

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
MARCH 25, 2020

The meeting of March 25, 2020 was called to order at 10:51 a.m. by Robert M. Quintana, Board Chairman.

CALL TO ORDER:

1. ROLL CALL AND DETERMINATION OF QUORUM

Present: Robert M. Quintana, Chairman
Virginia Mondragon, Secretary/Treasurer

Robert Baca, Vice-Chairman – Via Teleconference due to COVID-19
Joseph C de Baca, Member – Via Tele-conference due to COVID-19
James Ortiz, Member – Via Tele-conference due to COVID-19

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

- 2. INVOCATION** – Those in attendance said a prayer in silence.
- 3. PLEDGE OF ALLEGIANCE** – Due to separation of Board and Staff, the Pledge of Allegiance was not recited.
- 4. APPROVAL OF AGENDA** – The Agenda for today’s meeting was presented for review and approval. **With a motion by Robert Baca and second by Joe C de Baca, the following amendments were made to the Agenda, making note that due to COVID-19 emergency situation, an exception to quorum requirement and voting was made where two Board Members are present and three Board Members are via telephone; Remove – New Business - #14. c – MSMEC High Plains Processing Plant, LLC/Rural Economic Development Plan; Move #17 Executive Session – up to #5. Motion carried unanimously.**

A Motion to move into Executive Session was made by James Ortiz and seconded by Robert Baca. Motion carried unanimously.

5. 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.

6. 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.**

7. SAFETY REPORT/MINUTES – The Safety Committee met on March 11, 2020. Some of the items covered included the following:

- There were no accidents, no near misses, no on-the-job injuries, nor on-the-job incidents to report in either Mora or Pecos for the month of February
- A Working Foreman stated that while working out in the field consumers often ask him how many months they can be delinquent prior to being disconnected. He was told that normally 2 months, but one month if they owe more than \$300.00
- Employee asked to have dog repellent. Supervisor will supply with his request
- Question was asked about the replacement of fire-retardant pants. This will be looked into
- The Committee was provided with documents offering Guidance for Businesses and Employers from the Centers of Disease Control and Prevention Center regarding the Coronavirus
- The Pecos Operations Manager stated that the heaters in the Pecos Office were working well at this time
- The Board of Directors provided direction to the General Manager to work on developing a Lineman Development Program to be funded by MSMEC. The General Manager will present program guidelines to the Board for consideration to be implemented in 2021
- The General Manager advised the Committee the NRECA Annual Meeting in New Orleans was productive. Meetings with Daffron/Milsoft produced strategies to work on completing MSMEC's model and future outage management capabilities
- The Committee was informed MSMEC is planning on replacing its telephone system in Mora and Pecos. This upgrade will better accommodate incoming calls, reduce redundancy and reduce costs
- Linemen and meter technicians were trained on Professional Conduct on the Job, CMV and Driver Safety and Eye and Face Protection. There was no training conducted for the inside staff

8. ACTION OF REGULAR MEETING MINUTES HELD ON FEBRUARY 20, 2020 – The Minutes of the Board Meeting held on February 20, 2020 were presented for review and approval. After review, a motion to approve the Minutes of February 20, 2020 as

presented was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.

- 9. APPROVAL OF NEW MEMBERSHIPS (MORA 15 – PECOS 14)** – The new memberships were presented for review and approval. There were 15 new memberships applied for from the Mora Office and 14 new memberships applied for from the Pecos Office. After review, a motion to approve all new memberships was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.

10. MANAGER’S REPORT

- a. Delinquent Report** – The Delinquent Report for February 2020 was presented and reviewed. There were 966 delinquent accounts totaling \$284,131.36. After collections, 554 of those accounts remained unpaid for a total of \$57,957.60.
- b. RUS Form 7** – The RUS Form 7 was presented for review. For the period ending February 29, 2020, Operating Revenue and Patronage Capital was at \$1,172,773; Cost of Purchased Power was \$638,524; with Total Operation and Maintenance Expense at \$932,007. Total Cost of Electric Service was \$1,075,092; Patronage Capital and Operating Margins at \$97,681; and Patronage Capital or Margins at \$98,697. TIER for the month was 3.84% and 4.69% YTD,
- c. Outage Report** – The Outage Report for February 2020 was reviewed. There were a significant lower number of outages during this month. There was a total of 15 outages affecting 24 consumers for a combined total 28.75 hours.
- d. Member Sales Budget Report** – The Tri-State Member Sales Budget Report for February 2020 was as follows: The total Energy (kWh) Monthly comparison was Actual 7,597,576 and 6,832,326 Budgeted. The Revenues were \$615,192 Actual and \$565,701 Budgeted.
- e. Fused Cut-Out Report** – There were two new Fused Cut-outs installed in the MSMEC System during the month of February. One was installed at Rincon Ranch and another at the Las Vegas Refuge.

- 11. FINANCE REPORT** – A motion to approve the Finance Committee Minutes of the Meeting held earlier today, together with the Manager’s Report, was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.

- 12. TRI-STATE TRUSTEE REPORT** – Robert Baca, Tri-State Trustee, reported on their March meeting. Some of the items covered included the following:
- A new Partial Requirements Membership option was approved
 - Cyber Security discussion with Board
 - The Federal Energy Regulatory Commission (FERC) accepts Tri-State’s Tariff Filing
 - Positive financial report given by Tri-State

- Tri-State's Annual Meeting scheduled for April has been cancelled due to COVID-19
- Contract Committee will be meeting via webinar
- Tri-State will be meeting on April 9th via conference call

13. NMRECA TRUSTEE REPORT –

- Legislative review
- Marketing group discussion
- Annual Meeting previously scheduled during the last part of May has been cancelled and will be rescheduled in mid-July

14. ON-GOING BUSINESS

- Invitation for Competitive Sealed Bids for Purchase of Tires for MSMEC Fleet –** An Invitation for Competitive Sealed Bids for Purchase of Tires for the MSMEC fleet was advertised in the Las Vegas Optic prior to the bid opening of February 21, 2020. Only one bid was received by the deadline, which was from Platinum Performance LLC. After the Board's review of the bid, **a motion was made by Joe C de Baca, seconded by Robert Baca, to approve the bid with pricing as submitted by Platinum Performance LLC for the purchase of tires for the MSMEC fleet. Motion carried unanimously.**
- Request for Bids to Contract for Trenching and Excavating Services –** Request for bids to contract for Trenching and Excavating services was advertised in the Las Vegas Optic in early February. These services were pursued so as to support MSMEC crews while performing work during and after hours. Three bids were received from contractors/owners of equipment located in Pecos, Glorieta and Anton Chico. After reviewing the bid comparison sheets provided, **a motion was made by Robert Baca, seconded by Virginia Mondragon, to authorize the General Manager to award bids to all three contractors, if they meet all specifications, for these trenching and excavating services. Motion carried unanimously.**
- Tri-State Bill/MSM Solar Bill –** The Tri-State G & T power bill for February 2020 was \$615,192.20. MSM Solar bill was \$23,331.34 with a credit from Tri-State of \$14,795.30.

15. NEW BUSINESS

- MSMEC Unclaimed Capital Credit Checks Listing –** A list of Retired Capital Credits that were paid to patrons back in 2017 was presented to the Board. This list was published in the Enchantment Magazine with the names of the members whose checks had been returned to us after being issued in May of 2017. The deadline to claim these checks was Monday, July 1, 2019. MSMEC received returned Capital Credit checks indicating that they were either undeliverable or were not cashed. There was a total of \$688,053.70 that were unclaimed by the July 1, 2019 date. The Board was asked to consider approving to transfer the \$688,053.70 of unclaimed Capital Credits to the Educational Fund as per Article VII, Section 3.2 of our bylaws.

Virginia Mondragon, seconded by Robert Baca, made a motion to approve transferring at total of \$688,053.70 of unclaimed Capital Credits to the Educational Fund as per our bylaws. Motion carried unanimously.

- b. **MSMEC Overhead Percentages for 2020** – MSMEC staff completed spreadsheets for overhead percentages using 2019 amounts on costs for line extensions on new construction accounts. The percentage came out to 291%, which will be rounded out to 300% and will remain the same for 2020. After the Board reviewed the spreadsheets, a motion was made by Robert Baca, seconded by Virginia Mondragon, to approve keeping the overhead percentage at 300% for the year 2020. Motion carried unanimously.
- c. **MSMEC High Plains Processing Plant, LLC/Rural Economic Development Loan** – Tabled this item on approval of Agenda at start of meeting.
- d. **CFC – Annual Benefits of Ownership Statement for MSMEC** – A check in the amount of \$487.78 as patronage capital was received from CFC – National Rural Utilities Cooperative Finance Corporation. For information only.

16. CORRESPONDENCE

- a. **Letter to Tri-State G&T from GridLiance – A Blackstone Company** – For information only.
- b. **Email from Duane Highley - FERC accepts Tri-State Tariff Filings and other Regulatory Updates** – For information only.
- c. **Roosevelt County Electric Cooperative – Cancellation of 2020 Annual Meeting** – For information only.

17. INFORMATION

- a. **Calendar of Events** – Offices in Mora and Pecos will be closed on Friday April 10th due to the Good Friday Holiday. MSMEC next Finance and Regular Board Meetings are scheduled for Thursday, April 23rd, 2020.

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

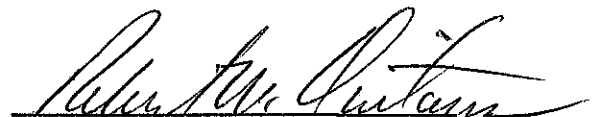
19. OTHER BUSINESS TO COME BEFORE THE BOARD – None.

20. ADJOURNMENT – A motion to adjourn was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously. Meeting adjourned at approximately 1:23 p.m.

ATTEST:



Virginia Mondragon
Secretary/Treasurer



Robert M. Quintana
Board Chairman