

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
FEBRUARY 25, 2021

The meeting of February 25, 2021 was called to order at 10:45 a.m. by Robert Baca, Board President.

CALL TO ORDER:

1. ROLL CALL AND DETERMINATION OF QUORUM

Present: Robert Baca, President
James Ortiz, Vice President
Virginia Mondragon, Secretary/Treasurer – Via Teleconference
Joe C de Baca, Member

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

2. INVOCATION – Robert Baca, Board President, 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. A motion was made by Virginia Mondragon, seconded by Joe C de Baca, to approve the agenda as presented. Motion carried unanimously.

5. RECOGNITION OF GUESTS

a. Invited Speakers – (15-minute time limit) – Public Regulation Commissioner, Joseph M. Maestas, District 3, NMPRC (teleconference) – PRC Commissioner for District 3, introduced both himself and his Assistant, Jonas Armstrong, to the Board. Mr. Maestas shared his background and that of Mr. Armstrong’s. Some of the topics of discussion included:

- NM PRC deals with many issues to help NM Cooperatives
- Moratorium on disconnections – reporting efforts or results on future payment arrangements
- Updated operations protocol
- Energy Transition Act
- All PRC elected terms will expire on December 31, 2022 – Governor will appoint commission after that
- Asked for Coop to advocate for PRC

- b. **General Public Comment (5-minute time limit)** – None.
- c. **Introduction of Employees** – None.
6. **SAFETY REPORT/MINUTES** – The Safety Committee Meeting was held on February 11, 2021 via teleconference. Items reported for January 2021 included:
- There were no accidents, no near misses, and no on-the-job injuries to report in either Mora or Pecos.
 - There was one on-the-job incident to report in Mora – An Apprentice Lineman was attempting to maneuver a pole into position of the claws of the digger unit. A hydraulic hose busted causing the claws to loosen and the pole dropped to the ground. Hydraulic hose was later repaired.
 - There were no on-the-job incidents to report in Pecos.
 - Committee was informed the capital credit checks project was almost complete and checks will be mailed out soon.
 - The purchase of fire-resistant pants for the line department will take place in March.
 - Arc flash resistant neck gaiters were provided to the linemen and meter technicians.
 - Manager Montoya provided the committee with the Governor’s Health Executive Order which has been extended to May 15, 2021.
 - Masks recommended by the CDC are to be used and not the masks with a vent or valve. Those masks only provide protection for yourself but not those around you.
 - Positive progress is being made by all Apprentices as they strive to become Journeymen.
 - A safety training was held on January 20, 2021. The training was held via Zoom format to comply with the CDC guidelines. The topic was Energy Source/Line Clearance Procedures and Back Safety/Slips, Trips and Falls.
7. **ACTION OF REGULAR MEETING MINUTES HELD ON JANUARY 28, 2021** – Minutes of the meeting held on January 28, 2021 were presented for review and approval. After review, General Manager asked that the following be added to the Manager’s Report – b. RUS Form 7 – Report was not available prior to meeting. **“Board acknowledged December Form 7 was not available and agreed to review it during January meeting.”** A motion was made by James Ortiz, seconded by Joe C de Baca, to approve the minutes of January 28, 2021 with one amendment as requested by General Manager Montoya. Motion carried unanimously.
8. **APPROVAL OF NEW MEMBERSHIPS (MORA 27 – PECOS 3)** – A total of thirty new memberships were presented for review and approval. After review, Joe C de Baca made a motion to approve all new memberships presented. Virginia Mondragon seconded that motion. Motion carried unanimously.

9. MANAGER'S REPORT

- a. **Delinquent Report** – The Delinquent Report was reviewed. There were 903 delinquent accounts totaling \$231,442.86. After collections at the end of January 2021, 739 of those accounts remained unpaid for a total of \$98,759.97.
- b. **RUS Form 7**
- **Period Ending December 31, 2020** – General Manager Montoya reviewed the RUS Form 7 year-to-date totals for the period ending December 31, 2020. Annual Operating Revenue and Patronage Capital was \$12,580,054; Annual Cost of Purchased Power was \$6,621,162; and Annual Total Operation and Maintenance Expense was \$10,093,541. Annual Total Cost of Electric Service \$12,042,308; Annual Patronage Capital and Operating Margins \$537,746; Annual Non-Operating Margins and Interest \$467,146; and Annual Total Patronage Capital or Margins \$1,009,791. TIER for the month was 5.27% and 2.60% YTD. OTIER was 1.04% for the month and 1.85% YTD.
 - **Period Ending January 31, 2021** – Operating Revenue and Patronage Capital was \$1,248,418; Cost of Purchased Power was \$706,486; and Total Operation and Maintenance Expense was \$846,309. Total Cost of Electric Service \$986,072; Patronage Capital and Operating Margins \$262,346; and Patronage Capital or Margins \$264,724. TIER for the month was 8.84% and OTIER 8.77%.
- c. **Outage Report** – For the month of January 2021, there were 37 reported outages in our system. These outages affected 143 consumers for a combined 74 hours of consumers without power.
- d. **Member Sales Budget Report** – The Tri-State Members Sales Budget Report for the month of January 2021 was as follows: Total Energy (kWh) monthly comparison was 9,136,821 kWh Actual and 8,353,527 kWh Budgeted. The month's Revenues were \$686,447 Actual and \$648,801 Budgeted.
- e. **Fused Cut-Out Report** – There was one fused cut-out installed on the main line in Sheridan.

10. FINANCE REPORT – A motion was made by James Ortiz, seconded by Joe C de Baca, to approve the Finance Report of the Finance Meeting held earlier today, together with the Manager's Report as presented. Motion carried unanimously.

11. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on their February meeting. Some of the highlights are as follows:

- Strategic planning session
- Update on renewable energy and future energy policy
- Tri-State's 2020 accomplishments

- Buying power in the open market from other sources
- Discussion on transmission lines and water rights
- Draft Board Policy 125 discussion
- Covid-19 update

12. NMRECA TRUSTEE REPORT – James Ortiz, NMRECA Trustee, reported on their Board Meeting of February 5, 2021. Some of the items covered included the following:

- Mr. Larry McGraw, RUS, reported Mr. Chris McClain is now the acting Administrator for the Electric Program.
- RUS Interest rates for loans is 0.04% for 90-days and 30-year rate is 1.65%.
- NRECA Annual Meeting will be held February 23 through March 4, 2021.
- Mr. Groenewold reported on the Manager’s Report and the expenditures for the month of January 2021.
- Mr. Groenewold provided the Board with a copy of the temporary moratorium on residential utility disconnections during Covid-19 pandemic.
- Wildfire mitigation.
- Director’s training.

13. ON-GOING BUSINESS

- Tri-State Partial Requirements Open Season Notice** – Notice from Tri-State Generation and Transmission Association, Inc. on the Partial Requirements Open Season was received on February 8, 2021. Tri-State provided a 90-day notice allowing a limit of 300 megawatts that could be served under one of two possible self-supply options. Those options being MAX (Member Auxiliary Supply) or MARS (Member Auxiliary Renewable Supply). Open Season runs from May 10, to May 14, 2021. The information provided was reviewed by the Board of Trustees. The Partial Requirements Contract will not be in the best interest of MSMEC at this point in time but may be looked at again down the road.
- Verified Petition for Declaratory Judgement – District 2 Vacancy/Election** – Board President, Robert Baca, filed a Verified Petition for Declaratory Judgement to seek a modification of the MSMEC Bylaws to permit the holding of a single election to fill a vacancy on the MSMEC’s Board of Trustees deviating from the requirements of the bylaws. Mr. Baca filed this petition on January 28, 2021 with the Fourth Judicial District Court and the Stipulated Order Granting Declaratory Judgement, Order, Application or Motion was granted on February 4, 2021.
- NMRECA 2020 Long Rope Award – Presentation – Lazaro Barela** – Lazaro (Larry) Barela was awarded the 2019 New Mexico Rural Electric Self-Insurer’s Fund Long Rope Award in August of 2020. Due to the Covid-19 Pandemic and restrictions, Larry was presented, at today’s meeting, a beautiful painting by Pamela Renfro of an electric cooperative scene. Congratulations Larry.
- Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for January 2021 was \$686,447.25. MSM Solar bill was \$20,038.41 with a credit from Tri-State of \$13,105.76.

14. NEW BUSINESS

- a. **District 2 Election Business Plan** – Manager Montoya presented the Board with a business plan to conduct a drive-thru election for District 2 on May 4, 2021. Due to the Governor’s public health order remaining in effect until May 15, 2021, the Board of Trustees was granted a petition to hold an election on May 4, 2021 to replace the vacant board member position and to waive the bylaw quorum requirements for this election. MSMEC is planning for a drive-thru election and informing the members of how the election will be conducted. **A motion was made by James Ortiz, seconded by Joe C de Baca, to authorize General Manager Montoya to finalize the business plan, to include information to be mailed out to District 2 members, for the District 2 Election to be held on May 4, 2021. Motion carried unanimously.**
- b. **MSMEC Proclamation of Election – District 2 Election, May 4, 2021** – The Proclamation of Election was presented to the Board. District 2 is presently vacant due to the untimely death of the Board President. Bylaws require replacing the vacant position within 90 days – the term of the President would have expired in May of 2021. The Board petitioned the 4th Judicial Court to authorize an election to fill the District 2 Trustee position with one election on May 4, 2021. The petition was granted on February 5, 2021 to include holding this election and the annual meeting with a drive-thru election/meeting and modify the quorum requirements. The Board was asked to authorize release of the MSMEC Proclamation of Election for the Board of Trustee Election for District 2. **A motion was made by Virginia Mondragon, seconded by James Ortiz, to approve mailing the Proclamation of Election to members in District 2. Motion carried unanimously.**
- c. **Bid Award – Underground Line Replacement Project – Ojitos Frios Subdivision** – Manager Montoya presented the Board with the bid award for the underground line replacement project in the Ojitos Frios Subdivision. The opening of 2 contractor bids took place on February 23rd, 2021. After T & D Engineering reviewed both qualified bids, the recommendation was made to award the bid to Frank Trambley Construction as the qualifying low bidder. **A motion was made by Joe C de Baca, seconded by Virginia Mondragon, to award the bid to Frank Trambley Construction as low bidder and recommended by the T & D Engineering. Motion carried unanimously.**
- d. **2021 High School Student Scholarships** – The 2021 Scholarship Program has 12 scholarships available to be awarded. Two scholarships for each of the 6 high schools in our service area. Those scholarships include the Frank R. Rodriguez, Jr. Memorial Scholarship - 6 scholarships at \$500.00 each; Tri-State Generation and Transmission Scholarships – 2 at \$500.00 each and 4 at \$250.00 each. Virginia Mondragon, Secretary, recommended that 3 additional scholarships, 1 for \$1000.00 and 2 for \$500.00, be awarded in memory of Robert M. Quintana, former MSMEC Board President who recently passed away due to complications with Covid-19. The Board determined that the scholarship application be posted on MSMEC’s website,

Facebook page, and in the Enchantment informing students/parents of these scholarships. MSMEC will accept all applications at the Mora Office and the Board will determine scholarship awards. **A motion was made by James Ortiz, seconded by Joe C de Baca, to award three scholarships in memory of Robert M. Quintana – 1 @ \$1000.00 and 2 @ \$500.00 and to proceed with soliciting applications. Motion carried unanimously.**

- e. **Mora County Economic Development Corporation – 2021 Membership Application – After review, a motion was made by Virginia Mondragon, seconded by Joe C de Baca, to renew our 2021 Mora County EDC membership at the Silver level - \$125.00. Motion carried unanimously.**

15. CORRESPONDENCE

- a. **NRECA ACRE – Action Committee for Rural Electrification – 2021 Membership – For information only.**

16. INFORMATION

- a. **Calendar of Events – Tri-State will meet on March 2nd and 3rd, 2021. Statewide meetings will be held on March 4th and 5th, 2021. MSMEC Board of Trustees has scheduled their next meeting on Thursday, March 25th, 2021.**

A motion to move into Executive Session was made by Virginia Mondragon and seconded by James Ortiz. 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, seconded by Joe C de Baca. Motion carried unanimously.

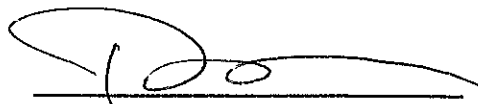
18. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION – None.

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

20. ADJOURNMENT – A motion to adjourn today’s meeting was made by Virginia Mondragon. Motion carried unanimously. Meeting adjourned at 2.57 p.m.

ATTEST:


Virginia Mondragon, Secretary/Treasurer


Robert Baca, President