

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
DECEMBER 30, 2019

The meeting of December 30, 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 Present: Les Montoya, CEO/General Manager
Debbie H. Alexander, Administrative Assistant

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

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

4. APPROVAL OF AGENDA – The Agenda was presented for review and approval. After review, 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 meeting for the Safety Committee was held on December 10th, 2019. Some of the items covered included:

- 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. Employee reported while backing out of the Statewide parking lot in Santa Fe, he hit a tree branch shattering the rear window of unit 52.
- There were no on-the-job incidents to report in Pecos.
- The On-Call list will be worked on for the next six months.

- Lineman asked how the insurance on-site visit had gone. Mr. Montoya advised him all went well but there were concerns regarding inspection of the underground facilities
- Lineman stated there was a structure fire in Pecos over the weekend and asked if he would be liable or in trouble if he didn't arrive to the location by the time the Fire Department requested. He was advised to arrive as soon as possible after receiving the call and he could be held accountable if he didn't respond to the call.
- Meter Tech has concern ice buildup at the front entrance of the warehouse in Mora. He recommended snow stoppers and gutters be installed to address this matter.
- Manager Montoya advised the committee of Board Policy No. 223 – Hazard Recognition Policy. Once approved by the Board, all employees will be made aware of the policy
- MSMEC' worker's comp claims have dropped and our Experience modifier is .9. This positive loss history may qualify MSMEC for significant premium dividends.
- Linemen and all other staff were trained on Hazard Communication Program (SDS). A quiz was given to linemen regarding Commitment to Zero Contacts. A training video on Grounding for Protection was also viewed by linemen.

7. ACTION OF REGULAR MEETING MINUTES HELD ON NOVEMBER 22, 2019 – The Minutes of the Board Meeting held on November 22, 2019 were presented for review and approval. After review, **a motion to approve those Minutes was made by James Ortiz and seconded by Joe C de Baca. Motion carried unanimously.**

8. APPROVAL OF NEW MEMBERSHIPS (MORA 21 – PECOS 7) – A total of 28 new memberships were presented for review and approval. After review, **Virginia Mondragon motioned to approve all 28 new memberships. James Ortiz seconded that motion. Motion carried unanimously.**

9. MANAGER'S REPORT

- a. **Delinquent Report** – There were 863 unpaid accounts totaling \$192,476.60. After collections, 538 of those accounts remained unpaid for a total of \$72,851.90.
- b. **RUS Form 7** – Manager Montoya reviewed RUS Form 7. Operating Revenue and Patronage Capital was \$1,111,110; Cost of Purchased Power was \$612, 977; with Total Operation and Maintenance Expense at \$863,902. Total Cost of Electric Service was \$1,010,604; Patronage Capital & Operating Margins at \$100,507; and Patronage Capital or Margins at \$101,634. TIER for the month of November was at 3.76% and 1.88 YTD. OTIER was 3.73% for the month and 1.76% YTD.
- c. **Outage Report** – The Outage Report for November 2019 was reviewed. There were a total of 1401 consumers affected due to the 87 outages reported. Consumers were without power for a combined 205 hours due to these outages.

- d. **Member Sales Budget Report** – The Tri-State Member Sales Budget Report for the month of November was reviewed. The total Energy (kWh) Monthly Comparison was as follows: Actual 7,476,216 and 6,940,742 Budgeted. The Revenues were \$604,710 Actual and \$567,901 Budgeted.
- e. **Fused Cut-Out Report** – There were no new or replaced fused cut-outs installed during the month of November 2019.

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

11. TRI-STATE TRUSTEE REPORT – Tri-State Trustee, Robert Baca, reported on their December Meeting. A few highlights from that meeting included:

- Tri-State’s 2019 Legislative briefing was provided to the board
- Discussion on future closing of coal plants in New Mexico and Colorado
- Insurance on coal mining increasing as prices for coal
- Training session on Wholesale Electric Service Contract between Tri-State and its member systems
- Renewable opportunities to Co-op’s
- Board voted on patronage capital refund

12. NMRECA TRUSTEE REPORT – Robert M. Quintana, NMRECA Trustee, reported on the December 6, 2019 meeting. Some of the items covered included the following:

- RUS interest rates are 2.06% for long-term loans and 1.55% for short-term loans
- Larry McGraw reported that RUS is still in the process of streamlining to remove needless regulations. Regulations changed include Capitol Credits Retirement and the Cutoff Date Procedure regarding loan applications
- Deadline to join or renew ACRE membership is December 31, 2019
- Keven Groenewold provided the Board with a copy of an agreement for Shared Stewardship between the State of New Mexico, Energy, Minerals and Natural Resources Department, Forestry Division and the USDA Forest Service
- Save the Date for NMRECA’s 2020 Annual Meeting – May 26-28, 2020
- The Board was informed the NMRESIF approved a dividend refund of \$600K. This is the largest refund the Fund has approved and attributes the large refund to all the Co-op’s and their dedication to safety and training.
- One of the NRECA Courses being offered in 2020 will be Course No. 2610 “Understanding Electric Business”, needed for completion of Credentialed Cooperative Director (CCD) Certificate for of two of our director’s
- Socorro Electric requested NMRECA’s assistance in a declaratory order they were filing in district court concerning the City of Socorro. A motion was made to review this and draft a response accordingly

13. ON-GOING BUSINESS

- a. **Board Policy No. 223 – Hazard Recognition and Reporting Policy – Final Approval –** This policy designed to comply with regulatory entities in the safety training of employees as to provide a safer workplace and a safer more reliable electrical system to the public, was provided to the Board during their November meeting for review. Board Policy No. 223 – Hazard Recognition and Reporting Policy is once again being presented for final review with any comments, corrections and/or approval. **A motion was made by Joe C de Baca, seconded by James Ortiz, to approve Board Policy No. 223 as presented effective December 30, 2019. Motion carried unanimously.**
- b. **NRECA Annual Meeting – New Orleans – March 1-4, 2020 –** Information on the 2020 NRECA Annual Meeting was reviewed. Arrangements will be made for those attending.
- c. **Advice Notice No. 66 – 1% Renewable and Energy Conservation Fee –** Advice Notice 66 went before the NM Public Regulation Commission. The filing required to impose a renewable energy and conservation fee that would help MSMEC promote renewable energy, load management and energy conservation. The 1% surcharge was approved without protest and will now be applied to all consumer bills.
- d. **2020 Budget Proposal –** The 2020 operating budget for MSMEC was presented during the November Finance Meeting for review. The operating budget projected amounts were based on actual figures for January through November 2019 and December 2018. The budget consists of a three-year comparison for 2018, 2019 and 2020. The operating budget was again presented for final review/approval. Julie Pacheco, Finance Manager, was available to answer any questions from the Board. After review, discussion and a few questions answered, **a motion to approve the 2020 Budget as presented was made by James Ortiz and seconded by Robert Baca. Motion carried unanimously.**
- e. **Tri-State Bill/MSM Solar Bill –** The Tri-State power bill for the month of November 2019 was \$591,415.32. MSM Solar bill was \$21,561.81 with a Tri-State credit of \$13,388.77.

14. NEW BUSINESS

- a. **Tri-State Policy 119 – Community Solar Generation – 2% Additional Renewable –** General Manager Montoya advised the Board of Tri-State's new policy on community solar. Board Policy No. 119 – Tri-State Community Solar Project, provides Member Systems with the opportunity to install community solar generation projects pursuant to the Wholesale Electric Service Contract between Tri-State and the Member Systems. The Tri-State Board agreed and determined that it is in their best interest and that of its Member Systems to permit such installations. The Board and will seek more information on the additional 2% renewable and advised Manager Montoya to entertain anyone who may be interested in a community solar project.
- b. **Notice of Line Material Bid Awards for 2020 – Western United, Irby Utilities and Techline, Inc. –** Bids were solicited from material supply companies for MSMEC's

2020 line materials needed. Bids were received from 3 different companies. Material bid breakdown and material listings were prepared for comparison purposes and presented to the Board. The Board was asked to review the listings and consider approving the recommendations and low bids on the various materials. After review, **a motion was made by Virginia Mondragon, and seconded by Joe C de Baca, to approve the recommendations for award as indicated in the listings provided. Motion carried unanimously.**

- c. **Techline, Inc. – Transformer Consigned Stock Agreement** – Techline is proposing to offer MSMEC consignment stock arrangement on transformers. The proposed agreement would allow us to retain transformers on site for our use when needed, which would insure availability of transformers. MSMEC would pay for transformers when they are put to use. This proposal also retains pricing for the transformers through to December 2020. After reviewing the proposal of the Transformer Consigned Stock Agreement, **a motion was made by Robert Baca, seconded by Virginia Mondragon, to approve as presented and authorize the General Manager to sign off on the agreement. Motion carried unanimously.**
- d. **NRTC – Official Notice of Annual Meeting – Voting Delegate Registration Form** – Voting Delegate and Alternate Delegate will remain the same for 2020. No action needed.

15. CORRESPONDENCE

- a. **NMRECA Board Meeting Schedule – 2020** – For information only.
- b. **Thank You Letter for Donation – Leadership New Mexico** – For information only.
- c. **Tri-State Letter on Check presented to the Pecos Sheriff’s Posse as a Matching Gift from CoBank** – For information only.

16. INFORMATION

- a. **Calendar of Events** – Offices will be closed on Wednesday, January 1st, 2020 in observance of New Year’s Day. Tri-State will meet on January 7th & 8th in Westminster, Co. Statewide Meetings will be held on January 9th & 10th in Santa Fe. MSMEC Board of Directors scheduled their next meetings on Thursday, January 30th, 2020 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 Robert Baca and seconded by Virginia Mondragon. 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 and seconded by Robert Baca. Motion carried. Meeting adjourned at 4:06 p.m.

ATTEST:



Virginia Mondragon
Secretary/Treasurer



Robert M. Quintana
Board Chairman