

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
SEPTEMBER 27, 2023

Today's meeting was called to order by Board President, Robert Baca, at 10:49 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

Les Montoya, General Manager

2. INVOCATION – Robert Baca, Board President, 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. An amendment was made to the agenda – 14. New Business – e. Declaration of Affordable & Reliable Electricity. After review, **a motion to approve the agenda, with one amendment, was made by Virginia Mondragon and seconded by Sam Ramirez. Motion carried.**

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 Meeting was held on September 13, 2023. Those in attendance included Les Montoya, General Manager; Larry Barela, Systems Operations Manager; Martin Teran, Working Foreman; Vidal Barela, Meter Tech II; and Sandra Garcia, Bookkeeper. Some of the items covered included the following:

- There were no accidents and no near misses in either Mora or Pecos.
- There were no on-the-job injuries in Mora.

- There was one on-the-job injury in Pecos. Foreman reported while walking back to his truck, he stepped in a hole and twisted his hip/lower back.
- There were no incidents to report in Mora.
- There was one incident to report in Pecos. Apprentice reported a broken windshield on one of the units.
- Proposed fire extinguisher inspection protocol for regular monthly inspection.
- Proposed vehicle monthly inspection protocol draft.
- Phase II rebuild status in Gascon area.
- Vegetation maintenance – Innovative Tree Services was hired to work ahead of contractors in the Rociada and Rincon Montoso area.
- Calf Canyon pole attachments – the Forest Service is to identify scope of trees to be removed. Once this is provided and trees are removed, MSMEC will allow for the pole attachments after threatening trees are removed.
- Line locator is not working properly. There has been an increased need for the locator causing more than usual wear and tear on the unit.

- 7. ACTION OF REGULAR MEETING MINUTES HELD ON AUGUST 22, 2023** – The Board Meeting Minutes of the meeting held on August 22nd, 2023 were presented for review. After review, **a motion to approve those minutes as presented was made by James Ortiz and seconded by Sam Ramirez. Motion carried.**
- 8. APPROVAL OF NEW MEMBERSHIPS (MORA 32 – PECOS 10)** – Forty-two new memberships were presented to the Board for review. After review, **a motion was made by Sam Ramirez, seconded by Joe C de Baca, to approve all forty-two new memberships as presented. Motion carried.**
- 9. MANAGER'S REPORT**
 - a. Delinquent Report** – The Delinquent Report for August 2023 had 913 delinquent accounts totaling \$242,965.39. After collections, 571 of those accounts remained unpaid for a total of \$112,512.96.
 - b. RUS Form 7** – RUS Form 7 for period ending August 31, 2023 was presented to the Board. Operating Revenue and Patronage Capital was \$1,006,803, and Cost of Purchased Power was \$512,588. After other expenses, Total Operation & Maintenance Expense was at \$895,327. Total Cost of Electric Service was \$1,060,672, Patronage Capital & Operating Margins (53,869), and Patronage Capital or Margins (53,895). TIER was at -1.08% for the month and 1.17% YTD.
 - c. Outage Report** – There were a total of 76 reported outages during the month of August.

- d. **Member Sales Budget Report** – Tri-State Member Sales Budget for August 2023 was as follows: total energy monthly comparison was 6,418,521 Actual kWh and 6,056,141 Budgeted kWh. Revenues were \$497,781 Actual and \$448,238 Budgeted.
- e. **Fused Cut-Out Report** – There were no cut-outs installed or replaced during the month of August.

10. FINANCE REPORT – A motion to approve the Finance Report of the meeting held earlier today, together with the Manager's Report, was made by Sam Ramirez, and seconded by Joe C de Baca. Motion carried.

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

- Meeting was held virtually
- Applied for money from Federal Government.
- Former Board Member, Bill Wright, passed away
- Pat Bridges, Senior Vice President, and Chief Financial Officer, will retire in March 2024
- Finances remain the same
- Next meetings will be held on October 2nd, 3rd, and 4th, 2023

12. NMRECA TRUSTEE REPORT – James Ortiz, NMRECA Trustee, reported on their monthly meeting. Some of the items covered included:

- Strategic Planning Workshop held on September 7th & 8th
- Cost of Strategic Planning Workshop will be shared by all Coops
- Discussion on broadband
- Discussion on political contributions
- A discussion on the Enchantment will be held in October
- Next meetings will be held on October 5th & 6th

13. ON-GOING BUSINESS

a. **Federated Rural Electric Insurance Exchange – Notice of Election** – For information only.

b. **NMRECA Strategic Planning Session** – Manager Montoya reported a NM Strategic Planning Session was set up and coordinated by Charise M. Swanson, CEO, New Mexico Rural Electric Cooperative, on September 7th, and 8th. The planning session was set up to obtain input from Directors and Managers on where and what the NMREC organization should be focusing on accomplishing for the entire organization. Input provided during the session was condensed to outline the direction determined to be the most critical in positioning NMREC to deliver services in the future. Trustees James Ortiz and Sam Ramirez, as well as General Manager Les Montoya attended and participate in the session. General Manager Montoya entertained discussion on the interactions that took place during the day and a half session.

c. **Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of August 2023 was \$497,781.04. The MSM Solar bill was \$14,806.58 with a credit from Tri-State of \$11,685.64.

14. NEW BUSINESS

a. **Write-Off Outstanding Balance – CenturyLink/CenturyTel** – CenturyLink/CenturyTel has disputed the amount of pole attachments that were billed them in 2014 and will not pay the difference that was billed. They have continued to pay only for the pole attachments they had on record and not what they have been billed. A new Pole Attachment Agreement was signed in December of 2020 for 863 pole attachments. A total of \$59,017.33 is what was over billed. The Board was asked to review and approve to write-off this outstanding amount on CenturyLink/CenturyTel Pole Rental Account. **A motion was made by James Ortiz, seconded by Joe C de Baca, to approve the write-off amount of \$59,017.33 on the CenturyLink/CenturyTel Pole Rental Account. Motion carried.**

b. **2024 NM Government-In-Action Youth Tour Delegate Commitment Form** – After discussion, a motion was made by Virginia Mondragon, seconded by Sam Ramirez, that MSMEC would commit to send six (6) students to participate in the 2024 NM Government-In-Action Youth Tour to Washington, DC. **Motion carried.**

c. **Tri-State – Notice to Member on Proposed Revision of Rates** – A written Notice as required in the Tri-State Wholesale Electric Contract, was provided to MSMEC on September 12, 2023. Proposed rates were filed with FERC on June 16, 2023 with proposed effective date of January 1, 2024. The Board reviewed and discussed the Notice provided by Tri-State of the proposed revised rates to be imposed on January 1, 2024 should they be approved by FERC.

d. **Notice of Filing of Proposed Rate, Advice Notice 68 – MSMEC's EV Charging Station in Mora** – General Manager Montoya informed the Board of the Notice of Filing for the Electric Vehicle Charging Station (EVCS) installed in Mora. The EVCS is not connected for use currently. The EV rate for the EVCS requires to be set in place prior to authorizing use of the charging station. The Advice Notice will be filed with the PRC for consideration in October. Once the rate is approved by the PRC, the EVCS will be energized. **After discussion, a motion was made by Virginia Mondragon, seconded by James Ortiz, to authorize the General Manager to file the EV Rate with the NMPRC. Motion carried.**

e. **Declaration of Affordable & Reliable Electricity** – After review of the declaration sent to MSMEC by Charise Sanson, CEO, NMRECA, **a motion was made by Virginia Mondragon, seconded by Sam Ramirez, to sign the Declaration of Affordable & Reliable Electricity and join URECA (Utah) in the joint declaration so the final declaration can be sent to local, state, and federal government officials. Motion carried.**

A motion was made by James Ortiz and seconded by Sam Ramirez to move out of Regular Session and into the Education Foundation Session. Motion carried.

15. MSMEC EDUCATIONAL FOUNDATION

- a. **Resolution No. 09-27-2023-004 – Authorizing the Closing of current Bank Account under MSMEC Education Foundation and Resolution No. 09-27-2023-005 – Authorizing Opening New Bank Account for the MSMEC Educational Foundation with Southwest Capital Bank reflecting EIN Number –** After discussion, a motion was made by Sam Ramirez, seconded by Virginia Mondragon, to approve both Resolution No. 09-27-2023-004 and Resolution No. 09-27-2023-005. Motion carried.
- b. **Mora-San Miguel Electric Cooperative Education Foundation, Inc. (MSMECEF) Scholarship Program – Board Policy 2-24-2022-001 Amendment –** The Board discussed the tax implications that could occur due to limited amount of funds being approved within a years' time. The Board directed the General Manager to revise the Scholarship Program Policy to allow for scholarships and donations to be allocated during the year. Thus, MSMECEF Scholarship Program Board Policy 2-24-2022-001 was amended to allow for donation as suggested by the Auditors. A draft was presented to the Board for review and discussion. The Board recommended changes be made to include award of scholarship to post high school students who want to further their education to be included in the policy. The updated Policy will be returned for the Board's review and approval at their October Board Meeting.
- c. **Scholarship Request/Support – Taylor Vigil –** Ms. Vigil presented a letter to the Board requesting their support through a scholarship to continue her education in Nursing. After discussion, a motion was made by Virginia Mondragon, seconded by James Ortiz, to award Taylor Vigil a \$2000.00 scholarship to further her education. Motion carried. Sam Ramirez abstained.

James Ortiz, seconded by Sam Ramirez, motioned to move out of the Education Foundation Session and back into to Regular Session. Motion carried.

16. CORRESPONDENCE

- a. **Thank You Letter for Donation – LVCCHP Citizens' Committee for Historic Preservation –** For information only.
- b. **Lea County Electric – Request for Support – Federated Board Member Election –** For information only.
- c. **Thank You Notes on Donation to the San Miguel/Mora County Fair Buyers Club –** For information only.

17. INFORMATION

- a. **Calendar of Events –** Tri-State Meeting will be held on October 2nd, 3rd, and 4th. Statewide meeting will be on October 4th and 5th. NRECA Region 10 Meeting will be held in New Orleans, LA on October 18th, 19th, and 20th. MSMEC Finance & regular Board Meetings are scheduled for Thursday, October 26th, 2023.

A motion to move into Executive Session was made by James Ortiz and seconded by Sam Ramirez. Motion Carried.

18. EXECUTIVE SESSION

- a. Personnel Matters
- b. Update on Union Matters
- c. Litigation Matters

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

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

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

21. ADJOURNMENT – A motion to adjourn today's meeting was made by James Ortiz and seconded by Virginia Mondragon. Motion carried. Meeting adjourned at 1:35 p.m.

ATTEST:



Virginia Mondragon, Secretary/Treasurer



Robert Baca, President