

**MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.**  
**BOARD OF TRUSTEES MEETING MINUTES**  
**HELD ON**  
**MARCH 23, 2017**

The Regular Board Meeting of March 23<sup>rd</sup>, 2017 was called to order at 1:19 p.m. by Robert M. Quintana, Board Chairman.

**1. ROLL CALL AND DETERMINATION OF QUORUM**

**Present:**        Robert Baca  
                     Joseph C de Baca  
                     Virginia Mondragon  
                     James Ortiz  
                     Robert Quintana

**Others**            Les W. J. Montoya, General Manager  
**Present:**        Debbie H. Alexander, Administrative Assistant

**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** – Today's Agenda was presented for review and approval. The following was added to the Agenda: #6 – Recognition of Guests – c. Recognition of Employees. **A motion was made by Robert Baca, seconded by Virginia Mondragon, to approve today's Agenda with one amendment. Motion carried unanimously.**

**5. SAFETY REPORT** – General Manager Montoya reported on the Safety Committee Minutes of February 16, 2017.

- There were no accidents or near misses to report in Mora or Pecos for the month of January.
- There was one incident to report in Pecos where a meter reader accidentally ran over a consumer's dog after the dog bit the bumper and wouldn't let go. After the dog let go of the bumper, the meter reader felt a bump and then realized that he had run over the dog. Consumer filed a claim wanting MSMEC to pay to have her dog cremated.
- There were no on-the-job injuries to report in either Mora or Pecos
- Employee Input and Concerns:
  - Some handheld two-way radios do not work at times – Employee was advised that these radios just do not work in some areas and that these radios were recently serviced.

- When transferring calls at the end of the work day, Central Dispatch should be made aware if linemen are still working on an outage. Office staff will be told to do this.
- Repairs need to be made to an office window that leaks when it rains or snows and is now growing mold.

**New Business –**

- General Manager Montoya was given Board approval to reorganize the structure of the Cooperative. Mr. Montoya is reorganizing the office employees. A couple of new positions may be created. And, because he feels strongly about safety, MSMEC is looking into joining the RESAP Safety Program sponsored by NRECA.
- GPS units will be installed on Cooperative vehicles.
- All linemen were trained on Hazards of short cuts, Ropes and knots and walking and working surfaces. Training was conducted by Mr. Roy O'Day, New Mexico Safety and Loss Control Director with OAEC.

**6. RECOGNITION OF GUESTS –**

- a. Invited Speakers – (15 minute time limit) - None.**
- b. General Public Comment (5 minute time limit) – None.**
- c. Recognition of Employees –** Mr. Montoya introduced the following employees as to their new roles/titles at MSMEC:
  - Larry Rose – GIS Analyst – Mr. Rose introduced himself to the Board
  - LaDonna LaRan – Finance Manager
  - Julie Pacheco – Human Resource Manager
  - Larry Barela – Systems Operations Manager - Mora (not in attendance)
  - Martin Armijo – Systems Operations Manager – Pecos (not in attendance)
  - Gwen Mascarenas – Customer Service Billing/IT Supervisor
  - April Duran – Systems Operations Supervisor
  - Jason Trujillo – Electric Consumption Supervisor
  - Debbie Alexander – Administrative Assistant

**7. ACTION OF REGULAR MEETING MINUTES HELD ON FEBRUARY 24, 2017 –** The Minutes of the Regular Board Meeting held on February 24, 2017 were presented for review and approval. After review, an amendment was made to the General Public Comment section to show that the Board Chairman read the attorney's opinion on our bylaws in regard to Secretary Mondragon being able to run for re-election. **A motion was made by Virginia Mondragon, seconded by James Ortiz, to approve the minutes with one amendment. Motion carried unanimously.**

**8. APPROVAL OF NEW MEMBERSHIPS (MORA 14 – PECOS 15) –** Twenty-nine new memberships were presented for approval. There was some discussion in regard to a couple of memberships listed as entities. Staff will be asked as to the clarity of these memberships. **A motion to approve all new memberships was made by Robert Baca and seconded by James Ortiz. Motion carried unanimously.**

## **9. MANAGER'S REPORT**

**a. Delinquent Report** – The numbers on the Delinquent Report for February were reviewed. A total of 560 accounts were delinquent totaling \$137,379.31. After collections, 368 of those accounts remained unpaid totaling \$62,181.04.

**b. RUS Form 7** – Operating Revenue and Patronage Capital for the month of February was \$997,162, Cost of Purchased Power was \$537,214 and Total Operation & Maintenance Expense was \$778,330. Patronage Capital or Margins totaled \$104,703 for the month and \$353,176 YTD. MSMEC has a total of 10,892 consumes and 1,951 miles of line. TIER for the month is 3.62% and 5.38% YTD.

**c. Outage Report** – The Outage Report was reviewed. The outage affecting the largest number of consumers, 4000, for half-an-hour was reported in the Pecos area which turned out to be on the PNM side. Another outage affecting 2000 consumers in the Rainsville/Mora areas was due to the heavy winds. A tree fell on the primary line in Rio de la Casa affecting 8 consumers for 5.25 hours.

**10. FINANCE REPORT** – A motion was made by Robert Baca, seconded by Virginia Mondragon, to approve the Manager's Report, approve the Finance Committee Minutes of the meeting held earlier today, including approval of the 2017 MSMEC Operating & Maintenance Budget, and dispense with the reading of those minutes. Motion carried unanimously.

**11. TRI-STATE TRUSTEE REPORT** – Robert Baca, Tri-State Trustee, reported on their March Meeting. A few of the areas covered included:

- Strategic Planning – the future of Tri-State and coal/renewables
- Annual Meeting Discussion – April 4th – 6<sup>th</sup>
- Interconnection – continued discussion of the east/west power line control issue

**12. NMRECA TRUSTEE REPORT** – Robert Quintana, Statewide Trustee, reported on their March Meeting held in Santa Fe. A few of the items covered included:

- RUS Loan Rates – Short Term Loans @ .63% and Long Term Loans @ 2.81%
- RUS is still waiting for confirmation from White House on the appointment of Sonny Perdu as Secretary of Agriculture
- Financial Report was reviewed – Association= \$108,627.96, Enchantment Magazine \$54,618.22 and NMRECA Self-Insurers Fund \$13,706.11 totaling \$160,488.97
- ACRE Membership
- CFC Workshops during NMRECA Annual Meeting in Ruidoso
- State fee schedule for Public Trust Land Easements

## **13. ON-GOING BUSINESS**

**a. Resolution – Rural Electric Safety Achievement Program (RESAP)** – Mr. Montoya presented the Board with a Resolution requesting authorization for MSMEC to become a participating coop member of the Rural Electric Safety Achievement Program (RESAP).

After review and discussion, **a motion giving approval to join RESAP was made by Virginia Mondragon and seconded by Joe C de Baca. Motion carried unanimously.**

**b. Capital Credits Payouts** – Gwen Mascarenas briefed the Board on the Capital Credit situation. Daffron is scheduled to come in and train some of the staff on the process of how to generate capital credits and pay them out. A webinar is also scheduled. More than one employee will be trained in the event that someone leaves; there will be someone else who knows the process. The Board asked for a tentative date as to when this capital credit payout would be completed. Ms. Mascarenas stated she could not give them a date until this training is completed. **A motion to table a tentative date on when the capital credits checks will go out to consumers was made by Robert Baca and seconded by Virginia Mondragon until after training is complete. An update on the Capital Credit Payouts will be included in next month's agenda. Motion carried unanimously.**

**c. Approval of MSMEC Work Schedule – 10-Hour Days/4 Days per Week – Starting April 5, 2017** – After some discussion, **a motion to approve the 10-hour days/4 days per week work schedule was made by James Ortiz, seconded by Virginia Mondragon, with the understanding that the General Manager may change this at his discretion if he feels it is in the best interest of the Cooperative and it's consumers. Motion carried unanimously.** MSMEC will inform PRC about the new work schedule.

**d. Tri-State's Power Bill & MSM Solar Bill** – Tri-State's power bill for the month was \$666,080.45 and MSM Solar bill was \$25,156.26. For information only.

#### **14. NEW BUSINESS**

**a. 2017 Cost of Service and Rate Study** – Manager Montoya presented the proposal from Guernsey to complete a Cost of Service and Rate Study for MSMEC. The Manager presented that he had conversed with Guernsey on the proposal, performed reference checks on the firm and discussed previously mentioned Board concerns. Manager Montoya indicated that based on information gathered on this proposal, he would recommend approving the proposal and authorize execution of the service agreement to complete the work. The Board questioned the recommendation based on their concerns of the prior work completed by Guernsey and a previous Cost of Service and Rate Study. Upon further discussion on this issue, the Board decided to table this matter. They agreed to have the Manager schedule a meeting with Guernsey so they may present their concerns and determine Guernsey would work to address the concerns. The matter was tabled and direction was provided to the Manager to follow up accordingly.

**b. NMRECA Nominee for Member of Board of Directors 2017-2018 & NMRECA Voting Representative Credential** – After some discussion, **a motion was made by Virginia Mondragon, seconded by Joe C de Baca, to nominate Robert Quintana as the NMRECA Member of Board of Directors for 2017-2018 and Robert Baca as alternate. Motion also included that the NMRECA Voting Representative credential go to Robert Baca and Robert Quintana as alternate. Motion carried unanimously.**

**c. 2017 NMRECA Annual Meeting & CFC Financial Workshop for Directors** – There was a short discussion regarding the NMRECA Annual Meeting & CFC Financial Workshop for

Directors which will be held in Ruidoso, NM in May. All Board Members and the General Manager will be in attendance.

**d. Central Drug System Member Agreement** – The Central Drug System Member Agreement was presented to the Board for approval. CDS will administer a drug and alcohol testing program at Mora-San Miguel Electric Cooperative. After review, **approval of the CDS agreement was made with a motion by Virginia Mondragon and seconded by Joe C de Baca. Motion carried unanimously.**

**15. CORRESPONDENCE** – None.

**16. INFORMATION**

**a. Calendar of Events** – Tri-State Annual Meeting is scheduled for April 4<sup>th</sup> and 5<sup>th</sup>. Tri-State Manager's Meeting is scheduled for April 11<sup>th</sup> and 12<sup>th</sup>. Statewide Meeting will be held on March 13<sup>th</sup> and 14<sup>th</sup>. District 4 Meeting/Election will be on Tuesday, April 25<sup>th</sup>. MSMEC's next Finance and Regular Board Meetings will be on Thursday, March 27<sup>th</sup>.

**A motion to move into Executive Session was made by Robert Baca, 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 back into Regular Session was made by Robert Baca and seconded by Virginia Mondragon. Motion carried.**

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

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

**20. ADJOURNMENT** – Motion to adjourn today's meeting was made by Robert Baca, seconded by James Ortiz. Motion carried unanimously. Meeting adjourned at approximately 4:14 p.m.

**ATTEST:**



**Virginia Mondragon**  
Secretary/Treasurer



**Robert M. Quintana**  
Board Chairman