

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
FEBRUARY 20, 2020

The meeting of February 20, 2020 was called to order by Board Chairman, Robert M. Quintana at 11:24 a.m.

CALL TO ORDER:

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 Vice-Chairman, Robert Baca.
- 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 for approval of agenda as presented was made by James Ortiz and seconded by Robert 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 met on February 12th, 2020. Committee Members present included: Vidal Barela, Danny Flores, Pamela Gallegos, Pauline Olivas, Martin Teran, Les Montoya, Lawrence Salas, and George Valdez. Some of the items covered included the following:
 - There were no accidents, no near misses and no on-the-job injuries to report in either Mora or Pecos.
 - There were no on-the-job incidents to report in Mora.
 - There was one on-the-job incident to report in Pecos for the month of January. A Working Foreman was in the La Loma area trimming trees near the primary

power lines. To approach these trees, the linemen had to cross the Pecos River. After completing the trimming of trees, the unit bogged down and became stuck while crossing the river. A front-end loader was acquired to pull out the unit. Minor damage occurred to the winch mount and a front tire.

- The committee was made aware of a tentative agreement between the IBEW and MSMEC which was not included in the CBA. The tentative agreement allows for the Cooperative to pay for the replacement of broken or lost personal tools when used on the job.
 - An employee asked why the Cooperative does not announce 2-hour delays when it snows. Manager Montoya advised the committee that he doesn't because he feels the two offices are so far apart that conditions could vary from one office to the other. He did state he would prefer for employees to make the call as to whether they could report to work or not. The employee would need to account for that time as personal time off.
 - Manager Montoya mentioned he and the billing department employees had participated in a Front Desk Security webinar. Procedures will be developed on what steps to take in case of emergency situations.
 - Two Meter Department employees recently attended a training in Portales. The training discussed dealing with situations where it is difficult to access property and the proper approaches for doing so.
 - MSMEC received a letter from the PRC stating that we were in violation of clearing line locates. The letter stated there were about 259 occurrences during 2019. Manager will look into line locates and how we are dealing with them now. He has requested a quote from a company who performs such services. The committee thought contracting these services may be good for the Cooperative.
 - The Committee was advised a RESAP walk-through of both the Mora and Pecos facilities will take place the week of August 3, 2020.
 - Linemen and Meter Technicians from both offices were trained on Switching Procedures (line clearance LO/TO lifesaving rule) and Accident Prevention – Signs and Tags. Office staff was also trained on Accident Prevention – Signs and Tags.
7. **ACTION OF REGULAR MEETING MINUTES HELD ON JANUARY 30, 2020** – The Minutes of the Board Meeting held on January 30, 2020 were presented for review and approval. After review, **a motion to approve the Minutes of January 30, 2020 was made by Virginia Mondragon and seconded by Robert Baca. Motion carried unanimously.**
8. **APPROVAL OF NEW MEMBERSHIPS (MORA 9 – PECOS 7)** – A total of 16 new memberships were presented for review and approval. After review, **a motion was made by Robert Baca, seconded by James Ortiz, to approve all new memberships as presented today. Motion carried unanimously.**

9. MANAGER'S REPORT

- a. **Delinquent Report** – There were 819 unpaid accounts totaling \$201,401.51 at the end of 2019. After collections in January 2020, 617 of those accounts remained unpaid totaling \$44,049.43.
- b. **RUS Form 7** – The Operating Revenue and Patronage Capital for January 2020 was \$1,202,247; Cost of Purchased Power was \$659,367; with a Total Operation & Maintenance Expense of \$916,928. Total Cost of Electric Service was \$1,060,450 with Patronage Capital or Margins at \$158,359. TIER for the month was 5.52% and OTIER at 5.05%.
- c. **Outage Report** – The Outage Report for January 2020 was presented for review. There was a total of 29 outages affecting 1,151 consumers for a total of 73.50 combined hours. Majority of Outages were caused by blown fuses, strong winds, and birds on lines.
- d. **Member Sales Budget Report** – The Tri-State Member Sales Budget Report for January 2020 was presented for review. The total Energy (kWh) Monthly Comparison was as follows: Actual 8,415,013 and 8,335,643 Budgeted. The Revenues were \$634,229 Actual and \$642,989 Budgeted.
- e. **Fused Cut-Out Report** – There were no new or replaced fused cut-outs on the MSMEC System during the month of January 2020.

10. FINANCE REPORT – After review of the Minutes of the Finance Meeting held earlier this morning, a motion was made by Virginia Mondragon to approve those Minutes together with the Manager's Report. Joe C de Baca seconded that motion. Motion carried unanimously.

11. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on their February 2020 monthly meeting. Some of the items covered included:

- Board approved recommendation from Contract Committee supporting more member flexibility through partial requirements
- Approval of 2% more community solar
- Community solar in New Mexico
- Strategic goal on regulation mitigation
- Regional town hall meetings scheduled to update member directors and staff of important issues and listen to member concerns – New Mexico's meeting will be held in Santa Fe on March 16th
- Annual Meeting will be held on April 7th-9th, 2020 in Broomfield, Colorado

12. NMRECA TRUSTEE REPORT – Robert M. Quintana, NMRECA Trustee, reported on their February 7, 2020 meeting held in Santa Fe. Items covered included:

- Representative Joseph Sanchez addressed the Board reminding that he was there to help the Co-ops in any way he could

- Mr. Flotte, Trustee from Otero Electric, resigned and has accepted a new position with Anixter
- RUS interest rates for long-term loans are at 1.96% and 1.57% for short-term loans
- Larry McGraw reported RUS has approved the travel budget and loans are being processed
- Annual Financial and Statistical Report (Form 7) is due by March 31, 2020
- Keven Groenewold brought a copy of a memo from Mr. Dan Najjar, NMRECA Legal Counsel, regarding the legality of Retail Wheeling in New Mexico
- Mr. Adkins reported to the Board the Managers discussed Socorro Electric Cooperative's (SEC) complaint/petition against the City of Socorro. It was recommended of the Committee to reaffirm support for SEC including development of an "Amicus Brief" in support
- Mr. Spradlin, President of the NM Rural Electric Self-Insurers Group, reported that the claims submitted for the year 2019 were low in numbers and commends all Co-ops on their focus on safety and safety trainings
- Course No. 2610 "Understanding Electric Business" is scheduled for August 13th, 2020

13. ON-GOING BUSINESS

- Board Policy No. 224 – Employee Corrective Action Instructions for Supervisors Policy and Employee Corrective Action Form** – Board Policy No. 224 was presented to the Board at last month's meeting for their review and consideration of approval at today's meeting. The proposed policy sets instruction for Managers and Supervisors to follow with required documentation of the issues that give rise to the required corrective action required with time limits to adhere. Corrective action may be required to insure professional and productive performance of non-union employees on behalf of the Cooperative. **A motion to approve Board Policy No. 224 as proposed was made by Virginia Mondragon and seconded by Joe C de Baca. Motion carried unanimously.**
- MSMEC Integrated Utility Solutions Request for Proposal Recommendations** – General Manager Montoya reported to the Board on the Integrated Utility Solution proposals received from Daffron/Milsoft, South Eastern Data Cooperative (SEDC) & National Information Solutions Cooperative (NISC). A proposal review committee comprised of managers, supervisors and employees reviewed and scored each proposal after each company presented a demonstration of its solutions. The committee did consider a new solutions provider, but Daffron/Milsoft's demonstration caused the committee to consider remaining with them due to the steps and costs associated with Daffron/Milsoft proposal which seemed to be the best option for MSMEC. The Board was asked to consider authorizing General Manager Montoya to negotiate with Daffron/Milsoft to provide updated Integrated

Utility Solution for use by MSMEC. **A motion was made by Joe C de Baca, seconded by Virginia Mondragon, to authorize General Manager Montoya to negotiate with Daffron/Milsoft to provide MSMEC with updated Integrated Utility Solutions. Motion carried unanimously.**

- c. **Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of January 2020 was \$634,228.92. The MSM Solar bill was \$25,138.06 with a Tri-State credit of \$16,499.28.

14. NEW BUSINESS

- a. **Proclamation of Election** – The 2020 MSMEC Proclamation of Election was presented to the Board for review. Three District Trustee Election will take place in May 2020. District 1 Election will be held on Tuesday, May 5th; District 4 will be held on Tuesday, May 12th; and District 5 will be held on Tuesday, May 19th.
- b. **New MSMEC Mission and Vision Statements** – The new MSMEC Mission and Vision Statements were presented to the Board for their review and approval. As a result of Leadership Trainings for Managers and Supervisors, MSMEC's Mission and Vision have been discussed as a component of managing and supervising the daily operations of our Cooperative. Setting goals and developing plans for achieving these goals and determining what is necessary to achieve the goals are all part of the training approach. Staff determined to establish these statements to be referred to by all staff during our daily work and to illustrate our purpose to our Members. After review, **a motion was made by Virginia Mondragon, seconded by Robert Baca, to approve the new MSMEC Mission and Vision Statements as statements representing the Cooperative's mission and vision for the future. Motion carried unanimously.**
- c. **Tri-State Preliminary Patronage Capital Allocations** – Tri-State released its Preliminary 2019 Patronage Capital Allocation and December 31, 2019 balance for each Member Cooperative. Final 2019 Allocations will not be released until Tri-State's financial statements are approved by the Board during their March 2020 meeting. No action of MSMEC Board is required at this time. For information purposes only.
- d. **MSMEC Capital Credit Estate Listing** – A list for Capital Credits on estate accounts was prepared by staff and presented to the Board for their review. The years included on this list are from 2010 to July 2018 totaling \$103,170.23. After review, **a motion was made by Robert Baca, seconded by Virginia Mondragon, to start the process of refunding these Capital Credits on these estate accounts totaling \$103,170.23 as soon as possible. Motion carried unanimously.**
- e. **Tri-State Board Report – February 2020** – Tri-State distributed their Board Report for February 2020 following their recent meeting summarizing action taken by them. Board Chairman Quintana presented the information to other Board Members and staff of recent steps taken by Tri-State to implement its Responsible Energy Plan. No action of our Board was required. For information only.

15. CORRESPONDENCE

- a. **Tri-State Regional Town Hall Meetings** – For information only.

16. INFORMATION

- a. **Calendar of Events** – Staff and Board Members will be in attendance at the NRECA Annual Meeting in New Orleans, LA starting with registration and opening reception on Sunday, March 1st and returning on Wednesday, March 4th. Statewide Meeting will be held in Santa Fe on Thursday, March 5th and 6th. Tri-State will hold their meetings on March 10th and 11th. MSMEC will hold their next Finance and Regular Board Meeting on Wednesday, March 25th starting at 10:00 a.m. Statewide Meeting will hold their April Meetings on March 26th and 27th due to Tri-State’s Annual Meeting in early April 2020.

A motion to move into Executive Session was made by Robert Baca and seconded by Virginia Mondragon. 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 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 Robert Baca. Motion carried unanimously. Meeting adjourned at 2:39 p.m.

ATTEST:



Virginia Mondragon
Secretary/Treasurer



Robert M. Quintana
Board Chairman