

**MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.**  
**BOARD OF TRUSTEES MEETING MINUTES**  
**HELD ON**  
**APRIL 29, 2020**  
**TELEPHONICALLY**

The meeting of April 29<sup>th</sup>, 2020 was called to order at 10:48 a.m. by Board Chairman, Robert M. Quintana.

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

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

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

- 2. INVOCATION** – A moment of silence was observed in memory of Paul Quintana, brother to Board Chairman, Robert Quintana and Board Member from Farmer’s Electric Cooperative.
- 3. PLEDGE OF ALLEGIANCE** – Due to separation of Board and Staff, the Pledge of Allegiance was not recited.
- 4. APPROVAL OF AGENDA** – The Agenda was presented for review and approval. General Manager Montoya added the following to the Agenda: #13. On-Going Business - e. District Meetings/Elections; and #14. New Business – g. Filing of Application – NMPRC Fuel and Purchased Power Cost Adjustment Clause. **A motion to approve today’s Agenda with two amendments was made by Robert Baca 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.** No calls were received from any Members requesting to address the Board.
  - c. **Introduction of Employees – None.**

6. **SAFETY REPORT/MINUTES** – The Safety Committee met on April 8<sup>th</sup>, 2020. Those in attendance were the following employees: Vidal Barela, Danny Flores, Pamela Gallegos, Pauline Olivas, Martin Teran, Les Montoya, Lawrence Salas and George Valdez. Some of the items covered included:
- There were no accidents, no near misses, and no on-the-job incidents in either Mora or Pecos
  - The ladies in the Pecos office raised a concern that they did not have hot water to wash their hands. The Operations Manager was advised to install a water heater as soon as possible. Employees also stated that they did not have gloves, hand sanitizer and Clorox wipes. These items were being delivered as meeting was taking place. They were advised to inform the Mora office staff when their supplies are running low.
  - The committee was advised that face masks have been ordered and should be delivered soon.
  - The committee was advised Roy O’Day will be presenting safety trainings via video conferencing.
  - There was no in-house training conducted due to COVID-19.
7. **ACTION OF REGULAR MEETING MINUTES HELD ON MARCH 25, 2020** – The Minutes of the Meeting held on March 25<sup>th</sup>, 2020 were presented for review and approval. After review, a motion was made by Joe C de Baca, seconded by James Ortiz, to approve the Minutes of March 25<sup>th</sup>, 2020 as presented. Motion carried unanimously.
8. **APPROVAL OF NEW MEMBERSHIPS (MORA 22 – PECOS 15)** – A total of 37 new memberships were presented for review and approval. After review, a motion was made by Robert Baca, seconded by Joe C de Baca, to approve all new memberships as presented. Motion carried unanimously.
9. **MANAGER’S REPORT**
- a. **Delinquent Report** – General Manager Montoya reported on the Delinquent Report for March 2020. There were 882 unpaid accounts totaling \$244,386.04. After collections, 590 accounts remained unpaid for a total of \$153,514.80.
  - b. **RUS Form 7** – Operating Revenue and Patronage Capital for the month ending March 31, 2020 was \$1,077,304; Cost of Purchase Power was \$558,343; and Total Operation & Maintenance Expense was \$850,056. Total Cost of Electric Service was \$1,050,950; Patronage Capital & Operating Margins \$26,354 and Patronage Capital or Margins \$28,337. TIER for the month was 1.31% and 2.76% YTD. OTIER for the month was 1.29% and 2.64% YTD.
  - c. **Outage Report** – The Outage Report was reviewed. There was a total of 39 reported outages during the month of March affecting 4707 consumers for a total of 117.8

combined hours. Robert Baca, Vice-Chairman, again stated how important it is to install more cut-outs throughout our system.

- d. **Member Sales Budget Report** – The Tri-State Member Sales Budget Report for March 202 was as follows: the total Energy (kWh) Monthly comparison was 6,913,688 Actual and 6,648,490 Budgeted. The Revenues were \$526,758 Actual and \$522,797 Budgeted.
- e. **Fused Cut-Out Report** – There was one new cut-out installed in Sierra Bonita during the month of March.

**10. FINANCE REPORT** – A motion was made by Robert Baca, seconded by Joe C de Baca, to approve the Manager's Report together with the Finance Report/Minutes of the meeting held earlier this morning. Motion carried unanimously.

**11. TRI-STATE TRUSTEE REPORT** – Robert Baca, Tri-State Trustee, reported on Tri-State's April 2020 tele-conference meeting. Some of the items covered included:

- Tri-State's Annual Meeting scheduled for April 2020 was cancelled and rescheduled for August 5<sup>th</sup> and 6<sup>th</sup>, 2020.
- Board approved recommendations from Contract Committee to expand member opportunities for community solar projects.
- Review of Tri-State Loads and Financials.
- PUC hearings will be held mid-month regarding La Plata and United – FERC regulated except for exit methodology which will be ruled on during hearings.

**12. NMRECA TRUSTEE REPORT** – Robert M. Quintana, Statewide Trustee, reported on their Special Meeting held via teleconference on April 3<sup>rd</sup>, 2020. Some items covered included:

- Discussion on the COVID-19 coronavirus and the impact it has had in our state and the cooperatives.
- Cancellation of the 2020 Youth Tour trip to Washington D.C. which was scheduled for June 20-26, 2020.
- NMRECA cancellation of their Annual Meeting which was scheduled for May 26-28, 2020. Annual Meeting may be scheduled at a later time.
- Next Statewide Board Meeting was scheduled for May1, 2020.

### **13. ON-GOING BUSINESS**

- a. **USIC Locating Service – Contract Review and Approval** – General Manager Montoya addressed the Board in regards to his proposing to contract with USIC Locating Service, LLC to respond to MSMEC line locates in our service territory. Linemen drive excessive miles and draw manpower for the close to 700 line locates called in this past year. USIC presently perform line locates within our service territory for other utilities. They are present and focus on all aspects of performing and closing out reports on the line locate procedures. This service will allow MSMEC to have their linemen focus on daily assignments while insuring compliance with State line locate

procedures. The proposed agreement has been reviewed by our attorney and union representative. Manager Montoya advised the Board that the agreement will be amended to show a 90-day termination clause. After discussion and review, **Robert Baca motion to approve and authorize General Manager Montoya to execute the agreement with the condition that it will be on a trial basis for one year so that they can monitor the cost on a monthly basis. Joe C de Baca seconded that motion. Motion carried unanimously.**

- b. **Tri-State's Press Release – Contract Committee Recommendations** – Tri-State and its Contract Committee has worked for the past year to consider increasing contract flexibility for its members which is considered to be an integral part of Tri-State's Responsible Energy Plan. The Contract Committee worked to find an equitable method of dealing with contract terminations as this issue was at the forefront of Tri-State's business agenda. They have developed a methodology to determine a contract termination number – one that is fair to the members that remain in the cooperative and those that ask to break their contracts. Tri-State's press release statement of its Board decision to accept the Contract Committee's recommendations and to consider filing for approval through the authority of the Federal Energy Regulatory Commission (FERC). There was review and discussion by our Board but no action is required at this time.
- c. **2019 Annual Report to NMPRC** – Manager Montoya reported to the Board that the 2019 Annual Report to NMPRC was filed on April 16, 2020. Included in the 2019 Annual Report was MSMEC's revenue, expenses and other information provided by other departments. The total Electric Operation and Maintenance Expenses were \$10,113,199, an increase of \$428,901 for 2019. Other numbers reported included; 13,137 meters and 9,410 transformers; and gross revenue was \$12,502,389. No action was required by the Board. For information only.
- d. **Tri-State Bill/MSM Solar Bill** – Power bill from Tri-State was \$526,758.08. MSM Solar bill was \$31,585.01 with a credit from Tri-State of \$19,141.75.
- e. **District Meetings/Elections** – There was a discussion in regards to the three District Meetings which were scheduled to be held in May 2020: District 1 was scheduled for May 5<sup>th</sup>; District 4 was scheduled for May 12<sup>th</sup>; and District 5 was scheduled for May 19<sup>th</sup>. All current Board Members had no opposition as of the deadlines to file petitions to run for the MSMEC Board of Trustees. In compliance with Governor Michelle Lujan Grisham's Executive Order on COVID-19 and social distancing, MSMEC's bylaws and there being no opposition; no District Meetings will be held and the incumbents shall remain in office for an additional three years.

#### **14. NEW BUSINESS**

- a. **Resolution No. 4-23-2020-011 – Authorization to Finance Purchase of New Telephone System for Mora and Pecos Offices** – Resolution No. 4-23-2020-011 was presented to the Board to authorize the General Manager to obtain financing in the amount not to exceed \$61,356.66 and approve the financing terms offered by Community First Bank for the purchase and installation of a new telephone system for both the Mora and Pecos Offices. MSMEC's current telephone system is old and

limited in what it offers. A new telephone system is designed to meet today's demands and future applications. After discussion, **a motion to approve the financing \$61,281.86 for the purchase and installation of a new telephone system was made by James Ortiz, seconded by Virginia Mondragon. Motion carried.** Robert M. Quintana abstained.

- b. Coronavirus (COVID-19) MSMEC Related Paid Sick Leave and/or Expanded Family Medical Leave Request Form** – Manager Montoya presented the Board with a copy of the MSMEC COVID-19 Related Paid Sick Leave and/or Expanded Family Medical Leave Request Form. The United States Department of Labor has created the Families First Coronavirus Response Act (FFCRA) which requires employers to provide their employees with paid sick leave and expanded family and medical leave for specified reasons related to COVID-19. These provisions will apply from April 1, 2020 – December 31, 2020. After review, **a motion to approve the form presented for MSMEC employee use if necessary was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.**
- c. Resolution No. 4-23-2020-012 – Declaring a Health Emergency for MSMEC** – Manager Montoya presented the Board with Resolution No. 4-23-2020-012, Declaring a Health Emergency for Mora-San Miguel Electric Cooperative, Inc.'s service territory. This resolution would allow the General Manager to establish emergency operational measures and policies in response to the COVID-19, Coronavirus Pandemic. The Board of Directors, by declaring a health emergency, intends to authorize altering normal operations for the Cooperative for the sole purpose of protecting the health, safety and welfare of all MSMEC employees and members. The Board reviewed MSMEC's Continuity Plan and discussed measures being taken by other electric cooperatives and NRECA to deal with various issues raised by the spread of COVID-19. **A motion to approve Resolution No. 4-23-2020-012, Declaring a Health Emergency for MSMEC, was made by Robert Baca and seconded by James Ortiz. Motion carried unanimously.**
- d. Environmental Systems Research Institute, Inc. (ESRI) – Renewal of License Agreement** – The 3-year license agreement for ESRI is up for renewal. George Valdez, Operations Manager from our Pecos Office, has reviewed the agreement and determined the agreement is required of MSMEC. This license and training provide the opportunity for our Coop to continue with its mapping of the system and continued efforts to complete a system model. It is recommended MSMEC renews this agreement for the next three years. Annual renewal fees are \$11,000.00 per year. After review and discussion, **a motion was made by Virginia Mondragon, seconded by Joe C de Baca, to approve the ESRI 3-year renewal at \$11,000.00 per year. Motion carried unanimously.**
- e. MSMEC Board Policy – Communications & Information Systems Use** – A copy of Board Policy No. 225, Communication and Information Systems Use Policy was presented to the Board for their review. MSMEC does not currently have a Communication and IT Use Policy in place. It is necessary to develop a policy for the cooperative so as to set a standard for use while performing daily responsibilities.

The Board is asked to review and offer comments on the draft policy presented for consideration and approval at our next Board Meeting.

- f. **Request to open a Regular Share Account with Rincones Presbyterian Credit Union – Renewable Energy & Conservation Fees Collected** – MSMEC’s Finance Manager requested to open a regular share account with Rincones Presbyterian Credit Union. NMPRC requires that all Renewable Energy and Conservation Fees collected be deposited into a separate account. The account will identify Board Secretary, Virginia Mondragon; General Manager, Les Montoya; and Finance Manager, Julie Pacheco to be authorized signatures on the account and to authorize monthly deposits of fees collected with existing fees in the amount of \$44,428.67. After discussion, **a motion was made by Virginia Mondragon, seconded by Joe C de Baca, to approve opening a regular share account with Rincones Presbyterian Credit Union to deposit Renewable Energy and Conservation fees collected monthly. Motion carried unanimously.**
- g. **Filing of Application of MSMEC Fuel and Purchased Power Cost Adjustment Clause** – Manager Montoya reported to the Board that MSMEC’s request is for continuation of its Fuel Purchase Power Cost Adjustment Clause. This filing is required every 4 years. NMPRC’s final order required MSMEC to file prior to April 30, 2020. Testimony of E.L. Moss of Bolinger, Segars, Gilbert & Moss was included in the application for continued use. After review and discussion, **a motion was made by Robert Baca, seconded by Joe C de Baca, to authorize approval to file application for continued use of MSMEC’s Fuel and Purchase Power Cost Adjustment Clause with NMPRC – Case No. 17-00319-UT.**

#### **15. CORRESPONDENCE**

- a. **Email – Appreciation for Pecos Line Crew** – For information only.

#### **16. INFORMATION**

- a. **Calendar of Events** – Starting today, April 29<sup>th</sup>, 2020, MSMEC will start working their 10-hour 4-days a week schedule. Offices will be open from 7:00 a.m. to 5:30 p.m. Monday through Thursday and closed on Fridays. This schedule will follow through October. NMRECA has scheduled their meetings on Friday, May 1, 2020 via teleconference. MSMEC’s Offices will be closed on Monday, May 25<sup>th</sup>, 2020 in observance of the Memorial Day Holiday. Our next Finance and regular Board Meeting will be held on Thursday, May 28<sup>th</sup>, 2020.

**A motion to move into Executive Session was made by Robert Baca and seconded by Joe C de 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**

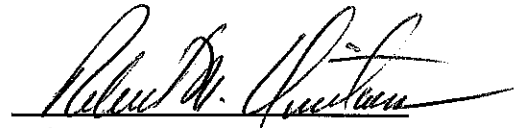
- a. A motion was made by Robert Baca, seconded by Virginia Mondragon, to give Les Montoya, General Manager, authority to apply for a Small Business Interruption Loan under the Paycheck Protection Program as a result of COVID-19. Motion carried unanimously.

**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. The meeting adjourned at approximately 1:48 p.m.**

**ATTEST:**

  
Virginia Mondragon  
Secretary/Treasurer

  
Robert M. Quintana  
Board Chairman