

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING
HELD ON
APRIL 27, 2023

The meeting of April 27th, 2023 was called to order by Robert Baca, Board President, at 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 Manager

Present : Debbie Alexander, Administrative Assistant

2. INVOCATION – Robert Baca, President, led us in prayer.

3. PLEDGE OF ALLEGIANCE – The Pledge of Allegiance was recited.

4. APPROVAL OF AGENDA – Today’s meeting agenda was presented for review and approval. After review, James Ortiz motioned to approve the agenda as presented. Virginia Mondragon seconded that motion. Motion carried.

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 April 19, 2023. Those in attendance included Les Montoya, Larry Barela, Sonya Vasquez, Vidal Barela, Martin Teran, Sandra Garcia, George Valdez, and Tristan Trujillo. Some of the items covered included the following:

- There were no accidents, no near misses nor on-the-job injuries to report in Mora or Pecos.
- There were four incidents reported in Mora. Three were determined to be non-preventable and one preventable. No incidents were reported in Pecos.

- RESAP onsite observation is scheduled for July 24th - 27th, 2023 at both the Mora & Pecos Offices.
 - FEMA update – Manager Montoya informed the committee that MSMEC is still waiting for FEMA to provide reimbursement for the costs incurred to rebuild our distribution system due to the Hermits Peak/Calf Canyon Fire.
 - MSMEC will hire a law firm to assist in Filing a Notice of Loss due damages from the fire last year.
 - Manager Montoya informed the committee that he has not heard back from the USFS regarding the burnt tree removal. MSMEC applied for a Grid Resiliency Improvement Plan that would grant money to remove trees that threaten our distribution system.
 - T & D Engineering is currently upgrading their mapping and will provide the updated map to Central Dispatch.
 - Safety Training held in March covered FMCSA Handling Equipment & Materials; Accident Investigation; and Behavior Based Safety.
 - The next safety training will cover Use & Care of Insulated Protective Equipment & Live Line Tools; Skid Steer Safety; and Safety Culture.
7. **ACTION OF REGULAR MEETING MINUTES HELD ON MARCH 23, 2023** – The minutes of the meeting held on March 23rd, 2023 were presented for review and approval. After review, **a motion to approve the minutes as presented was made by Virginia Mondragon, seconded by Sam Ramirez. Motion carried.**
8. **APPROVAL OF NEW MEMBERSHIPS (MORA 18 – PECOS 7)** – Twenty-five new memberships were presented for review and approval. **A motion to approve all new memberships was made by Virginia Mondragon and seconded by Sam Ramirez. Motion carried.**
9. **MANAGER’S REPORT**
- a. **Delinquent Report** – The Delinquent Report was presented showing 936 delinquent accounts totaling \$339,912.06. After collections, 497 of those accounts remained unpaid for a total of \$157,113.72
 - b. **RUS Form 7** – Manager Montoya reported on the RUS Form 7 for the period ending March 31, 2023. Operating Revenue and Patronage Capital was \$1,185,731 for the month and \$3,790,217 YTD. Cost of Purchased Power was \$656,084 and Total Operation & Maintenance Expense was at \$1,105,012. Total Cost of Electric Service was \$1,357,558, Patronage Capital & Operating Margins (\$171,827) and Patronage Capital or Margins was (\$156,290). TIER was at -0.25% for the month and 1.61% YTD. Line loss was at 10.8% for the month and 4.7% YTD.

- c. **Outage Report** – There were a total of 45 reported outages during the month of March 2023.
- d. **Member Sales Budget Report** – The Tri-State Member Sales Budget Report for the month of March was as follows: Total energy monthly comparison was 8,517,771 Actual kWh and 7,227,442 Budgeted kWh. Revenues were \$623,089 Actual and \$540,833 Budgeted.
- e. **Fused Cut-Out Report** – There were two replaced cut-outs on the MSMEC system during the month of March. One in the Penasco Blanco area and one in Mora.
- 10. FINANCE REPORT** – A motion was made by James Ortiz, seconded by Sam Ramirez, to approve the Manager’s Report together with the Finance Report of the Finance Meeting held earlier today. Motion carried.
- 11. TRI-STATE TRUSTEE REPORT** – Robert Baca, Tri-State Trustee, reported on their April meeting: Some of the items included the following:
- Annual Meeting events
 - Executive Committee members
 - FERC – Tri-State’s buy-out methodology not approved
 - Rate Committee – voting will take place in June – no official rate hike percentage given at this time
- 12. NMRECA TRUSTEE REPORT** – James Ortiz, NMRECA Trustee, reported on their Friday, April 14th meeting. A few of the areas covered included the following:
- Short meeting was held with a long executive session.
 - RUS loan rates are at 5.10% for short-term and 3.69% for long-term.
 - Legislative update was provided to the Board. A total of 91 bills were tracked.
 - New Mexico PRC update on NMPRC case no. 22-00140-UT – Working Group.
 - Publication Committee – discussion on the Enchantment Magazine survey.
- 13. ON-GOING BUSINESS**
- a. **Contract for Legal Services – Singleton, Schreiber, LLP and Rothstein Donatelli, LLP** – Legal request for proposals were solicited to assist MSMEC in filing a Notice of Loss under the Hermits Peak/Calf Canyon Fire Act. Three legal firms responded and all were evaluated, interviewed and then two of the firms were asked to provide their best final contract. After reviewing the final contracts and completing the reference checks, it was determined that the Singleton, Schreiber, and Rothstein Firms be recommended for hire. After discussion and review of the contract, **Sam Ramirez motioned to authorize General Manager to execute the legal service contract with Singleton, Schreiber, and Rothstein Firms to work toward filing a Notice of Loss under the Hermits Peak/Calf Canyon Fire Act on behalf of MSMEC. James Ortiz seconded that motion. Motion carried. Robert Baca, President, abstained.**

- b. **Board Policy No. 106 – Nepotism – Final Review/Approval** – Board Policy No. 106 – Nepotism was again presented to the Board for final review/approval. After a short discussion, **Virginia Mondragon** motioned to approve **Board Policy 106 – Nepotism** as presented. **Joe C de Baca** seconded that motion. **Motion carried.**
- c. **CoBank – Closing Process on a Loan Document to Amend and Restate Revolving Credit Promissory Note** – Manager Montoya presented the Board with an instruction letter from CoBank on the closing process on a loan document to amend and restate the revolving credit promissory note to not exceed \$8,000,000.00. CoBank offered to provide MSMEC an additional \$4,000,000.00 to cover expenses to continue the rebuild of our system due to the fire damage and as identified by T & D’s Fire Damage Assessment. After discussion, **Sam Ramirez** motioned to authorize the **General Manager to complete the application to obtain an additional \$4,000,000.00 line of credit for the sole purpose of paying for costs to complete the rebuild and repairs of the MSMEC distribution system.** **Virginia Mondragon** seconded that motion. **Motion carried unanimously.**
- d. **Tri-State Bill/MSM Solar Bill** – The Tri-State power bill was \$623,088.77 for the month of March 2023. The MSM solar bill was \$32,995.66 with a credit from Tri-State of \$19,263.12.

14. NEW BUSINESS

- a. **Resolution No. 4-27-2023-001 – Authorizing Signatures for Executing Loan Agreements for the Purchase of Vehicles to be utilized by the Cooperative in the Build, Service and Maintenance of its Electric Distributions Systems** – MSMEC plans on purchasing vehicles to replace existing vehicles needing to be replaced due to wear and tear. Resolution No. 4-27-2023-001 was presented to the Board asking for authority to purchase vehicles and equipment for MSMEC. Building and delivery of new vehicles are projected to be 6 months to a year out making it necessary to start the process of ordering and purchasing the new vehicles at the time old vehicles are paid off. Dodge 550 chassis will be purchased and the bucket units on the old vehicles will be remounted on the new truck chassis. After review and discussion of the Resolution, **Joe C de Baca**, seconded by **Virginia Mondragon**, motioned to approve **Resolution No. 4-27-2023-001** authorizing the **General Manager and the Finance Manager as signatory authority on loan documents to purchase vehicles and equipment for MSMEC.** **Motion carried.**
- b. **Board of Director’s Oath of Office** – The Board of Director’s were provided with two different versions of a Director’s Oath of Office. One had been in place since 2019 and the other is a version of one used at another cooperative. After review and discussion, a motion was made by **Virginia Mondragon**, seconded by **Joe C de Baca**, to adopt the new version of the **Director’s Oath of Office.** **Motion carried.**
- c. **Mora County Economic Development Corporation – 2023 Membership** – After review, a motion was made by **Virginia Mondragon**, seconded by **Sam Ramirez**,

to approve the 2023 MCEDC Membership for the Silver Member – Annual Membership of \$125.00. Motion carried.

- d. **CoBank – 2023 Sharing Success Program** – Information on the CoBank 2023 Sharing Success Program was reviewed. The Board of Directors will consider if any assistance through this program is recommended within our service territory.
- e. **Notice of NRECA Director Election and Certification of Voting Delegate** – A motion was made by Virginia Mondragon, seconded by Joe C de Baca, that no changes be made to the NRECA Director Election and Voting Delegate. That is James Ortiz and Sam Ramirez. Motion carried.
- f. **NMRECA Nominee for Member of Board of Directors 2023-2024 & NMRECA Voting Representative Credential** – The 2023-2024 Board of Directors and Voting Representative Credentials will remain unchanged with a motion from Virginia Mondragon and second by Joe C de Baca. Motion carried.
- g. **Board Resolution 04-27-2023-002 – National Lineman Appreciation Day** – National Lineman Appreciation Day was April 18, 2023. With Board Resolution 4-17-2023-002, MSMEC recognized our Linemen during the month of April for their dedication, hard work, and bravery to provide energy to our members/consumers. A motion was made by Virginia Mondragon, seconded by Sam Ramirez, to recognize our Lineman during the month of April by adopting the proposed Board Resolution 4-27-2023-002. Motion carried.
- h. **Board Resolution 04-27-2023-003 – Removal of Signatory Authority** – The Board of Directors were presented with Board Resolution 4-27-2023-003 authorizing the removal of Robert Quintana’s signatory authority from all banking institutions, National Coop Loans, and other institutions. Mr. Robert Quintana, MSMEC Board of Director’s President, passed away on January 10, 2021. Sam Ramirez, seconded by James Ortiz, motioned to authorize the removal of Robert Quintana’s signatory authority from all bank institutions, National Coop Loans, and other institutions. Motion carried.

15. MSMEC EDUCATIONAL FOUNDATION

- a. **None**

16. CORRESPONDENCE

- a. **Continental Divide Annual Meeting Invite – April 29th, 2023** – For information only.

17. INFORMATION

- a. **Calendar of Events** – Tri-State will hold their meetings on May 1st and 2nd in Westminster, Co. MSMEC will hold its next Finance and Board Meetings on Thursday, May 25th, 2023 starting at 10:00 a.m. NMRECA Annual Meeting will be held on May 30th through June 1st in Bernalillo, NM.

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 into Regular Session was made by James Ortiz and seconded by Sam Ramirez. Motion carried unanimously.

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

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

21. ADJOURNMENT – Motion to adjourn today’s meeting was made by Sam Ramirez, seconded by Joe C de Baca. Motion carried unanimously. Meeting adjourned at 2:05 p.m.

ATTEST:


Virginia Mondragon, Secretary


Robert Baca, President