiting for the other two
- Next Safety Training will be held on August 23rd, 2022 – Driving Risk and Responsibilities, Head Protection in the Work place and Line of Fire

7. ACTION OF REGULAR MEETING MINUTES HELD ON JUNE 23, 2022 – The minutes of the meeting held on June 23, 2022 were presented for review and approval. After review, **James Ortiz motioned to approve the minutes as presented. Sam Ramirez seconded that motion. Motion carried unanimously.**

8. APPROVAL OF NEW MEMBERSHIPS (MORA 21 – PECOS 8) – A total of 29 new memberships were presented for review and approval. After review, **Virginia Mondragon motioned to approve all 29 new memberships. Sam Ramirez seconded that motion. Motion carried unanimously.**

9. MANAGER’S REPORT

- a. Delinquent Report** – The Delinquent Report for June 2022 had a total of 1128 delinquent accounts totaling \$310,564.46. After collections, 335 accounts remained unpaid for a total of \$64,384.19.
- b. RUS Form 7 – For Period Ending April 30, 2022, Period Ending May 31, 2022 & Period Ending June 30, 2022** – There was a brief review of RUS Form 7’s for the months of April, May and June 2022. Form 7’s for April and May 2022, had not previously been available due to the closure of the office during the wildfires in our area. For the month of April, Patronage Capital or Margins was \$225,588; TIER was at 8.97% for the month and 4.44% YTD. For May 2022, Patronage Capital or Martins was \$121,961; TIER was 5.51% for the month and 4.59% YTD. For the month of June, Patronage Capital or Margins was at -\$29,109; Tier was at 0.65% for the month and 3.40% YTD.
- c. Outage Report** – The Outage Report was not available prior to meeting.
- d. Member Sales Budget Report** – Tri-State’s Member Sales Budget Report for June 2022 was as follows: Total energy monthly comparison was 5,757,722 Actual kWh and 5,850,407 Budgeted kWh. That is 1.6 % lower. Revenues were \$457,124 Actual and \$449,946 Budgeted.
- e. Fused Cut-Out Report** – There were three replaced Cut-Outs during the month of June 2022. One on the Glorieta Highway, one in Mora and one in Chacon.

10. FINANCE REPORT – A motion to approve the Finance Minutes of the meeting held earlier today, together with the Manager’s Report, was made by Virginia Mondragon, seconded by James Ortiz. Motion carried unanimously.

11. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on their July 2022 meeting. A few of the items covered include the following:

- Implications of West Virginia vs. EPA U.S. Supreme Court Case on Tri-State’s Responsible Energy Plan
- SPP RTO reliably serves new peak load
- Tri-State’s corporate flight operations recognized for safety
- Operations and Financial results
- Updated Tri-State Directory App
- Tri-State’s Manager’s Meeting held in New Mexico
- Rates will be increasing
- Closing of all coal plants and probable blackouts

12. NMRECA TRUSTEE REPORT – James Ortiz, NMRECA Trustee, reported on their July 8th, 2022 meeting. Some of the items reported on included the following:

- RUS long-term interest rates are at 3.28% and short-term rates are at 1.99%. Funds are now available for wildfire mitigation
- Vegetation Management Plans- PRC not happy and wants to review by setting up a task force
- BLM stipulations on right of ways
- NMRECA courses to be held in August
- NM Healthy Workplace Act “paid sick leave”
- Les Montoya, General Manager at MSMEC briefed the Board on the restoration plan regarding damages caused by the Hermits Peak/Calf Canyon fire
- Standard fire prevention
- Budget and Finances

13. ON-GOING BUSINESS

- a. **Board Policy 211/212 – Code of Conduct/Disciplinary Action Policy – Tabled.**
- b. **Social Media Policy – Tabled.**
- c. **Incident/Accident Reporting and Investigating Policy – Tabled.**
- d. **Bid Award of Projects – Fire Damage Rebuild Work –** Manager Montoya presented the Board with bids submitted on projects regarding the Hermits Peak/Calf Canyon Fire damage rebuild work of poles and conductors. MSMEC solicited contractors to review the work and work sites where the damage took place and encouraged them to submit bids to complete this work as defined by the Coop’s engineer. The completed assessment identifies approximately 1,500 poles and other components of our distribution lines that will need to be rebuilt. The Board was asked to review the bids and consider awarding bids to one or multiple contractors as recommended

by the engineer. After review, a motion was made by Virginia Mondragon, seconded by Sam Ramirez, to authorize the General Manager to award bid(s) based on a "justified bid" in regard to the different terrain, work and cost. Motion carried unanimously.

- e. **Hermits Peak/Calf Canyon Fire Final Damage Assessment** – Manager Montoya provided the Board with an update on the total extent of the damages to the MSMEC distribution line caused by the Hermits Peak/Calf Canyon Fire and the US Forest Service. T&D Engineering completed their damage assessment and final damage estimates are at \$9,786,463.41. Damaged equipment includes poles, transformer, meters, J-boxes and other devices. MSMEC has begun to rebuild its system with its own financial resources. FEMA is working with MSMEC to gather all costs incurred by MSMEC that are reimbursable so as to be refunded to our Cooperative.
- f. **Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of June was \$457,123.78. MSM Solar bill was \$31,932.91 with a credit from Tri-State of \$18,689.98.

14. NEW BUSINESS

- a. **Director's Creed – James Ortiz, District 3 Trustee** – Mr. James Ortiz was sworn in as the re-elected Trustee from District 3 for a three-year term. Mr. Ortiz acknowledged his responsibilities of his trustee position and the trust placed in him by the MSMEC community. Mr. Ortiz was the sole member to file to run for the open trustee position in District 3. As per bylaws if there is no competition, the incumbent shall remain in office for an additional three-year term.
- b. **Restatement of the 401K Pension Plan** – The restatement of the 401K Pension Plan was presented to the Board for their review. The IRS outlines a five-year restatement schedule for our pension plan. The plan was last restated in 2017. After review, James Ortiz motioned to approve and readopt the plan provisions for the MSMEC 401K Pension Plan. Joe C de Baca seconded that motion. Motion carried unanimously.
- c. **IRS Standard Mileage Rate for remainder of 2022** – The Board was presented with the IRS standard mileage rate for the remainder of 2022 which has increased from 58.5 cents to 62.5 cents per business mile. A motion to approve the IRS standard mileage rate increase to 62.5 was made by Virginia Mondragon and seconded by Sam Ramirez. Motion carried unanimously.
- d. **Onboarding Employee Packets** – Onboarding packets were presented to the Board for their review. Packets include all information regarding MSMEC's Mission and Vision Statements, Board Policies, By-Laws, and new hire paperwork to be given during orientation. The Board accepted the Onboarding Employee Packets with a motion by James Ortiz and second by Virginia Mondragon. Motion carried unanimously.
- e. **Audit Agreement for the year ending December 31, 2022** – Bolinger, Segars, Gilbert & Moss, LLP submitted a written audit agreement describing their services provided to MSMEC should they be retained to conduct our 2022 audit.

After review, a motion was made Virginia Mondragon, seconded by Joe C de Baca, to approve the audit agreement submitted by Bolinger, Segars, Gilbert & Moss, LLP for the year ending December 31, 2022. Motion carried unanimously.

15. MSMEC EDUCATIONAL FOUNDATION

- a. **Scholarship Certificates – Signatures needed** – Scholarship certificates for students awarded the 2021-2022 scholarships were signed by the Board President and Secretary.
- b. **Draft Form 1023 – Application for Recognition of Exemption under Section 501(c) (3) of the IRS Code** – Bolinger, Segars, Gilbert & Moss, LLP, MSMEC’s auditors, have completed IRS Form 1023 tax form for the Education Foundation and now presented to the Board for review. After review, the Board was in agreement that tax form should be filed as presented.

16. CORRESPONDENCE – None.

17. INFORMATION

- a. **Calendar of Events** – Tri-State Meetings will be held on August 2nd and 3rd. The NMRECA Meetings will be held on August 11th and 12th in Santa Fe. The Annual NMRECA BBQ will also be held on the evening of August 11th. MSMEC’s next Finance and Regular Board Meetings are scheduled for Thursday, August 25, 2022.

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

18. 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.

19. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION – None

20. OTHER BUSINESS TO COME BEFORE THE BOARD – The Board conducted their Organizational Meeting. After discussion, a motion was made by Joe C de Baca, seconded by Sam Ramirez, for all to remain the same – Robert Baca, Board President; James Ortiz, Board Vice-President; Virginia Mondragon, Board Secretary/Treasurer; Robert Baca, Tri-State Trustee; and James Ortiz, NMRECA Trustee. Motion carried unanimously.

21. ADJOURNMENT - A motion to adjourn today's meeting was made by James Ortiz and seconded by Joe C de Baca. Motion carried unanimously. Meeting adjourned at 2:37 p.m.

ATTEST:



Virginia Mondragon, Secretary/Treasurer



Robert Baca, President