

**MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.**  
**BOARD OF TRUSTEES MEETING MINUTES**  
**HELD ON**  
**JANUARY 25, 2018**

The Regular Board Meeting of Thursday, January 25, 2018 was called to order at 11:04 a.m. by Board Chairman, Robert M. Quintana.

**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, General Manager  
Present: Debbie H. 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 to approve the Agenda as presented was made by Virginia Mondragon and seconded by Joe C de Baca. 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 Minutes of January 18, 2018 were reviewed by Manager, Les Montoya as follows:
- There were no accidents, no near misses, nor any on-the-job injuries to report in Mora or Pecos for the month of December
  - There were no incidents to report in Mora.
  - In Pecos, there was one incident to report. A meter reader reported that there was damage to the padlock to the front gate but no entry was made. Padlock was replaced.
  - Cameras in Mora and Pecos are being worked on. A few of the cameras are still down but should be working soon.

- A total of about 100 discarded transformers were picked up from the Pecos and Mora yards.
  - The first office training on Globalized Harmonized Communications Systems took place on December 20<sup>th</sup>, 2017. Meter Readers also attended this training.
  - An Opt-Out Policy was approved by the Board of Directors in December. Policy was set in place for members who may raise issues with the AMI meters and their potential negative impact on their existing medical conditions.
  - A retirement dinner was held in Pecos in Martin Armijo's honor after working at MSMEC for 31 years.
  - The linemen were trained on Lightning Protection/Over voltage and Annual Review on Globalized Harmonized Communications Systems.
- 7. ACTION OF REGULAR MEETING MINUTES HELD ON DECEMBER 28, 2017** – The Minutes of the Regular Board Meeting held on December 28, 2017 were presented for review and approval. After review, **a motion to approve the Board Minutes as presented was made by Robert Baca, seconded by Joe C de Baca. Motion carried unanimously.**
- 8. APPROVAL OF NEW MEMBERSHIPS (MORA 15 – PECOS 7)** – A total of twenty-two new memberships were presented for approval. After review, **a motion to approve all new memberships presented was made by Virginia Mondragon and seconded by Joe C de Baca. Motion carried unanimously.**
- 9. MANAGER'S REPORT**
- a. **Delinquent Report** – The Delinquent Report was reviewed by Manager Montoya. There were a total of 803 delinquent accounts totaling \$373,094.56. After collections, 534 accounts remained unpaid totaling \$62,137.18.
  - b. **RUS Form 7** – RUS Form 7 was unavailable for review. Once completed, information will be shared with the Board.
  - c. **Outage Report** – The Outage Report for December was presented for review. There were a total of 29 outages – 23 in the Mora area and 6 in the Pecos area. Vice-Chairman Robert Baca talked about it being necessary to install cut-outs in the Mora area to prevent some of these outages.
- 10. FINANCE REPORT** – The Minutes of the Finance Meeting held earlier today, were presented for approval. After review, **the Finance Meeting Minutes of January 25, 2018 were approved, together with the Manager's Report, with a motion by Robert Baca and second by Virginia Mondragon. Motion carried unanimously.**
- 11. TRI-STATE TRUSTEE REPORT** – Robert Baca, Tri-State Trustee, reported on their January 2018 meeting. Some of the items covered included:
- Strategic Planning
  - Green Power and goals to retire some plants

- Changes to Peak and Off-Peak Hours
- Tri-State will be at 32% Renewables by the end of 2018
- Member Sales – under budget
- Cyber Security – the importance of being careful with emails – do not open any unfamiliar links
- San Juan Plant (oldest Plant) closed one tower
- Craig Station Outage on December 16, 2017 – Will cost \$13 million to repair

**12. NMRECA TRUSTEE REPORT** – Robert M. Quintana, NMRECA Trustee, reported on their January 5<sup>th</sup> Meeting held in Santa Fe. A few of items covered included:

- NMRECA Annual Meeting will be held in May in Ruidoso. Mora-San Miguel Electric will be co-sponsoring this year's Annual Meeting together with Springer Electric, Socorro Electric, Central New Mexico Electric and Sierra Electric. Due to a shortage of funds, a number of things at the Annual Meeting will be eliminated this year such as the hospitality room and registration gifts
- Long Rope Award is due February 1, 2018 – The Board directed the Manager to submit a nomination from MSMEC prior to the deadline. It was discussed that Danny Flores be considered as a nominee since he was nominated last year
- NM Rural Electric Cooperative Day at the New Mexico State Capitol Rotunda will be held February 1<sup>st</sup>
- Jemez Mountain Electric Cooperative has no interest in rejoining NMRECA. A motion was made to dissolve the NMRECA committee formed to approach JMEC about reestablishing membership in the Statewide. Motion was seconded and carried

**13. ON-GOING BUSINESS**

- a. Cost of Service Rate Study & Rate Proposal for MSMEC 2018 – Catt Cobb** – A copy of the Notice to Ratepayers prepared by Catt Cobb was presented to the Board for review and approval. If approved by the Board, the proposed rate schedules will be filed with the New Mexico Public Regulation Commission on April 10, 2018. The recommended rate adjustment will result in an increase in operating revenues. It is necessary to adjust rates due to increases in cost of purchased power to MSMEC from its power supplier and increased costs to conduct business. After review and discussion, **a motion was made by Robert Baca, seconded by Virginia Mondragon, to approve the Notice to Ratepayers as recommended by Ms. Catt Cobb. Motion carried unanimously.**
- b. Notice of 2018 NRECA Annual Meeting of Members – Reminder** – For information only.
- c. Tri-State Bill/MSM Solar Bill** – The Tri-State bill for the month of December was \$596,896.96 and the MSM Solar bill was \$23,352.93 with a credit from Tri-State of \$16,235.60.

#### 14. NEW BUSINESS

- a. **Youth Tour – Student Essays Submitted for Review & Selection** - Students in all six high schools in our service area were given an opportunity to submit an essay if they were interested in a chance to be awarded an all-expense paid Youth Tour to Washington, D.C. The one-page essay was to “Describe how a cooperative can build a culture to best serve its members”. MSMEC received five essays from students in three of the high schools in our service area. The Board at their meeting of January 25<sup>th</sup>, selected two essays whom they felt were the best written and informative. The students awarded to attend the Youth Tour in Washington, D.C. in June 2018 are Anecito Chavez from Mora High School and Mone Mondragon from Pecos High School. Congratulations to both students and thank you to the other students for their interest, time and hard work in submitting an essay.
- b. **Resolution of the Board of Trustees – Signatory Authority** – A Resolution of the Board of Trustees was introduced for approval. The resolution was in regards to signatory authority for all accounts managed on behalf of “the Cooperative”. After review, **it was resolved and approved with a motion by Robert Baca and second by Virginia Mondragon to remove the signature of the former Finance Manager from all documents previously approving signatory authority designation on behalf of “the Cooperative”. Motion carried unanimously.**
- c. **Standard Mileage Rates for 2018 – Up from 2017 Rates** – The IRS standard mileage rates for 2018 were presented. The rates went up from 53.5 cents in 2017 to 54.5 cents in 2018 for every mile of business travel driven on a privately owned vehicle. After review, **a motion to approve the new RUS standard mileage rates was made by Virginia Mondragon with a second by James Ortiz. Motion carried unanimously.**
- d. **Resolution and RUS Form 675 – Certificate of Authority** – The form of Resolution to accompany RUS Form 675 was introduced to the Board resolving that Julie Pacheco, Interim Finance Manager, Robert M. Quintana, Board President, and Virginia Mondragon, Secretary/Treasurer, are authorized to sign RUS Form 595, Financial Requirement and Expenditure Statement and to rescind prior RUS Form 675 signatures. **A motion to approve the Resolution and RUS Form 675 was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.**
- e. **2018 MSMEC Budget Approval** – The Proposed 2018 Budget was presented by Manager Montoya for review and approval. A breakdown of revenues was reviewed – proposed total Operating Revenue = \$12,170,642. Discussion was held concerning the rate increase and if is approved, that will increase revenues by approximately \$260,000. Various line items were also discussed and compared to last year’s numbers. Proposed total Operations & Maintenance Expense = \$10,097,000. After continued discussion and comparisons, **a motion to approve the 2018 Budget as presented was made by Virginia Mondragon and seconded by Joe C de Baca. Motion carried unanimously.**
- f. **CFC Memo, Official Notice and CFC Delegate Registration Card for 2018 Annual Meeting** – After review of the CFC Delegate Registration Card for the 2018 Annual Meeting, **a motion was made by Virginia Mondragon, seconded by Joe C de Baca,**

to name Robert Baca as the Voting Delegate and Robert M. Quintana as the Alternate. Motion carried unanimously.

- g. **Notice of CoBank 2018 Director Election – Request for Director Candidates –** For information only.

#### **15. CORRESPONDENCE**

- a. **Techline – Customer Appreciation Event –** For information – Staff will RSVP on the number attending this event.
- b. **Updated and Approved 2018 NMRECA Board Meeting Schedule –** For information only.
- c. **Mora Valley Chamber of Commerce – 2018 Membership Renewal –** After review, a motion was made by Robert Baca, seconded by Joe C de Baca, to renew our membership with the Mora Valley Chamber of Commerce. Motion carried unanimously.
- d. **New Mexico Rural Electric Cooperative Day – February 1, 2018 –** For information only.
- e. **2018 Legislative Conference – April 8-10, 2018 - Washington, DC –** For information only.
- f. **American Legion Post 70 – Thank you for Donation –** For information only.
- g. **Mora High School Student Council – Thank you for Donation –** For information only.
- h. **Pecos High School – Thank you for placing ad in Yearbook –** For information only.
- i. **Robertson High School Dream Makers – Thank you for Donation –** For information only.

#### **16. INFORMATION**

- a. **Calendar of Events -** The Statewide Meeting will be held in Santa Fe on February 1<sup>st</sup> and 2<sup>nd</sup>. Co-op Day will be held at the legislature on February 1<sup>st</sup> from 1 – 2 p.m. Tri-State Meeting will be held on February 6<sup>th</sup> and 7<sup>th</sup>. Our next Finance and Regular Board Meetings will be held on Wednesday, February 21<sup>st</sup> starting at 10:00 a.m. The 2018 NRECA Annual Meeting will be held in Nashville, TN on February 26 – 28, 2018.

**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**

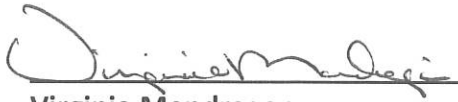
**A motion to move out of Executive Session and back into Regular Session was made by Robert Baca and seconded by Joe C de Baca. Motion carried unanimously.**

#### **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 3:40 p.m.**

**ATTEST:**



**Virginia Mondragon  
Secretary/Treasurer**



**Robert M. Quintana  
Board Chairman**