

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
OCTOBER 24, 2019

The meeting of October 24, 2019 was called to order at 10:49 a.m. by Board Chairman, Robert M. Quintana.

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 – The Agenda was presented for review and approval. Manager Montoya asked that the following be added to the Agenda under section 14 – New Business – e. Resolution declaring MSMEC Property to be Excess and Surplus Property. **A motion to approve today’s agenda as amended 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 October 10, 2019. Some of the items covered are as follows:

- There were no accidents, near misses nor on-the-job injuries to report in either Mora or Pecos
- One on-the-job incident was reported in Mora for the month of September. Working foremen reported he had lost the cooperative’s cell phone.
- There was also one on-the-job incident to report in Pecos. A Meter Technician was having lunch at a local business when he was confronted by a man regarding

a personal incident that happened off the job. The Meter Technician advised the man he didn't want to hear it and for him to move away from him.

- Manager Montoya presented the formation of the Safety Committee as recognized by both Union and Management. Committee members were selected and provided a copy of the CBA and the Safety Policy as approved.
- The Safety Committee voted and elected the leadership of the Committee. George Valdez was elected to serve as Chairperson and Danny Flores was elected to serve as Vice Chairperson.
- Manager Montoya suggested a letter of commendation be presented to Larry Barela to acknowledge his commitment and leadership while serving as the RESAP and Safety Committee Chairman for the last 3 years.
- MSMEC will impose a 1% renewable energy and conservation fee to all consumers. This will help the cooperative promote renewable energy, load management and energy conservation.
- Inventory of all fire extinguishers for Mora and Pecos offices were received. All extinguishers will be tested. Batteries and pads for our AED machines will also be ordered.
- Linemen and Meter Technicians from both offices were trained on Grounding for Employee Protection, Life Saving Rules and Ground Testing.

7. ACTION OF REGULAR MEETING MINUTES HELD ON SEPTEMBER 23, 2019 – The Minutes of the Board Meeting held on September 23, 2019 were presented for review and approval. Robert Baca was listed to be absent but reported on the Tri-State meeting via telephone. Minutes will be amended to reflect Mr. Baca's reported via telephone. **A motion to approve the Minutes with the amendment was made by Virginia Mondragon, seconded by Joe C de Baca. Motion carried. Robert Baca abstained.**

8. APPROVAL OF NEW MEMBERSHIPS (MORA 23 – PECOS 14) – A total of 37 new memberships were presented for review and approval. After review, **a motion was made by James Ortiz, seconded by Virginia Mondragon, to approve all new memberships. Motion carried unanimously.**

9. MANAGER'S REPORT

- a. Delinquent Report** – The Delinquent Report was reviewed by Manager Montoya. There were a total of 863 delinquent accounts totaling \$202,543.51. After collections, 561 accounts remained unpaid for a total of \$112,505.18.
- b. RUS Form 7** - Operating Revenue and Patronage Capital for the month ending September 30, 2019 was \$933,525; Cost of Purchased Power was \$448,492; and Total Operation & Maintenance Expense was \$724,101. Total Cost of Electric Service was \$929,982 and Patronage Capital or Margins was \$23,255. TIER for the month ending September 30, 2019 was at 1.24% and 1.81% Year-to-Date. OTIER was at 1.04% for September and 1.69% YTD.

- c. **Outage Report** – There were a substantial amount of outages for the month of September. Forty-eight outages were reported in our service area. A total of 219 consumers were affected for a total of 89.75 combined hours.
- d. **Member Sales Budget Report** – The Tri-State Member Sales Budget Report for September was reviewed. The total Energy (kWh) Monthly Comparison was as follows: Actual 5,237,593 and 5,230,446 budgeted. The Revenues were \$\$417,615 actual and \$412,050 budgeted. Monthly comparisons are very consistent between the actual and budgeted.
- e. **Fused Cut-Out Report** – There were a total of 4 fused cut-outs replaced on the MSMEC system. One each in Rowe, Mora, Glorieta and Trujillo.

10. FINANCE REPORT – The Manager’s Report together with the Finance Minutes of the meeting held earlier today were approved with a motion from Virginia Mondragon and second by Joe C de Baca. Motion carried unanimously.

11. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on their October Meeting. Highlights from this month’s meeting included the following:

- Contract Committee advances community solar recommendation
- Board approved the Bond Repurchasing Program
- Tri-State’s rating dropped from “AAA” to “A” and is being monitored.
- Education session on financial goals and patronage capital policy
- Tri-State was recognized for safety by the National Safety Council. Tri-State received multiple awards in 2019

12. NMRECA TRUSTEE REPORT – Robert M. Quintana, NMRECA Trustee, reported on the September 2019 meeting. Some of the items covered included:

- Interest rates for RUS loans are 1.90% for long-term and 1.79% for short-term loans
- Keven Groenewold reported to the Board on attendance at a workshop hosted by the NMPRC on electrification of the transportation industry.
- The Education Committee will be working on the 2020 training schedule. An email will be sent to all co-op managers for suggestions on any training courses they would like to have added to schedule.
- The NMRECA’s Annual Meeting Co-op sponsors schedule was provided. MSMEC will be one of the sponsors in 2021.
- The Board was provided for review and discussion a copy of 1st draft of the proposed budget for 2020.
- The Board was updated on the Meter Opt-out. An update from the NMPRC was scheduled last June but due to scheduling conflicts that update is still pending.

- Discussion was held on the pilot forestry program.

13. ON-GOING BUSINESS

- a. **Safety Committee Policy – Board Policy No. 221 – Final Approval** – Proposed Board Policy No. 221 – Safety Committee Policy was presented to the Board for review during the board meeting of September 23, 2019. The proposed Safety Policy is formulated based on the need to combine the Safety and RESAP Committees. Both IBEW and Management agreed on the wording of this policy. Board Policy No. 221 – Safety Committee Policy was again presented to the Board for final approval. After review and discussion, **a motion was made by Robert Baca, seconded by James Ortiz, to approve Board Policy 221 as presented. Motion carried unanimously.**
- b. **MSMEC Procurement Board Policy No. 309 – Final Approval** – Board Policy No. 309 – Procurement Board Policy, was again presented to the Board for final approval after first reviewing this policy during their September Board Meeting. **A motion to approve Procurement Board Policy No. 309 was made by Virginia Mondragon and seconded by Joe C de Baca. Motion carried unanimously.**
- c. **Safety Policy “Mayday” Reporting Procedures - Board Policy No. 220 – Final Approval** – Board Policy No. 220 – Safety Policy “Mayday” Reporting Procedures was again presented to the Board for final approval. This policy was presented to replace a written procedure referred to by some but not familiar to all employees within the cooperative. Procedures will now be set in place and adhered to if and when situations arise and call for immediate emergency responses. **A motion for final approval of Board Policy 220 was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.**
- d. **CoBank Sharing Success Program – San Miguel County Sheriff’s Posse – Pecos Division** – MSMEC submitted a CoBank Sharing Success Program Application on behalf of the San Miguel County Pecos Division Sheriff’s Posse. The funding request was for \$2000.00 and requires a \$2000.00 match from our Cooperative. Application was approved on October 3, 2019. After some discussion, **a motion was made by James Ortiz, seconded by Virginia Mondragon, authorizing the match of \$2000.00 for the Pecos Sheriff’s Posse. Motion carried unanimously.**
- e. **Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of September 2019, totaled \$417,615.16. The MSM Solar bill was \$30,876.37 with a credit from Tri-State of \$19,711.04.

14. NEW BUSINESS

- a. **Proposed Farm Bill Pilot Vegetation Clearance Project** – Manager Montoya presented some information on a proposed Farm Bill Pilot Vegetation Clearance Project. A NM State Forester is proposing to bring together the US Forest Service, Otero Electric, El Paso Electric and MSMEC to complete a pilot project that would address vegetation management of right-of-way’s on Federal Forests where partner’s transmission and distribution lines exist. These partners met in Albuquerque on October 15th to discuss possibilities of obtaining funding to pull of such a pilot project. Details are being worked out and additional information will be

gathered to develop a strategy to implement this proposed pilot project. The Forest Service is open to the idea, as well as the State, with the intent of minimizing risk of catastrophic fires caused by power lines in these high risk areas.

- b. **NRECA Training Courses – 900 Level Courses for Board Leadership Certificate** – For information only.
- c. **Commendation – Larry Barela, Systems Operation Manager** – A letter of commendation was sent to Board Chairman Robert Quintana by the MSMEC Safety Committee acknowledging Larry Barela, Operations Manager, for his commitment and leadership while serving as RESAP and Safety Committee Chairman beginning in 2017. The letter stated that Mr. Barela had played an integral role in insuring the safety and wellbeing of all employees while taking on the leadership role of Chairman for these two cooperative committees. The Board agreed to purchase a \$50 gift card and attach it to the letter of commendation.
- d. **Interruption Reporting Policy** – A draft of Board Policy No. 222 – Interruption Reporting Policy was presented to the Board for their review. This Interruption Policy is to set, in writing, a standard for reporting interruptions, documenting types of interruptions, causes of interruptions and their reporting. Coordination on interruption reporting is essential to our documenting system performance and provides for information necessary to plan for system improvements. The Board was asked to review the draft policy and will once again be presented at our next board meeting for final approval in November.
- e. **Resolution – Declaring MSMEC Property to be Excess and Surplus Property** – Manager Montoya presented the Board with a Resolution declaring MSMEC Property to be Excess and Surplus Property and requested authorization to sell said property to a neighboring cooperative. After review of Resolution presented, a **motion was made by Robert Baca, seconded by James Ortiz, to approve the sale of identified Itron Equipment, no longer used by MSMEC, to Northern Rio Arriba Electric Cooperative for the cost of \$1.00. Motion carried unanimously.**

15. CORRESPONDENCE

- a. **NMRECA’s Meetings – Notice and Agendas** – Notice was sent out that all NMRECA meetings will be held on the same day as per Board approval during their October Board Meeting. Manager’s Meeting will commence at 8:30 a.m. and Board Meeting at 1:00 p.m. starting Thursday, October 31st, 2019.
- b. **CoBank – 2019 Director Election – Mid Plains Region Runoff Election** – MSMEC received a runoff election ballot as one of CoBank’s voting stockholders in the Mid Plains Region. Board Chairman Quintana was presented the mail-in ballot to be executed on behalf of our Cooperative. Ballot will be mailed in by staff.

16. INFORMATION

- a. **Calendar of Events** – Statewide Meeting is scheduled for Thursday, October 31st. Both Manager’s Meeting and Director’s Meeting will be held on the same day starting in October. Offices will be closed on Monday, November 11th in observance

of Veterans Day. Tri-State will meet on November 12th and 13th. MSMEC Finance and Regular Board Meetings are scheduled for Friday, November 22nd due to the Thanksgiving holiday. The December Meetings are scheduled for Monday, December 30th due to the Christmas Holiday.

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

17. EXECUTIVE SESSION

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

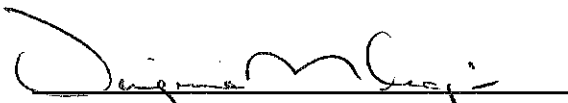
A motion to move out of Executive Session and back into Regular Session was made by Robert Baca and seconded by James Ortiz. Motion carried unanimously.

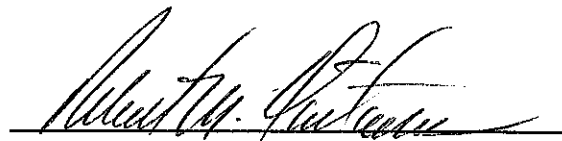
18. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION – None.

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 3:00 p.m.

ATTEST:


Virginia Mondragon
Secretary/Treasurer


Robert M. Quintana
Board Chairman