

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
MARCH 28, 2019

The meeting of March 28, 2019 was called to order by Robert M. Quintana, Board Chairman, at 11:14 a.m.

1. ROLL CALL AND DETERMINATION OF QUORUM

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

Others Present: Les Montoya, CEO/General Manager
Debbie Alexander, Administrative Assistant

- 2. INVOCATION** – Robert Baca, Vice Chairman, led us in prayer.
- 3. PLEDGE OF ALLEGIANCE** – The Pledge of Allegiance was recited.
- 4. APPROVAL OF AGENDA** – After a review of today's Agenda, a motion was made by Virginia Mondragon, seconded by Robert 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 Minutes were reviewed by Manager Montoya. Those present at the March 7, 2019 meeting were Larry Barela, Pamela Gallegos, Les Montoya, Isaiah Romero, Lawrence Salas and George Valdez. Some of the items covered included:
- There were no accidents, no near misses nor on-the-job injuries to report in either Mora or Pecos
 - There was one on-the-job incident to report in Mora. A Member Service Representative received a phone call from an irate consumer who was disconnected for non-payment. Consumer insisted she had never received any notice, although numerous notices were either mailed or delivered. Consumer continued to be very rude, used vulgar language and threatened to come to

office and wreck her face. Employee's supervisor contacted the Sheriff's Office and reported this to them.

- A journeyman lineman from the Mora Office asked if the new apprentice lineman was going to attend climbing school because he cannot climb without a certified climber with him. Operations Manager stated that there is a climbing school starting on March 19th and the apprentice will be registered.
- General Manager Montoya raised the issue of the ice event that occurred and the trouble with communication between office staff, linemen and consumers. A meeting will be held with employees to discuss this situation.
- MSMEC is looking into a new software/database system. Meetings are set with SEDC and NISC while attending the NRECA Annual Meeting.
- Manager Montoya is working on a feasibility study with the Economic Development Group regarding a grocery store in Mora. Surveys were handed out to the community to get some feedback. He feels it's a community issue and MSMEC is supporting this effort.
- The generator at the Mora Office did not kick on during the ice event outages. Both the Mora and Pecos generators will receive regular and complete maintenance to assure they are operating during such an event where the power also goes off at our offices.
- The linemen and meter technicians from both offices were trained on the Use and Care of Rubber Gloves and Sleeves. They were also trained on Minimum Approach Distance, Fall Arrest/Restraint Devices and Hearing Protection and Conservation.

7. ACTION OF REGULAR MEETING MINUTES HELD ON FEBRUARY 27, 2019 – The Board Meeting Minutes of February 27th, 2019 were presented for review and approval. After review, a motion was made by Robert Baca and seconded by Joe C de Baca to approve the Board Minutes of February 27, 2019 as presented. Motion carried unanimously.

8. APPROVAL OF NEW MEMBERSHIPS (MORA 15 – PECOS 9) – A total of 24 new memberships were presented for review and approval. After review, a motion was made by James Ortiz and seconded by Joe C de Baca to approve all new memberships. Motion carried unanimously.

9. MANAGER'S REPORT

- a. Delinquent Report** – The Delinquent Report was reviewed for February 2019. There were 999 delinquent accounts total \$591,306.67. After collections, 569 of those accounts remained unpaid totaling \$142,121.22.
- b. RUS Form 7** – Operating Revenue and Patronage Capital was \$1,172,108, Cost of Purchased Power was \$637,996 and Total Operation & Maintenance Expense was \$920,090. Total cost of Electric Service was \$1,066,501 with Patronage Capital & Operating Margins at \$105,601 and Patronage Capital or Margins at \$106,570.

Number of consumers at the end of February was 11,028 with 1,962 miles of line. TIER was at 3.95% for the month and 5.80% year-to-date.

- c. **Outage Report** – There were a total of 17 outages during the month of February affecting 77 total consumers with a total of 39.75 consumer hours of down time.
- d. **Member Sales Budget Report** – The Tri-State Member Sales Budget Report was reviewed. The Total Energy (kWh) Monthly Comparison was 7,456,119 actual and 6,822,657 budgeted. The Revenues were \$619,587 actual and \$573,841 budgeted.
- e. **Fused Cut-Out Report** – There were a total of five new cut-outs installed during the month of February. Two in the Sapello area, one in Mora and two in the Watrous area.

10. FINANCE REPORT – The Finance Meeting Minutes together with the Manager’s Report were approved with a motion from Robert Baca and second from Virginia Mondragon. Motion carried unanimously.

11. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on their March meeting held in Westminster, Colorado. Meeting mainly consisted of presentations on the Colo/Wyo Line emphasizing areas such as Coal Mines and Renewable Energy. Also discussed were the Bylaw changes, starting the process and opening it for discussion during Tri-State’s Annual Meeting which will be held the first week of April.

12. NMRECA TRUSTEE REPORT – Robert M. Quintana, NMRECA Trustee, reported on their March meeting. Some of the items discussed included the following:

- RUS loan rates are 2.45% for long-term and 2.84% for short-term loans
- NMRECA Annual Meeting will be held on May 28-30, 2019
- The Board was asked whether the Secretary-Treasurer position will be separated into 2 positions or will remain as is. After discussion, a motion was made to keep the position as is. The motion was seconded and carried.
- The Board was updated regarding the Enchantment Digital Strategy Project. The pilot program will continue through July.
- The Board was given a copy of HB 15 for discussion. This house bill is related to utilities – amending requirements of the renewable portfolio standard for rural electric cooperatives and public utilities; amending the definition of “Renewable Energy in the rural electric cooperative act and requiring the hiring of apprentices for the construction of facilities that produce or provide electricity.

13. ON-GOING BUSINESS

- a. **Resolution Authorizing the Request of Loan Funds for the Purchase of 2 New 2019 Ford 550 Trucks and Bucket Units** – Loan funds from Community First Bank are available at competitive rates. MSMEC has ordered two new units for the Pecos Office and loan funds are required to pay for the units upon delivery. Funds will be

loaned at 5.65% interest rate over the term of the loan at 5 years. A Board approved Resolution requesting approval to borrow \$292,092.00 for the purchase of two new units is required to complete approval of loan documents. **A motion to approve Resolution No. 3-28-2019-001, Authorizing Request of Loan Funds to Purchase 2 New 2019 Ford 550 Trucks and Bucket Units was made by Robert Baca and seconded by Virginia Mondragon. Motion carried. Chairman Robert M. Quintana abstained.**

- b. **Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of February 2019 was \$619,586.67; MSM Solar bill \$18,409.71 with a credit from Tri-State of \$11,905.65.

14. NEW BUSINESS

- a. **Resolution Recognizing April 8, 2019 as MSMEC Linemen Appreciation Day** – General Manager Montoya requested the Board of Directors to consider approving a Resolution establishing April 8, 2019 as Linemen Appreciation Day in Mora and Pecos. The approval of this Resolution will recognize our Linemen for the work they perform on behalf of all MSMEC members/consumers in our service territory during demanding and dangerous weather conditions. **A motion to approve the Resolution Recognizing April 8, 2019 as MSMEC Linemen Appreciation Day was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.**
- b. **CFC Letter – Annual Benefits of Ownership Statement for MSMEC** – Cooperative Finance Corporation, CFC, provided MSMEC with its “Annual Benefits of Ownership” statement which showed a few of the benefits specific to our system such as Patronage Capital, Education, Integrity Fund and other exclusive resources.

15. CORRESPONDENCE

- a. **Letter for Michael McInnes, Tri-State CEO, to NM Senator Clemente Sanchez** – For information only.
- b. **Letter from Employee, Albert Salazar MSMEC Meter Reader, on Linemen work during recent Ice/Wind Storms** – For information only.
- c. **Central NM Electric Cooperative 2019 Annual Meeting Invitation** – For information only.

16. INFORMATION

- a. **Calendar of Events** – Tri-State Annual Meeting will be held on April 2-4, 2019 in Broomfield, Co. Statewide Meeting is scheduled for April 11th and 12th. Offices will be closed on Friday, April 19th in observance of the Good Friday Holiday. The Finance and Regular Board Meeting are scheduled for Thursday, April 25th, 2019.

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

17. EXECUTIVE SESSION

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

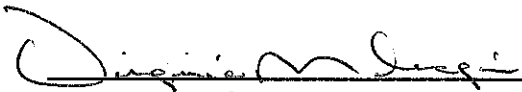
A motion to move out of Executive Session and back in to Regular Session was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.

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

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

20. ADJOURNMENT – A motion to adjourn today's meeting was made by and seconded by . Motion carried unanimously. Meeting adjourned at approximately 2:45 p. m.

ATTEST:



Virginia Mondragon
Secretary/Treasurer



Robert M. Quintana
Board Chairman