

BOARD OF TRUSTEES MEETING MINUTES

HELD ON

February 18th, 2026

The meeting of Wednesday February 18, 2026, was called to order at 11:30 a.m. by Board President, Robert Baca.

1. ROLL CALL AND DETERMINATION OF QUORUM

Present: Robert Baca, President
 James Ortiz, Vice -President
 Virginia Mondragon, Secretary
 Joe C de Baca, Trustee
 Samuel Ramirez, Trustee
 Isaiah Romero, Interim General Manager
 Tami Hernandez, Administrative Assistant

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. **A motion was made by James Ortiz to approve the Agenda, Seconded by Sam Ramirez. Motion carried unanimously.**

5. RECOGNITION OF GUESTS –

- a. **Invited Speakers- (15-minute time limit)-None**
- b. **General Public Comments-(5-minute time limit)- None**
- c. **Introduction of New Employee- Isaiah Romero, Interim General Manager.**

6. SAFETY REPORT/MINUTES – No Report.

7. ACTION OF REGULAR MEETING MINUTES HELD ON JANUARY 29, 2026 – The Board Minutes for the meeting held on January 29th, 2026, were presented to the Board for review and approval. **A motion to approve the Board Minutes as presented was made by Virginia Mondragon and seconded by Sam Ramirez. Motion carried unanimously.**

8. APPROVAL OF NEW MEMBERSHIPS (MORA 13– PECOS-09) A total of twenty-two, memberships were presented for review and approval. After review, **a motion was**

made by James Ortiz, seconded by Joe C de Baca, to approve all new memberships as presented. Motion carried unanimously.

9. MANAGER'S REPORT – Manager's report was approved with a motion by Sam Ramirez and seconded by Virginia Mondragon. Motion carried unanimously.

- a. **Delinquent report** – The Delinquent Report for the month of January was presented for review. There was a total of 868 delinquent accounts totaling \$239,004.32. After collections, 374 of those accounts remained unpaid for a total of \$86,858.11.
- b. **RUS FORM 7** – The month ending **December 31, 2026**, shows a Margin of \$819,900 for the month. We are at \$2,009,107 in Revenue, \$905,515 Total Expenses and \$115,594 in Depreciation. Interest on Long Term Debt \$151,464 and Interest Expenses \$19,957. Total Cost for the month \$1,193,071. Non-Operating Margins Interest is \$3,864. Operating Margins are \$816,036 for Year-to-Date. Tier 1.33 YTD and 6.41 for the Month.
- c. **Outage Report**- Incomplete.
- d. **Fused Cut-Out Report**-None.

10. FINANCE REPORT – A motion to approve the Finance Report along with Manager's report was motioned by Sam Ramirez and Seconded by Virginia Mondragon. Motion Carried.

11. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on Tri-State's February 4th, 2026, meeting. A few of the items covered/discussed included the following:

- Tri-State engaged in strategic planning for future goals.
- Financials looked good for the year.
- No Capital Credits will be distributed this year.
- Tri-State had a moment of silence for Julie Kilty. She passed away. In her place Willy Bridges from Big Horn Electric. Charle Able moved up to take her position.
- Tri-State's annual meeting will be held in Broomfield Colorado, April 9th and 10th.
- Trump is not closing coal stations. It is costing a lot to keep them open. They have a skeleton crew working there.
- Tri-State went through all their policies and corrected them. It was mostly cosmetic corrections.
- The new Chief Auditor is Tim Bridges. Joel is retiring next month is his last month.
- We are going to Washington D.C. next week.

- During our meeting we discussed wildfire mitigation.

12. NMREC TRUSTEE REPORT – James Ortiz, NMREC Trustee reported meeting for February 6th, 2026.

- Present for the Legislative breakfast was me, Isaiah Romero, Robert Baca, and Sam Ramirez.
- Ester Simmon was absent, so a formal report was not provided.
- Talia Storch reminded the group to get requests in for the Sharing Success Program.
- Brian Smith Reported that the 90-day rate is 3.67%, the 30-year rate is 4.6% FFB and 4.8%.
- David Spradilin provided NMRECA update that NMRECA's focus has been the winter storm that left 400,000 members without power, across multiple states.
- Antonio Sanchez reviewed financial statements and loss and claims reports. Antonio stated that 2025 was a record low year. This is a testament to the safety trainings and awareness programs. We can borrow the safety trailer for training if we need.
- Discussion regarding the coloring contest posters, they all have been judged, and Isaiah will be taking the over all winner to the NMRECA March meeting.
- The education committee discussed declining attendance. They are requesting all board members to choose classes they would like to be offered in 2026, and to change the venue. Offer classes during Ruidoso training and during Annual Meeting.
- Wildfire bills are in legislative session; they are getting a lot of opposition of SB18.
- Jennifer Peabody finance and budget are good going forward.
- Bylaws & Policy Committee, they went over three bylaws. They reformatted the documents.
- Carmen Campbell reported that the PRCe360 docket system has been rolled out and is ready to use.
- Carmen stated that the Grid Modernization grant applications have been submitted and some of the denied applications were submitted to include battery storage.
- Talia Storch reported that the Youth Tour was moving along well and the deadline is coming up.
- Talia also reported that the Business Alliance Partner Program is going great, with \$80,000 committed as of 02/06/2026.
- Evelyn Vigil provided an update with new 2026 Hotel Lodging and Negotiated rates.
- Evelyn reminded everyone that an NRECA voting delegate is needed to be selected at the upcoming PowerXchange conference.
- Tom Condit reported that the Enchantment ad sales are moving along well.
- Jonas Moya candidate for State Land Commissioner provided an introduction and background on himself.

- Tim Morrow presented a request to send two students-one from Sierra names Elena Mayes, the other from Tucumcari name Jude Rodrigue-to the National Range Management Society competition.
- Robert Baca thanked the board and managers for welcoming Isaiah Romero, the new interim General Manager at MSMEC.
- Vince Martinez announced that Adam Roybal was selected as the new manager at CNMEC and expected to start in March.

13. ON-GOING BUSINESS-

- Tri-State Generation and Transmission, Inc., and MSM Solar, LLC. Invoices.**
- Discussion regarding repayment of CoBank Hermits Peak calf Canyon Fire Loans.**
MSMEC was required to borrow 4 million dollars from Co Bank at the onset of the HPCC system re-build project. Borrowing money was necessary as FEMA set up payment of eligible HPCC Public Assistance claims on a reimbursement basis. To begin work this money was required to pay engineering fees and line re-build contractors costs as MSMEC did not possess the cash amounts that would be needed. An additional 15 million dollars were borrowed from CoBank to begin the Hazard Tree cutting and Removal project. Payment of interest on these loans will total 1.2 million per year. MSMEC has been paying \$245,000.00 in interest per year on the 4-million-dollar loan, in 2026 MSMEC budgeted an additional \$800,00.00 to cover the interest payments on the 15-million-dollar loan. At this point it will be necessary for MSMEC to establish a strategy for repaying the loans on a timely basis to limit the amount of interest to be paid on these loans, and to aid in re-establishing acceptable Tiers for MSMEC.

Brent Racher of T&D Engineering Services was a guest speaker, and he provided information that they are pursuing the DFA Loans there has been an award on the two CAT F projects, the overhead and underground. There is an expenditure plan coming from the government that needs to be signed off on, and we will get these funds soon and they will be able to quit using the CoBank loans. The DFA loans will have 0% interest. As we get awarded the state loans, we will pay off the Loans with interest and transition to the state loans with 0% interest to cash flow the operations. We only have the overhead and underground projects with loans right now. They have also applied for loans for the CAT A & B tree work. Brent also gave an update on the hazard tree project. Approximately 42% of the hazard trees have been cut down, and the goal is to reach about 70% by the end of March or April. The priority is cutting the trees to eliminate the risk of them falling on lines, which is causing delays in property cleanup and wood removal, which is only about 20% complete.

No Motion taken, informational only.

- Singleton Schrieber Law Firm Update Hermits Peak Calf Canyon Notice of Loss Claim Update.** The attorneys representing MSMEC in the Hermits Peak Calf Canyon

Fires have dealt with the HPCC NOL claim for MSMEC for some time now and it is important as additional claims are filed by MSMEC that an update on the status of the claim and process being applied to the claim to be provided to the board. In addition, it is important for the attorneys be present to listen to the board and T&D's discussions regarding the CoBank Loan and Interest payments as this interest cost on loans borrowed to rebuild the system should be included and covered by FEMA Public Assistance, or NOL claims.

Singelton Schrieber Law firm provided an update that the FEMA claims office has started requesting additional information to support the damages. The claims office will provide compensation offers for specific damages, and if accepted, the money is non-taxable and come without restrictions. A lawsuit has been filed in federal court seeking a declaratory judgment that the government can no longer force the co-op to go through the Public Assistance process and must pay them immediately. A second lawsuit has been filed in the court of Federal Claims in Washington, D.C. The Department of Justice has served a discovery request for document production. The DOJ's document request includes information about prior fires and flooding impacts on infrastructure over the last 10 years. The co-op is also being asked about easements, and it was noted that many easements are prescriptive and difficult to document, especially for older lines. The legal team is confident that liability for the damage will not be difficult to establish, as the negligence and fault are well-documented. To ensure Maximum recovery, the legal team has filed a separate lawsuit under the Federal Claims Act. The process of dealing with the United States government is described as complex.

14. NEW BUSINESS-

a. Standby/Contingency/and Emergency Response. Agenda item is to provide stand by contractors during major storm evens (wind, snow, ice) that would be to much for MSMEC line crews to handle on their own. These would be on a as needed basis to be determined by MSMEC management. Discussion was made to determine whether to proceed with this contract. **A motion was made by Sam Ramirez to proceed with the Standby/Contingency and Emergency Response for Outages contract and seconded by James Ortiz. Motion carried unanimously.**

b. MSMEC 2026 Proclamation of Election. Notices to be sent out to MSMEC Members in District's 1, 4 and 5 advising them of a Trustee District Election to take place in May 2026. Board was asked to approve letter and criteria and which dates in May will work for each District Election. **A motion was made by Virginia Mondragon to accept MSMEC 2026 Proclamation of Election letter and criteria, seconded by Sam Ramirez. Motion carried unanimously.**

c. Youth Tour Essays. High School Students (juniors and seniors) in the MSMEC service area who are submitting their essays for a chance to be awarded an all-expense paid trip to Washington DC in June 2026. Students were asked to present a one-page essay describing the following topic: What challenges and opportunities will rural electric systems face in the future as energy needs and technology change? Board will select five

of the best essays presented and award those five students the 2026 Youth Tour to Washington DC which will be held from June 15th-26th 2026. **A motion was made for the five students selected for the Youth Tour by James Ortiz and seconded by Sam Ramirez. Motion carried unanimously.**

d. Fencing of Mora yard. Fencing of Mora yard to include welded panel fencing at the Mora property. Two contractors bid on the job Valley Fence company and Oakridge LLC. T&D put this project out to bid and based on the bidding process it was determined that Valley Fence company should receive the bid based on overall price and ability to complete the work. The board is being asked whether to proceed with the project. **A motion was made to proceed with Valley Fence Company by Virginia Mondragon and seconded by Sam Ramirez. Motion carried unanimously.**

e. Contract work with Frosty Mountain Storage and Ice/Les Montoya. Contract work with Frosty Mountain/Les Montoya for continued support of MSMEC operations. Contract included for Frosty Mountain Storage and Ice/Les Montoya to help with the transition of the new Interim General Manager and continued support of MSMEC and its consumers. The board discussed and voted on in executive session. **A motion was made in executive session to approve Contract work with Frosty Mountain and Storage and Ice/Les Montoya as prepared by James Ortiz and seconded by Joe C De Baca. Motion carried unanimously.**

f. Resolution No. 02-16-2026-001 Authorizing the removal of Leslie WJ Montoya Signatory Authority from all Banking Institutions, borrows funding National Coop Loan, and Other Institutions. Mr. Leslie WJ Montoya General Manager/CEO, retired effective date of January 1, 2026, and all Banking Institutions need to be updated by the removal of his Signatory Authority. The board is being asked to review and approve a resolution no. 02-16-2026-001 authorizing the removal of Leslie WJ Montoya Signatory Authority from all Bank Institutions, borrows funding National coop Loan, and other Institutions. **A Motion was made by Joe C de Baca to approve Resolution No. 02-16-2026-001 to remove Leslie WJ Montoya Signatory Authority from all Bank Institutions, borrows funding National Coop Loan, and Other Institutions, seconded by Sam Ramirez. Motion carried unanimously.**

g. Resolution No. 02-16-2026-002 Authorizing the Addition of Isaiah Romero as Signatory Authority on all Banking Institutions and on Accounts Associated with Rural Development/USDA and Other Lending Institutions. Mr. Isaiah Romero was hired on February 2, 2026, as Interim General Manager/CEO, and all Banking Institutions need to be updated by the addition of his Signatory Authority. The board is being asked to review and approve resolution no. 02-16 2026-002 Authorizing the addition of Isaiah Romero Signatory Authority on all Bank Institutions and on accounts associated with Rural Development/USDA and other Lending Institutions. **A motion was made by Joe C de Baca to approve Resolution No. 02-16-2026-002 authorizing the addition of Isaiah Romero as Signatory Authority on all Banking Institutions and on accounts associated with Rural Development/USDA and other lending institutions, seconded by Sam Ramirez. Motion carried unanimously.**

15. GENERAL INFORMATION-

- a. Tri-State Annual Meeting April 9th & 10th Broomfield, Colorado-Omni Interlocken Hotel. Discussion, James Ortiz, Sam Ramirez, Isaiah Romero, and Robert Baca/paid by Tristate will attend.

16. MSMEC EDUCATIONAL FOUNDATION

- a. None.

17. BYLAWS AND POLICY COMMITTEE

- a. MSMEC Education Foundation Scholarship Program Amending Board Policy 2-24-2022-001

18. CORRESPONDENCE

- a. None.

19. Events Calendar:

- a. Tri-State Board Meeting March 3rd & 4th 2026 (Tuesday & Wednesday).
- b. NMRECA Board Meeting March 5th & 6th 2026 (Thursday & Friday).
- c. NMRECA PowerXchange (Nashville, TN) March 6th-11th (Friday thru Wednesday).

A motion to move into Executive Session @ 2:52 pm was made by Sam Ramirez and seconded by Joe C de Baca. Motion carried unanimously.

20. 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 @3:25 p.m. was made by James Ortiz and seconded by Sam Ramirez. Motion carried unanimously.

21. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION-

- a. Contract work with Frosty Mountain Storage and Ice/Les Montoya. **A motion to approve Contract work with Frosty Mountain and Storage and Ice/Les Montoya as prepared by James Ortiz and seconded by Joe C de Baca. Motion carried unanimously.**
- b. Applications for General Manager. Discussion to continue to take applications for General Manager until July 2026 board meeting. All applications will be sealed by Gwen until July 2026 meeting for a decision. **A motion to continue to**

take applications and have Gwen keep them sealed until July 2026 meeting for a decision by James Ortiz, seconded by Sam Ramirez. Motion Carried unanimously.

22. OTHER BUSINESS TO COME BEFORE THE BOARD: NONE.

23. ADJOURNMENT – A motion to adjourn today's meeting was made by James Ortiz and seconded by Sam Ramirez. Motion carried unanimously. Meeting adjourned at 3:27 pm.

ATTEST:

