

**MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.**  
**BOARD OF TRUSTEES MEETING MINUTES**  
**HELD ON**  
**AUGUST 22, 2019**

The meeting of August 22, 2019 was called to order at 1:36 p.m. by Robert M. Quintana, Board Chairman.

**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** – 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. After review, a motion to approve the Agenda as presented was made by Robert Baca and seconded by Virginia Mondragon. 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 Meeting was held on August 8, 2019. The following items were covered during that meeting:

- There were no accidents, 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 consumer called the General Manager and reported that her boyfriend and son were injured while riding their bikes where work was being completed on the Dilia Upgrade Project. An incident report was prepared and provided to our insurance carrier.
- Three incidents were reported in Pecos. 1) Consumer reported damage to a chicken coop and feeders when MSMEC crew was trimming branches; 2)

Working Foreman noticed brakes failing while driving unit and fluid was leaking from brake line. Unit was towed to dealership for repairs; 3) Line crew was driving to run a new service when the unit lost speed and would not go into gear. Unit was towed to dealership for repairs.

- Operations Manager reported they are running low on transformers. Transformers have been ordered but are on back order.
- A new space for an employee breakroom will be set up.
- MSMEC has submitted a Corrective Action Plan to RUS. Operating Tier has to be raised to acceptable RUS levels. A reduction in expenditures is expected to achieve this.
- Lineman reported he had concerns with Central Dispatch sending him to an outage reported by a consumer whose service was disconnected for non-payment.
- A new Apprentice Lineman was hired to work out of the Mora Office.
- The Outage Reports need some attention in the way they are being reported. A new format will be worked on.

**7. ACTION OF REGULAR MEETING MINUTES HELD ON JULY 25, 2019** – The Minutes of the Meeting held on July 25<sup>th</sup>, 2019 were presented for review and approval. After review, a **motion was made by James Ortiz, seconded by Joe C de Baca, to approve the Minutes of July 25, 2019 as presented. Motion carried unanimously.**

**8. APPROVAL OF NEW MEMBERSHIPS (MORA 30 – PECOS 20)** – The new memberships were presented for review and approval. After review, a **total of 50 new memberships were approved with a motion by Virginia Mondragon and second by Robert Baca. Motion carried unanimously.**

**9. MANAGER'S REPORT**

- a. Delinquent Report** – The Delinquent Report was reviewed. There were a total of 1006 delinquent accounts totaling \$239,727.29. After collections, remaining 660 delinquent accounts totaled \$99,976.93.
- b. RUS Form 7** – Operating Revenue and Patronage Capital for the month ending July 31, 2019 was \$990,388. Cost of Purchased Power was \$501,859 with Total Operation & Maintenance Expense at \$761,109. Total Cost of Electric Service was \$905,969, Patronage Capital & Operating Margins at \$84,420 with Non-Operating Margins – Interest at \$2,925 for a total Patronage Capital or Margins at \$87,345. TIER for the month was 3.45% and 1.79% YTD.
- c. Outage Report** – The Outage Report for July 2019 was reviewed. There were a total of 77 reported outages resulting in 482 consumers affected for a total number of 162 hours without power.

- d. **Member Sales Budget Report** – The Tri-State Member Sales Budget Report for July as reviewed. The total Energy (kWh) Monthly Comparison was actual 6,051,147 and 6,026,933 budgeted. The Revenues were \$\$472,317 actual and \$458,502 budgeted.
- e. **Fused Cut-Out Report** – Two new fused cut-outs were installed on the main line on Highway 84 and one was replaced in Mineral Hill.

**10. FINANCE REPORT** – A motion was made by Virginia Mondragon, seconded by Joe C de Baca, to approve the Finance Report of the meeting held earlier today, together with the Manager’s Report. Motion carried unanimously.

**11. TRI-STATE TRUSTEE REPORT** – Robert Baca, Tri-State Trustee, reported on their August meeting. This month’s highlights included:

- J.M. Shafer passed away on August 6<sup>th</sup>. Mr. Shafer served as Tri-State General Manager from 2003 until he retired in 2009
- 2020 draft budget overview – voting will take place next month
- Discussion on how to lower rates – Tri-State rates are higher than other G&T’s. There will be no rate increase in 2020
- FERC – follow-up letter
- Contract Committee continues progress in developing recommendations to the board

**12. NMRECA TRUSTEE REPORT** – James Ortiz, NMRECA Alternate Trustee, attended the August 2<sup>nd</sup>, 2019 meeting. A few of the items covered included:

- State Representative Joseph Sanchez addressed the Board and stated he is running for U.S. Congress and asked for their support
- The Insurance & Financial Services Committee met recommended and the Board approved an average 2% increase to the RS Plan for 2020
- The Board approved a 2% increase for NRECA dues for 2020
- RUS loans are at 2.32% for long-term loans and 2.08% for short-term loans
- The Board approved to accept the engagement letter from Bolinger, Segars, Gilbert & Moss as NMRECA’s auditor for 2019
- Mr. Groenewold reported on the expenditures for the month of July 2019 which included: Association \$69,211.38; Enchantment Magazine \$63,093.26 NM Rural Electric Self-Insurer’s Fund \$14,752.25 for a total of \$147,056.89

**13. ON-GOING BUSINESS**

- a. **Parking Space Agreement to Conduct Business & Install and Operate Electric Vehicle Charging Stations** – After a short discussion, the decision was made by the full Board to table this item.
- b. **Tri-State Bill/MSM Solar Bill** – The Tri-State bill for the month of July 2019 totaled \$472,317.32. The MSM Solar bill was \$29,541.52 with a credit from Tri-State of \$24,415.44.

#### 14. NEW BUSINESS

- a. **NMRECA 2020 Youth Tour Delegate Commitment Form** – NMRECA is asking NM Coop Boards to commit to the number of students they will sponsor to participate in the 2020 Youth Tour. After review, the Board committed to send two (2) students in total from the six high schools in our service area and whose parents are members of our Cooperative. MSMEC policy guideline will be followed as to the students applying and the selection of the students who will be awarded the opportunity of attending this Youth Tour.
- b. **Contract for Audit Services – Fiscal Year 2019** – Bolinger, Segars, Gilbert & Moss provided a service agreement to provide MSMEC with its 2019 audit. The agreement was approved by General Manager, Les Montoya, on August 12, 2019. Audit costs will be between \$27,000.00 and \$30,000.00
- c. **Resolution implementing a 1% Renewable Energy and Conservation Fee** – Manager Montoya presented the Board with a Resolution implementing a Renewable Energy and Conservation Fee on all consumers in the MSMEC service territory as authorized by the 2019 NM Statutes Chapter 62, Electric, Gas & Water, Article 15, Rural Cooperatives Section, 62-15-36. The Renewable Energy and Conservation Fee (RECF) when imposed allows the cooperative to collect from its customers a RECF of no more than one percent (1%) of the customer's bill. Revenue collected from this fee shall be segregated in a separate renewable energy and conservation account and shall be expended only on programs or projects to promote the use of renewable energy, load management or energy efficiency. After review and discussion, a **motion was made by Robert Baca, seconded by Joe C De Baca, to impose the Renewable Energy and Conservation Fee of 1% on all consumer bills and to allow the General Manager to file the imposition fee with the NMPRC. Motion carried unanimously.**
- d. **2019 CoBank Board Election Information** – The ballot for the 2019 CoBank director election and for the 2020-21 Nominating Committee election was presented for review. Board Chairman Quintana executed the ballot on behalf of MSMEC and will be submitted by office staff.
- e. **Draft Copy of Form 990 – Return of Organization Exempt from Income Tax and 990-T Exempt Organization Business Income Tax Return for Year 2018** – Bolinger, Segars, Gilbert and Moss LLP contracted to complete Form 990, Return of Organization Exempt from Income Tax and 990-T, Exempt Organization Business income Tax Return for 2019. Forms were completed with MSMEC financial data and other information provided. **Forms were reviewed and approved for submittal with a motion by Robert Baca and second from James Ortiz. Motion carried unanimously.**
- f. **MSMEC Sharing Success Program Application** – CoBank's Sharing Success Program calls for applications from customers for eligible contribution to non-profit organizations. Minimum contributions range from \$1,000.00 and may not exceed \$7,500.00. The suggested proposal for funding was turned down by the Board and will hold off at this time in consideration of a non-profit organization out of the

Pecos area since an organization in the Mora area were awarded money from this program last year.

**15. CORRESPONDENCE**

- a. **CoBank Director Election – Mike Marley** – For information only.
- b. **Card from Ms. Gail Bryant** – For information only.
- c. **Reminder – NMRECA Barbecue** – For information only.

**16. INFORMATION**

- a. **Calendar of Events** – Offices will be closed on Monday, September 2<sup>nd</sup>, 2019 in observance of the Labor Day Holiday. Tri-State will hold their meetings on September 4<sup>th</sup> and 5<sup>th</sup> in Westminster, Colorado. MSMEC Board has scheduled their next Finance and Regular Board Meetings for Monday, September 23, 2019 starting at 10:00 a.m.

**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 Virginia Mondragon 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 James Ortiz. Motion carried unanimously. Meeting adjourned at 3:30 p.m.**

**ATTEST:**

  
Virginia Mondragon  
Secretary/Treasurer

  
Robert M. Quintana  
Board Chairman