

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
OCTOBER 28, 2020

The meeting of October 28, 2020 was called to order by Robert M. Quintana, Board Chairman, at 10:48 a.m.

1. ROLL CALL AND DETERMINATION OF QUORUM

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

Others Les Montoya, CEO/General Manager
Present: Debbie H. Alexander, Admin. Assistant – Via teleconference

- 2. INVOCATION** – Robert Baca, Vice Chairman, led us in prayer.
- 3. PLEDGE OF ALLEGIANCE** – The Pledge of Allegiance was recited.
- 4. APPROVAL OF AGENDA** – Today's meeting Agenda was presented for review and approval. After review, a **motion to approve the Agenda as presented was made by Robert Baca and seconded by Virginia Mondragon. 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 October 26th, 2020. Some of the items covered and/or reported on included:
- There were no accidents, no near misses, nor on-the-job injuries to report in either Mora or Pecos
 - There were no on-the-job incidents to report in Mora and one to report in Pecos. The driver of one of the bucket trucks was driving when it went into limp mode. The driver pulled over. Once the unit was re-started, the driver noticed a knocking sound. The unit, under warranty, was taken to the dealership in Santa Fe.

- Another incident to report was a chip on the windshield of unit #52. A passing vehicle threw a rock in the air and hit the windshield causing a chip.
- Training set for October 27, 2020 on the proper use of PPE was cancelled due to weather.
- Manager Montoya briefed the committee on the Governor's latest actions regarding Covid-19 in New Mexico.
- The committee was advised of Larry Barela taking on the responsibility of supervising Mora and Pecos Operations and George Valdez' re-assignment to working foreman.
- George Valdez requested to enroll in the Merchants testing to obtain his Journeyman status. Manager Montoya advised this matter will be looked into.
- Fire Extinguishers in Mora and Pecos were inspected on October 22nd. Fifty-three units passed inspection, nine units were refilled and one new 20 lb. ABC was replaced in Pecos.
- Safety Improvement Plan Corrective Action Status:
 - Spill Prevention Plan – not yet completed. A working foreman was assigned completion of plan.
 - Chock Blocks and Outrigger Pads – chock blocks were delivered for the Mora fleet – Pecos has not yet ordered any.
 - Storing Motor Vehicle Registration Documents for Trailers – Trailer titles will be acquired.
 - Draft Policy "Equipment Use and Parking Procedures" – a draft copy of this policy was presented for review and comment.

7. ACTION OF REGULAR MEETING MINUTES HELD ON SEPTEMBER 24, 2020 – The Minutes of the Board Meeting held on September 24, 2020 were presented to the Board for review and approval. After review, **a motion to approve the Board Minutes of September 24, 2020 was made by Robert Baca and seconded by James Ortiz. Motion carried unanimously.**

8. APPROVAL OF NEW MEMBERSHIPS (MORA 42 – PECOS 29) – A total of 71 new memberships were presented to the Board for their review and approval. After review, **a motion to approve all new memberships presented today was made by James Ortiz and seconded by Robert Baca. Motion carried unanimously.**

9. MANAGER'S REPORT

a. Delinquent Report – The Delinquent Report for September 2020 was reviewed by Manager Montoya. There was a total of 975 delinquent accounts totaling \$279,447.37. After collections, 641 of those accounts remained unpaid for a total of \$82,358.87.

b. RUS Form 7 – The RUS Form 7 was reviewed by Manager Montoya. Operating Revenue and Patronage Capital for the month ending September 30, 2020 was

\$1,066,582; Cost of Purchased Power was \$491,353; and after expenses, Total Operation & Maintenance Expense was \$774,137. Total Cost of Electric Service was \$978,818; Patronage Capital & Operating Margins \$87,765 with Patronage Capital or Margins at \$96,893. TIER for the month was at 2.07% and 2.18% YTD. Percent loss was at 2.7% for the month and 4.5% YTD.

- c. **Outage Report** – There were a total of 39 outages reported during the month of September. A total of 314 consumers were affected by these outages for a combined 92.50 hours. The majority of outages were caused by blown fuses.
- d. **Member Sales Budget Report** – The Tri-State Member Sales Budget Report for September 2020 was as follows: Total Energy (kWh) monthly comparison was 5,546,962 Actual and 5,228,265 Budgeted. The months Revenues were \$460,873 Actual and \$414,318 Budgeted.
- e. **Fused Cut-Out Report** – No cut-outs were replaced or installed on our system during the month of September.

10. FINANCE REPORT – A motion to approve the Finance Minutes of the meeting held earlier today, together with the Manager’s Report, was made by Virginia Mondragon and seconded by James Ortiz. Motion carried unanimously.

11. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on Tri-State’s October virtual meeting. Some of the items covered included:

- Tri-State approval of Buy-Out Policy
- Strategic Planning session – discussion on what percentage of power has to be purchased from Tri-State to have a seat on the Board. A special meeting will be scheduled on this matter
- Tri-State now regulated by FERC
- No rate increase in 2021 nor in 2022 – Probable decrease of 8% by 2023
- Update on renewables
- Colorado still pushing to close all coal plants
- Open Season on Partial Requirements Contract approved

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

- RUS long-term loans are at 1.17% and short-term loans at 0.09%
- Letter to the Governor Lujan Grisham on behalf of NMRECA requesting an immediate amendment to Section 3 on Executive Order No. 2020-056 directing individuals entering the state to self-quarantine for 14 days
- Keven Groenewold presented to the Board the 2019 ACRE Certificates to the following qualifying Co-ops: Continental Divide Electric, Sierra Electric, Springer

Electric, Central New Mexico Electric, Farmers Electric, Lea County Electric and Mora-San Miguel Electric

- 2021 Government-in-Action Youth Tour discussion. Eight New Mexico Co-ops out of 14 have decided not to attend next year's program due to COVID-19. Final decision will be made after the October 30th deadline as to who still wants to participate.
- The 2021 NMRECA Annual Meeting is scheduled to be held at the Santa Ana Star Casino Hotel on June 1-2, 2021.

13. ON-GOING BUSINESS

- Tri-State Partial Requirements Open Season Notice** – On October 12, 2020, Tri-State Generation and Transmission provided notice to its Members of their Board of Directors approval of a Partial Requirements System Limit of 300 MW that could be served under one of two scenarios – MAX (Member Auxiliary Supply) or MARS (Member Auxiliary Renewable Supply). Open Season – Policy No. 124, was included with this notice as approved by the Tri-State Board of Directors. Tri-State also provided an application and fee schedule for those Members contemplating a Partial Requirements Contract. MSMEC's partial requirements limit was calculated at 8 MW. MSMEC Board discussed Tri-State's Policy No. 124 allowing Member's flexibility on increasing the 5% renewable limitation now in place with the Full Requirements Contracts and their intent as it applies to this recent adopted Tri-State Policy. The Partial Requirements Open Season is scheduled to begin the week of January 11, 2021 and expected to conclude by the end of January 2021.
- Final Report on Economic Feasibility – Purchasing Wind and or Solar Energy from a Third-Party Developer** – Mr. Andy Reger, NewGen Strategies and Solutions, presented the Board with the final report on economic feasibility of purchasing wind and/or solar energy from a third-party developer and of becoming a Partial Requirements Member of Tri-State G & T. The MSMEC Board had previously authorized completing a review of their options related to Tri-State's policy changes allowing for Partial Requirements Membership. The Board determined it important to obtain professional services to complete this review of the economic viability of their consideration of Partial Requirements Member status. The Board listened to and reviewed the findings presented by Mr. Reger. After a long discussion, the Board will now determine if MSMEC should consider filing an application to become a Tri-State Partial Requirements Member.
- Final Copy of Form 990 – Return of Organization Exempt from Income Tax and 990-T – Exempt Organization Business Income Tax Return for 2019** – The final copy of Form 990 – Return or Organization Exempt from Income Tax and 990-T Exempt Organization Business Income Tax Return for the year 2019 was presented to the Board prior to it being filed with IRS. The forms were completed by Bolinger, Segars, Gilbert and Moss LLP.

- d. **Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of September totaled \$406,873.38. The MSM Solar bill was \$30,479.33 with a credit from Tri-State of \$18,592.99.

14. NEW BUSINESS

- a. **Cigna Health Insurance Renewal – 2021 - Tom Frank & Jan Gibson Presentation** – Mr. Tom Frank, with Gibson and Frank, presented the Board with the specifics of the renewal review and the recommendations based on Cigna’s medical coverage and premiums proposed for 2021. Mr. Frank advised the Board that premium surpluses can be applied to low premium increases resulting in upgrading the plan for all employees with no premium increases. Due to the surplus, the renewal option is to move everyone currently on the base plan to the buy-up plan. The buy-up plan reduces the employee deductible from \$2500 to \$1000 and maximum annual out-of-pocket expense from \$4000 to \$2000. There will be no increase to the Dental Plan. After review and discussion, **a motion was made by Robert Baca, seconded by James Ortiz, to approve renewal of the Buy-Up Plan for all employees at a cost of \$7,605.00 upgraded with the surplus reimbursement to reduce monthly premium. Motion carried unanimously.**

15. CORRESPONDENCE

- a. **Recognition Award – ACRE – 100% Board Enrollment** – For information only.
- b. **Letter to the Honorable Chairman Jeffrey Ackermann – Colorado Public Utilities Commission** – For information only.
- c. **2021 Youth Tour Cancelled for New Mexico Cooperatives** – For information only.
- d. **Notice of Annual Meeting of Members – Basin Electric Power Cooperative** – For information only.
- e. **Mora Valley Chamber of Commerce – Letter and Membership Application Renewal Form** – A motion to renew MSMEC’s membership with the Mora Valley Chamber of Commerce was made by Robert Baca and seconded by James Ortiz. **Motion carried unanimously.** Membership renewal fee is \$50.00.

16. INFORMATION

- a. **Calendar of Events** – The NMRECA Meetings are scheduled for November 5th & 6th. Tri-State Meetings will be held on November 10th & 11th. MSMEC offices will be closed on November 11th in observance of Veteran’s Day Holiday. MSMEC’s next Finance and Regular Board Meetings are scheduled for Monday, November 23rd starting at 10:00 a.m. MSMEC offices will be closed on Thursday, November 26th and Friday, November 27th in observance of the Thanksgiving Day Holiday.

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

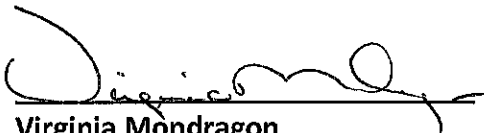
A motion was made by Robert Baca and seconded by James Ortiz to move out of Executive Session and back into Regular Session. Motion carried unanimously.

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 and seconded by Joe C de Baca. Motion carried unanimously. The meeting adjourned at 3:38 p.m.

ATTEST:



Virginia Mondragon
Secretary/Treasurer



Robert M. Quintana
Board Chairman