

BOARD OF TRUSTEES MEETING MINUTES
HELD ON
October 21, 2025

The meeting was called to order by Board President, Robert Baca, at 11:58 a.m.

1. ROLL CALL AND DETERMINATION OF QUORUM

Present: Robert Baca, President
 James Ortiz, Vice -President
 Virginia Mondragon, Secretary/Treasurer-by phone
 Joe C de Baca, Trustee
 Samuel Ramirez, Trustee
 Les Montoya, General Manager
 Tami Hernandez, Administrative 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 – Les requested to add Disaster Loan Program Application Awards to the Agenda, A motion was made by Virginia Mondragon to add the Disaster Loan Program Application Awards to the agenda, seconded by Sam Ramirez as amended. Motion carried.

5. RECOGNITION OF GUESTS – None

- a. **Invited Speakers-** None
- b. **General Public Comments-** None
- c. **Introduction of New Employee-** Maricela Mayden Cashier-Member Service Representative, Mariquita Sanchez Billing Specialist-Member Service Representative.

6. SAFETY REPORT/MINUTES – October 20, 2025- No report, meeting was cancelled

7. ACTION OF REGULAR MEETING MINUTES HELD ON September 25, 2025 – The Board Minutes for the meeting held on September 25th 2025, were presented for review.

James Ortiz, motioned to approve the minutes as presented. Virginia Mondragon seconded the motion. Motion carried.

8. **APPROVAL OF NEW MEMBERSHIPS (MORA 11 – PECOS 16)** A total of eleven Mora memberships was presented, the other 16 from Pecos will be presented November 20, 2025 Board Meeting. After review, a motion was made by Sam Ramirez, seconded by Virginia Mondragon, to approve all new Mora memberships. Motion carried.
9. **MANAGER'S REPORT** – Manager's report was approved with a motion by Sam Ramirez and seconded by Joe C de Baca. Motion carried.
 - a. **Delinquent report** – As of August 2025 there were \$230,078.72 total delinquents and as of September 2025 there were \$89,790.67 total delinquents.
 - b. **RUS FORM 7** – The month ending **July 31, 2025** shows a Margin of \$(57,502) for the month. We are at \$985,658 in Revenue, \$791,802 Total Expenses and \$115,173 in Depreciation. Interest on Long Term Debt \$152,831 and Interest Expenses \$21,990. Total Cost for the month \$1,083,622. Non-Operating Margins Interest is \$1,849. Operating Margins are \$(97,964) for Year-to-Date. Tier 1.25 YTD and 0.62 for the Month.
 - c. **Outage Report-incomplete**
 - d. **Fused Cut-Out Report**
10. **FINANCE REPORT** –Approval of Finance Report along with Manager's report was motioned by James Ortiz and Seconded by Virginia Mondragon. Motion Carried.
11. **TRI-STATE TRUSTEE REPORT** – Robert Baca, Tri-State Trustee, reported on the October, 2025 virtual meeting. Some topics covered included the following:
 - Discussion that Tri-State board voted to purchase a new building for administrative and operations facilities.
 - Tri-State announced they officially have a new CFO Brian Davis.
 - Tri-State Fall Regional Meeting Scheduled. Robert, James, Joe, Sam and Les said they are attending.
 - The Tri-State Board discussed the member spotlight: The fight beyond the fire-story of resilience at Mora-San Miguel Electric.
 - Tri-State Board of Directors approved the 2026 Budget and rate change.
12. **NMREC TRUSTEE REPORT** – James Ortiz, NMREC Trustee reported meeting for October 3, 2025.
 - NMRECA presented a \$1000.00 to Mayor Lynn Crawford and Village Manager Ron Sena for flood relief efforts in the area.
 - David Spradlin reported that the NRECA has been rated one of the top lobbying associations and he encourages all of us to donate to the National PAC which will add value to these federal lobbying efforts.
 - Vince Martinez will be sending out donate reminders for the National PAC.

- George from the legislative committee discussed how important it is to donate money because it influences the legislators support for cooperatives at the roundhouse.
- The NMRESIF finalized the safety demonstration trailer with minor changes.
- Tom Condit discussed the enchantment magazine program options, the committee had concerns about the increased cost of advertising. No recommendation was made by the committee.
- Update on the Managers Report, update on the special session, there where five bills were passed- with \$50M allocated to rural health hospitals and facilities.
- NMRECA will host a fundraiser for the house majority leader Reena Szczepanski on October 14th and the fundraiser for Representative Lundstrom has been rescheduled for November 5th.
- David Spradlin and Duane Highley sat on a panel with economic development conference and gave a presentation on behalf of cooperatives around the state.
- Talia Storch stated that she will be rolling out the business alliance renewals for 2026 at the end of November to allow adequate solicitation prior to the legislative breakfast in February.
- Carmen Campbell stated that the outlook on grants is a little grim with the changes at the federal level. None of the six CWGD grants were awarded to cooperatives in this round of funding. The POWER grant sill has approximately \$9,000 to NMRECA that will be coming from the cooperatives for grant work. The Grip grant is sill moving along- MSMEC has about 40% of their system inventoried and the upgraded are moving forward.
- Evelyn Vigil provided an update on the December Directors Training. Evelyn also discussed that is it more cost effective to have these trainings in state which includes a discount for both courses and less expensive than traveling out of state.

13. ON-GOING BUSINESS-

- a. Tri-State Generation and Transmission, Inc., and MSM Solar, LLC. Invoices.
- b. Les Montoya presented to the board of the Proposed Notice to Rate Payers, Advice Notice No. 71 to be filed with Public Regulation Commission on December 1, 2025. The increase will be published in the November Enchantment Magazine to inform members. Les mentioned that the PRC reviewed the initial rate proposal increase and did not request any revisions.
- c. Presentation-Joint Use Agreement Ameren Services Company as Agent for Ameren Transmission Authority. Mr. Sean Black and Nick Combolt presented regarding the status of the development plan. Update included additional mileage of the co-location MSMEC lines with Ameren transmission lines a total of approximately 18 miles. After the discussion it was agreed the board would try to provide approval of the JUA and the stepdown facility agreement by January 2026. Ameren/Sean Black committed at providing the updated information on the new JUA along with the first

issue of the agreement for the step-down facility. The Board agreed with these timelines and the proposed timelines.

- d. OutiFi- One year contract was presented and discussed to the MSMEC Board of Directors for review and approval. Gwen Mascarenas presented the contract. Discussion about the OutiFi one year contract, Starlink and Central. Sam made a motion to agree with the OutiFi terms and to retain Central for dispatch services. James seconded.
- e. Disaster Loan Program Application Projects 677452 & 737789. NM Department of Finance and Administration for repair of damages-MSEMC applied for these funds to assist in covering the costs associated with damages caused by HPCC fires. A notice of awarded loan funds was approved in the amount of \$5,848,502.77 and \$1,950,000.00 with zero interests to rebuild of power lines and rebuild underground lines. The loan for hazard tree cutting and removal was not approved. Will look to CoBank for a line of credit to set up a cash fund to pay contractors for their projects. Sam Ramirez made a motion to approve the loan agreement pending DFA's approval of changes proposed by MSMEC and authorize the Board President and Secretary to sign off on as signatory authority. Joe C de Baca seconded the motion.

14. NEW BUSINESS –

- a. Review and approval of 2025-2029 Construction Work Plan for MSMEC. Burns and McDonnell completed the five-year work plan. The plan identifies the work that Larry, Isaiah, and Jason identify that needs to be completed over the next five years to assist in developing a safe reliable distribution system. These are projects outside of what we are doing under rebuild and grip. The total estimate of all projects is 12,258,691. Also included as a project under that work plan is a new administrative building. Les Montoya ask the board to review the plan. Les Montoya also would like the board to approve the work plan and authorize the general manager to proceed with contracting with T&D engineering to prepare the application for funding of the plan through RUS. The board reviewed the plan and Robert Baca asked if there were any questions on the plan. There were no questions. Sam Ramirez made a motion to approve the Work Plan as prepared by Burns and McDonnell, and then authorize the General Manager to contract with T&D engineering to prepare a funding application to the rural utility services. Joe C de Baca seconded the motion.
- b. Draft copy of Form 990 Return of Organization Exempt from Income Tax year 2024 was presented by Elizabeth Kana from Bolinger, Segar, Gilber & Moss LLP. Elizabeth Kana provided an overview of the revenues and expenses, confirming that active services totaled 11,472, and explaining that the cooperative meets the 85/15 test for tax-exempt status. The presentation covered the requirement for additional schedules, board governance, compensation disclosures, and financial reporting, noting that total revenues were \$13,938,490 total assets were \$40,381,000 and five employees made over \$100,000. Elizabeth Kana also discussed supplemental schedules, confirming that the cooperative's financials are separate and the difference between the tax return and the audited financials is the treatment of

allocated margins as an expense. Members can request 990 return for public inspection.

- c. Resolution No 10-22-2025-003, Authorizing the General Manager to sign off on the United State Forest Service Permit allowing for the building, operation, and maintenance of power lines to include vegetation management within the boundaries of the Santa fe National Forest. Motion made by Sam Ramirez to approve the resolution no. 10-22-025-003 as presented, motion was seconded by James Ortiz.

15. GENERAL INFORMATION-

- a. 2025 Tri-States Fall Regional Member meetings, November 25, 2025 Bernalillo NM, Santa Ana Star Casino Hotel.
- b. The Gallery Collection Christmas card and quote.

16. MSMEC EDUCATIONAL FOUNDATION

- a. None.

17. CORRESPONDENCE

- a. Thank you card, and picture, from the 4-H Shooting Sports Shamrock Shoot.
- b. Appreciation Letter from the Upper Pecos Watershed Association.

18. Events: Calendar:

- a. Daylight Savings Time Ends Sunday November 2, 2025.
- b. Election Day Tuesday November 4, 2025.
- c. Rural Co-op & forest Service Working Group 10am-12pm Santa Fe NM.
- d. MSMEC Offices will be closed Tuesday November 11, 2025 in observance of Veterans Day.
- e. 2025 Tri-States Fall Regional Meeting, Santa Ana Casino Hotel, Santa Ana NM.
- f. MSMEC Offices will be closed Wednesday November 26, 2025 and Thursday November 27, 2025 in observance of Thanksgiving Holiday.

- 19. EXECUTIVE SESSION-** Motions was made to go into executive session at 2:12 p.m. by Sam Ramirez and seconded by James Ortiz Motion to adjourn executive session at 3:10 p.m. was made by James Ortiz and seconded by Joe C de Baca. No action was taken.

- a. **Personnel Matters**
- b. **Update on Union Matters**
- c. **Litigation Matters**

20. NO ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

21. OTHER BUSINESS TO COME BEFORE THE BOARD: NONE

22. ADJOURNMENT – A motion to adjourn today's meeting was made by James Ortiz and seconded by Sam Ramirez. Motion carried unanimously. Meeting adjourned at 4:07 pm.

ATTEST:

