

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
JANUARY 24, 2019

The meeting of January 24, 2019 was called to order by Robert M. Quintana, Board Chairman at approximately 10:59 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, Administrative 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 – Today’s meeting Agenda was presented for review and approval. **A motion was made by Robert Baca and seconded by Virginia Mondragon 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 Safety Committee held their monthly meeting on Tuesday, January 8, 2019. Those in attendance were Larry Barela, Pamela Gallegos, Les Montoya, Isaiah Romero, Lawrence Salas and George Valdez. Some of the items covered during the meeting included:

- No accidents were reported in either Mora or Pecos for the month of December
- There were no near misses nor on-the-job injuries to report
- There were no on-the-job incidents to report in Mora
- There was one on-the-job incident to report in Pecos. A lineman was called out to an outage in the Joya Del Padre area. He found an underground pad mount transformer had been hit by someone and damaged. It was repaired so the

consumer could have power until the UG transformer was replaced the following day.

- One of the linemen raised concern about having to sign “my commitment to safety”. He stated a couple of the linemen were hesitant to sign this commitment because they are worried if they sign the form it will held against them should an accident occur and someone get injured. Manager Montoya assured them the Board and he would not have allowed this program to be introduced if this was the intent. It is used to show support for the program and the commitment from each employee would make showing support and to be reminded of the safety commitment they have for themselves and coworkers.
- Manager Montoya stated to those present, when working and placing signage on public right of way to be sure and remove signage and other items when leaving the work site. Leaving signage and/or other items can be distracting and result in a liability.
- Linemen and Meter Tech’s from both offices were trained on Responding to Chemical Spill/Containment & Cleanup as well as on Safety Data Sheets. The inside staff from Mora and Pecos were trained on the same.

7. ACTION OF REGULAR MEETING MINUTES HELD ON DECEMBER 27, 2018 – The Minutes of December 27, 2018 were presented for review and approval. After a short discussion, **Robert Baca motioned to approve the Minutes as presented. Joe C de Baca seconded that motion. Motion carried. James Ortiz abstained as he was not present at the meeting of December 27, 2018.**

8. APPROVAL OF NEW MEMBERSHIPS (MORA 21 – PECOS 18) – A total of 39 New Memberships were presented for review and approval. After review, **James Ortiz motioned to approve all new memberships as presented. Joe C de Baca seconded that motion. Motion carried unanimously.**

9. MANAGER’S REPORT

- a. **Delinquent Report** – Les Montoya, General Manager, presented the Delinquent Report for December 2018. There were 814 delinquent accounts totaling \$345,562. After collections, 482 of those accounts remained unpaid totaling \$67,322.
- b. **RUS Form 7** – The RUS Form 7 was reviewed. Operating Revenue and Patronage Capital for December 2018 was \$1,199,326; Cost of Purchased Power was \$685,863; and Total Operation & Maintenance Expense was \$1,013,394. Total Cost of Electric Service was \$1,235,222; Patronage Capital & Operating Martins was (\$35,895); and (\$7,218) for Patronage Capital or Margins. TIER for the month of December was at 0.93% and 1.64% YTD.
- c. **Outage Report** – The Outage Report was reviewed. There were 42 outages during the month of December. During these outages, a total of 522 consumers were affected. The outage affecting the largest number of consumers, 200, was in the

Manuelitas Canyon/Rincon Montoso area due to a blown fuse cause by ice on the power lines. Outages were mainly caused by wind, snow and ice on power lines.

- d. **Member Sales Budget Report** – Tri-State’s Member Sales Budget Report monthly comparison for December was Total Energy (kWh) Actual: 8,572,324 and Budgeted: 8,177,544.
- e. **Fused Cut-Out Report** – There were three fused cut-outs installed on the MSMEC system in December. One each in Pendaires, Romeroville and Los Alamitos.

10. FINANCE REPORT – The Finance Minutes of the meeting held earlier today were distributed for review. **A motion was made by Robert Baca, seconded by Joe C de Baca, to approve the minutes of today’s meeting together with the Manager’s Report. Motion carried unanimously.**

11. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on their meeting held in January. A few of the items covered included:

- Strategic Planning
- Bylaw changes to be voted on during their Annual Meeting in April – allowing for changes from an all requirements contract
- Contract Committee will resume during their May meeting
- Cost Shifting
- Cyber Security and ways of getting hacked
- Many coal plants closed in 2017 and 2018
- Interviewing for new CEO will take place during Tri-State’s February meeting

12. NMRECA TRUSTEE REPORT – Robert Quintana, NMRECA Trustee, reported on their January 4th, 2019 meeting. Some items of discussion/review included:

- David Spradlin informed the Board that he will be running for re-election as NRECA Director and would appreciate the Boards support. The NRECA Election will be held at the 2019 NMRECA’s Annual Meeting in May.
- A copy of the NMRECA’s Strategic Thinking Session Summary was provided. The next review will be in April.
- NMRECA will be hosting Co-op Day at this year’s Legislation Session on Thursday, January 31st.
- Deadline to turn in all NM Government-in-Action Youth Tour student application is February 8, 2019.
- NMRECA was selected to receive a multi-year contribution for years 2019-2021 from CoBank. Equal annual installments of \$15,000 per year will be made for three years totaling \$45,000.
- NMRECA Board had an introductory meeting with new NMPRC Commissioner Steve Fischmann (District 5) and his assistant, Brian Harris.
- After some discussion, a motion was made and passed that NMRECA monthly Board meetings start time be changed to 8:30 a.m. starting February 1, 2019.

- After the Board reviewed the performance of the NMRECA CEO, they decided the CEO would make the same salary in 2019 as in 2018.

13. ON-GOING BUSINESS -

- a. **MSMEC Board Policy No 301 – Amendment to Cooperative University Scholarship** – Board Policy No. 301, as amended and previously presented to the Board, was again included in this month’s agenda for final review and approval. **A motion was made by Virginia Mondragon, seconded by Joe C de Baca, to approve Board Policy No. 301, MSMEC Education Scholarship Program, as amended. Motion carried unanimously.**
- b. **Tri-State Bill/MSM Solar Bill** – The Tri-State bill for the month of December 2018 was \$666,481.77; MSM Solar bill was \$19,381.26 with a credit from Tri-State of \$12,702.56.

14. NEW BUSINESS

- a. **AMI System Operational Plan** – Due to the recent implementation of the AMI System at MSMEC, various job title and duties have changed. Jason Trujillo, AMI Network Supervisor, reported to the Board that a System Operational Plan is necessary to serve as a point of reference to define the various roles and responsibilities at different levels and departments which make up our AMI System Network. As part of his presentation to the Board, Mr. Trujillo also provided copies of MSMEC PRC filings and Rules pertaining to AMI Metering. After review and some discussion regarding the AMI System Operational Plan, **a motion to approve this Plan was made by Robert Baca and seconded by Virginia Mondragon. Motion carried unanimously.**
- b. **Resolution Declaring 100 used MSMEC Turtle Meters as Excess & Surplus Property** – A Resolution was presented to the Board declaring 100 used Turtle Meters owned and previously used by MSMEC as excess and surplus property, thereby, authorizing the sale of these meters to Continental Divide Electric Cooperative (CDEC) at \$18.00 per meter. CDEC contacted MSMEC requesting to purchase approximately 100 turtle meters. MSMEC’s AMI Supervisor, Jason Trujillo, recommended the sale of said meters upon the Board’s declaration of such meters to be excess and surplus property. After review of the Resolution by the Board, **a motion was made by Robert Baca, seconded by James Ortiz, to approve the sale of 100 Turtle Meters, identified to be excess and surplus property, to CDEC at \$18.00 per meter. Motion carried unanimously.** The Board recommended looking at selling other meters that are being stored.
- c. **S.A.F.E. App. Mission Statement** – The Mora-San Miguel Electric Cooperative, Inc. S.A.F.E. App Mission Statement was presented to the Board for review and approval. As our “Commitment to Zero Contacts”, MSMEC employees shall use the S.A.F.E. App to remain focused on its commitment to continue to improve our safety culture while on the job. A workplace safety program is important to our Cooperative and our commitment is to continue improving and monitoring of our employee’s safety performance. After review, **a motion was made by Robert Baca, seconded by**

- Virginia Mondragon, to approve the S.A.F.E. App. Mission Statement as presented. Motion carried unanimously.**
- d. **Franchise Agreements 2019 – 2024 – City of Las Vegas and Village of Pecos – 2019 - 2024 Franchise Agreements for the City of Las Vegas and the Village of Pecos were presented to the Board for review. Manager Montoya advised the Board that both franchise agreements have been expired for some time and was contacted by the City of Las Vegas regarding updating the franchise agreement. These franchise agreements allow for the Cooperative to conduct its work and allows for the use of public right of ways in these jurisdictions. In return, we provide a franchise fee payment equal to 2% of the total sales of power within the jurisdiction. After review and discussion, a motion was made by Robert Baca, seconded by James Ortiz, to provide direction to the General Manager to propose the same franchise fee of 2% to the City of Las Vegas and the Village of Pecos and the term for each agreement to be for 25 years. Motion carried unanimously.**
- e. **2019 IRS Standard Mileage Rate – The new IRS Standard Mileage Rate for 2019 has changed to .58 cents per business mile, which is an increase of 3.5 cents from 2018. A motion to approve and implement the new IRS mileage rate of .58 cents per business mile was made by Virginia Mondragon and seconded by Joe C de Baca. Motion carried unanimously.**
- f. **Youth Tour Essay Selection – Six high school students in the MSMEC service area applied for a chance to be awarded an all-expense trip to Washington, DC in June 2019. Students were asked to present a one-page essay describing the following topic: How do you see all types of Electric Vehicles (EV's) contributing to your future world? And, what suggestions do you have to help your Rural Electric Cooperative prepare for and encourage this imminent wave? After review, the Board selected which they felt were the best two essays presented. A motion was made by Joe C de Baca, seconded by James Ortiz, to award the 2019 Youth Trip to Washington, D.C. to Lefonso Castillo, Jr. from Mora High School and to Katlyn Maes from Pecos High School. Motion carried unanimously.**
- g. **Basin Electric Scholarship – Student Applications and Essays – A total of 16 students from our service area submitted applications to the Basin Electric Scholarship Program. Applications were made available to dependent children of member-system consumers and dependent children of member-cooperative employees. Basin Electric Power Cooperative in North Dakota sponsors the scholarship(s) and provides for MSMEC to distribute the scholarship application to all interested seniors in their service area. Scholarship recipients are selected on the basis of academic record, potential to succeed, leadership and participation in school and community activities, honors, work experience, a statement of education and career goals and an outside appraisal. After the Board reviewed completed applications and request forms, a motion was made by Joe C de Baca and second from James Ortiz, to select one recipient in the member-cooperative consumer category and one in the member-cooperative employee's category and forward those to Basin Electric Cooperative for their consideration and final award. Motion carried.**

Virginia Mondragon abstained. Basin Electric will inform cooperatives of scholarships awarded after their March 1st deadline.

15. CORRESPONDENCE

- a. **New Mexico Rural Electric Cooperative Day – January 31, 2019** – For information only. Les Montoya and Robert Baca will attend NM Rural Electric Cooperative Day at the Legislature in Santa Fe.
- b. **Pecos Valley Cowboy Church – Thank you for Donation** – For information only.

16. INFORMATION

- a. **Calendar of Events** – Statewide Meeting will be held on January 28th and February 1st in Santa Fe. Tri-State is scheduled to hold their meetings starting February 4th through the 7th. MSMEC's Finance and Regular Board Meetings are scheduled for Wednesday, February 27th starting at 10:00 a.m. Statewide is scheduled to have its March meetings on February 28th and March 1st.

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

17. EXECUTIVE SESSION

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

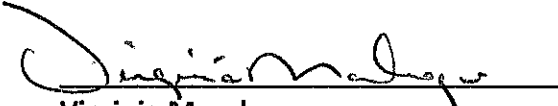
A motion to move out of Executive Session and back into Regular Session was made by Robert Baca and seconded by James Ortiz. Motion carried unanimously.

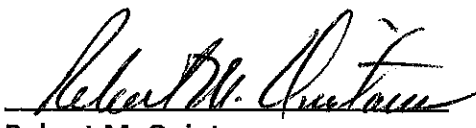
18. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION – None.

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

20. ADJOURNMENT – A motion to adjourn today's meeting was made by Robert Baca. Motion carried unanimously. Meeting adjourned at approximately 3:15 p.m.

ATTEST:


Virginia Mondragon
Secretary/Treasurer


Robert M. Quintana
Board Chairman