

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

The meeting of December 29, 2020 was called to order at approximately 10:53 a.m. by Robert Baca, Board Vice-Chairman.

CALL TO ORDER:

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 – Via Teleconference

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

Absent : Robert M. Quintana, Chairman

2. INVOCATION – Robert Baca led us in prayer.

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. General Manager Montoya asked the following be added to the Agenda: New Business – (d) Material Bids – January 1, 2021 to December 31, 2021. After review, a motion was made by James Ortiz, seconded by Joe C de Baca, to approve the agenda with one admendment. 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 for their meeting on December 15th, 2020. Some of the items covered included:

- There were no accidents, no near misses, no on-the-job injuries, nor on-the-job incidents to report in either Mora or Pecos
- An employee poll was taken concerning the Covid-19 vaccine. Employees were asked if they would be willing to take the vaccine if it became available. Twenty-

five out of the 27 employees participated in the poll. Seven employees said yes, 7 employees said no and 11 employees were undecided.

- Manager Montoya mentioned that the new excavator was delivered. Training was scheduled for the employees. MSMEC will need to purchase a trailer to haul this unit.
- The new On-Call List for the first quarter of 2021 is being worked on. The Committee was advised that Larry Barela, Operations Manager, will no longer be on-call.
- Apprentices were recognized on the progress they are making as they work through the Merchants Program to become certified Journeymen.
- The Committee worked on the Safety Improvement Plan for the next three years. Pamela will update this Plan and Mr. Montoya will submit it to NRECA.

7. ACTION OF REGULAR MEETING MINUTES HELD ON NOVEMBER 30, 2020 – The Board Minutes of the meeting held on November 30, 2020 were presented for review and approval. After review, a motion was made by Virginia Mondragon, seconded by James Ortiz, to approve the Board Minutes of the meeting held on November 30, 2020 as presented. Motion carried unanimously.

8. APPROVAL OF NEW MEMBERSHIPS (MORA 15 – PECOS 8) – Twenty-three 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 Virginia Mondragon. Motion carried unanimously.

9. MANAGER'S REPORT

- a. **Delinquent Report** – The Delinquent Report was reviewed by Manager Montoya. There was a total of 961 delinquent accounts totaling \$235,206.97. After collections, 748 accounts remained unpaid for a total of \$127,808.73.
- b. **RUS Form 7** – RUS Form 7 was presented for the period ending November 30, 2020. The Operating Revenue and Patronage Capital was \$978,221; Cost of Purchased Power was \$521,854; and Total Operation & Maintenance Expense was \$804,819. Total Cost of Electric Service was \$952,212; Patronage Capital & Operating Margins was \$26,010; with Patronage Capital or Margins at \$27,024. Line Loss as at 6.8% for the month and 5.3% year-to-date. TIER was at 1.83% for the month and 2.16% year-to-date.
- c. **Outage Report** – There were a total of 40 outages during the month of November. These outages affected 248 consumers for a total combined 87.50 hours.
- d. **Member Sales Budget Report** – The Tri-State Member Sales Budget Report for November 2020 was as follows: Total Energy (kWh) monthly comparison was 6,928,006 Actual and 6,673,808 Budgeted. The month's Revenues were \$552,333 Actual and \$547,970 Budgeted.

e. **Fused Cut-Out Report** – There was one new cut-out installed on the MSMEC system during the month of November. The cut-out was installed on the Mineral Hill main line.

10. FINANCE REPORT – The Finance Report of the meeting held earlier today, together with the Manager’s Report, was approved with a motion made by Virginia Mondragon and second by James Ortiz. Motion carried unanimously. Vice Chairman Baca reported the nearly \$400,000 received by MSMEC from the Paycheck Protection Program was forgiven in full. Only two Coops in New Mexico were awarded these PPP monies.

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

- Tri-State Board approved the payment of a patronage capital refund of \$30 million to the members. New Mexico Cooperatives will not receive any capital credits until 2030-2035.
- Resource update on coal, wind and renewable energy
- Special Annual Meeting – Vote to update Articles of Incorporation and amend Bylaws. Also voted on and passed was 65% of buying power in order to hold a Tri-State board seat.

12. NMRECA TRUSTEE REPORT – NMRECA Trustee Report was not available this month.

13. ON-GOING BUSINESS

- a. **MSMEC 2021 Operating Budget – Review and Proposed Approval** - At last month’s meeting, the Board was presented with the MSMEC Operating Budget including projected revenue and expenses for calendar year 2021. After final review, a **motion to approve the MSMEC 2021 Operating Budget as presented to the Board at the November Board Meeting was made by James Ortiz and seconded by Joe C de Baca. Motion carried unanimously.**
- b. **Board Policy No. 412 – Equipment Use and Parking Procedures – Final Approval** – Board Policy No. 412 – Equipment Use and Parking Procedures was presented to the Board during the November 30, 2020 meeting for their review and comments. The Board Policy was again presented for any changes and/or approval. After final review, a **motion for final approval of Board Policy 412, Equipment Use and Parking Procedures, was made by Virginia Mondragon, seconded by Joe C de Baca. Motion carried unanimously.**
- c. **MSMEC Retirement of \$2 Million Dollars in Capital Credits to Members** – A discussion was held during the November 30, 2020 Finance Meeting regarding the retiring of capital credits. The financial condition of the Cooperative was reviewed and it was determined the Cooperative could retire capital credits at this time. After further review, the Board considered approving the capital credits for the period of 2001 through 2008. **A motion was made by Virginia Mondragon, seconded by**

James Ortiz, to retire a total of \$2,081,555.30 in capital credits to its members for the period of 2001 through 2008. Motion carried unanimously.

- d. Tri-State Partial Requirement – Policy 124 – Open Season Board Decision –** Tri-State G & T approved Policy 124 enabling Members the option of applying to become a Partial Requirements Member. This Policy was developed to allow Members to increase the percentage energy purchased above the 5% called for in the existing Full Requirements contracts. MSMEC completed its due diligence in considering what Tri-State's Policy 124 had to offer and the potential benefits our Cooperative may or may not realize. The Trustees were presented with a position paper outlining the process MSMEC followed in evaluating the option presented by Tri-State in Policy 124. After much review and discussion, the Board decided that the timing was off at this time and decided to remain a full requirements member. **A motion was made by Virginia Mondragon, seconded by James Ortiz, to remain a Full Requirements Member. Motion carried unanimously.**
- e. Healthy Foods Financing Initiative Targeted Small Grants Program – Notification on Grant Application –** Manager Montoya advised the Board that MSMEC was not successful in obtaining the grant funds applied for through the Healthy Foods Financing Initiative – Targeted Small Grants Program. Mr. Montoya applied for grant funds to design a new Cooperative office building and a grocery store building in Mora. MSMEC's grant application was selected as one of the final applications considered for the \$3 million dollars available but received a notification on December 8, 2020 advising that MSMEC was not selected to receive the grant award.
- f. Tri-State Bill/MSM Solar Bill –** The Tri-State power bill for the month of November was \$552,333.04; MSM Solar bill was \$28,210.91 with a credit from Tri-State of \$17,034.75.

14. NEW BUSINESS

- a. Employee Years of Service Acknowledgement & Retirement Presentation –** The Board of Directors approved MSMEC Policy No. 226, Years of Service Recognition Program and Board Policy No. 217 – Retirement Recognition. The following employees were presented with Years of Service acknowledgement: Sara Cordova – 10 years of service - \$100 award; Gwenona Mascarenas – 10 years of service - \$100 award; Julie Pacheco – 30 years of service - \$300 award; Danny Flores – 25 years of service - \$250 award. Mary Jane Gurule, who retired after 22 years of service on December 25, 2020, received a \$250 monetary recognition.
- b. RUS System Operations and Maintenance Review – 2020-2024 –** Rural Utilities Service (RUS) required MSMEC to provide information on identifying various components of our distribution system, maintenance and records thereof and budgeting projections. This information was compiled and reported to RUS by management. These review forms were submitted to Mr. Larry McGraw, RUS General Field Representative. A letter was received from Mr. McGraw acknowledging the Cooperative is adequately operating and maintaining effective operations and maintenance program. Recommendations to improve existing

operations were also provided. The objectives of this review are to carry out RUS's responsibilities for loan security and to insure MSMEC is being operated and maintained in a safe and satisfactory condition.

- c. **NMRECA 2021 Dues - Final Worksheet** – For information only.
- d. **Material Bids – January 1, 2021 – December 31, 2021** – A bid comparison list for materials to be purchased by MSMEC was provided for review. Bids were submitted by Techline, Western United and Irby. After review, **a motion was made by Virginia Mondragon, seconded by James Ortiz, to authorize purchase of materials from each company which offers the lowest bid for the different materials needed. Motion carried unanimously.**

15. CORRESPONDENCE

- a. **Tri-State Annual Meeting Rescheduled** – For information only.

16. INFORMATION

- a. **Calendar of Events** – Offices will be closed on Friday, January 1, 2021 in observance of the New Year's Day Holiday. Tri-State will meet virtually on January 5th and 6th. NMRECA will meet virtually on January 7th and 8th. MSMEC Offices will be closed on Monday, January 18th in observance of Martin Luther King, Jr. Day. The MSMEC Finance and Regular Board Meetings are scheduled for Thursday, January 28th, 2021.

A motion to move into Executive Session was made by Virginia Mondragon 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 James Ortiz 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 James Ortiz. Motion carried unanimously. Meeting adjourned at 1:20 p.m.

ATTEST:


Virginia Mondragon, Secretary/Treasurer


Robert Baca, Vice-Chairman