

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
SEPTEMBER 27, 2022

Today's meeting was called to order at 10:51 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, Trustee
 Samuel Ramirez, Trustee

Les Montoya, General Manager
Debbie Alexander, Admin. Assistant

- 2. INVOCATION** – President Robert Baca led us in prayer.
- 3. PLEDGE OF ALLEGIANCE** – The Pledge of Allegiance was recited.
- 4. APPROVAL OF AGENDA** – Today's agenda 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 September 13, 2022. Those in attendance included the following: Les Montoya, Sonya Vasquez, Larry Barela, Francisco Caro, Jacob Jaramillo, Gwen Mascarenas, Isaiah Romero and Gerald Trujillo.

Some of the items covered included:

- There were no accidents, no near misses, nor on-the-job injuries to report in Mora or Pecos
- There were no incidents to report in Mora

- There were two incidents to report in Pecos: 1) Consumer requested assistance from employees due to backing over the retaining wall in the yard while backing up to leave the yard; 2) A chainsaw was not unloaded from the digger and when the digger was turned by lineman, the chainsaw broke in two pieces
- Manager Montoya gave an update on the distribution system. Progress is being made on the rebuild. Three contractors are currently working in the following areas: 1) Gallinas; 2) Mineral Hill; and 3) San Ignacio
- Three Apprentice Linemen will be attending the NMEUSA Underground & Climbing School in late October
- Safety Training was conducted on August 23, 2022 by Tanner Dunlap wit OAEC. Objective covered included Driving Risk and Responsibilities, Fall Arrest Inspections and Bucket Truck Rescue
- Next crew safety training will be held on October 25, 2022 and will cover Aerial Device Safety Operations and Rescue and Fall Arrest Systems Inspection

7. ACTION OF REGULAR MEETING MINUTES HELD ON AUGUST 25, 2022 – The minutes of the meeting held on August 25, 2022 were provided to the Board for their review. **A motion to approve the minutes as provided was made by James Ortiz and seconded by Sam Ramirez. Joe C de Baca abstained as he was not present at the meeting of August 25, 2022. Motion carried.**

8. APPROVAL OF NEW MEMBERSHIPS (MORA 20 – PECOS 8) – Twenty-eight new memberships were presented for the Board’s review and approval. After review, a **motion was made by Virginia Mondragon, seconded by James Ortiz, to approve all new memberships. Motion carried unanimously.**

9. MANAGER’S REPORT

- a. Delinquent Report** – The Delinquent Report for August 2022 was presented as follows: Total delinquent accounts were 1061 equaling \$295,040.00; after collections, 621 of those accounts remained unpaid for a total of \$101,839.68.
- b. RUS Form 7 – For Period Ending August 31, 2022** – Manager Montoya reported on the RUS Form 7 for period ending August 31, 2022. Operating Revenue and Patronage Capital was \$959,866; Cost of Purchased Power was \$465,190; Total Operation & Maintenance Expense at \$752,566. Total Cost of Electric Service was \$893,015, Patronage Capital & Operating Margins \$66,851 and Patronage Capital or Margins at \$67,577. Line Loss for the month was -1.8% and 3.4% YTD. TIER was at 3.45% for the month and 2.69 YTD. OTIER was at 3.43% for the month and 2.64% YTD.
- c. Outage Report** – No report available.

- d. **Member Sales Budget Report** – Tri-State’s Member Sales Budget Report for the month of August was as follows: Total energy monthly comparison was 5,669,706 Actual kWh (YTD 54,628,414) and 5,968,773 Budgeted kWh (YTD 53,300,210). Revenues were \$432,519 Actual (YTD \$4,193,103) and \$441,020 Budgeted (YTD \$4,057,726).
- e. **Fused Cut-Out Report** – There were 2 cut-outs replaced during the month of August.

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 Sam Ramirez. Motion carried unanimously.

11. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on their September meeting. This was a short virtual meeting with only a few items discussed. Included in the discussion was; 1) rate increase; and 2) United Power buy out. It is certain there will be a rate increase in 2023, but they want it to be fair for all cooperatives.

12. NMRECA TRUSTEE REPORT – James Ortiz, NMRECA Trustee, reported that there was no meeting held during the month of September. The Board will meet on September 29th and 30th to review applications received for the CEO position. The October meeting will be held in Las Cruces, NM on October 6th and 7th.

13. ON-GOING BUSINESS

- a. **Board Policy No. 311 – Collection & Writing-Off Delinquent Member/Consumer Accounts determined to be Uncollectable** – A draft of Board Policy 311 – Collection & Writing-Off Delinquent Member/Consumer Accounts determined to be Uncollectable, was presented to the Board for their review and discussion. This proposed policy sets procedures for the collection and writing off delinquent member/consumer accounts determined to be uncollectable. This board policy will be presented at next month’s meeting for final review of any amendments and/or approval.
- b. **RUS NM-14 Mora AF Loan Drawdown** – Manager Montoya presented the Board with documentation supporting the drawdown of RUS loan funds totaling \$4,602,195.00 to pay for system improvement identified in its existing four (4) year work plan as previously approved by the Board of Trustees. **A motion was made by Virginia Mondragon, seconded by Sam Ramirez, to approve the drawdown of RUS loan money in the amount of \$4,602,195.00 to pay for system improvement identified in our four-year plan and subsidize our cash. Motion carried unanimously.**
- c. **Tri-State Bill/MSM Solar Bill** – The Tri-State bill for August 2022 was \$432,519.42. MSM Solar bill was \$32,670.29 with a credit from Tri-State of \$25,010.69.

14. NEW BUSINESS

- a. **Resolution No. 09-27-2022-003 – Authorizing Certificate of Authority (RUS Form 675)** – MSMEC will be drawing down loan funds from RUS totaling \$4.3 million dollars of the \$7.3 million dollars available with RUS loan “AF-48”. The Board was requested to approve the Certificate of Authority Form – No. 675 authorizing the following to sign loan draw-down documents from RUS as per Resolution No. 09-27-2022-003: Robert R. Baca, President; Virginia Mondragon, Secretary/Treasurer; and Les Montoya, General Manager. **A motion to approve Resolution No. 09-28-2022-003, Authorizing Certificate of Authority (RUS Form 675) and authorize the drawn down of \$4.3 million dollars was made by Joe C de Baca, seconded by James Ortiz. Motion carried unanimously.**
- b. **Resolution No. 09-27-2022-004 – Authorizing General Manager to file Application Form 299, Bureau of Land Management (BLM) Right-of-Way Grant – NMNM0856343 - which expired on September 17, 2021** – Resolution No. 09-27-2022-004 was presented to the Board for the approval authorizing the General Manager to submit an application to renew the BLM Right-of-Way Grant – NMNM085643. MSMEC was provided notice on August 1, 2022 that this ROW Grant had expired on September 17, 2021. The ROW Grant allows for a 2,682’ (894 yards) single phase 14/4-volt distribution line that provides service to one consumer in the Leyba, NM area. The application for renewal is to be filed with the Bureau of Land Management (BLM). After review and discussion, **a motion was made by Virginia Mondragon, seconded by Joe C de Baca, to approve Resolution No. 09-27-2022-004 authorizing the General Manager to file Application Form 299, BLM Right-of-Way Grant NMNM085643. Motion carried unanimously.**
- c. **NRECA – Voting Delegate – Regional 10 Meeting** – NRECA Region 10 Meeting will be held in Little Rock, AR in October. The General Manager, listed as the voting delegate, will not be attending this meeting. Therefore, **a motion was made Joe C de Baca, seconded by Virginia Mondragon, to appoint James Ortiz as our system’s Voting Delegate and Sam Ramirez as the Alternate. Motion carried unanimously.**

15. MSMEC EDUCATIONAL FOUNDATION

- a. **MSMEC Education Foundation - Bylaws Proposed Amendment** – Proposed amendment for the MSMEC’s Education Foundation, Inc. Bylaws were presented to the Board for approval. The Education Foundation presently allows for educational scholarships to deserving students who are dependents of MSMEC members and attend a high school in our service area. Due to potential tax consequences, it was recommended that our Bylaws be amended to allow for additional use of the assets to support donations for other educational purposes, reducing future tax consequences for the Foundation. After review of the proposed amendment to include the donation for educational purposes, **a motion to approve the amendment made to the Educational Foundation Bylaws was made by Virginia Mondragon and seconded by James Ortiz. Motion carried unanimously.**

16. CORRESPONDENCE

- a. **Thank you letter for donation – El Valle Community Center – For information only.**

17. INFORMATION

- a. **Calendar of Events – Tri-State will meet on October 3rd, 4th and 5th. Statewide will meet in Las Cruces, NM on October 6th and 7th. MSMEC offices will be closed on Monday, October 10th in observance of the Columbus/Indigenous Peoples’ Day Holiday. Manager Montoya will be in the Denver area attending and speaking at the USFS gathering on October 18; as well as the Tri-State Manager’s and Quarterly CEO meetings on October 19th and 20th. NRECA Region 10 Meeting will be held in Little Rock, AR on October 24th, 25th and 26th. MSMEC Finance and Regular Board Meeting will be held on Thursday, October 27th, 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. **Personnel Matters**
- b. **Update on Union Matters**
- c. **Litigation Matters**

A motion to move out of Executive Session and back in to Regular Session was made by Virginia Mondragon, seconded by Sam Ramirez. Motion carried unanimously.

19. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION – No action taken.

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 James Ortiz. Motion carried unanimously. Meeting adjourned at approximately 1:15 p.m.

ATTEST:


Virginia Mondragon, Secretary


Robert Baca, President