

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
FEBRUARY 27, 2019

The meeting of February 27, 2019 was called to order at 10:55 a.m. by Board Chairman, Robert M. Quintana.

1. ROLL CALL AND DETERMINATION OF QUORUM

Robert Baca, Vice-Chairman
Joseph C de Baca, Member
Virginia Mondragon, Secretary/Treasurer
James Ortiz, Member
Robert M. Quintana, Chairman

2. INVOCATION – Robert Baca, Vice Chairman, 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. A motion was made by Robert Baca, 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** – Antonio Maes was introduced to the Board after accepting the new position of Lineman Apprentice. Antonio began his new job duties on Wednesday, February 20th and has been with MSMEC for a little over a year.

6. SAFETY REPORT/MINUTES – The Safety Committee held their monthly meeting on February 5, 2019. Some of the items covered included:

- There were no accidents, no near misses nor on-the-job injuries in either Mora or Pecos for the month of January
- Three minor job incidents were reported – one in Mora and two in Pecos
- Manager Montoya mentioned MSMEC's safety record has been excellent for the last 2 years. In 2017 there were no injuries and in 2018, there was one injury. The Cooperative's loss modifier is at 1.3 compared to 1.5 four years prior.
- Mr. Montoya also let the committee know Larry Barela, Operations Manager, has been nominated for the 2019 Long Rope Award sponsored annually by the NMRECA. Larry has worked to support change and improve the safety culture within the organization.

- Linemen and Meter Technicians from both offices were trained on line clearance procedures and reviewed company procedures/policies and back injury prevention.
- The inside staff from Mora and Pecos were also trained on back injury prevention.

7. ACTION OF REGULAR MEETING MINUTES HELD ON JANUARY 24, 2019 – The Minutes of the meeting held on January 24, 2019 were presented for review and approval. After review, a motion was made by Virginia Mondragon, seconded by James Ortiz, to approve the Minutes of January 24, 2019 as presented. Motion carried unanimously.

8. APPROVAL OF NEW MEMBERSHIPS (MORA 8 – PECOS 15) – Twenty-three new memberships were presented for review and approval. After review, Robert Baca, seconded by Virginia Mondragon, motioned to approve all new memberships as presented. Motion carried unanimously.

9. MANAGER'S REPORT

- Delinquent Report** – The Delinquent Report for the month of January had 742 delinquent accounts totaling \$380,143.93. After collections, 536 accounts remained unpaid for a total of \$110,566.73.
- RUS Form 7** – The RUS Form 7 for the period ending January 31, 2019 was presented for review. The Operating Revenue and Patronage Capital was \$1,213,995, Cost of Purchased Power was \$692,095 and Total Operation & Maintenance Expense was at \$966,166. Total Cost of Electric Service was \$1,112,132, Patronage Capital & Operating Margins was \$101,862 and Patronage Capital or Margins was \$104,633. TIER for the month of January was 3.86% and OTIER was 3.79%.
- Outage Report** – There were a total of 46 outages between Mora and Pecos service areas. Consumers affected during these outages were 198 for a total number of 99 consumer hours. The outage affecting the most consumers in the Maestas Canyon area, 25, lasted for 1.25 hours and was due to ice on the power line. The outage with the longest duration, 10.50 hours, affected one consumer in the Ilfeld area. Outage was caused by a bad underground primary wire.
- Member Sales Budget Report** – The Tri-State Member Sales Budget Report for the month of January was higher than budgeted. The Total Energy (kWh) Monthly Comparison was 8,644,811 current and 8,443,807 budgeted. That was 201,004 higher for the month. The Tri-State Revenues were also higher than budgeted for the month – Actual was \$669,261 compared to the budgeted amount of \$661,195 a difference of \$8,066.
- Fused Cut-Out Report** – The following Fused Cut-Outs were installed on the MSMEC System during the month of January 2019:

- Mora – along Hwy 518 = 16
- El Llano Loop = 1
- Rincon Road = 1
- Camp Davis = 1

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

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

- Possible new classes for different Members – new contracts? Public meeting to vote on this issue during Tri-State’s Annual Meeting
- Tri-State recently hired their new Chief Executive Officer, Mr. Duane Highley. Mr. Highley presently serves as President and CEO of Arkansas Electric Cooperative
- Tri-State will continue being pro-active with more and advertising & promoting
- Moody’s Investor Services identified the commission’s exercise of jurisdiction in a dispute between Tri-State and Delta Montrose Electric Association as a “credit negative” for Tri-State

12. NMRECA TRUSTEE REPORT – Robert M. Quintana, NMRECA Trustee, reported on the Board of Directors Meeting held on February 1, 2019. Some of the items covered included:

- State Senator Woods and Trustee of Farmers Electric, addressed the Board on HB 15 – RPS Bill. Senator Woods outlined the difficult political climate co-ops are in and where they stand. It will be next to impossible to defeat bills like HB-15
- Mr. McGraw, RUS, briefed the Board on changes on the Farm Bill regarding the cushion credit accounts
- The RUS interest rates are at 2.84% for long-term loans and short-term at 2.42%
- Keven Groenewold brought as information a copy of Governor Lujan Grisham’s Executive Order 2019-003, Executive Order on Addressing Climate Change and Energy Waste Prevention
- “Save the Date” for NMRECA 2019 Annual Meeting & Expo to be held on May 28th – 30th, 2019. The Sponsors will be Lea Count Electric, Farmers’ Electric, Central Valley Electric, Roosevelt County Electric and Otero County Electric
- Mr. Groenewold reported on Bill(s) which will be supported by NMRECA’s legislative team and those that will be opposed

13. ON-GOING BUSINESS

- a. **Vegetation Management Priority Areas** – MSMEC’s Vegetation Management Plan was approved by the Board on October 24, 2018. Staff recently met to identify priority areas where tree trimming is needed. Methods of implementing such work

have been discussed recognizing the budgeted amount available. Priority areas have been identified and implementation measures will take place. The Board was presented with a short presentation illustrating areas designated as high priority areas for tree trimming within our service territory and requires immediate attention.

- b. **Advice Notice No. 64 – Agriculture/Irrigation Service and Advice Notice No. 65 – AMI Meter Administration** – Manager Montoya updated the Board on Advice Notice No. 64 – Agriculture/Irrigation Service and Advice Notice No. 65 – AMI Meter Administration. MSMEC received letter from NMPRC advising Advice Notice No. 64 would go into effect March 1st and Advice Notice No. 65 will go into effect on March 3rd, 2019. The first notice allows for the monthly service charge to be removed during the “off season” when accounts are de-energized; and the second amends MSMEC Rule No. 10 – Meter Administration. No protests were received on either Notice.
- c. **Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of January was \$669,260.75. The MSM Solar bill was \$22,834.34 with a credit from Tri-State of \$12,702.56.

14. NEW BUSINESS

- a. **Proclamation of Election** – A draft of the Proclamation of Election for 2019 was presented to the Board. Notice will need to be provided to MSMEC members in District 3 that a Trustee Election will be held in May 2019. This notice also informs members wishing to become a candidate for the Board of Trustees of the Cooperative with how to file a petition and by what date. **With a motion by Robert Baca and second by Virginia Mondragon, the date of May 7th, 2019 was selected to have the District 3 Trustee Election in San Miguel, NM. Motion carried unanimously.**
- b. **Bid Awards for the Purchase of New Tires for MSMEC Vehicles and Equipment** – Bid awards for the purchase of new tires for vehicles and equipment of the Cooperative were presented to the Board. Bids were solicited from vendors in our area and five vendors’ submitted bids. Bid comparisons were prepared and it was determined the vendors with the low bids were Platinum Performance and Franken Tire. **A motion was made by Robert Baca and second by Virginia Mondragon to award the bids to Platinum Performance and Franken Tire as recommended. Motion carried unanimously.**
- c. **2019 CFC Annual Membership Meeting & CFC Delegate Registration Card** – Robert Baca will remain as voting delegate for the 2019 CFC Annual Meeting and Robert M. Quintana will serve as alternate delegate.
- d. **Central New Mexico Electric Cooperative, Inc. – Contract for Distribution Outage Assistance with MSMEC** – A copy of the contract for distribution outage assistance from Central New Mexico Electric Cooperative, Inc. was presented to the Board for their review and approval. Central New Mexico has provided dispatch services for MSMEC for an extended period of time. This service provides for dispatching MSMEC crews to outages after hours as reported by consumers. MSMEC provides

payment for these services at .15 cents per meter in our territory. MSMEC did not have a contract on file for such services, so Central New Mexico agreed to present MSMEC with a contract. After review, **a motion was made by Robert Baca, seconded by Virginia Mondragon, to approve the contract with Central New Mexico Electric Cooperative, Inc. for distribution outage assistance to MSMEC and allow the General Manager to execute this agreement. Motion carried unanimously.**

- e. **2019 Scholarship Program Application and Letter to Schools** – The 2019 Scholarship Program Application and letter to schools on the announcement of MSMEC accepting applications for scholarships were presented to the Board. The application was prepared to accompany a letter to be delivered to the high schools in our service area. A copy of MSMEC’s Board Policy No. 301, MSMEC Education Scholarship Program, will also be included for the school’s review of our new policy and guidelines. After review, **James Ortiz, seconded by Joe C de Baca, made a motion to approve the Scholarship Program Application together with the letter that will be distributed to the high schools in our service area. Motion carried unanimously.**

15. CORRESPONDENCE

- a. **Thank You for Donation – Mora County Commissioners** - For information only.
- b. **Invitation to City of Las Vegas, San Miguel County Day & Night at the Legislature** – For information only.
- c. **Thank You for Donation – Mora Business Professional Association (BPA)** – For information only.
- d. **2019 CoBank Southwest Customer Meeting – April 4-5, 2019 – Austin, Texas** – For information only.
- e. **Notice of CoBank 2019 Director Election – Request for Director Candidates** – For information only.
- f. **ACRE Action Newsletter** – For information only.
- g. **Techline Customer Appreciation Event – March 11, 2019** – For information only.
- h. **Save the Date – NRECA Legislative Conference – April 28-30, 2019** – For information only.
- i. **Sierra Electric Cooperative, Inc. – Annual Meeting Invitation** – For information only.
- j. **Thank You Letter to MSMEC Repair Crew for Restoring Power** – For information only.
- k. **Thank you Letter for Donation from NRECA International** – For information only.

16. INFORMATION

- a. **Calendar of Events** – NMRECA will hold their meetings on Thursday, February 28, 2019 and Friday, March 1, 2019. Tri-State is scheduled to meet on Tuesday, March 5th, and Wednesday, March 6th. The NRECA Annual Meeting will be held in Orlando, FL on March 11th, 12th & 13th. MSMEC Board has scheduled their next Finance and

Regular Board Meetings on Thursday, March 28th, 2019. Tri-State Annual Meeting will be held April 2-4, 2019.

A motion to move into Executive Session was made by Robert Baca and seconded by James Ortiz. Motion carried unanimously.

17. 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 Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.

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

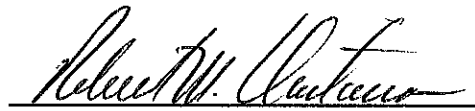
19. OTHER BUSINESS TO COME BEFORE THE BOARD – None.

20. ADJOURNMENT – A motion to adjourn was made by James Ortiz. Meeting adjourned at approximately 2:50 p.m.

ATTEST:



**Virginia Mondragon
Secretary/Treasurer**



**Robert M. Quintana
Board Chairman**