

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

The Meeting of June 25, 2020 was called to order by Robert M. Quintana, Board Chairman, at approximately 10:58 a.m.

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, General Manager
Debbie Alexander, Admin. Assistant – Via Teleconference

2. INVOCATION – A moment of silence was observed.

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. After review, a motion to approve the Agenda as presented was made by Robert Baca and seconded by James Ortiz. 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 held their Safety Meeting on June 11, 2020. Some of the items covered included:

- There were no accidents, no near misses, nor on-the-job injuries to report in either Mora or Pecos for the month of May.
- There were no on-the-job incidents to report in Mora.
- There were two on-the-job incidents to report in Pecos for the month of May: 1) While working on the main line North of Las Vegas the working foreman was lowering the neutral on a VC-4 pole, the neutral hit the phase wire causing the breaker at the substation to open up causing an outage. The journeyman

performing the work indicated the hoist used was not operating properly and caused the lines to come in contact with each other. 2) A working foreman and an apprentice lineman were refueling at a gas station in Pecos. The apprentice lineman was confronted by a consumer/contractor who started verbally harassing him. Once the individual realized the apprentice was not alone, he stopped harassing him. The apprentice lineman reported after this incident occurred, the same individual had asked the apprentice where he was from and felt this individual seemed to be upset the Coop hired an outsider. The apprentice also reported one day after heading home on the company truck, the same man pulled in front of him on the interstate and slammed his brakes. The Operations Manager was asked to report these incidents to law enforcement and obtain a report from the agency for company records.

- A meter in the Sierra Bonita area was showing multiple reading fails in the Aclara System. The meter was turned off in late March per consumer's request. The line crew was dispatched to this location for a possible power outage, stolen meter or possible meter tampering. The crew discovered a cut seal at the meter loop – a clear indication of meter tampering. The line crew de-energized the service and the meter was removed.
- NM Rural Electric Self Insurers Fund has awarded Larry Barela with the Long Rope Safety Award. The presentation will be planned for some time in the future since NMRECA's Annual was cancelled.
- Manager Montoya shared with the Committee Federated insurance has been renewed for the next 2 years.
- The Emergency Procedure handbooks came in and they have been distributed and placed where they can easily be reached in case of an emergency.
- A Safety Training Session was held on May 20, 2020. The Training was held via a GoToMeeting format to comply with the CDC guidelines and the NM Health order. The topics were Hazard Recognition/Sagging Conductor and Energized vs De-energized work.

7. ACTION OF REGULAR MEETING MINUTES HELD ON MAY 28, 2020 – The Minutes of the meeting held on May 28, 2020 were presented for review and approval. After review, a **motion to approve the Minutes of May 28, 2020 as presented was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.**

8. APPROVAL OF NEW MEMBERSHIPS (MORA 15 – PECOS 16) – A total of 31 new memberships were presented to the Board for review and approval. After review, a **motion to approve all new memberships was made by Joe C de Baca and seconded by Robert Baca. Motion carried unanimously.**

9. MANAGER'S REPORT

- a. **Delinquent Report** – There were a total of 2174 delinquent accounts totaling \$565,364.34. After collections, 665 of those accounts remained delinquent for a total of \$151,478.14.
- b. **RUS Form 7** – The RUS Form 7 was reviewed by Manager Montoya. Operating Revenue and Patronage Capital for the month ending May 31, 2020 was \$929,080; Cost of Purchased Power was \$454,605; with Total Operation & Maintenance Expense at \$704,385. Patronage Capital or Margins for the month was \$83,823 and YTD was \$392,517. TIER for the month was at 3.53% and 2.73% YTD. OTIER was 3.50% for the month and 2.62% YTD. Line Loss was 5.5% for the month and 3.2% YTD.
- c. **Outage Report** – There were a total of 29 outages reported during the month of May. These outages affected 132 consumers for a combined total of 67 hours without power.
- d. **Member Sales Budget Report** – This report was not available before our meeting.
- e. **Fused Cut-Out Report** – Two new fused cut-outs were installed on the MSMEC system. One in South Pecos and the other at the Mora Independent Schools in Mora.

10. FINANCE REPORT – A motion was made by James Ortiz, seconded by Virginia Mondragon, 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 their June Meeting which was held virtually. A few of the items covered included:

- Cost Reduction Team – Analyze how Coops are doing and consider means to reduce rates and costs.
- Looking into having their August Meeting in Wyoming – no restrictions in that State – Strategic Planning will be for 3 days.
- Community Solar was approved as presented by the Contract Committee.
- Sub-Station named after Jack Finnerty from Wheatland, Wyoming – served on the Tri-State Board for 32 years – the longest Tri-State serving Director.
- Covid-19 update.
- Renewables – 29% of total power.

12. NMRECA TRUSTEE REPORT – Robert M. Quintana, NMRECA Trustee, reported on their June 5th virtual meeting. A few of the items covered included:

- NRECA cancelled all in-person Regional Meetings held in October. Regional Meetings will be held virtually instead.
- RUS interest rates are 1.32% for long-term loans and 0.15% for short-term loans.

- A copy of the NM Public Health Order dated June 1, 2020 was provided as information.
- Discussion was held regarding NRECA's Training Courses and whether they will be held in August or moved to December 2020.
- NM Rural Electric Self-Insurers Group held their Annual Meeting virtually. The audit and actuarial reports were completed, presented to the Board and approved.
- Five cooperatives received the Carl Turner Safety Awards – Central NM Electric Cooperative, Central Valley Electric Cooperative, Farmers' Electric Cooperative, Southwestern Electric Cooperative, and Springer Electric Cooperative.
- NMRECA approved to combine the July and August Board meetings in conjunction with a Special Meeting to be held on August 6-7, 2020.

13. ON-GOING BUSINESS

- a. **2019 Audit Report Presentation – Randy Robbins, Bolinger, Segars, Gilbert & Moss L.L.P.** – Mr. Randy Robbins, Partner with Bolinger, Segars, Gilbert & Moss L.L.P. presented the 2019 Audit on MSMEC's financial statements via teleconference. Mr. Robbins reviewed the numbers on the Balance Sheets, Statements of Income and Patronage Capital and Statements of Cash Flows. The Board was advised it was the auditor's opinion the financial statements referred to present fairly in all respects, the financial position of Mora-San Miguel Electric Cooperative, Inc. as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the USA. Mr. Robbins thanked the staff for their assistance and participation and stated major improvements have taken place over the course of the past years and since their last audit. After the presentation and discussion, **a motion to accept the 2019 audit of the MSMEC's financial statements as presented was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.**
- b. **Draft Plan for Re-Opening Mora and Pecos MSMEC's Offices** – A draft plan was presented to the Board for re-opening of the Mora and Pecos Offices consistent with Public Health Emergency Order as of May 16, 2020. MSMEC's Offices have been closed to the public as of March 2020. Recent developments regarding loosening the "Stay at Home Orders" in New Mexico has led businesses opening up to 25% of capacity of fire codes. MSMEC is considering opening up its offices (25%) to its Members. MSMEC's Opening Plan of July 6, 2020 was presented for consideration by the Board. The Plan would allow members/consumers entering the buildings to conduct their business with limitations and/or by appointment while requiring continued Covid-19 safety practices. After review and discussion, the Board decided to hold off on opening the MSMEC's Offices at this time and reconsider for a later date.
- c. **Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of May 2020 was \$419,168.38; MSM Solar bill was \$35,437.07 with a credit of \$21,410.45 from Tri-State.

14. NEW BUSINESS

- a. **NMRECA Nominee for Member of Board of Directors 2020 – 2021 and Voting Representative Credential 2020** – After review and discussion, a motion was made by Robert Baca, seconded by Joe C de Baca, to keep the NMRECA Member of Board of Directors and Alternate; and Voting Representative and Alternate for 2020 – 2021 the same as the previous year. Motion carried unanimously. NMRECA Board Member is Robert M. Quintana and Alternate Member is James Ortiz; Voting Representative is Robert Baca and Alternate Representative is Robert M. Quintana.
- b. **Commitment to Participate in the Northeast Economic Development Organization, Inc. (NEEDO) Create Bridges Initiative** – The Mora County Economic Development Corporation recently discussed involving Mora County in the Create Bridges Initiative. A five-member committee representing Mora County is being recommended and MSMEC’s General Manager was asked to serve on the committee and represent the Mora business sector. This five-member group would work to identify existing strengths and weaknesses as it relates to creating progressing economic setting with the Northeast region of New Mexico. General Manager Montoya requested the Board to authorize him to provide a letter of commitment to participate as a member from MSMEC representing Mora County business sector and be part of the NEEDO Create Bridges Initiative. A motion was made by Virginia Mondragon, seconded by Robert Baca, to give Manager Les Montoya authority to serve in the NEEDO Create Bridges Initiative five-member committee representing Mora County. Motion carried unanimously.
- c. **Resolution No. 6-25-2020-004 – Authorizing Financing to Purchase New Bucket Truck from Altec** – Manager Montoya presented the Board with Resolution No. 6-25-2020-004 authorizing financing necessary to purchase a new Bucket Truck from Altec to replace a 2013 unit financed through Farm Credit Leasing Services (FCLS). Notice was provided to FCLS by MSMEC on June 8, 2020 to surrender the 2013 unit. Purchase of a new 2018 (less 500 miles) 4 x 4 Ford 550 & AT41 M Articulating Aerial device and upper boom is available for delivery by August 1, 2020 by Altec. Community First Bank is offering to finance the purchase of this new unit at 4.75% interest rate. The purchase amount for the new unit is \$141,000.00. After discussion, a motion was made by Virginia Mondragon, seconded by James Ortiz, to approve the purchase and financing of a new Bucket Truck as per Resolution No. 6-25-2020-004 presented today. Chairman Robert M. Quintana abstained. Motion carried.

15. CORRESPONDENCE

- a. **CoBank Nominating Committee – List of Candidates for the 2020 Director Elections** – For information only.
- b. **Federated Rural Electric Insurance Exchange – Notice of Nomination Election** – For information only.

- c. **NMRECA Tentative Training Course – August 13, 2020** – Robert Baca and Joe C de Baca are willing to take Course No. 2610, “Understanding the Electric Business” to receive their CCD Certification should it be held in August.
- d. **Thank You Letter for Scholarship Awarded – Marisol Encinias** – For information only.
- e. **Thank You Letter for Scholarship Awarded – Jerome Pacheco** – For information only.

16. INFORMATION

- a. **Calendar of Events** – The July 2020 MSMEC Finance and Regular Board Meetings are scheduled for Thursday, July 23rd starting at 10:00 a.m.

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 Joe C de Baca. Motion carried unanimously.

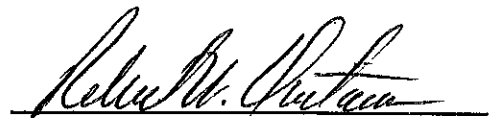
- 18. **ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION** – A motion was made by James Ortiz, seconded by Joe C de Baca, to give Les Montoya, General Manager, authority to apply for funding with the Food Retail Enterprise Project. Motion carried unanimously.

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

- 20. **ADJOURNMENT** – A motion to adjourn today’s meeting was made by Robert Baca. Meeting adjourned at 2:22 p.m.

ATTEST:


Virginia Mondragon, Secretary/Treasurer


Robert M. Quintana, Chairman