

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
JULY 25, 2019

The meeting of July 25, 2019 was called to order by Robert M. Quintana, Board Chairman, at 10:45 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 Les Montoya, CEO/General Manager
Present: Debbie H. Alexander, Administrative Assistant

2. INVOCATION – We were led in prayer by Vice-Chairman, Robert Baca.

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

4. APPROVAL OF AGENDA – The Agenda was presented for review and approval. The following amendments to add the following were made: # 7. a. Organizational Meeting Minutes of June 29, 2019; and, #13. C. Board Resolution for approval of Ten-Year Financial Forecast and Board Resolution requesting Guaranteed Federal Financing Bank (FFB) Loan. **A motion to approve today's Agenda with amendments was made by Virginia Mondragon and seconded by Joe C de Baca. Motion carried unanimously.**

5. RECOGNITION OF GUESTS

a. Invited Speakers – (15 minute time limit) – Clarence Garcia, Colonial Insurance – Mr. Garcia presented to the Board and General Manager an inexpensive accident insurance plan offered by Colonial Insurance for employees and/or Cooperative to purchase. He also informed the Board of his Company's donation of the American Flag presently being raised at the Cooperative.

b. General Public Comment (5 minute time limit) – None.

c. Introduction of Employees – The following new employees were introduced to the Board by Pamela Gallegos, HR Administrative Assistant: Sidney Trujillo, Apprentice Lineman; Janiya Gold and Clarissa Vigil, summer help with the J.A.L.E Program and sponsored by the HELP New Mexico Office of Economic Empowerment Worksite.

6. **SAFETY REPORT/MINUTES** - The Safety Committee met on July 16, 2019. The following was covered during that meeting:
- There were no accidents or near misses in either Mora or Pecos
 - There were no on-the-job injuries to report in Mora
 - There was one on-the-job injury to report in Pecos. A journeyman lineman was cutting trees when a portion of the cut tree bounced off a branch hitting the employee on his left knee. Knee quickly began to swell up and began to hurt. Employee went to ER and was determined he had a contusion and was released for full duty the following day.
 - There were no on-the-job incidents to report in Mora
 - There was one on-the-job incident to report in Pecos. A line crew was installing fuse cutouts on the main line in Dilia. They had to cross a culvert to get to the pole and as they drove over the culvert it collapsed. Their supervisor determined the linemen did nothing wrong and the culvert just gave way.
 - There were no employee concerns or employee input
 - GPS devices will be installed in the new bucket trucks and new pick-up trucks
 - Linemen and meter technicians were recertified on CPR and First Aid. Inside staff will be recertified on August 14th, 2019
 - MSMEC was invited by San Miguel County Local Emergency Planning Committee to participate at the Smokey's 75th Birthday Bash on August 3rd in Las Vegas. This event is to promote first responders and give back to the community. The big bucket truck will be on display and a lineman will be presenting safety on the demonstration board.
 - On June 20th, the linemen and meter technicians from both offices were trained on Fire Extinguishers, Blood Borne Pathogens, May Day Procedures and Forklift Training. They also had an annual review of Emergency Plans and Procedures. Inside staff was trained on the same except the Forklift Training.
7. **ACTION OF REGULAR MEETING MINUTES HELD ON JUNE 26, 2019** – The Minutes of the Meeting held on June 26, 2019 were presented for review and approval. After review, a motion was made by Robert Baca, seconded by Virginia Mondragon, to approve the Minutes as presented. Motion carried unanimously.
- a. **ORGANIZATIONAL MEETING MINUTES HELD ON JUNE 29, 2019** – The Organizational Meeting Minutes held on June 29, 2019 were presented for review and approval. After review, a motion to approve the Organizational Meeting Minutes of June 29, 2019 was made by James Ortiz and seconded by Joe C de Baca. Motion carried unanimously.
8. **APPROVAL OF NEW MEMBERSHIPS (MORA 22 – PECOS 23)** – A total of 45 new memberships were presented for review and approval. After review, a motion was made by Robert Baca, seconded by Joe C de Baca, to approve all 45 new memberships. Motion carried unanimously.

9. MANAGER'S REPORT

- a. **Delinquent Report** – The Delinquent Report was reviewed for the month of June 2019. There were 965 delinquent accounts totaling \$276,234.57. After collections, 651 accounts remained unpaid for a total of \$129,518.92.
- b. **RUS Form 7** – General Manager Montoya reported on the RUS Form 7 for the period ending June 30, 2019. Operating Revenue and Patronage Capital was \$925,908; Cost of Purchased Power was \$446,845; and Total Operation & Maintenance Expense was \$745,787. Total Cost of Electric Service \$951,800 with Patronage Capital & Operating Margins at -\$25,893 and Patronage Capital or Margins at -\$11,107. TIER for the month was 0.89% and 1.61% YTD.
- c. **Outage Report** – There a total of 45 reported outages combined in the Mora and Pecos areas. A number of 1717 consumers were affected by these outages for a total of 111.75 consumer hours. A large percentage of outages were caused by blown fuses due to lightning.
- d. **Member Sales Budget Report** – The Tri-State Member Sales Budget Report for June 2019 was reviewed. The total Energy (kWh) Monthly Comparison was 5,380,197 actual and 5,567,057 budgeted. The Revenues were \$414,541 actual and \$447,351 budgeted.
- e. **Fused Cut-Out Report** – There were a total of 3 new cut-outs installed on the Dilia main line. One cut-out was replaced in Watrous and one on Trujillo Route.

10. FINANCE REPORT – The Finance Report, together with the Manager's Report, were approved with a motion by Virginia Mondragon and second by Robert Baca. Motion carried unanimously.

11. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on their July 2019 meeting. A few of the items covered included:

- Steps taken to be FERC regulated - discussed in Executive Session
- Budget overview presented to the board
- Loads and Resources update
- Contract Committee meets to begin developing recommendations to the board
- Responsible Energy Plan development
- Tri-State's Mission Statement was shortened

12. NMRECA TRUSTEE REPORT – Robert Baca attended the NMRECA Meeting for the month of July 2019. Some of the items discussed were as follows:

- Larry McGraw, RUS, reported that Mr. Chad Rupe has been appointed as the new Administrator of the Department of Agriculture Rural Utilities Service
- Interest rates for long-term loans is at 2.26% and short-term loans at 2.15%

- All Committees were reassigned
- 2020 Government-in-Action Youth Tour trip to Washington D.C. is scheduled for June 19-26, 2020
- NMRECA Annual Meeting will be held May 26-28,2020 at Santa Ana Casino
- Bylaws and policies were reviewed
- Annual BBQ will be held on August 29th, 2019
- General Manager Herrera from Socorro Electric Cooperative updated the Board on an on-going issue with the city of Socorro. The city informed the coop that they plan on building their own utility with financing from Guzman, and once built, the city plans on disconnecting service from the coop and taking some large customers with them, leaving the cooperative with stranded assets.

13. ON-GOING BUSINESS

- a. **Board Policy No. 219 Two-Way Radio Dispatch Operations Policy – Final Approval –** Board Policy No. 219 – Two-Way Radio Dispatch Operations Policy was presented to the Board once again for final approval. This policy is to establish a communication protocol to be adhered to by all employees who possess the responsibility to provide service on behalf of MSMEC and who operate a Cooperative vehicle and or equipment while doing so. **A motion for final approval of Board Policy No. 219 – Two-Way Radio Dispatch Operations Policy was made by Robert Baca and seconded by James Ortiz. Motion carried unanimously.**
- b. **Tri-State Bill/MSM Solar Bill –** The power bill from Tri-State for the month of June 2019 was \$414,540.52. The MSM Solar bill was \$32,304.70 with a Tri-State credit of \$19,130.14.
- c. **Board Resolutions for Approval of Ten-Year Financial Forecast and Guaranteed Federal Financing Bank (FFB) Loan –** MSMEC is required to include Financial Forecasts to RUS as part of our loan application of 7.3 million dollars as identified in its 4-year (2018-2021) Construction Work Plan. A Resolution requesting Guaranteed Federal Financing Bank (FFB) Loan is also required when applying for such funds. These two Resolutions were presented to the Board for consideration of approval as prepared by Catt Cobb. After review, **a motion was made by Robert Baca, seconded by James Ortiz, to approve both Resolutions as presented. Motion carried unanimously.**

14. NEW BUSINESS

- a. **Adoption of Operations Safety Manual –** MSMEC work crews have performed their work in compliance with the American Public Power Association (16th Edition) Safety Manual. Safety measures applied on a daily basis are performed in reference to the safety procedures outlined in the mentioned safety manual. General Manager Montoya asked the Board to review and consider taking action to adopt the American Public Power Association (16th Edition) as the MSMEC's Safety Manual effective July 25, 2019. After review, a motion was made by **Robert Baca, seconded**

- by Virginia Mondragon, to approve and adopt the American Public Power Association Safety Manual (16th Edition) as MSMEC's safety manual. Motion carried unanimously.
- b. **Selection of New Logo for MSMEC** – A new logo design has been designed by Tri-State personnel in an attempt to represent MSMEC with an updated logo. Various logos have been reviewed and commented on by Coop staff and some of our membership who attended our Annual Meeting in June leading to selecting the top 2 versions of a new MSMEC logo. The Board was informed of the preferences provided by our staff and membership. Staff now requested the final decision be made by the Board. The Board decided on the logo, while requesting to include the wording Mora-San Miguel.
- c. **Mora-San Miguel Electric Cooperative, Inc. – Material Safety Data Sheet Handbook (MSDS)** – Companies who utilize various chemicals during their daily operations are required to possess Material Safety Data Sheet (MSDS) handbooks at all times. These handbooks include instructions on how to deal with the components of the liquids being used should there be a spill or contact with these chemicals occur. MSMEC had developed this MSDS handbook which includes various liquids/chemicals in storage for use by our personnel. Staff requested the Board review and consider approving this MSDS handbook as presented effective July 25, 2019. After review, **a motion was made by Virginia Mondragon, seconded by James Ortiz, to approve the MSMEC Material Safety Data Sheet Handbook as presented effective July 25th, 2019. Motion carried unanimously.**
- d. **Parking Space Agreement to Conduct Business & Install and Operate Electric Vehicle Charging Stations** – Representatives with Francis EVC, LLC and Western Farmers Electric presented to the Board their proposal to conduct business with NM Cooperatives to install and operate electric vehicle charging stations. This initiative is being proposed based on funds soon to be available from the state Environment Department to finance the purchase and installation of these types of facilities. Coops are considering these proposals as a means of introducing these types of facilities throughout the state. The Company is willing to operate such facilities and the Cooperative would allow for the land (space) to install and operate. Utility cost sharing would be negotiated based on the scenarios included in the agreement. After listening to the presentation and reviewing the legal opinion, the full Board made a decision to table this item and present it again next month.
- e. **Electric Cooperatives of New Mexico Mutual Aid Plan** – New Mexico Rural Electric Cooperative Association Managers are proposing the Mutual Aid Plan for Cooperatives to consider approving. This plan will allow for cooperatives experiencing events that may cause their resources to be overtaxed with destruction to call upon other cooperatives for assistance. The plan outlines how the assistance would be arranged and how liabilities and costs will be addressed. Managers are proposing to allow for the use of available common resources in the event of an emergency situation. After review and discussion, General Manager Montoya asked the Board to consider approving this Mutual Aid Plan as presented authorizing him to execute the agreement on behalf of MSMEC. **A motion was made by Robert**

Baca, seconded by Joe C de Baca, to approve the Mutual Aid Plan and authorize the General Manager to execute the agreement on behalf of Mora-San Miguel Electric Cooperative, Inc. Motion carried unanimously.

15. CORRESPONDENCE

- a. Thank You – Mora County Economic Development Corporation – For information only.
- b. Thank You – Harvey & Linda Weakland – Calf Canyon – For information only.
- c. Reminder – Annual NMRECA BBQ – August 29th, 2019 – For information only.

16. INFORMATION

- a. **Calendar of Events** – NMRECA Meeting will be held in Santa Fe on August 1st and 2nd. Tri-State Meetings are scheduled for Tuesday, August 6th and Wednesday, August 7th. MSMEC’s next Finance and Regular Board Meetings are scheduled for Thursday, August 22nd starting at 11:00 a.m. instead of 10:00 a.m. NMRECA Meeting and Annual BBQ is scheduled for Thursday August 29th and Board Meeting on Friday, August 30th.

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

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

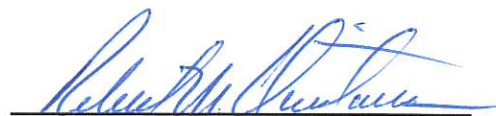
19. OTHER BUSINESS TO COME BEFORE THE BOARD – None.

20. ADJOURNMENT – A motion to adjourn today’s meeting was made by Robert Baca. Motion carried unanimously. Meeting adjourned at approximately 3:12 p.m.

ATTEST:



Virginia Mondragon
Secretary/Treasurer



Robert M. Quintana
Board Chairman