

**MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.**  
**BOARD OF TRUSTEES MEETING MINUTES**  
**HELD ON**  
**SEPTEMBER 23, 2019**

The meeting of September 23, 2019 was called to order by Robert M. Quintana, Board Chairman, at 10:45 a.m.

**1. ROLL CALL AND DETERMINATION OF QUORUM**

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

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

**Absent:** Robert Baca, Vice-Chairman

**2. INVOCATION** – Mr. Joe C de Baca, Member, led us in prayer.

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

**4. APPROVAL OF AGENDA** – The Agenda for today's meeting was presented for review and approval. After review, a motion to approve the Agenda as presented 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)** – 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 September 10, 2019. A few of the following items were covered:

- There were no accidents, no near misses nor any on-the-job injuries in either Mora or Pecos for the month of August
- There was one on-the-job incident to report in Mora. An Apprentice Lineman was working in the Holman area when he was stung by a bee on his right forearm. The employee had an allergic reaction causing his face, eyes and body to swell and break into hives. He came into work the following morning and his symptoms had worsened. He was sent for medical attention.

- Employee raised concern regarding the amount of tree trimming required. His supervisor advised him that trimming of trees will be worked on in the coming months. It was suggested to consider spraying trees. The issues involved and liability were mentioned. Manager Montoya advised funds have been budgeted to pay contractors to aid in this effort. A funding program by NM State Forestry to aid in vegetation management will also be pursued.
  - All employees are required to report driving citations received, on or off the job, to their supervisors or HR Office.
  - A supervisor voiced concern for not having permits for the new bucket trucks to haul poles. Mr. Montoya advised he would find out what the holdup is on obtaining these permits.
  - Manager Montoya advised he would suggest to the Board of Directors about splitting the scholarships to include an opportunity for a trade school scholarship for future line workers.
  - There was a safety training session on August 14<sup>th</sup>, 2019 on CPR/AED for Adult and First Aid for office personnel.
  - There was no safety training for the linemen and meter technicians as it was a bye month for them.
- 7. ACTION OF REGULAR MEETING MINUTES HELD ON AUGUST 22, 2019** – The Minutes of the Board Meeting held on August 22, 2019 were presented for review and approval. After reviewing the Minutes, **a motion was made by James Ortiz, second by Virginia Mondragon, to approve the Minutes of August 22, 2019 as presented. Motion carried unanimously.**
- 8. APPROVAL OF NEW MEMBERSHIPS (MORA 26 – PECOS 20)** – Forty-six new memberships were presented for review and approval. After review, **a motion to approve all 46 new memberships was made by Joe C de Baca and seconded by James Ortiz. Motion carried unanimously.**
- 9. MANAGER’S REPORT**
- a. **Delinquent Report** – The Delinquent Report was presented for review. There were 1000 delinquent accounts totaling \$249,845.28. After collections, 556 accounts remained unpaid for a total of \$45,307.97.
  - b. **RUS Form 7** – Manager Montoya reported on the RUS Form 7. The Operating Revenue and Patronage Capital was \$967,438, Cost of Purchased Power was \$484,331 and Total Operation & Maintenance Expense was \$731,251. Total Cost of Electric Service was \$878,327, Patronage Capital & Operating Margins at \$91,111 and Patronage Capital or Margins at \$92,556. TIER for the month was at 3.55% and 1.94 YTD. OTIER was at 3.51% for the month and 1.85% YTD.
  - c. **Outage Report** – There were a total of 60 reported outages during the month of August resulting in a total of 2,224 consumers affected for a combined 136.50

consumer hours without power. On August 3<sup>rd</sup>, a total of 500 consumers were affected for 2 hours after a circuit was blown at the Storrie Lake Substation. On August 4<sup>th</sup>, an estimated 1500 consumers were without power for 12.75 hours due to an underground fault out of the Rainsville Substation.

- d. **Member Sales Budget Report** – The Tri-State Member Sales Budget Report for August was reviewed. The total Energy (KWh) Monthly Comparison was actual 6,337,109 and 6,321,966 budgeted. The Revenues were \$496,732 actual and \$483,691 budgeted.
- e. **Fused Cut-Out Report** – There was one cut-out replaced at the Mora Courthouse portable building and two new cut-outs installed in the Chupaderos area.

**10. FINANCE REPORT** – Virginia Mondragon motioned to approve the Manager’s Report together with the Minutes of the Finance Meeting held earlier today. Joe C de Baca seconded that motion. Motion carried unanimously.

**11. TRI-STATE TRUSTEE REPORT** – Robert Baca, Tri-State Trustee, reported on their September meeting (via telephone call). Highlights from this month’s meeting included:

- Annual Meeting session changes for 2020
- The board approved the 2020 operating budget with no change in the Class A wholesale rate
- Tri-State’s non-utility member is MIECO – non-buying member. With the addition of MIECO, Tri-State has become rate jurisdictional to FERC. They will have no seat on the board, but can vote at the annual meeting
- Tri-State approved the Energy Efficiency Products Program (EEP) for 2020
- The Contract Committee (Robert M. Quintana) met on September 5<sup>th</sup> following the board meeting. After a lengthy discussion, the board approved a resolution directing the Contract Committee to review methodologies for valuing members’ wholesale power contracts. The committee will then make recommendations to the board before the annual meeting in April 2020.

**12. NMRECA TRUSTEE REPORT** – Robert M. Quintana, NMRECA Trustee, reported on the August 30<sup>th</sup>, 2019 meeting. A few of the items covered included:

- RUS loans are at 1.79% for long-term and short-term loans are at 1.99%
- RUS’s fiscal year will close September 30, 2019
- Mr. Highley, Tri-State G&T’s CEO, updated the Board on Tri-State’s ongoing issues, their new mission statement, the Responsible Energy Plan, Escalante Plant and future rate changes
- NMRECA (Statewide) expenditures for the month of August 2019 were Association \$71,268; Enchantment Magazine \$58,162; New Mexico Rural Electric Self-Insurer’s Fund \$13,498 for a total of \$142,929

- There was a discussion concerning the issue of entities outside of the Statewide membership criticizing Association members. It was consensus of the Board that Statewide, in conjunction with Western Farmers and Tri-State, work on positive co-op messaging pieces that can be put out to media outlets around the state.

### 13. ON-GOING BUSINESS

- Advice Notice 66 – NM Public Regulation Commission** – Advice Notice 66 has been submitted to the New Mexico Public Regulation Commission (NMPRC). This filing is required to impose a renewable energy and conservation fee that will help our Coop promote renewable energy, load management and energy conservation. The said fee will be a 1% surcharge on all MSMEC consumer bills. Advice Notice 66 will be published in the October issue of the Enchantment.
- Safety Committee Policy – Board Policy No. 221** – Board Policy No. 221 – Safety Committee Policy was introduced for review. The proposed safety policy is formulated based on the need to combine the Safety and RESAP Committees. Both committees focus on having a safety culture within the Cooperative while promoting a safe work environment. IBEW and Management have agreed on the wording proposed in this policy. Manager Montoya is requesting the Board review and comment on the proposed policy. If acceptable, policy will be presented to the Board again during our October meeting for consideration of final approval.
- USDA Disadvantaged Groups Grant** – General Manager Montoya reported to the Board a USDA grant was approved in the amount of \$11,852.00 to pay for a consultant to conduct supervisor and customer service training sessions over a 12-month period for managers and employees of MSMEC. Notice by USDA of grant award was provided to Mr. Montoya on September 13, 2019. A training schedule will be initiated upon execution of service agreement with Toby Lesser and Associates. All costs in the training curriculum for this training program will be covered by this grant.
- Basin Electric Power Cooperative – Annual Meeting Designation of Authorized Representative Form** – MSMEC will not be in attendance at the Basin Electric Power Cooperative Annual Meeting in Bismarck, ND; therefore, Annual Meeting Designation of Authorized Representative Form was not completed.
- Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of August was \$456,485.77; MSM Solar bill was \$27,845.24 with a credit from Tri-State of \$21,488.80.

### 14. NEW BUSINESS

- MSMEC Draft Procurement Board Policy** – A draft MSMEC Procurement Board Policy was presented to the Board for their review and comments. The present procurement (purchase) procedures for the Coop are policy driven. The lack of such policy creates inconsistencies and variation in procedures used to solicit, procure, receive, pay and inventory goods or services purchased. This draft addresses these matters which will provide written direction and recording of the on file

procurement process. Manager Montoya asks for direction regarding the presentation of a final policy for consideration of Board approval during next month's meeting.

- b. **NRECA – Region 10 Meeting – San Antonio, TX - October 23-25, 2019** – After review of the Agenda, the Board determined that no one would be attending the NRECA Region 10 Meeting being held in San Antonio, Texas in October.
- c. **CFC District 10 Meeting – Delegate Registration Card** – Delegate Registration Card for the CFC District 10 Meeting was not filled out being that no MSMEC representative will be in attendance during this meeting.
- d. **Tri-State Press Release – No Rate Increase for 2020** – For information only.
- e. **MSMEC Draft Safety Policy “Mayday” Reporting Procedures - Board Policy 220** – Manager Montoya presented the Board with Board Policy 220 – “Mayday” Emergency Reporting Procedures for their review and proposed approval. These proposed procedures are to set in place, in writing and to adhere to, when situations out in the field call for immediate emergency responses. This policy is to replace a written procedure referred to by some but not familiar to all within the Cooperative. The Board will consider approval during the next Board meeting.
- f. **USDA – Rural Utility Service (RUS) 7.3 Million Dollar Loan Approval** – General Manager Les Montoya reported to the Board MSMEC was provided with written notice on September 12<sup>th</sup>, 2019 advising approval of a guaranteed loan in the amount of \$7,338,000.00. These funds are to be used to finance the system improvements and equipment described in the RUS Form 740c, Cost Estimates and Loan Budget for Loan Borrowers, which is our 4-Year Work Plan 2018-2021.

#### **15. CORRESPONDENCE**

- a. **NORA – 69<sup>th</sup> Annual Meeting of the Membership Invitation** – For information only.
- b. **CFC District 10 Director, Marsha Thompson, Candidate** – For information only.

#### **16. INFORMATION**

- a. **Calendar of Events** – Tri-State will meet on October 1<sup>st</sup> and 2<sup>nd</sup>, 2019. Statewide meetings will be held on Thursday, October 3<sup>rd</sup> and Friday, October 4<sup>th</sup>. Tri-State CEO Committee meetings will be held on October 8<sup>th</sup> and 9<sup>th</sup>. Offices will be closed on Monday, October 14<sup>th</sup> in observance of the Columbus Day Holiday. MSMEC's Finance and Regular Board Meeting are scheduled for Thursday, October 24<sup>th</sup> starting at 10:00 a.m. MSMEC's last 10-hour work day is Tuesday, October 29<sup>th</sup>; employees will start working 8-hour days on Wednesday, October 30<sup>th</sup>. Offices will be open from 8:00 a.m. to 4:30 p.m. and closed for lunch from 12:00 to 12:30 p.m. Statewide will meet for November meeting on Thursday, October 31<sup>st</sup> and Friday, November 1<sup>st</sup>, 2019.

**A motion to move into Executive Session was made by Virginia Mondragon and seconded by James Ortiz. Motion carried unanimously.**

**17. EXECUTIVE SESSION**

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

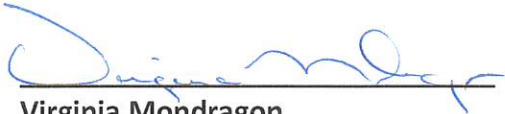
A motion to move out of Executive Session and back into Regular Session was made by James Ortiz, seconded by Joe C de Baca. Motion carried unanimously.

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

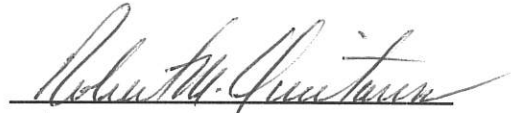
**19. OTHER BUSINESS TO COME BEFORE THE BOARD – None.**

**20. ADJOURNMENT – A motion to adjourn today's meeting was made by Virginia Mondragon, Secretary/Treasurer. Motion carried unanimously. Meeting adjourned at 2:00 p.m.**

**ATTEST:**



Virginia Mondragon  
Secretary/Treasurer



Robert M. Quintana  
Board Chairman