

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
SEPTEMBER 27, 2018

The Meeting of September 27, 2018 was called to order by Board Chairman, Robert M. Quintana, at 8: 50 a.m.

1. ROLL CALL AND DETERMINATION OF QUORUM

Present: **Robert Baca, Vice-Chairman**
 Joseph C de Baca, Member
 Virginia Mondragon, Secretary/Treasurer
 James Ortiz, Member
 Robert M. Quintana, Chairman

Others **Les Montoya, CEO/General Manager**
Present: **Debbie Alexander, Admin. Assistant**

2. INVOCATION – Robert Baca, Vice-Chairman, 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 was made by Virginia Mondragon, seconded by Robert Baca, to approve the Agenda as presented. 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 MSMEC Safety Committee held their meeting on September 13, 2018. Some of the items covered included:

- There were two accidents to report in Mora: 1) Line crew responded to an outage in the Wagon Mound area. One of the linemen starting to patrol the line on foot. After walking for some time in the dark, his flashlight died out. The lineman continued walking through the night in a direction he thought would get him to where he needed to be since his partner was to wait for him at the end of the line. He walked until sunrise only to find he was walking in the wrong direction. The lineman found a ride and was driven back to where his partner was waiting for him. The lineman notified dispatch that he was fine. 2) The Systems Operations Manager and a lineman responded to the same outage

several hours later and they identified a downed pole and section of power line. Next to the downed pole and wire were three dead cows.

- There were two accidents to report in Pecos: 1) An Apprentice Lineman was responding to a call for service and met up with the Systems Operations Manager. They decided to leave one of the units at the old Sunshine off the Villanueva exit. Not wanting to leave any equipment unattended in the unit, the equipment was loaded in the bucket truck. They drove off and upon approaching I-25; they noticed tools had spilled from one the bins. A hotline tester was the only piece of equipment lost. 2) A line crew was tree trimming in Villanueva where the trees were encroaching the power lines. The chipper was used to chip the trimmed branches. The property owner called the Pecos office to complain of the noise, the trimming of the trees and damage to her property. The Operations Manager advised the GM of the complaint. Both visited with the property owner and advised of our apology for completing this work and utilizing the equipment. She was also advised that the trimming needed to get done for safety reasons. The property owner felt we should have provided her prior notice. *** There was some discussion on this topic by the Board and the CEO during today's meeting. They discussed a Vegetation Management Plan, tree trimming expertise to identify trees that need to be cut down, budget and the importance of Chipper Training for new employees.**
- There was one near miss to report in Mora. 1) The line crews were working in Wagon Mound area setting poles and wire. Two of the linemen were setting poles while the other two crews were lifting the wires. One lineman setting the pole had his back towards the wire when a wire came loose and struck him behind the head knocking him to the ground. No injury reported.
- No near misses were reported in Pecos.
- There were no on-the-job injuries nor incidents to report in either Mora or Pecos
- A claim was paid based on information provided by a lineman on an incident according to the consumer. The Operations Managers were advised to inform their linemen not to speak to consumers in these cases and to leave the review of facts to the adjuster and incident reports.
- A Safety Conference held in Albuquerque and attended by three employees was beneficial and informative. Topics presented were Commitment to Zero Contacts, S.A.F.E App, Culture of Safety and OSHA tracking of workplace injuries and illnesses. DOT also presented and discussed State rules vs. Federal rules and roadside inspections
- The issue was raised on the issue of the linemen working and approaching their 16-hour time limit. Linemen should call their supervisor and inform him of the time limit and request coverage
- There were also concerns that when the linemen from Mora respond to an outage in the Pecos area and are changing out fuses that aren't the same size as before, they need to notify the Pecos crew so that everyone is aware of the

change. Linemen from Mora asked that the same be done in their case. An open line of communication between the line crews is needed.

- CEO Montoya asked Operations Manager to draft a tree trimming policy. The Policy was presented to the committee but more time and consideration will be needed to complete the maintenance plan.
- Linemen and Meter Readers from both offices were trained on Metering Safety, Hazard Recognition – Public and Employee, Step Potential Hazards and S.A.F.E. App training. Office staff was trained on Hazard Recognition – Public and Employee and Step Potential Hazards.

7. ACTION OF REGULAR MEETING MINUTES HELD ON AUGUST 23, 2018 – The Board Minutes of the Regular Meeting held on August 23, 2018 were presented for review and approval. After review, **a motion was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.**

8. APPROVAL OF NEW MEMBERSHIPS (MORA 21 – PECOS 16) – Thirty-seven new memberships were presented for review and approval. **Virginia Mondragon made a motion to approve all new memberships, seconded by James Ortiz. Motion carried unanimously.**

9. MANAGER'S REPORT

- a. Delinquent Report** – The Delinquent Report for the month of August started with 976 delinquent accounts totaling \$517,275.70. After collections, 621 accounts remained unpaid for a total of \$51,503.48.
- b. RUS Form 7** – The Operating Revenue and Patronage Capital for the month of August was \$969,996; Cost of Purchased Power was \$455,446 and Total Operation & Maintenance Expense was \$704,385. Year-to-date Total Operation & Maintenance Expense was \$6,056,814 and last year at this time was \$6,523,995. Total Cost of Electric Service for the month was \$838,873; YTD \$7,278,635 and last year was \$7,570,901. Patronage Capital or Margins was \$132,363 for the month. TIER for the month was at 4.64% and 2.62% YTD.
- c. Outage Report** – Manager Montoya reported that there were quite a number of outages for the month of August, but most were short in duration and in number of consumers that were affected. A bigger percentage of the outages were weather related.
- d. Member Sales Budget Report** – The Tri-State Member Sales Budget Report continues to be consistent with projections.

10. FINANCE REPORT - **A motion to approve the Finance Report was made by Robert Baca and seconded by James Ortiz, to include the approval of transferring \$1.4 million to the Now Account at Community First Bank and the donation of three used utility poles**

to the San Miguel County Sheriff's Posse (a fourth pole if available) and to include approval of the Manager's Report. Motion carried unanimously.

11. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on their September Meeting held in Westminster, CO. A few of the items covered included the following:

- 2019 Operating and Cost of Service Budget were approved
- Capital Construction Budget was also approved
- The A4 and A40 Rates will remain the same for 2019
- "Best Practice" presentation was held
- Due to heat wave, California bought energy on the open market. Tri-State sold power to California at a high price
- LED lights – will pay for themselves in four years and lower your light bill

12. NMRECA TRUSTEE REPORT – Robert M. Quintana, NMRECA Trustee, reported on their September meeting held in Santa Fe. Some of the items covered included:

- ACRE certificates were presented to all Coops that are full members
- RUS's current administrator resigned from his position as CFC's Administrator
- RUS's interest rate is at 2.97% for long-term loans and 1.23% for short-term loans
- Mr. Mike McInnes, Tri-State G & T, expressed his gratitude toward the NMRECA and Board for their supported and thanked all for another great annual barbecue
- The Youth Tour to Washington, D.C. is scheduled for June 14-21st, 2019
- The 2019 NMRECA Annual Meeting will be held at the Santa Ana Hotel in Bernalillo on May 28-30, 2019

13. ON-GOING BUSINESS

- a. CoBank – Sharing Success Program Application** – CEO Montoya presented the Board with additional information on the CoBank Sharing Success Program Application. CoBank provides grant funding to nonprofit organization within Cooperative service territories that provide services or offer programs that enhance the community's wellbeing. CoBank provides for grant funds on a matching basis. A couple of organizations are being considered in the Mora area and will look into organizations in the Pecos area. After continued discussion, **a motion was made by Joe C de Baca, seconded by Virginia Mondragon, to commit to award up to three nonprofit organizations with a grant of \$2000 each by applying to the CoBank Sharing Success Program. Motion carried unanimously.**
- b. Tri-State Bill/MSM Solar Bill** – The Tri-State power bill for the month of August was \$425,147.44. The MSM Solar bill was \$ 30,298.78 with a credit from Tri-State of \$23,039.35.

14. NEW BUSINESS

- a. **Job Description – AMI Network Supervisor** – The job description for AMI Network Supervisor was presented. The installation of AMI meters throughout the service territory will change the manner MSMEC performs its monitoring and billing for electric consumption. These changes will require adjustments be made to the daily management and operations of its metering system, and thus the reclassification of the job description of the Electric Consumption Supervisor to AMI Network Supervisor. **A motion to approve the reclassification of the job description from Electric Consumption Supervisor to AMI Network Supervisor was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.**
- b. **Job Description – Amendments to Customer Service Billing/IT Supervisor** – CEO Montoya presented amendments made to the Customer Service Billing/IT Supervisor job description. Amendments are necessary to clearly define responsibilities and requirements of this position. **A motion to approve amendments made to the Customer Service Billing/IT Supervisor job description as presented was made by Robert Baca and seconded by James Ortiz. Motion carried unanimously.**
- c. **NM State Agency for Surplus Property – Application for Eligibility** – The application for eligibility to the New Mexico State Agency for Surplus Property was presented. This Agency is located in Santa Fe and provides opportunities for eligible entities to acquire items that may be of use for reasonable prices. Items released by the Agency are items determined to be surplus by State and Federal governments. Items available are in reasonably good condition and available at very reasonable prices. After review, **a motion was made by Virginia Mondragon, seconded by Joe C de Baca, to submit the application to the NM State Agency for Surplus Property requesting eligibility status to participate together with the authorization of the CEO/General Manager and Operation Managers to be recognized as representatives on behalf of the Cooperative. Motion carried unanimously.**
- d. **Resolution – Declaring MSMEC Property Excess and No Longer Useful – Authorizing Disposal – Property Listing** – CEO Montoya presented the Board with a Resolution identifying MSMEC Excess Surplus Property and authorizing the sale of such property through a sealed bid process and depositing proceeds from the sale with MSMEC. Real property owned by MSMEC has been identified as excess property and no longer usable. The property, primarily materials, equipment, vehicles and IT devices have been listed. After some discussion, **a motion was made by Robert Baca, seconded by James Ortiz, to approve the Resolution declaring said property excess surplus and authorizing the sale of said property through a sealed bid process and allowing for proceeds of sale to be deposited with MSMEC. Motion carried unanimously.**
- e. **CFC District 10 Meeting – Information** – For information only.
- f. **CFC – 2018 Patronage Capital Allocation and Retirement** – A check in the amount of \$565.95 was received as our system’s fiscal year 2018 patronage capital allocation retirement from Cooperative Finance Corporation (CFC).
- g. **Western United Electric Supply Corporation – 2018’s Patronage Dividend** – MSMEC received a certificate and cash in the amount of \$1,126.39 as Western United

Electric Supply Corporation's fiscal year 2018's patronage dividend. The remaining \$4,505.58 will be retired as determined by the Board of Directors of the Corporation.

- h. Request Approval for Proposals (RFP) – Audit Services for MSMEC 2018-2020 or longer** – The Board was presented with a draft Request for Proposals (RFP) to complete audit services for MSMEC for fiscal years 2018 to 2020 or longer. Mr. Montoya is requesting approval and authorization of RFP as presented to begin publishing to solicit auditing services for the next 3 years and/or additional time. After review and discussion, **Robert Baca made a motion to approve the RFP as presented and to authorize Mr. Montoya to solicit auditing services. Virginia Mondragon seconded that motion. Motion carried unanimously.**
- i. Agriculture/Irrigation Service Agreement – Schedule “AIR”** – The Agriculture/Irrigation Service Agreement as required in MSMEC's Original Rate No. 14, Agriculture/Irrigation Service, (Schedule “AIR”) was presented to the Board for review and approval. Original Rate No. 14, Minimum Billing Period Charges: (4) calls for minimum charges to be established by contract between the consumer and the Utility. The proposed AIR Service Agreement was prepared to be utilized by MSMEC for such consumers and has been reviewed by the Coop's Attorney. CEO Montoya is requesting the Board, after review, approve thereby authorizing the use of the agreement to arrange minimum billing period charges for said consumers. Also presented for clarification is the definition for “Irrigation and Agriculture Customer Class” as determined at today's meeting which is “Customer class owning irrigation water well(s) supplying irrigation systems to grow crops for use or sale to supplement agricultural purposes or support livestock and/or customers utilizing power to produce agriculture products or livestock for use, sale, processing and/or re-use of natural resources”. After further discussion, **Joe C de Baca made a motion, seconded by Robert Baca, to approve the use of the AIR Agreement as presented and to approve the definition of Irrigation and Agriculture Customer Class as determined today. Motion carried unanimously.**
- j. CoBank –Special Patronage Payment** – CoBank's board of directors approved a special, all-cash patronage distribution related predominately to savings generated from federal tax reform legislation passed at the end of 2017 along with earnings from significant non-recurring items in the first half of 2018. MSMEC received a check in the amount of \$14,052.92 as a special patronage payment.

15. CORRESPONDENCE

- a. Thank you for Donation – Pecos Valley Medical Center – Pony Up-Reboot** – For information only.
- b. Mora County Economic Development Corporation – Thank You for Membership Fee** – For information only.
- c. Thank you Letter – Wood County Electric Cooperative – Debbie Robinson** – For information only.
- d. Thank You – Mora Arts & Cultural Compound – Fall Festival** – For information only.

16. INFORMATION

- a. **Calendar of Events** – Tri-State will meet on October 2nd and 3rd in Westminster. NMRECA Electrical Inspections Meeting will be held on Wednesday, October 3rd starting at 1:00 p.m. and continues at 2:30 p.m. with the Charging Infrastructure Meeting. The Strategic Thinking/Planning Session will be held at NMRECA on Thursday, October 4th for Managers and Directors and Directors Meeting will be held on Friday, October 5th. Offices will be closed on Monday, October 8th in observance of the Columbus Day holiday. MSMEC’s next Finance and Regular Board Meeting will be held on Wednesday, October 24th starting at 10:00 a.m.

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

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

19. OTHER BUSINESS TO COME BEFORE THE BOARD – After some discussion, a motion was made by Robert Baca, seconded by James Ortiz, to authorize Les Montoya, CEO/General Manager, to serve as the official voting delegate for the CFC District 10 Main-In Ballot. Motion carried unanimously.

20. ADJOURNMENT - A motion to adjourn today’s meeting was made by James Ortiz. Motion carried unanimously. Meeting adjourned at approximately 1:25 p.m.

ATTEST:



**Virginia Mondragon
Secretary/Treasurer**



**Robert M. Quintana
Board Chairman**