

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES MEETING MINUTES
HELD ON
FEBRUARY 24, 2017

The Regular Board Meeting of February 24th, 2017 was called to order by Robert M. Quintana, Board Chairman, at 11:33 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 Quintana, Board Chairman

Others Les W. J. Montoya, General Manager
Present: Debbie H. Alexander, Administrator

2. INVOCATION - The invocation was led by Robert Baca, Vice-Chairman.

3. PLEDGE OF ALLEGIANCE - The Pledge of Allegiance was recited.

4. APPROVAL OF AGENDA – The Agenda was presented for review and approval. The following amendments were made to today’s Agenda: Add – 14. New Business – e. 2017 Tri-State Annual Meeting Schedule, Attendance Card & Certificate of Election to Tri-State Board & Credentials Sheet; and 17. Executive Session – d. Budget Discussion. **Robert Baca made a motion to approve the Agenda with two amendments. Virginia Mondragon seconded that motion. Motion carried unanimously.**

5. SAFETY REPORT – Les Montoya, General Manager, reviewed the minutes of the safety committee meeting held on January 13, 2017.

- There were no accidents, near misses or job injuries to report in either Mora or Pecos
- The Line Department was trained on Distribution Switching Procedures & Policy (lockout/tag out) and winter driving skills.

Mr. Montoya reported on his intent to have MSMEC become part of the Rural Electric Safety Achievement Program (RESAP); it being a part of Statewide (NMRECA) and the Self-Insurers Fund, there will not be any additional costs to our Coop. Mr. Roy O’Day, who is already contracted by Statewide, will continue to conduct safety training sessions. Staff will get involved in this safety program. Manager Montoya stated he will bring back a resolution for board approval.

6. RECOGNITION OF GUESTS –

a. Invited Speakers – (15 minute time limit) - None.

b. General Public Comment (5 minute time limit)

1. Jerome Lucero – Mr. Lucero addressed the Board and General Manager regarding a couple of issues. One in particular, was the payout of deceased capital credits. Mr. Lucero was assured that staff will soon start to work on the payment of capital credits which had previously been approved.

2. Jake Regensberg – Mr. Jake Regensberg addressed the Board and General Manager on the issue of filing to run for the MSMEC Board. He questioned whether Virginia Mondragon was eligible to run again after already serving 2 terms. After continued discussion and review of the bylaws, Robert M. Quintana, Board Chairman, read the opinion given by our Attorney after her review of our bylaws, and her opinion is that Ms. Mondragon is able to run for re-election. Section 8 – Election - of our bylaws state “ If there is no competition, term limits shall not apply. The incumbent shall remain in office for an additional three year term.”

3. Mary Lou Sanchez – Mrs. Sanchez did not address the Board.

7. ACTION OF REGULAR MEETING MINUTES HELD ON JANUARY 26, 2017 – The Minutes of the Meeting held on January 26th, 2017 were presented for review and approval. After review, the second word “**delegate**” of the motion made on letter d of page 4 will be changed to show “**alternate**” instead. **A motion was made by Robert Baca, seconded by Virginia Mondragon, to approve minutes with one amendment. Motion carried unanimously.**

8. APPROVAL OF NEW MEMBERSHIPS (MORA 10 – PECOS 15) – A total of twenty-five new memberships were presented for approval. After review, **a motion was made by Joe C de Baca, seconded by James Ortiz, to approve all new memberships presented today. Motion carried unanimously.**

9. MANAGER’S REPORT

a. Delinquent Report – Manager Montoya reported on the Delinquent Report for January 2017. There were a total of 560 unpaid accounts, 30, 60 and 90 days delinquent, totaling \$137,379.31. After collections, 226 of those accounts remained unpaid totaling \$31,908.53.

b. RUS Form 7 – LaDonna LaRan, CFO, reported on the revised December 31, 2016 RUS Form 7. Operating Revenue and Patronage Capital was \$1,148,605, Cost of Purchased Power was \$644,752, Total Operation & Maintenance Expense was \$1,008,200 and Patronage Capital or Margins was \$168,842. TIER for the month was 4.53% and 3.17% YTD. RUS Form 7 ending January 31, 2017 was also reviewed. Operating Revenue & Patronage Capital was \$1,322,688, Cost of Purchased Power was \$686,864, Total Operation & Maintenance Expense was \$946,341 and Patronage Capital or Margins was at \$249,691. MSMEC has 10,921 consumers and 1,951 miles of line. Line loss for the month was at 3.6%. TIER for January 2017 was at 7.12%.

c. Outage Report – Ms. LaRan reported on the Outage Report for January 2017. On January 15th, an outage affecting 150 consumers for 7.75 hours was reported in the Las Tusas/San Ignacio area. Fuses were blown due to snow on the primary line and repair was made to a broken cross arm. Another outage in the Watrous/Valmora area affected 20 consumers for 7 hours due to an open OCR.

10. FINANCE REPORT – After today's Finance Committee Meeting and presentation of those minutes, a motion to approve Les Montoya and LaDonna LaRan to re-investment a \$250,000 CD at a local bank, offering the best rates, was made by Virginia Mondragon, seconded by Robert Baca. Motion carried unanimously. A motion was also made by James Ortiz, seconded by Joe C de Baca, to approve two donation requests presented today – Mora Little League and Northeastern NM Regional Science Fair. Donations will now be reviewed for consideration on a month to month basis consistent with our board policy. Motion carried unanimously. Another motion was made by Virginia Mondragon, seconded by Robert Baca, to approve the Manager's Report and to dispense with the reading of the Minutes of the Finance Committee Meeting held earlier today. Motion carried unanimously.

11. TRI-STATE TRUSTEE REPORT – Robert Baca, Tri-State Trustee, reported on Tri-State's February Meeting. A few of the items discussed during this meeting included:

- Tri-State is willing to bring one of their representatives to talk to our Board about the advantages and/or disadvantages of approving the east/west power line control issue.
- Phone survey asking questions about Tri-State.
- Renewables – Tri-State sells 26% renewable power – member systems generate 21% of renewable power supply.
- Tri-State's offering of teacher training.

12. NMRECA TRUSTEE REPORT – Robert M. Quintana, NMRECA Trustee, reported on their February meeting held in Santa Fe. A few of the items reviewed included:

- RUS loan rates – short term loans @ .51% and long term loans @ 2.81%.
- Keven Groenewold reported on President Trump's executive order reducing regulation and controlling regulatory costs.
- Jemez Mountain Electric's withdrawing from Statewide

13. ON-GOING BUSINESS

a. Discussion on Scheduling Special Meeting on Bylaw Draft Final – After a short discussion, a meeting to review bylaws was scheduled to take place Friday, March 17th at 8:00 a.m. at the Storrie Project Water Users Association Office, 519 Douglas Avenue, Las Vegas, NM.

b. Project Service Agreement & Base Consulting Services Agreement – Transmission & Distribution Services, LLC (T & D Services) – Manager Montoya presented the Board with the Project Service Agreement & Base Consulting Services Agreement from T & D Services. After review and discussion, a motion was made by Virginia Mondragon, seconded by Joe C de Baca, to give Manager Montoya the authority to approve the

project service agreement and base consulting services agreement with Transmission & Distribution Services, LLC to provide engineering and consulting services to our Cooperative. Motion carried unanimously.

c. Discussion on Capital Credit payouts – Manager Montoya advised the Board that after office staff informed him that they do not know how to access information to cut these capital credit checks, he talked to a former employee who worked on capital credit payments to see if she would be willing to come and help with these checks. Mr. Montoya stated he is still working on getting this done as soon as possible.

e. Tri-State's Power Bill & MSM Solar Bill – For information only.

14. NEW BUSINESS

a. Mora County Economic Development Corporation – Manager Montoya addressed the Board telling them why he thought it was important to join the Mora County Economic Development Corporation. He stated that economic development can bring jobs and more businesses within the community; and with more businesses our Coop can sell more power. He asked for approval to submit for membership to the Mora County Economic Development Corporation so that he can attend their meetings and they can work together with our cooperative. After further discussion, **a motion was made by Robert Baca, seconded by Virginia Mondragon, to give approval to pay a \$250 membership fee for MSMEC to join the Mora County Economic Development Corporation; as well as the San Miguel County Economic Development Corporation. Motion carried unanimously.**

b. CCD Course for Directors – 2540.1 “Financial Decision Making” – This course will be offered to board members, free of charge, in Lubbock, Texas on March 9th & 10th. Mr. Joe C de Baca will be attending this course, which will leave him with only one more course to complete and receive his CCD – Credentialed Cooperative Director Certificate.

c. MSMEC Right-of-Way Easement Revisions – Mr. Montoya advised the Board that the right-of-way easement draft enclosed in their board packets was to replace the easement now in use. The new version of the easement has been reviewed and drafted by our attorney, Lorna Wiggins and by Al Green from Federated Insurance in view of the Tres Lagunas Fire situation. After review, **a motion to approve the new version of the right-of-way easement was made by Virginia Mondragon, with a second from Robert Baca. Motion carried unanimously.** Mr. Montoya stated that he will follow-up on what we can do with past easements, if anything.

d. MSMEC Organization Chart & Job Descriptions – Manager Montoya presented the Board with an updated organizational chart and new job descriptions. After a short discussion, it was decided to further discuss this item in Executive Session under Personnel Matters.

e. 2017 Tri-State Annual Meeting Schedule, Attendance Card & Certificate of Election to Tri-State Board & Credentials Sheet – A motion was made by James Ortiz, seconded by Joe C de Baca, to nominate Robert Baca to serve as Director on the Tri-State Board of Directors and that Robert Baca be the voting delegate for the 2017 Tri-State Annual

Meeting and Robert M. Quintana be the alternate. Motion carried unanimously. Board Members will let staff know who will be attending the Annual Meeting in April.

15. CORRESPONDENCE

a. Western United Electric Supply Corporation – Patronage Retirement Check – For information only.

16. INFORMATION

a. Calendar of Events – Statewide Meeting is scheduled for March 2nd & 3rd in Santa Fe. Tri-State Meeting is scheduled for March 7th & 8th in Westminster. Mora County EDC Meeting is scheduled on the 8th. By-law review meeting is scheduled for Friday, March 17th at 8:00 a.m. in Las Vegas. Our regular Finance and Board Meetings will be held on Thursday, March 23rd starting at 10:00 a.m.

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

17. EXECUTIVE SESSION

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

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

- a. Personnel Matters - James Ortiz, seconded by Robert Baca, motioned to approve the organizational chart and job descriptions as presented by Manager Montoya. Motion carried unanimously.**
- d. Budget Discussion – The 2017 budget was reviewed and will be scheduled for final approval during our March meeting.**

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

20. ADJOURNMENT – A motion to adjourn today's meeting was made by Robert Baca and seconded by James Ortiz. Motion carried unanimously. Meeting adjourned at approximately 4:15 p.m.

ATTEST:



Virginia Mondragon
Secretary/Treasurer



Robert M. Quintana
Board Chairman