

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.

BOARD OF TRUSTEES MEETING MINUTES

HELD ON

JULY 27, 2023

The meeting was called to order by Board President, Robert R. Baca, at 10:45 a.m.

1. ROLL CALL AND DETERMINATION OF QUORUM

Present: Robert Baca, President
James Ortiz, Vice President
Virginia Mondragon, Secretary/Treasurer
Joe C de Baca, Trustee
Samuel Ramirez, Trustee

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

2. INVOCATION – Board President, 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. After review, a **motion to approve the agenda as presented was made by Virginia Mondragon and seconded by Sam Ramirez. Motion carried.**

5. RECOGNITION OF GUESTS

- a. Invited Speakers – (15-minute time limit) – Daniel Benavidez – Internet Service in MSMEC Service Area** – Mr. Daniel Benavidez, a Pecos resident and MSMEC member/consumer, informed the board of his experience as a former School Superintendent in partnering to obtain funding for the installation of Internet services in location where said service did not exist. Mr. Benavidez offered to lend his expertise to MSMEC should it decide to pursue installing internet in the Pecos area because the existing service in the Pecos area is slow to nonexistent.
- b. General Public Comment (5-minute time limit) – None.**
- c. Introduction of Employees – None**

6. SAFETY REPORT/MINUTES - The Safety Committee Monthly Meeting was held on July 17th, 2023. Those in attendance included Sonya Vasquez, Tristan Trujillo, Martin Teran,

Sandra García, and George Valdez. Those unable to attend were Vidal Barela, Larry Barela and Les Montoya. Some of the items covered included the following:

- There was one accident reported in Mora and none in Pecos.
- There were no near misses nor on-the-job injuries to report in either Mora or Pecos.
- There were five incidents reported in Mora and one in Pecos.
- The RESAP on-site observation was scheduled for July 24th – July 27th at both the Mora and Pecos Offices.
- The Annual Safety Conference will be held in Albuquerque on August 14th – 16th, 2023. Larry Barela, Operations Manager will attend.
- Safety training for Linemen was held on May 16, 2023. Objectives covered included: Mayday Procedures Review; Climbing Equipment Inspections; and Pole Top Rescue.
- Safety training was held on June 20, 2023 at the Mora headquarters for Lineman, Meter Technicians, and a portion for all office staff. Training Objectives covered included: Annual Emergency Action Plan; Fall Arrest Inspections; and Bucket Truck Rescue.

7. ACTION OF REGULAR MEETING MINUTES HELD ON JUNE 21, 2023 – The minutes of the meeting held on June 21, 2023 were provided to the Board for their review. After review, **a motion was made by James Ortiz, seconded by Joe C de Baca, to approve those minutes as presented. Motion carried.**

8. APPROVAL OF NEW MEMBERSHIPS (MORA 25 – PECOS 10) – Thirty-five new memberships were presented to the Board. After review, **a motion was made by Virginia Mondragon and seconded by Sam Ramirez to approve all thirty-five new memberships. Motion carried.**

9. MANAGER'S REPORT

- a. **Delinquent Report** - The Delinquent Report for June 2023 was presented by General Manager, Les Montoya. Mr. Montoya reported that there were 993 delinquent accounts totaling \$273,127.37. After collections, 641 of those accounts remained unpaid for a total of \$159,251.41.
- b. **RUS Form 7** – The RUS Form 7 was presented for the period ending June 30, 2023. The Operating Revenue and Patronage Capital was \$934,649, Cost of Purchased Power was \$474,121, and Total Operation & Maintenance Expense at \$789,147. Total Cost of Electric Service was \$1,053,899, Patronage Capital & Operating Margins (\$119,250) and Patronage Capital or Margins at (\$118,634). TIER for the month was at 0.09% and 1.26% YTD.

- c. **Outage Report** – There were a total of 70 outages reported during the month of June 2023. Outages were due to blown fuses, bad transformers, broken insulators, and bad primary underground line.
- d. **Member Sales Budget Report** - The Tri-State Member Sales Budget for the month of June 2023 was as follows: Total energy monthly comparison was 5,649,789 Actual kWh and 6,012,768 Budgeted kWh. Revenues were \$444,338 Actual and \$461,890 Budgeted.
- e. **Fused Cut-Out Report** – There were no new or replaced Cut-Outs during the month of June 2023.

10. FINANCE REPORT – A motion to approve today's Finance Meeting Minutes, as well as the Manager's Report, was made by Virginia Mondragon and seconded by James Ortiz. Motion carried.

11. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on their July meeting. The following topics were discussed:

- Chairman's report.
- Annual Meetings and talking to board members at different cooperatives.
- Operation and financial performance.
- Tri-State's outlook.
- Government relations.
- Legislative session summary updates.
- Craig Station closing before 2030 – could result in not having enough power.
- September meetings will be held virtually.

12. NMRECA TRUSTEE REPORT – James Ortiz, NMRECA Trustee, reported on the following topics covered during their July 14th, 2023 meeting:

- Plaques were presented by James Ortiz on behalf of MSMEC to NMRECA and Mr. Larry McGraw, RUS, for the support given to MSMEC during and after the Hermits Peak/Calf Canyon fire.
- RUS loans are at 5.47% for short-term and 3.69% for long-term.
- RUS is offering Empowering Rural America New ERA Program only offered to electric cooperatives. Letters of interest will be accepted from July 1, 2023 to August 31, 2023.
- Communication update on the Enchantment survey.
- 2023 Youth Tour Trip – tremendous success.
- NMRECA August's board meeting and board orientation session and Strategic Planning Session.

13. ON-GOING BUSINESS

- a. **NM Department of Homeland Security and Emergency Management – Sub-Recipient Grant Agreement – FEMA – 4652-DR-NM: Wildfire and Straight-line Winds** – MSMEC was provided the FEMA-4652-DR-NM sub-recipient grant

agreement on June 29, 2023 after multiple requests for assistance during the Hermits Peak/Calf Canyon fire and the identified damages to its electrical distribution system. On July 21, 2023, MSME received a check in the amount of \$1,870,223.03. As a matter of record, the Board acknowledged receipt of said agreement and authorized signature of the sub-recipient agreement by the General Manager. Funds received will be used to pay contractors and engineers that need to be paid for work completed.

- b. **Notice of Loss, Hermits Peak/Calf Canyon Act – Notice of Loss Status Report –** MSMEC staff and representatives of the Singleton, Schreiber, Donatelli law firm met on July 19th, 2023 to discuss MSMEC's notice of loss efforts. The law firms' representatives asked questions as to the types of losses dealt with during the fire and continues to deal with to date. The firm will follow up and continue working on attempting to compile additional information accounting for all our losses during and beyond the fire, to file a Notice of Loss on behalf of MSMEC.
- c. **Valdez Building Lease Agreement with Singleton Schreiber Law Firm –** The executed lease agreement between MSMEC and Singleton Schreiber, LLP was provided to the Board for their review and approval.
- d. **CoBank's Sharing Success Program – Application Approved –** MSMEC was notified that our matching grant request had been approved by CoBank. The San Miguel/Mora County Fair will receive \$2,500.00 from CoBank and MSMEC will match that amount, for a total of \$5,000.00. The San Miguel/Mora County Fair will use those funds to make improvements to their facilities.
- e. **Tri-State Bill/MSM Solar Bill –** The Tri-State power bill for the month of June was \$444,338.44. MSM Solar bill was \$29,782.61 with a credit from Tri-State of \$17,528.63.

14. NEW BUSINESS

- a. **Request for Payment of Estate Capital Credits –** A spreadsheet with a list of members entitled to receive estate capital credits, totaling approximately \$12,000.00, was presented to the Board. After review and discussion, a **motion to hold off in paying these estate capital credits at this time due to the Cooperative's financial situation was made by Joe C de Baca and seconded by Sam Ramirez. Motion carried.**
- b. **CoBank 2023 Director Election –** For information only.
- c. **Federated Rural Electric Insurance Exchange – Notice of Nomination and Election –** For information only.
- d. **2023 America's Electric Cooperatives – PAC (formerly known as ACRE) –** For information only.
- e. **Audit Agreement for the year end December 31, 2023 – Bolinger, Segars, Gilbert & Moss, LLP –** An audit agreement was submitted to the MSMEC Board by Bolinger, Segars, Gilbert & Moss, LLP for the year end December 31, 2023. This agreement describes the services that will be provided when conducting the 2023 audit. After review, a **motion was made by Sam Ramirez, seconded by Virginia Mondragon, to approve the audit agreement received from Bolinger, Segars, Gilbert & Moss, LLP for the year end December 31, 2023. Motion carried.**

15. MSMEC EDUCATIONAL FOUNDATION

- a. None

16. CORRESPONDENCE - None

17. INFORMATION

- a. **Calendar of Events** – NMRECA Manager’s Meeting will be held on Thursday, August 3rd, 2023 and the Board Meeting will be held on Friday, August 4th, 2023. Tri-State Meetings will be held virtually on August 7th, 8th, & 9th, 2023. The MSMEC Finance and regular Board Meetings are scheduled for Thursday, August 24th. The CoBank Energy & Water Forum in Colorado Springs, Colorado will be held on August 29, 30th & 31st.

A motion to move into Executive Session was made by Virginia Mondragon and seconded by James Ortiz. Motion carried.

18. 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 Virginia Mondragon. Motion carried.

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

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

21. ADJOURNMENT – Motion to adjourn today’s meeting was made by Virginia Mondragon, seconded by James Ortiz. Motion carried. Meeting adjourned at 1:45 p.m.

ATTEST:


Virginia Mondragon, Secretary/Treasurer


Robert R. Baca, Board President